

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 21, 2022**

**NEW MONEY ISSUE – Book Entry Only**

**BOND ANTICIPATION NOTES**

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax under the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. (See "Tax Matters" herein.)*

**TOWN OF NORTH HAVEN, CONNECTICUT**

**\$3,500,000**

**GENERAL OBLIGATION BOND ANTICIPATION NOTES  
(BOOK-ENTRY-ONLY)**

**Dated: July 14, 2022**

**Due: November 3, 2022**

| <u>Amount</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP (1)</u> |
|---------------|---------------|--------------|------------------|
| \$3,500,000   | %             | %            | 659579***        |

The Notes will be general obligations of the Town of North Haven, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See "Security and Remedies" herein.)

Interest on the Notes will be payable at maturity.

**The Notes are NOT subject to optional redemption prior to maturity.**

Unless requested by the successful purchaser as described under "Option For No Book Entry" herein for the Notes, the Notes will be issued by means of a book-entry transfer system and will be registered in the name of Cede & Co., as Noteowner, respectively, and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Ownership of the Notes will be in the denominations of \$5,000 or integral multiples thereof plus any odd amount. The Beneficial Owners will not receive certificates representing their ownership interest in the Notes. Principal and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. So long as Cede & Co. is the Noteowner as nominee for DTC, reference herein to the or Noteowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. (See "Book-Entry-Only Transfer System" herein.)

If requested by the successful purchaser as described under "Option For No Book Entry" herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes.

Unless the successful bidder on the Notes is designated as the certifying bank, registrar, transfer and paying agent for the Notes as provided in "Option For No Book Entry" herein, the Notes will be certified by U.S. Bank Trust Company, National Association, in Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

**The Notes are being offered for sale in accordance with an official Notice of Sale dated June 21, 2022. Telephone bids and electronic bids via *PARITY*<sup>®</sup> for the Notes will be received until 11:00 A.M. (E.T.) on June 30, 2022, at the offices of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, as described in the official Notice of Sale. (See "Appendix D" herein).**

*The Notes are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in definitive form will be made on or about July 14, 2022 through the facilities of DTC.*

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

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the Town of North Haven, Connecticut (the "Town"), to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – "Audited Financial Statements" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than matters expressly set forth in Appendix B "Form of Opinion of Bond Counsel" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement is in a form "deemed final" by the Town for purposes of Securities and Exchange Commission Rule ("SEC") 15c2-12(b)(1), but is subject to revision or amendment.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; and (ix) other factors contained in this Official Statement.

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## NOTE ISSUE SUMMARY

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*The information in this Note Issue Summary, the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.*

|  |   |
|--|---|
| <b>Issuer:</b>   | Town of North Haven, Connecticut (the "Town").  |
| <b>Issue:</b>  | \$3,500,000 General Obligation Bond Anticipation Notes (the "Notes").   |
| <b>Dated Date:</b>   | Date of Delivery, July 14, 2022.  |
| <b>Interest Due:</b>   | At maturity, November 3, 2022.  |
| <b>Principal Due:</b>  | At maturity, November 3, 2022.  |
| <b>Purpose and Authority:</b>  | The Notes are being issued to athletic fields improvement projects undertaken by the Town and are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town of North Haven and a bond resolution approved at a Special Town Meeting.  |
| <b>Redemption:</b>   | The Notes are <b>NOT</b> subject to redemption prior to maturity.   |
| <b>Security:</b>   | The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.   |
| <b>Credit Rating:</b>  | The Town has not applied for a rating on the Notes. Currently, the Town's outstanding bonds are rated "AAA" by S&P Global Ratings ("S&P"). (See "Ratings" herein).  |
| <b>Basis of Award:</b>   | Lowest Net Interest Cost ("NIC"), as of dated date.   |
| <b>Tax Status:</b>   | See "Tax Matters" herein.   |
| <b>Bank Qualification:</b>   | The Notes shall <b>not</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.   |
| <b>Continuing Disclosure:</b>  | In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notices of certain events not in excess of ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement. |
| <b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b> | Unless the successful purchaser of the Notes is designated as the certifying bank, registrar, transfer and paying agent for the Notes as provided in "Option For No Book Entry" herein, the Notes will be certified by U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06013.  |
| <b>Legal Opinion:</b>  | Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.  |
| <b>Delivery and Payment:</b>   | It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about July 14, 2022 against payment in <b>Federal Funds</b> .  |
| <b>Issuer Official:</b>  | Questions regarding the Town and this Official Statement should be directed to Michael J. Freda, First Selectman, Town of North Haven, Town Hall, 18 Church Street, North Haven, Connecticut, 06473 - Telephone (203) 239-5321.   |
| <b>Municipal Advisor:</b>  | Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.  |

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.com). For additional information please contact the Municipal Advisor at [susan.caron@munistat.com](mailto:susan.caron@munistat.com) or [mark.chapman@munistat.com](mailto:mark.chapman@munistat.com)

## I. SECURITIES OFFERED

### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided only in connection with the initial offering and sale of \$3,500,000 General Obligation Bond Anticipation Notes (the "Notes") to present certain financial and supplementary economic and demographic data relevant to the Town of North Haven, Connecticut (the "Town"), and may not be reproduced or used in whole or in part for any other purpose.

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

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion in Appendix B) and they make no representation that they have independently verified the same.

### DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and will bear interest at the rate or rates per annum shown on the cover page of this Official Statement. The Notes will be payable as to both principal and interest at maturity. The Notes will be issued as fully registered notes in denominations of \$5,000 or any integral multiple thereof. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Unless the winning bidder requests otherwise, a book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. Principal of and interest on the Notes will be payable by the Town or its agent to the successful purchaser, as registered owner of the Notes.

Unless the successful purchaser of the Notes is designated as the Certifying Agent, Registrar, Transfer and Paying Agent for the Notes as provided in "Option For No Book Entry" herein, the Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement.

### AUTHORIZATION AND USE OF PROCEEDS

The Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town of North Haven, and a bond resolution approved at a Special Town Meeting described herein.

#### Authorization:

**2022 Athletic Fields Improvements:** Pursuant to a bond resolution adopted at the Special Town Meeting on June 6, 2022, an appropriation and bond authorization in the amount of \$3,500,000 was approved for the athletic field improvements.

Use of Proceeds. Proceeds of the Notes will be used to finance the following project:

| Projects                               | Amount of<br>Total<br>Authorization | Previously<br>Bonded | Additions /<br>(Reductions) | The Notes<br>(This Issue) |
|--|-------------------------------------|----------------------|-----------------------------|---------------------------|
| 2022 Athletic Fields Improvements..... | \$ 3,500,000                        | \$ -                 | \$ 3,500,000                | \$ 3,500,000              |

## **RATINGS**

The Town has not applied for a rating on the Notes. Currently, the rating on certain outstanding bond issues is "AAA" by S&P Global Ratings ("S&P"). Moody's Investors Service, Inc. ("Moody's") rates certain outstanding bonds "Aa1". However, the Town did not seek a S&P and Moody's ratings on this issue. Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041-003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Town's outstanding bonds and notes, including the Notes.

## **SECURITY AND REMEDIES**

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

Unless paid from other sources, the Notes are payable from the general property tax revenues of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. On the last completed Grand List of the Town, there were no acres certified as such forest land. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax such dwelling houses of qualified elderly persons of low income.

Payment of the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Notes.

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

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

Enforcement of a claim for payment of principal of or interest on the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights heretofore on hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district or any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

## **OPTION FOR NO BOOK ENTRY**

As described in the official Notice of Sale dated June 21, 2022, a bidder for the Notes may request that the Notes be issued in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the certifying agent, registrar and paying and transfer agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as certifying agent, registrar and paying and transfer agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable and must be held to maturity by the winning bidder requesting the No Book Entry Option. The successful bidder shall not impose or charge the Town for any costs or expenses related to the services as certifying agent, registrar and paying and transfer agent for the Notes if the successful bidder is so designated.

Unless the successful purchaser makes a request for no book entry as described herein and in the official Notice of Sale, the Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public.

## **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

The Depository Trust Company ("DTC") of New York, New York, will act as securities depository for the Notes, unless directed otherwise by the purchaser of the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each interest rate of the Notes and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent, or the Town subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

## **REPLACEMENT NOTES**

The Town will provide for the issuance of fully-registered Notes directly to the Beneficial Owners of the Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the Town fails to identify another qualified securities depository for the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes. A Beneficial Owner of the Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Notes.

## **DTC PRACTICES**

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

## **TAX MATTERS**

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Notes.

**Original Issue Premium.** The initial public offering prices of the Notes may be more than their stated principal amounts payable at maturity (the "OIP Notes"). In general, an owner who purchases an OIP Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Note for federal income tax purposes. Prospective purchasers of OIP Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

**Other Federal Tax Matters.** Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

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

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Notes.

**Changes in Federal and State Tax Law.** Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

**General.** The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Notes.

## **CONSIDERATIONS OF NOTEHOLDERS**

### ***The COVID-19 Outbreak***

The outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The outbreak of the virus has affected travel, commerce and financial markets globally. There can be no assurances that the continuing prevalence of COVID-19 will not materially affect local, state, national, and global activity, increase public health emergency response costs, and materially adversely impact the financial condition of the Town.

### ***Federal Response to COVID-19's Impact on the Economy***

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan"). The Rescue Plan relief package includes, among other provisions, \$350 billion in state and local government aid. Of the \$350 billion, the State of Connecticut and its local governments are expected to receive approximately \$4.2 billion as a result of this legislation, with \$2.6 billion in State relief and another \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds may be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State's K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution.

### ***State and Local Efforts to Mitigate the Ongoing Impact of COVID-19***

Governor Lamont also declared a state of emergency throughout the State of Connecticut and took steps to mitigate the spread and impact of COVID-19. Public schools began to operate remotely and many businesses, with the exception of those deemed to be essential, were required to operate in a limited capacity, if not required to temporarily close altogether. Connecticut's COVID-19 vaccination plan commenced on December 14, 2020, and today the vaccine is widely available to all individuals aged 5 and over. As of February 28, 2022, the State has lifted nearly all restrictions put in place during the height of the pandemic. The State will continue to evaluate the need for additional restrictions on an on-going basis. For up-to-date information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

The extent to which COVID-19 impacts the State's operations and its financial condition will depend on future developments, which are uncertain and cannot be fully predicted with confidence at this time, including the duration of the outbreak, new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. There can be no assurances that the outbreak will not further materially adversely affect the financial condition of the State or the Town.

To date, the Town has not experienced a material negative financial impact as a result of COVID-19. The Town collected approximately 98.8% of the Fiscal Year 2021 General Fund current levy, with 98.7% having been collected for Fiscal Year 2020 and 98.7% having been collected for Fiscal Year 2019.

Over the next two years, the Town expects to receive \$7.0 million in federal funding as a result of the Rescue Plan. The Town has received approximately 50%, or \$3.5 million, in funding from this program. The Town is developing a plan for the use of such funds that will focus on infrastructure improvements that comply with the program eligibility criteria.

### *Cybersecurity*

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including comprehensive policies and procedures relating to the security of the Town's government networks.

The Town employs a 24x7x365 Security Operations Center service, hereafter referred to as SOC, that performs managed detection and response in concert with security information and event management. A next generation Firewall provides inspection of encrypted traffic, which is logged and sent to the SOC for correlation. Municipal employees are routinely tested and trained against phishing and other cybersecurity threats. All remote access to Town government systems requires multi-factor authentication. Access to critical server systems and backups is protected by physical and multi-factor security in compliance with CJIS, Criminal Justice Information System, policy. Government computer systems receive routine patching, vulnerability scanning, and remediation. Logging of all government systems is maintained for forensic purposes.

Additionally, the Town purchases cybersecurity insurance coverage, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

### *Climate Change*

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town's location along the Quinnipiac River increases its vulnerability to flooding. In addition to flooding, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

The Town has taken a number of steps to plan and prepare for the effects of climate change. The town has issued ordinances for stormwater management, erosion and sedimentation control, and flooding, which all help to minimize future flood events and damage to buildings and personal property. The town participates in the Capitol Region Hazard Mitigation Plan, which looks at emergency preparedness, utility resiliency, floodplain management, and other measures to limit damage and facilitate recovery. The town is also participating in the Sustainable CT program by documenting existing sustainability best management practices and implementing new best practices designed to mitigate climate change and its underlying causes. The Town of North Haven maintains compliance with the reporting requirements under the General Permit for the Discharge of Stormwater from Small Municipal Separate Storm Sewer Systems (MS4), submitted to the State of Connecticut Department of Energy and Environmental Protection ("CT DEEP") Commissioner for activities located within the Town of North Haven.

In 2021, the Town of North Haven, through its Department of Tax Collection and Town Clerk, provided two inserts for all property tax invoices mailed to Town residences and businesses. The inserts were titled "A Message from the North Haven's Department of Public Works: Think Green: Clean Water Starts with You North Haven!" and "Your Help is Needed to Keep Our Watercourses Clean!" These educational materials focus on: the present and future health of North Haven and Connecticut's waterways; health of the Long Island Sound and the Quinnipiac River; causes of decline in river health; and, simple steps that residents and businesses can take to reduce pollutant runoff in North Haven.

North Haven remains involved in efforts to protect groundwater and Stormwater through its cooperation with Regional Water Authority's (RWA) Household HazWaste Central (Household Hazardous Waste Collection Center) located at 90 Sargent Drive in New Haven, by providing publicity and volunteers for two Saturdays during the summer and fall of each year. "North Haven Volunteer Days" resumed this year and in concert with this reporting period at Household HazWaste Central. North Haven's Town website has information about, and a bilingual link to, HazWaste Central on its Public Works page, under Hazardous Waste, and a link to RWA's home page in its Business tab, under Utilities.

Source to Sound is an annual clean-up program on and along the Quinnipiac River. Although it is mostly comprised of adult volunteers, it can involve students and youth groups. In 2021, the North Haven Trail Association and Department of Public Works Field Operations crews assisted with the collection and ultimate disposal of debris along the Town of North Haven's boundaries of the Quinnipiac River. In the fall of 2021, the North Haven Trail Association, with assistance from the Department of Public Works, provided a trail clean-up effort along its Tidal Marsh Trail, which is located behind Target Plaza/Eagle Crossing and along the Quinnipiac River – this was another successful event.

#### **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

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

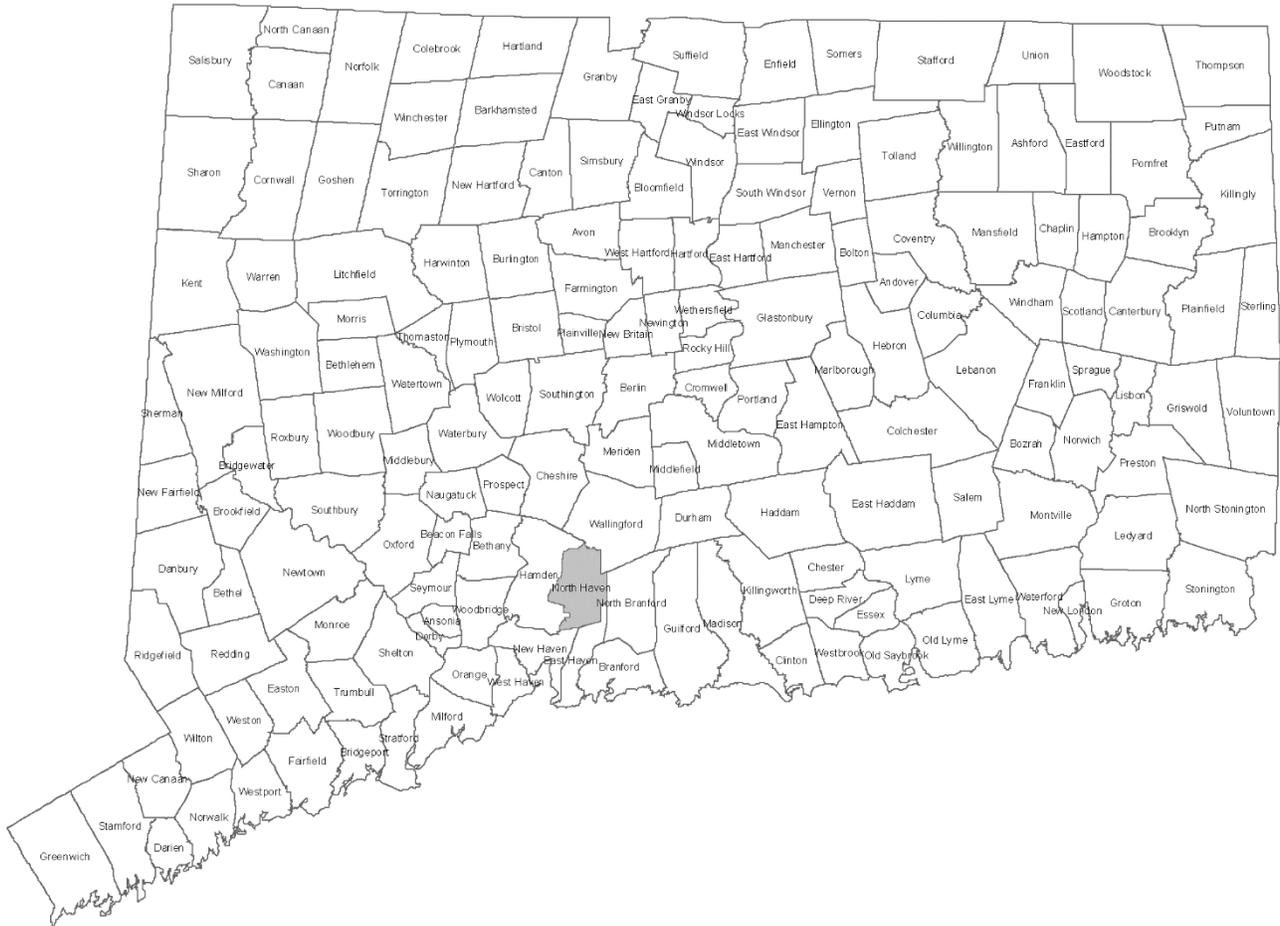
#### **AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION**

The Town will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached hereto as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events with respect to the Notes.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and material event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the Town has not failed to meet, in any material respects, with its previous undertakings under such agreements.

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town of North Haven (the "Town"), settled around 1670 as part of the colony of New Haven, was incorporated as a separate town in 1786. The Town covers a land area of 21.0 square miles and is located in south central Connecticut adjacent to and northeast of the City of New Haven. The estimated population as of July 1, 2019 was 23,722.

The Town is a suburban residential community with growing commercial and manufacturing resources. The Town is part of a 12-town region comprising the New Haven labor market. An estimated 18,679 people are employed in the Town.

Connecticut Route No. 15, the Wilbur Cross Parkway, passes through the Town as does U.S. Route No. 5 and Connecticut Route Nos. 17, 22 and 40. The Town 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 the Town, I-91 and Route 10 in the Mt. Carmel Section of Hamden. Freight and passenger service is provided by Amtrak, Metro-North, CTrail 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 way 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.

## ECONOMIC DEVELOPMENT

The Town has 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 Connecticut 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.

In 1960, there were 4,766 dwellings, as compared with 8,773 in 2021, that include mostly single-family, owner-occupied homes and condominiums. The average sales price of homes in North Haven was \$362,100, with homes ranging between \$67,000 and \$2,000,000. 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.

## MAJOR INITIATIVES

**Selectmen's Office:** The Town is a desirable location for families and businesses. Although the population has remained stable over the last decade, there are still opportunities for additional residential growth. A 149-unit condominium complex of duplexes and single-family structures is being built on Half Mile Road and a luxury senior subdivision has recently been approved.

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

The Town has an Economic Development Tax Incentive ordinance which provides 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 three businesses have taken advantage of this program: Cinemark received approval for a seven-year incentive for a new movie theater costing \$16.2 million, CubeSmart has approved an application for a \$4.6 million self-storage facility and Amazon has recently completed construction of a \$128.9 million distribution warehouse. This project was approved for seven-year tax incentive for construction. It consists of almost 2 million square feet of distribution space and has 83 loading docks, parking for 3,000 vehicles and spaces for 245 trailers. The facility will also include \$180 million in personal property and employs over 3,000 people.

Universal Dr No is a vibrant retail center for the Town, but in recent years it has been challenged by the downturn in the retail sector. This area is now bouncing back with new tenants such as Hartford Healthcare medical offices, At Home home furnishings retailer, new restaurants and the construction of a Hampton Inn hotel.

The Washington Commons Shopping Center (formally North Haven Shopping Center) has been completely renovated. The 93,550 square foot retail center is now fully occupied with many new tenants. Elsewhere on Washington Ave, the Town has experienced a resurgence which has resulted in the replacement of older buildings with new modern structures housing new businesses such as banks, retail and restaurants.

Northern Washington Avenue 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, Acura and Volvo dealerships, a Jaguar / Land Rover dealer has recently opened.

A micro-brewery, Twelve Percent Brewing, has been added to the grand list. It is a multi-million-dollar state-of-art brewery which produces its own branded products as well as a contract brewer for other brands.

The Town recognizes the importance of maintaining its infrastructure. The Sackett Point Road Bridge over the Quinnipiac River has been designed and in the process of being replaced. The bridge is a major connection for traffic which links the eastern part of town with the industrial properties on Sackett Point Road and the retail center on Universal Drive North.

**FORM OF GOVERNMENT**

The Town has a Home Rule Charter with a Town Meeting form of government, a three member Board of Selectmen and a six member Board of Finance. The Town Meeting is the legislative body and must approve the annual budget, special appropriations or expenditures and bond and note authorizations.

The Town operates with a total of eight elective boards and seventeen appointed boards. Board members are elected or appointed 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 Town's full-time Chief Executive and Administrative Officer and oversees the execution of all laws and ordinances governing the Town. He or she presides over and has full voting privileges on the Board of Selectmen. The First Selectman is also an ex-officio member of all Town boards, commissions, and agencies but only has a vote on the Board of Selectmen, the Board of Finance, the Cemetery Commission, 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 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.

**PRINCIPAL MUNICIPAL OFFICIALS**

| <u>Office</u>                   | <u>Name</u>      | <u>Manner of</u> | <u>Term of</u> | <u>Current Term</u> |
|---------------------------------|------------------|------------------|----------------|---------------------|
| First Selectman.....            | Michael J. Freda | Elected          | 2 years        | 12/1/21 - 12/1/23   |
| Chairman, Board of Finance..... | Richard Monico   | Elected          | 4 years        | 12/1/19 - 12/1/23   |
| Town Treasurer.....             | Donald Clark     | Appointed        | 2 years        | 12/1/21 - 12/1/23   |

**SUMMARY OF MUNICIPAL SERVICES**

**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 police services. The staff consists of 50 regular police officers, 7 supernumerary police, 8 full-time civilian dispatchers, 3 part-time civilian dispatchers, 4 clerks and 1 maintenance person. Major equipment includes the Town's central radio communications and dispatch point E 911 PSAP, 8 unmarked cruisers, 20 marked cruisers, 1 armored vehicle, 1 cargo van and 1 traffic light and sign maintenance 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 40 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, a 105' aerial ladder truck and 100' 2017 Sutphen aerial ladder truck. There are over 650 fire hydrants within the Town. The Town provides emergency medical services to the paramedic level.

**Public Works:**

*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 expense and capital budget items, establishes policy, procedures and regulations, authorizes expenditures, 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 North America, oversees the operations of the Town's Water Pollution Control Facility (WPCF) and reports directly to the Director of the Department.

The WPCF was constructed in 1966 and was modified and expanded in 1991 and again in 1995 to meet advanced treatment requirements as administered through the State of Connecticut Department of Energy and Environmental Protection (DEEP) and the United States Environmental Protection Agency. 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 facility, its nine (9) pumping stations, and preventative maintenance of the approximately one hundred ten (110) 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, inspections of all new and existing sanitary sewer connections to the Town's collection system, and inspections of approximately 110 restaurants under the State of Connecticut DEEP General Permit for the Discharge of Wastewater Associated with Food Preparation Establishments.

In addition to these duties, facility personnel provided preventive and corrective maintenance of all mechanical systems at the Town swimming pool and nine emergency generators located throughout the Town.

The latest improvements made to the WPCF by the Town, include the complete rehabilitation of one of the three primary clarifier units and the replacement of variable frequency drives for two of the three pumps at the Sackett Point Road pump station. Upgrades are planned for new valves and piping to the Old Broadway Pump Station and the plant Supervisory Control and Data Acquisition (SCADA) system.

*Engineering Office:* The Town Engineer provides technical assistance and support to various boards and commissions, including Planning and Zoning, Inland Wetlands and the Zoning Board of Appeals. The Town Engineer also works closely with the Office of the First Selectman and supports other Town departments and divisions within the Department of Public Works.

This assistance includes review of roadway and bridge design, drainage improvements, sanitary sewer installations, utilities, traffic control and property development issues. Coordination with 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.

*Field Operations:* The Field Operations Division 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 Division 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 for loose leaves placed at the curb and those placed in brown biodegradable bags.

*Parks:* The Parks Division, which is an integral part of the Department's Division of Field Operations, is responsible for maintaining nearly 200 acres of park land and other open space areas throughout Town including: 18 ball fields, 11 tennis and basketball courts, 7 playgrounds, and 8 passive or natural areas. Some of the Town's critical open spaces include: Peter's Rock, Hansen 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.

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

*Sanitation:* The Sanitation Division is responsible for the weekly collection of municipal solid waste (MSW) and recyclables for the approximate 10,000 homes in Town. On average, this amounts to approximately 24,000 tons per year or 1.1 tons per Town resident annually. The Town also removes twice annually bulky waste items such as refrigerators, ranges, tires and mattresses (upholstered items). These items can be disposed of at the Town's Transfer Station.

The Sanitation Division provides curbside collection of State mandated recyclable items. These include: clear, green, and brown glass food and beverage containers; metal food and beverage containers, aluminum foil and pie plates; newspaper and corrugated cardboard.

Beginning in July 1, 2010, disposal has been and will be made at the facility owned and operated by Covanta Projects of Wallingford, L.P. (Covanta) per a five-year agreement between the Town and Covanta dated June 2019 (the Covanta Agreement).

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 pay 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 Municipal Disposal Fee for fiscal year 2022-2023 is \$95.00 per ton for municipal solid waste and recyclables.

The Town has a "flow control" ordinance, which requires all collectors of solid waste in the Town 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; metals; bulky waste, including brush, concrete, construction demolition materials and mattresses; 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 trucks. Each year, residents must bring their registration and driver's license to the Public Works Office. Each resident is entitled to six (6) passes for the disposal of mixed solid waste, bulky wastes, tires and white goods. Passes are valid for the calendar year.

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

Effective February 1, 2013, the Town has contracted with the John's Refuse to provide single-stream recyclables collection including the acceptance of plastics, labeled 1 through 7, mixed paper materials including junk mail and telephone books, glass and metal food and beverage containers, etc.

**Health:** The Quinnipiac Valley Health District is made up of the towns of North Haven, Hamden, Bethany 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, now Section 19a-241, 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 Visiting Nurses Association services ("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, Alcohol/Drug Abuse Counseling, Youth Services, Day Care, Job Bank, Summer Food Program, Winter Energy Assistance, and a Senior Citizen's Program and Center which serves over 1,200 members.

The Recreation Division of Community Services 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. The Recreation Division is also responsible for the operation and up-keep of the Town's Community Pool. The Division operates 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 library open 58 hours per week in winter and 48 hours per week in summer. A computerized circulation system makes the collections of four area towns available to North Haven residents. The library has 101,187 volumes, including audio visual and provides a variety of special information for business, industry and the personal needs of the community.

**Utilities:** Electric service is provided by United Illuminating Company and Integrys Energy Services. Gas service is provided by Southern Connecticut Gas Company. Water service is provided by South Central Connecticut Regional Water Authority.

**EDUCATIONAL 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 high school serves grades 9-12, occupying buildings on adjacent campuses in the approximate geographic center of the community.

**EDUCATIONAL FACILITIES**

| <u>Schools</u>                 | <u>Grades</u> | <u>Additions/<br/>Renovations</u> | <u>Number of<br/>Classroom</u> | <u>Enrollment<br/>10/01/21</u> |              |
|--------------------------------|---------------|-----------------------------------|--------------------------------|--------------------------------|--------------|
| Clintonville.....              | K-5           | 1969, 1995, 2001                  | 27                             | 359                            | 594          |
| Green Acres.....               | K-5           | 1965, 1995, 2001                  | 25                             | 407                            | 550          |
| Montowese.....                 | K-5           | 1957, 1972, 1995, 1998, 2001      | 26                             | 302                            | 572          |
| Ridge Road.....                | K-5           | 1948, 1954, 1969, 1995, 2001      | 22                             | 379                            | 506          |
| North Haven Middle School..... | 6-8           | 2016                              | 61                             | 712                            | 800          |
| North Haven High School.....   | 9-12          | 2005                              | 76                             | 972                            | 1,500        |
| Total .....                    |               |                                   |                                | <u>3,131</u>                   | <u>4,522</u> |

**SCHOOL ENROLLMENT (1)**

| <u>School Year</u> | <u>Actual</u> |              |               | <u>Total</u> |
|--------------------|---------------|--------------|---------------|--------------|
|                    | <u>K - 5</u>  | <u>6 - 8</u> | <u>9 - 12</u> |              |
| 2012-13            | 1,529         | 775          | 1,189         | 3,493        |
| 2013-14            | 1,454         | 786          | 1,115         | 3,355        |
| 2014-15            | 1,454         | 793          | 1,044         | 3,291        |
| 2015-16            | 1,366         | 788          | 1,022         | 3,176        |
| 2016-17            | 1,366         | 747          | 1,012         | 3,125        |
| 2017-18            | 1,395         | 736          | 999           | 3,130        |
| 2018-19            | 1,368         | 731          | 1,034         | 3,133        |
| 2019-20            | 1,409         | 738          | 1,000         | 3,147        |
| 2020-21            | 1,371         | 732          | 941           | 3,044        |
| 2021-22            | 1,447         | 712          | 972           | 3,131        |

(1) Does not include out-placed special education students.

Source: Board of Education

**MUNICIPAL EMPLOYMENT (1)**

| <u>Fiscal Year</u>      | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government..... | 192         | 192         | 205         | 205         | 203         | 206         |
| Board of Education..... | 508         | 515         | 516         | 523         | 515         | 510         |
| Totals .....            | <u>700</u>  | <u>707</u>  | <u>721</u>  | <u>728</u>  | <u>718</u>  | <u>716</u>  |

Source: Town of North Haven, Connecticut

(1) Includes full-time and permanent part-time employees.

**MUNICIPAL EMPLOYEES' BARGAINING ORGANIZATIONS (1)**

| <u>Employees</u>                 | <u>Union Representation</u>                                     | <u>Employees Represente</u> | <u>Current Expiration Date</u> |
|----------------------------------|---|-----------------------------|--------------------------------|
| <b><u>GENERAL GOVERNMENT</u></b> |   |                             |                                |
| Clerical.....                    | Local 1303-265 Council #4 AFSCME, AFL-CIO.....                  | 34                          | 6/30/2021 (2)                  |
| Supervisors.....                 | Local 818, Council #4 AFSCME, AFL-CIO.....                      | 16                          | 6/30/2025                      |
| Public Works.....                | Local UPSEC.....  | 35                          | 6/30/2022 (2)                  |
| Police Department.....           | The North Haven Police, UPSEC.....                              | 50                          | 6/30/2024                      |
| Fire Department.....             | North Haven Professional Firefighters Assn. – IAFF Local 2987.. | 40                          | 6/30/2022 (2)                  |
| Library.....                     | Local 1303-147 Council #4 AFSCME, AFL-CIO.....                  | 5                           | 6/30/2022 (2)                  |
| Social Workers.....              | Local 1303-264 Council #4 AFSCME, AFL-CIO.....                  | 3                           | 6/30/2022 (2)                  |
| Dispatchers.....                 | Local UPSEC.....  | 8                           | 6/30/2024                      |
|                                  | Subtotal General Government.....                                | <u>191</u>                  |                                |
| <b><u>BOARD OF EDUCATION</u></b> |   |                             |                                |
| Teachers.....                    | North Haven Education Association.....                          | 329                         | 6/30/2025                      |
| Administrators.....              | North Haven Administrators Association.....                     | 11                          | 6/30/2024                      |
| Clerical.....                    | United Public Service Employees Union - Local 424-Unit 77.....  | 120                         | 6/30/2024                      |
| Nurses.....                      | North Haven Federation of Teachers, Local #933.....             | 7                           | 6/30/2024                      |
| Custodian/Maintenance.....       | Local 1858, Council #4 AFSCME, AFL-CIO.....                     | 26                          | 6/30/2022 (2)                  |
|                                  | Subtotal Board of Education.....                                | <u>493</u>                  |                                |
|                                  | Total Organized Employees.....                                  | 684                         |                                |
|                                  | Total Non-Union Employees.....                                  | 16                          |                                |
|                                  | Total Employees.....  | <u>700</u>                  |                                |

(1) The negotiation of collective bargaining agreements is subject to binding arbitration under Connecticut Statutes.

(2) In negotiations.

Source: Town of North Haven

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

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

| <u>Year</u> | <u>Town of<br/>North Haven</u> | <u>New Haven<br/>County</u> | <u>State of<br/>Connecticut</u> |
|-------------|--------------------------------|-----------------------------|---------------------------------|
| 1960        | 15,925                         | 660,315                     | 2,535,234                       |
| 1970        | 22,194                         | 744,948                     | 3,032,217                       |
| 1980        | 22,080                         | 761,337                     | 3,107,564                       |
| 1990        | 22,247                         | 804,219                     | 3,287,116                       |
| 2000        | 23,035                         | 824,008                     | 3,405,565                       |
| 2020        | 23,655                         | 857,733                     | 3,570,549                       |

Source: U.S. Department of Commerce, Bureau of Census and 2016-2020 American Community Survey.

#### AGE CHARACTERISTICS OF POPULATION

| <u>Age</u>      | <u>Town of North Haven</u> |                | <u>New Haven County</u> |                | <u>State of Connecticut</u> |                |
|-----------------|----------------------------|----------------|-------------------------|----------------|-----------------------------|----------------|
|                 | <u>Number</u>              | <u>Percent</u> | <u>Number</u>           | <u>Percent</u> | <u>Number</u>               | <u>Percent</u> |
| Under 5.....    | 815                        | 3.4            | 44,155                  | 5.2            | 182,708                     | 5.1            |
| 5 - 9.....      | 946                        | 4.0            | 45,604                  | 5.3            | 192,321                     | 5.4            |
| 10 - 14.....    | 1,827                      | 7.7            | 50,929                  | 6.0            | 221,648                     | 6.2            |
| 15 - 19.....    | 1,187                      | 5.0            | 58,002                  | 6.8            | 241,286                     | 6.8            |
| 20 - 24.....    | 1,306                      | 5.5            | 58,983                  | 6.9            | 243,381                     | 6.8            |
| 25 - 34.....    | 2,465                      | 10.4           | 114,417                 | 13.4           | 443,917                     | 12.4           |
| 35 - 44.....    | 2,785                      | 11.8           | 100,973                 | 11.8           | 426,097                     | 11.9           |
| 45 - 54.....    | 3,463                      | 14.6           | 114,471                 | 13.4           | 493,186                     | 13.8           |
| 55 - 59.....    | 1,782                      | 7.5            | 62,943                  | 7.4            | 267,164                     | 7.5            |
| 60 - 64.....    | 1,665                      | 7.0            | 56,399                  | 6.6            | 243,375                     | 6.8            |
| 65 - 74.....    | 2,745                      | 11.6           | 83,534                  | 9.8            | 345,407                     | 9.7            |
| 75 - 84.....    | 1,967                      | 8.3            | 41,948                  | 4.9            | 175,909                     | 4.9            |
| 85 and over.... | 712                        | 3.0            | 23,375                  | 2.7            | 94,150                      | 2.6            |
| Total.....      | <u>23,665</u>              | <u>100.0</u>   | <u>855,733</u>          | <u>100.0</u>   | <u>3,570,549</u>            | <u>100.0</u>   |

Source: U.S. Department of Commerce, 2016-2020 American Community Survey.

#### INCOME DISTRIBUTION

|                          | <u>Town of North Haven</u> |                | <u>New Haven County</u> |                | <u>State of Connecticut</u> |                |
|--------------------------|----------------------------|----------------|-------------------------|----------------|-----------------------------|----------------|
|                          | <u>Families</u>            | <u>Percent</u> | <u>Families</u>         | <u>Percent</u> | <u>Families</u>             | <u>Percent</u> |
| Less than \$10,000 ..... | 115                        | 1.8            | 6,899                   | 3.3            | 24,418                      | 2.7            |
| \$ 10,000 to 14,999      | 47                         | 0.7            | 3,864                   | 1.9            | 14,648                      | 1.6            |
| \$ 15,000 to 24,999      | 143                        | 2.2            | 10,204                  | 4.9            | 38,026                      | 4.2            |
| \$ 25,000 to 34,999      | 198                        | 3.0            | 12,361                  | 5.9            | 46,409                      | 5.1            |
| \$ 35,000 to 49,999      | 323                        | 5.0            | 18,561                  | 8.9            | 75,375                      | 8.3            |
| \$ 50,000 to 74,999      | 730                        | 11.2           | 32,009                  | 15.4           | 129,070                     | 14.3           |
| \$ 75,000 to 99,999      | 984                        | 15.1           | 27,988                  | 13.4           | 113,813                     | 12.6           |
| \$100,000 to 149,999     | 1,731                      | 26.5           | 43,256                  | 20.8           | 189,460                     | 21.0           |
| \$150,000 to 199,999     | 1,092                      | 16.7           | 24,922                  | 12.0           | 110,975                     | 12.3           |
| \$200,000 or more .....  | 1,161                      | 17.8           | 28,107                  | 13.5           | 160,802                     | 17.8           |
| Total .....              | <u>6,524</u>               | <u>100.0</u>   | <u>208,171</u>          | <u>100.0</u>   | <u>902,996</u>              | <u>100.0</u>   |

Source: U.S. Department of Commerce, 2016-2020 American Community Survey.

## SELECTED WEALTH AND INCOME INDICATORS

|                          | <u>Median Family Income</u> |               | <u>Per Capita Income</u> |               |
|--------------------------|-----------------------------|---------------|--------------------------|---------------|
|                          | <u>(2000)</u>               | <u>(2020)</u> | <u>(2000)</u>            | <u>(2020)</u> |
| Town of North Haven..... | \$ 73,041                   | \$ 121,752    | \$ 29,919                | \$ 50,363     |
| New Haven County.....    | 60,549                      | 92,508        | 24,439                   | 39,134        |
| Connecticut.....         | 65,521                      | 102,061       | 28,766                   | 45,668        |
| United States.....       | 49,600                      | 80,069        | 21,690                   | 35,384        |

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2016-2020 American Community Survey.

## EDUCATIONAL ATTAINMENT (Years of School Completed Age 25 & Over)

| <u>Educational Attainment Group</u>            | <u>Town of North Haven</u> |                | <u>New Haven County</u> |                | <u>State of Connecticut</u> |                |
|--|----------------------------|----------------|-------------------------|----------------|-----------------------------|----------------|
|  | <u>Number</u>              | <u>Percent</u> | <u>Number</u>           | <u>Percent</u> | <u>Number</u>               | <u>Percent</u> |
| Less than 9th grade.....                       | 165                        | 0.9            | 24,293                  | 4.1            | 99,436                      | 4.0            |
| 9th to 12th grade.....                         | 535                        | 3.0            | 33,498                  | 5.6            | 126,114                     | 5.1            |
| High School graduate.....                      | 5,250                      | 29.9           | 179,781                 | 30.1           | 655,381                     | 26.3           |
| Some college - no degree.....                  | 2,646                      | 15.0           | 101,819                 | 17.0           | 419,238                     | 16.8           |
| Associates degree.....                         | 938                        | 5.3            | 43,480                  | 7.3            | 193,036                     | 7.8            |
| Bachelor's degree.....                         | 4,363                      | 24.8           | 113,619                 | 19.0           | 551,459                     | 22.2           |
| Graduate or professional degree.....           | 3,687                      | 21.0           | 101,570                 | 17.0           | 444,541                     | 17.9           |
| Total.....                                     | <u>17,584</u>              | <u>100.0</u>   | <u>598,060</u>          | <u>100.0</u>   | <u>2,489,205</u>            | <u>100.0</u>   |
| Percentage of High School Graduates.....       |                            | 96.0%          |                         | 90.3%          |                             | 90.9%          |
| Percentage of College Graduates or Higher..... |                            | 45.8%          |                         | 36.0%          |                             | 40.0%          |

Source: U.S. Department of Commerce, 2015-2019 American Community Survey.

## MAJOR EMPLOYERS (1)

| <u>Name of Employer</u>                 | <u>Nature of Entity</u>                     | <u>Estimated<br/>of Employees</u> |
|---|---|-----------------------------------|
| Amazon.....                             | Retail Distribution.....                    | 5,500                             |
| Medtronic Inc.....                      | Wound closer devices.....                   | 1,834                             |
| Town of North Haven.....                | Municipality.....                           | 700                               |
| Quinnipiac University.....              | Higher Education.....                       | 437                               |
| Area Cooperative Education Services.... | Educational.....                            | 392                               |
| Brescome Barton.....                    | Liquor Distributor.....                     | 350                               |
| Mossberg, OF & Sons.....                | Firearms.....                               | 207                               |
| XPO.....                                | Freight -Traffic Managers.....              | 178                               |
| Cowles Products.....                    | Manufacturer of PVC Polymers.....           | 175                               |
| HB Communications.....                  | Sale/Service audio and video equipment..... | 175                               |
| United Aluminum.....                    | Custom Rolled Aluminum Coil.....            | 160                               |

Source: Town of North Haven Annual Report

(1) Full-time, part-time and seasonal employees.

## EMPLOYMENT BY INDUSTRY

| <b>Employment Sector</b>                              | <b>Town of North Haven</b> |                | <b>New Haven County</b> |                | <b>State of Connecticut</b> |                |
|---|----------------------------|----------------|-------------------------|----------------|-----------------------------|----------------|
|   | <b>Number</b>              | <b>Percent</b> | <b>Number</b>           | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Agriculture, Forestry, Fishing, Hunting & Mining..... | 28                         | 0.2            | 1,049                   | 0.2            | 7,173                       | 0.4            |
| Construction.....                                     | 308                        | 2.4            | 25,848                  | 6.0            | 110,308                     | 6.1            |
| Manufacturing.....                                    | 1,187                      | 9.3            | 46,774                  | 10.9           | 188,968                     | 10.5           |
| Wholesale Trade.....                                  | 257                        | 2.0            | 10,935                  | 2.5            | 42,782                      | 2.4            |
| Retail Trade.....                                     | 1,226                      | 9.6            | 46,359                  | 10.8           | 190,314                     | 10.5           |
| Transportation, Warehousing & Utilities.....          | 860                        | 6.7            | 19,333                  | 4.5            | 78,107                      | 4.3            |
| Information.....                                      | 262                        | 2.0            | 7,976                   | 1.9            | 36,880                      | 2.0            |
| Finance, Insurance & Real Estate.....                 | 1,153                      | 9.0            | 27,682                  | 6.4            | 163,661                     | 9.1            |
| Professional, Scientific & Management.....            | 1,129                      | 8.8            | 43,197                  | 10.1           | 211,665                     | 11.7           |
| Educational Services & Health Care.....               | 4,458                      | 34.9           | 133,012                 | 31.0           | 478,318                     | 26.5           |
| Arts, Entertainment, Recreation & Food Services.....  | 692                        | 5.4            | 32,804                  | 7.6            | 149,684                     | 8.3            |
| Other Service (including nonprofit).....              | 400                        | 3.1            | 18,622                  | 4.3            | 82,940                      | 4.6            |
| Public Administration.....                            | 823                        | 6.4            | 15,825                  | 3.7            | 66,725                      | 3.7            |
| <b>Total.....</b>                                     | <b>12,783</b>              | <b>100.0</b>   | <b>429,416</b>          | <b>100.0</b>   | <b>1,807,525</b>            | <b>100.0</b>   |

Source: U.S. Department of Commerce, 2015-2019 American Community Survey.

## UNEMPLOYMENT RATE STATISTICS

| <b>Yearly Average</b>      | <b>Town of North Haven %</b> | <b>New Haven Labor Market %</b> | <b>State of Connecticut %</b> | <b>United States %</b> |
|----------------------------|------------------------------|---------------------------------|-------------------------------|------------------------|
| 2012                       | 7.4                          | 8.5                             | 8.3                           | 8.1                    |
| 2013                       | 6.4                          | 7.9                             | 7.8                           | 7.4                    |
| 2014                       | 5.5                          | 6.7                             | 6.6                           | 6.2                    |
| 2015                       | 4.8                          | 5.8                             | 5.7                           | 5.3                    |
| 2016                       | 4.3                          | 5.1                             | 5.1                           | 4.9                    |
| 2017                       | 4.0                          | 4.7                             | 4.7                           | 4.4                    |
| 2018                       | 3.6                          | 4.1                             | 4.1                           | 3.9                    |
| 2019                       | 3.2                          | 3.6                             | 3.7                           | 3.7                    |
| 2020                       | 6.3                          | 6.8                             | 7.3                           | 8.1                    |
| 2021                       | 5.1                          | 6.2                             | 6.6                           | 5.4                    |
| <b><u>2022 Monthly</u></b> |                              |                                 |                               |                        |
| January                    | 3.8                          | 4.7                             | 5.0                           | 4.4                    |
| February                   | 4.1                          | 4.6                             | 5.0                           | 4.1                    |
| March                      | 3.6                          | 3.9                             | 4.3                           | 3.8                    |
| April                      | 2.8                          | 3.5                             | 3.8                           | 3.3                    |

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

## CHARACTERISTICS OF HOUSING UNITS

| Value of Owner Occupied Units | Town of North Haven |              | New Haven County |              | State of Connecticut |              |
|-------------------------------|---------------------|--------------|------------------|--------------|----------------------|--------------|
|                               | Number              | Percent      | Number           | Percent      | Number               | Percent      |
| Less than \$50,000 .....      | 123                 | 1.6          | 4,002            | 1.9          | 17,908               | 2.0          |
| \$ 50,000 to \$ 99,999 .....  | 39                  | 0.5          | 9,551            | 4.6          | 26,616               | 2.9          |
| \$ 100,000 to \$149,999 ..... | 29                  | 0.4          | 22,947           | 11.1         | 76,280               | 8.3          |
| \$ 150,000 to \$199,999 ..... | 358                 | 4.7          | 33,787           | 16.3         | 135,429              | 14.8         |
| \$ 200,000 to \$299,999 ..... | 3,339               | 44.2         | 60,287           | 29.2         | 249,697              | 27.3         |
| \$ 300,000 to \$499,999 ..... | 2,971               | 39.3         | 57,488           | 27.8         | 255,697              | 27.9         |
| \$ 500,000 to \$999,999 ..... | 606                 | 8.0          | 16,253           | 7.9          | 110,850              | 12.1         |
| \$1,000,000 and over .....    | 96                  | 1.3          | 2,495            | 1.2          | 42,931               | 4.7          |
| <b>Total .....</b>            | <b>7,561</b>        | <b>100.0</b> | <b>206,810</b>   | <b>100.0</b> | <b>915,408</b>       | <b>100.0</b> |
| <br>Median Value.....         | <br>\$297,000       |              | <br>\$252,300    |              | <br>\$279,700        |              |

Source: U.S. Department of Commerce, 2016-2020 American Community Survey.

## AGE DISTRIBUTION OF HOUSING

| Year Structure Built | Town of North Haven |            | New Haven County |            | State of Connecticut |            |
|----------------------|---------------------|------------|------------------|------------|----------------------|------------|
|                      | Number              | Percent    | Number           | Percent    | Number               | Percent    |
| 1939 or earlier..... | 379                 | 4.0        | 4,262            | 1.2        | 327,771              | 21.5       |
| 1940 to 1949.....    | 44                  | 0.5        | 3,527            | 1.0        | 102,488              | 6.7        |
| 1950 to 1959.....    | 590                 | 6.2        | 21,460           | 5.8        | 223,513              | 14.7       |
| 1960 to 1969.....    | 970                 | 10.1       | 26,952           | 7.3        | 206,458              | 13.6       |
| 1970 to 1979.....    | 765                 | 8.0        | 45,440           | 12.3       | 204,902              | 13.5       |
| 1980 to 1989.....    | 791                 | 8.3        | 49,631           | 13.5       | 188,346              | 12.4       |
| 1990 to 1999.....    | 2,066               | 21.6       | 45,712           | 12.4       | 118,768              | 7.8        |
| 2000 to 2009.....    | 1,978               | 20.7       | 54,837           | 14.9       | 102,986              | 6.8        |
| 2010 to 2013.....    | 1,028               | 10.7       | 26,802           | 7.3        | 22,107               | 1.5        |
| 2014 or later.....   | 960                 | 10.0       | 89,367           | 24.3       | 23,860               | 1.6        |
| <b>Total.....</b>    | <b>9,571</b>        | <b>100</b> | <b>367,990</b>   | <b>100</b> | <b>1,521,199</b>     | <b>100</b> |

Source: U.S. Department of Commerce, 2016-2020 American Community Survey.

## NUMBER AND VALUE OF BUILDING PERMITS (000's omitted from value)

| Fiscal Year (1) | Residential       |           | Commercial/Industrial |           | Other             |        | Total             |           |
|-----------------|-------------------|-----------|-----------------------|-----------|-------------------|--------|-------------------|-----------|
|                 | Number of Permits | Value     | Number of Permits     | Value     | Number of Permits | Value  | Number of Permits | Value     |
| 2022            | 1,775             | \$ 50,576 | 350                   | \$ 38,310 |                   |        | 2,125             | \$ 88,886 |
| 2021            | 2,602             | 46,525    | 487                   | 38,242    |                   |        | 3,089             | 84,767    |
| 2020            | 1,657             | 23,975    | 471                   | 74,654    |                   |        | 2,128             | 98,629    |
| 2019            | 1,991             | 36,406    | 815                   | 60,707    |                   |        | 2,806             | 97,113    |
| 2018            | 1,764             | 25,023    | 534                   | 148,645   |                   |        | 2,298             | 173,668   |
| 2017            | 1,861             | 28,774    | 417                   | 20,034    |                   |        | 2,278             | 48,808    |
| 2016            | 2,155             | 45,135    | 435                   | 82,365    |                   |        | 2,590             | 127,500   |
| 2015            | 1,484             | 17,072    | 513                   | 33,131    |                   |        | 1,997             | 50,203    |
| 2014            | 564               | 14,156    | 121                   | 52,360    | 1,298             | 35,641 | 1,983             | 102,157   |
| 2013            | 632               | 13,942    | 114                   | 19,409    | 1,124             | 16,454 | 1,870             | 49,805    |

Source: Town of North Haven, Building Office

(1) Beginning in fiscal year 2014-15 building permit figures have been recorded differently. Other permits are now included in the Residential and Commercial/Industrial figures.

**BREAKDOWN OF LAND USE**

| <u>Land Use Category</u> | <u>Total Acreage By Zoning</u> | <u>Percent</u> |
|--------------------------|--------------------------------|----------------|
| Residential.....         | 6,112                          | 52.6%          |
| Commercial.....          | 1,382                          | 11.9%          |
| Industrial.....          | 1,208                          | 10.4%          |
| Vacant/Water.....        | 2,912                          | 25.1%          |
| Total Area.....          | <u>11,614</u>                  | <u>100.0%</u>  |

Source: Town of North Haven

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## IV. TAX BASE DATA

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### ASSESSMENT PRACTICES

The Town last revalued its real property effective on the October 1, 2019 Grand List (fiscal year 2020-21). Section 12-62 of the Connecticut General Statutes establishes the revaluation cycle for Connecticut municipalities. The law requires a revaluation every five years, and the Assessor shall perform a full inspection of all parcels once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Every year the Board of Assessment Appeals ("BAA") determines whether each taxpayer petition for assessment reduction on the current grand list is warranted. BAA also has the authority to increase assessments.

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

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

Motor vehicle lists are furnished to the Town by the State of Connecticut, and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October first assessment date but before the next July 1st are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31st. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70 percent of the annual appraisal of market value.

### PROPERTY TAX COLLECTION PROCEDURE

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real property taxes are payable in two installments on July 1 and January 1. Motor vehicle taxes are payable in one installment on July 1 with motor vehicle supplemental bills payable on January 1. Payments not received by August 1 and February 1, respectively, become delinquent, with interest charged at the rate of 1.5% per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account periodically at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest of 6% per annum, or at such a rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this abatement provision to date.

**MOTOR VEHICLE PROPERTY TAX RATE**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. For the assessment year October 1, 2018 (the fiscal year ending June 30, 2020), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps.

For the fiscal years ending June 30, 2019 through June 30, 2022 motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills. Beginning in the fiscal year ending June 30, 2023, and each fiscal year thereafter, the mill rate cap is reduced from 45 mills to 32.46 mills, and the motor vehicle property tax grants to municipalities is the amount that is the difference between the amount of property taxes the municipality would have levied on motor vehicles in the preceding fiscal year if the mill rate was 32.46 mills and the amount of property taxes that would have been levied on motor vehicles if the mill rate imposed on real property and personal property, other than motor vehicles, had been used. The Town’s adopted mill rate for motor vehicles for the fiscal year ending June 30, 2023 is 30.71 mills.

**PROPERTY TAX LEVIES AND COLLECTIONS**

| FY<br>Ending<br>6/30 | Net Taxable<br>Grand List | Total<br>Tax Rate<br>(In Mills) | Adjusted<br>Tax Levy | % Annual<br>Levy<br>Collected | Uncollected Taxes          |                    |
|----------------------|---------------------------|---------------------------------|----------------------|-------------------------------|----------------------------|--------------------|
|                      |                           |                                 |                      |                               | End of Each<br>Fiscal Year | As of<br>6/30/2021 |
| 2023 (1)             | \$3,219,183,624           | 30.71                           | \$98,549,177         | In Process                    | In Process                 | In Process         |
| 2022 (1)             | 3,124,595,937             | 30.71                           | 95,611,719           | In Process                    | In Process                 | In Process         |
| 2021*                | 3,115,065,924             | 30.72                           | 95,164,742           | 98.8                          | \$1,182,707                | \$1,182,707        |
| 2020                 | 2,886,587,315             | 31.18                           | 90,728,416           | 98.7                          | 1,200,321                  | 596,375            |
| 2019                 | 2,810,468,315             | 31.18                           | 88,332,794           | 98.7                          | 1,178,112                  | 402,691            |
| 2018                 | 2,809,254,369             | 30.53                           | 85,547,698           | 98.7                          | 1,092,859                  | 176,099            |
| 2017                 | 2,773,568,715             | 30.53                           | 84,880,513           | 98.8                          | 1,029,929                  | 137,398            |
| 2016*                | 2,750,583,219             | 29.42                           | 81,019,674           | 98.8                          | 945,046                    | 106,882            |
| 2015                 | 2,827,512,997             | 28.10                           | 79,175,603           | 98.7                          | 994,612                    | 89,482             |
| 2014                 | 2,813,316,822             | 28.10                           | 79,353,113           | 99.0                          | 875,726                    | 82,675             |

(1) Fiscal years 2021-22 and 2022-23 adopted budgets.

\* Indicates years of revaluations.

Source: Finance Office, Town of North Haven.

**TAXABLE GRAND LIST**

| Grand List<br>Dated | Industrial & Commercial      |      | Land | Motor<br>Vehicle | Personal<br>Property | Gross Taxable<br>Grand List | Less<br>Exemptions | Net Taxable<br>Grand List |
|---------------------|------------------------------|------|------|------------------|----------------------|-----------------------------|--------------------|---------------------------|
|                     | Residential<br>Real Property | Real |      |                  |                      |                             |                    |                           |
| 10/01/21            | 53.1                         | 22.8 | 0.4  | 9.5              | 14.3                 | \$3,394,065,805             | \$174,882,181      | \$3,219,183,624           |
| 10/01/20            | 54.0                         | 23.8 | 0.2  | 7.4              | 14.6                 | 3,335,965,900               | 211,369,963        | 3,124,595,937             |
| 10/01/19 (1)        | 54.0                         | 24.0 | 0.2  | 7.3              | 14.5                 | 3,311,950,115               | 196,884,191        | 3,115,065,924             |
| 10/01/18            | 59.5                         | 22.3 | 0.2  | 7.8              | 10.2                 | 3,017,224,735               | 130,637,420        | 2,886,587,315             |
| 10/01/17            | 60.9                         | 21.3 | 0.3  | 7.6              | 9.9                  | 2,936,123,943               | 125,655,628        | 2,810,468,315             |
| 10/01/16            | 60.6                         | 21.7 | 0.3  | 7.5              | 9.9                  | 2,923,708,262               | 114,453,893        | 2,809,254,369             |
| 10/01/15            | 62.1                         | 20.1 | 0.3  | 7.6              | 9.8                  | 2,907,899,055               | 134,330,340        | 2,773,568,715             |
| 10/01/14 (1)        | 62.4                         | 20.2 | 0.3  | 7.6              | 9.6                  | 2,876,592,389               | 126,009,170        | 2,750,583,219             |
| 10/01/13            | 61.8                         | 21.4 | 0.3  | 7.4              | 9.1                  | 2,961,183,333               | 133,670,336        | 2,827,512,997             |
| 10/01/12            | 61.9                         | 21.8 | 0.2  | 7.2              | 9.1                  | 2,931,983,412               | 118,666,590        | 2,813,316,822             |

(1) Indicates years of revaluations.

Source: Finance Office, Town of North Haven.

**LARGEST TAXPAYERS**

| <u>Name of Taxpayer</u>            | <u>Nature of Business</u>     | <u>Valuation<br/>as of 10/1/21</u> | <u>Rank</u> | <u>Percent<br/>of Total</u> |
|------------------------------------|-------------------------------|------------------------------------|-------------|-----------------------------|
| Amazon.com.....                    | Retail Distribution.....      | \$ 130,452,690                     | 2           | 4.05                        |
| Medtronic / Covidien.....          | Manufacturing.....            | 103,968,530                        | 1           | 3.23                        |
| MDC Coastal (Amazon Property)..... | Retail Distribution.....      | 73,850,000                         | 3           | 2.29                        |
| United Illuminating Co.....        | Public Utility.....           | 65,441,950                         | 4           | 2.03                        |
| Stag North Haven LLC.....          | Distribution.....             | 37,220,960                         | 5           | 1.16                        |
| Price REIT.....                    | Retail / Shopping Center..... | 28,040,330                         | 6           | 0.87                        |
| August America.....                | Retail / Shopping Center..... | 20,650,160                         | 7           | 0.64                        |
| Ardenwood Aparments LLC.....       | Apartments.....               | 16,811,520                         | 8           | 0.52                        |
| North Haven Holdings.....          | Retail / Shopping Center..... | 14,000,000                         | 9           | 0.43                        |
| Target Corp.....                   | Retail / Shopping Center..... | 13,790,240                         | 10          | 0.43                        |
| Total.....                         |                               | <u>\$ 504,226,380</u>              |             | <u>15.66</u>                |

Source: Finance Office, Town of North Haven.

**EQUALIZED NET GRAND LIST**

| <u>Grand List<br/>of 10/1</u> | <u>Equalized Net<br/>Grand List</u> | <u>%<br/>Growth</u> |
|-------------------------------|-------------------------------------|---------------------|
| 2019                          | \$ 4,448,012,262                    | 1.32%               |
| 2018                          | 4,390,105,930                       | 5.47%               |
| 2017                          | 4,162,286,378                       | -1.63%              |
| 2016                          | 4,231,389,799                       | 4.26%               |
| 2015                          | 4,058,639,886                       | 3.24%               |
| 2014                          | 3,931,374,956                       | -1.36%              |
| 2013                          | 3,985,694,949                       | 4.49%               |
| 2012                          | 3,814,425,244                       | 3.94%               |
| 2011                          | 3,669,842,887                       | -6.73%              |
| 2010                          | 3,934,550,279                       | -5.55%              |

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## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### ACCOUNTING POLICIES

The Town's accounting system is organized on a fund basis and uses funds and account groups to report its financial position and the results of operations. The Town's accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See Appendix A – "Basic Financial Statements, Notes to Financial Statements" herein).

### ANNUAL AUDIT

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management within six months of the end of the fiscal year. The Town is in full compliance with said provisions.

***Certificate of Achievement for Excellence in Financial Reporting:*** The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 2000 through June 30, 2020. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program.

### BUDGET PROCEDURES

The Budget is prepared in accordance with Chapter VII of the Town of North Haven Charter according to the following schedule:

- 90 days or more prior to the Annual Budget Town Meeting, every Office, Board, Commission or Agency, except the Board of Education, submits a detailed estimate of expenditures and revenues for the ensuing fiscal year along with 5-year projected expenditures for the Board of Selectmen.
- 70 days or more prior to the Annual Budget Town Meeting, the Board of Selectmen submits a revised budget to the Board of Finance and the Board of Education submits their annual budget to the Board of Finance.
- 35 days or more before the Annual Budget Town Meeting, the Board of Finance shall finalize a proposed budget.
- 21 days or more prior to the Annual Budget Town Meeting, the Board of Finance holds one or more public hearings.
- An Annual Budget Meeting is held the second of Monday in May. By a majority of those voters present, the budget may be approved as presented or reduced.
- Within 15 days following the Annual Budget Town Meeting, the Board of Finance sets the mill rate.

For additional information see Appendix A – "Basic Financial Statements, Notes to Financial Statements" herein.

The Town's budget process must also anticipate the impact of the State's budget which proceeds simultaneously with the Town's.

Section 4-66l(h) (the “Act”), as amended, reduces a municipality’s revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality’s revenue sharing grant the Act is sometimes popularly referred to as imposing a “spending cap”. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality’s percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

The Act requires that each municipality annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 2016-17 disbursements, or 29.63 mills, for fiscal year 2017-18 disbursements and thereafter. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal revenue sharing grant will not be reduced.

For fiscal years ending June 30, 2020 and each year thereafter, each municipal revenue sharing grant is proportionately reduced if amounts in the revenue sharing account are insufficient to fund all the revenue sharing grants.

**EMPLOYEE PENSION SYSTEMS**

The Town is the Administrator of five Single Employer Public Employee Retirement Systems ("PERS"), excluding public school teachers established and administered by the Town to provide pension benefits for its employees. The pension plans are single employer defined benefit plans. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30. For further information and descriptions of the plan see Appendix "A", Notes to Financial Statements, Note 9, "Pension Plans" herein.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town's pension plans as of June 30 were as follows:

|   | <b>General Employees</b> |                      |                      |                     |                      |
|---|--------------------------|----------------------|----------------------|---------------------|----------------------|
|   | <b>2021</b>              | <b>2020</b>          | <b>2019</b>          | <b>2018</b>         | <b>2017</b>          |
| Total pension liability.....  | \$ 71,720,461            | \$ 71,690,598        | \$ 70,173,874        | \$ 68,542,610       | \$ 66,767,969        |
| Plan fiduciary net position.....                                      | 67,192,052               | 57,769,863           | 59,131,148           | 59,010,689          | 55,736,043           |
| Net pension liability.....  | <u>\$ 4,528,409</u>      | <u>\$ 13,920,735</u> | <u>\$ 11,042,726</u> | <u>\$ 9,531,921</u> | <u>\$ 11,031,926</u> |
| Plan fiduciary net position as a %<br>of total pension liability..... | 93.7%                    | 80.6%                | 84.3%                | 86.1%               | 83.5%                |
|   | <b>Police Department</b> |                      |                      |                     |                      |
|   | <b>2021</b>              | <b>2020</b>          | <b>2019</b>          | <b>2018</b>         | <b>2017</b>          |
| Total pension liability.....  | \$ 39,086,151            | \$ 38,084,549        | \$ 36,925,191        | \$ 35,840,433       | \$ 36,577,961        |
| Plan fiduciary net position.....                                      | 33,152,849               | 27,389,337           | 27,888,023           | 27,583,397          | 25,301,844           |
| Net pension liability.....  | <u>\$ 5,933,302</u>      | <u>\$ 10,695,212</u> | <u>\$ 9,037,168</u>  | <u>\$ 8,257,036</u> | <u>\$ 11,276,117</u> |
| Plan fiduciary net position as a %<br>of total pension liability..... | 84.8%                    | 71.9%                | 75.5%                | 77.0%               | 69.2%                |

|   | <b>Fire Department</b>         |                     |                     |                     |                     |
|---|--------------------------------|---------------------|---------------------|---------------------|---------------------|
|   | <b>2021</b>                    | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         |
| Total pension liability.....  | \$ 24,389,902                  | \$ 23,427,555       | \$ 22,811,885       | \$ 21,873,087       | \$ 23,078,950       |
| Plan fiduciary net position.....                                      | 23,345,160                     | 18,717,576          | 18,737,136          | 17,444,607          | 16,029,787          |
| Net pension liability.....  | <u>\$ 1,044,742</u>            | <u>\$ 4,709,979</u> | <u>\$ 4,074,749</u> | <u>\$ 4,428,480</u> | <u>\$ 7,049,163</u> |
| Plan fiduciary net position as a %<br>of total pension liability..... | 95.7%                          | 79.9%               | 82.1%               | 79.8%               | 69.5%               |
|   | <b>Volunteer Firefighters'</b> |                     |                     |                     |                     |
|   | <b>2021</b>                    | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         |
| Total pension liability.....  | \$ 1,689,482                   | \$ 1,131,554        | \$ 1,104,952        | \$ 902,651          | \$ 881,611          |
| Plan fiduciary net position.....                                      | 1,217,014                      | 1,007,294           | 1,033,454           | 1,004,057           | 961,016             |
| Net pension liability.....  | <u>\$ 472,468</u>              | <u>\$ 124,260</u>   | <u>\$ 71,498</u>    | <u>\$ (101,406)</u> | <u>\$ (79,405)</u>  |
| Plan fiduciary net position as a %<br>of total pension liability..... | 72.0%                          | 89.0%               | 93.5%               | 111.2%              | 109.0%              |
|   | <b>Elected Officials</b>       |                     |                     |                     |                     |
|   | <b>2021</b>                    | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         |
| Total pension liability.....  | \$ 2,709,004                   | \$ 2,879,132        | \$ 2,407,095        | \$ 2,207,550        | \$ 2,215,675        |
| Plan fiduciary net position.....                                      | -                              | -                   | -                   | 5,330               | -                   |
| Net pension liability.....  | <u>\$ 2,709,004</u>            | <u>\$ 2,879,132</u> | <u>\$ 2,407,095</u> | <u>\$ 2,202,220</u> | <u>\$ 2,215,675</u> |
| Plan fiduciary net position as a %<br>of total pension liability..... | 0.0%                           | 0.0%                | 0.0%                | 0.2%                | 0.0%                |

The following represents the net pension liability of the Town's pension plans, calculated using the discount rates listed below, 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:

|   |                    |                      |                    |
|---|--------------------|----------------------|--------------------|
|   | <b>1% Decrease</b> | <b>Current</b>       | <b>1% Increase</b> |
|   | <b>6.00%</b>       | <b>Discount Rate</b> | <b>8.00%</b>       |
|   | <b>7.00%</b>       |                      |                    |
| Net Pension Liability - General Employees.....      | \$ 12,022,330      | \$ 4,528,409         | \$ (1,847,871)     |
|   | <b>1% Decrease</b> | <b>Current</b>       | <b>1% Increase</b> |
|   | <b>6.00%</b>       | <b>Discount Rate</b> | <b>8.00%</b>       |
|   | <b>7.00%</b>       |                      |                    |
| Net Pension Liability - Police Department.....      | \$ 10,878,669      | \$ 5,933,302         | \$ 1,834,266       |
|   | <b>1% Decrease</b> | <b>Current</b>       | <b>1% Increase</b> |
|   | <b>6.00%</b>       | <b>Discount Rate</b> | <b>8.00%</b>       |
|   | <b>7.00%</b>       |                      |                    |
| Net Pension Liability - Fire Department.....        | \$ 4,102,936       | \$ 1,044,742         | \$ 1,507,538       |
|   | <b>1% Decrease</b> | <b>Current</b>       | <b>1% Increase</b> |
|   | <b>5.50%</b>       | <b>Discount Rate</b> | <b>7.50%</b>       |
|   | <b>6.50%</b>       |                      |                    |
| Net Pension Liability - Volunteer Firefighters'.... | \$ 676,810         | \$ 472,468           | \$ 304,488         |

|  | <b>1% Decrease</b> | <b>Current</b><br><b>Discount Rate</b> | <b>1% Increase</b> |
|--|--------------------|--|--------------------|
|  | <b>1.16%</b>       | <b>2.16%</b>                           | <b>3.16%</b>       |
| Net Pension Liability - Elected Officials..... | \$ 3,068,045       | \$ 2,709,004                           | \$ 2,412,155       |

Based upon the latest actuarial valuations, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

#### Schedule of Funding Progress

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value<br/>of Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>(b)</b> | <b>Unfunded/<br/>(Overfunded)<br/>AAL<br/>(UAAL)<br/>(b) - (a)</b> | <b>Funded<br/>Ratio<br/>(a) / (b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL as a<br/>Percentage of<br/>Covered<br/>Payroll<br/>[(b) - (a) / (c)]</b> |
|---|--|--|--|---------------------------------------|------------------------------------|--|
| <u>General Employees</u>                |  |  |  |                                       |                                    |  |
| 7/1/2021                                | \$63,971,100                                     | \$71,720,670   | \$ 7,749,570   | 89.2%                                 | \$ 5,577,784                       | 138.9%   |
| 7/1/2019                                | 60,025,297                                       | 70,173,874   | 10,148,577   | 85.5%                                 | 6,483,853                          | 156.5%   |
| 7/1/2017                                | 56,798,982                                       | 66,767,969   | 9,968,987  | 85.1%                                 | 6,928,764                          | 143.9%   |
| 7/1/2015                                | 51,876,438                                       | 64,955,186   | 13,078,748   | 79.9%                                 | 7,512,900                          | 174.1%   |
| 7/1/2013                                | 42,682,990                                       | 57,677,248   | 14,994,258   | 74.0%                                 | 7,634,273                          | 196.4%   |
| <u>Police Department</u>                |  |  |  |                                       |                                    |  |
| 7/1/2020                                | \$28,867,108                                     | \$38,084,549   | \$ 9,217,441   | 75.8%                                 | \$ 2,747,092                       | 335.5%   |
| 7/1/2018                                | 26,821,124                                       | 35,840,433   | 9,019,309  | 74.8%                                 | 2,910,255                          | 309.9%   |
| 7/1/2016                                | 23,200,000                                       | 34,580,901   | 11,380,901   | 67.1%                                 | 3,044,642                          | 373.8%   |
| 7/1/2014                                | 19,965,207                                       | 31,920,883   | 11,955,676   | 62.5%                                 | 3,419,688                          | 349.6%   |
| 7/1/2012                                | 17,072,095                                       | 28,900,441   | 11,828,346   | 59.1%                                 | 3,397,700                          | 348.1%   |
| <u>Fire Department</u>                  |  |  |  |                                       |                                    |  |
| 7/1/2020                                | \$19,456,360                                     | \$23,427,555   | \$ 3,971,195   | 83.0%                                 | \$ 2,397,448                       | 165.6%   |
| 7/1/2018                                | 17,068,136                                       | 21,873,087   | 4,804,951  | 78.0%                                 | 2,320,579                          | 207.1%   |
| 7/1/2016                                | 14,472,343                                       | 21,022,240   | 6,549,897  | 68.8%                                 | 2,273,343                          | 288.1%   |
| 7/1/2014                                | 12,621,098                                       | 18,466,914   | 5,845,816  | 68.3%                                 | 2,182,842                          | 267.8%   |
| 7/1/2012                                | 10,786,325                                       | 16,279,971   | 5,493,646  | 66.3%                                 | 2,175,961                          | 252.5%   |
| <u>Volunteer Fire</u>                   |  |  |  |                                       |                                    |  |
| 7/1/2021                                | \$ 1,217,024                                     | \$ 1,689,482   | \$ 472,458   | 72.0%                                 | N/A                                | N/A  |
| 7/1/2019                                | \$ 1,033,463                                     | \$ 1,104,952   | \$ 71,489  | 93.5%                                 | N/A                                | N/A  |
| 7/1/2017                                | 961,016  | 881,611  | (79,405)   | 109.0%                                | N/A                                | N/A  |
| 7/1/2015                                | 892,409  | 922,562  | 30,153   | 96.7%                                 | N/A                                | N/A  |
| 7/1/2013                                | 793,003  | 910,001  | 116,998  | 87.1%                                 | N/A                                | N/A  |

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**Schedule of Employer Contributions**

| <u>Year Ended<br/>June 30</u>   | <u>Actuarial Determined<br/>Contribution</u> | <u>Actual<br/>Contribution</u> | <u>Percentage<br/>Contributed</u> |
|---------------------------------|--|--------------------------------|-----------------------------------|
| <b><u>General Employees</u></b> |  |                                |                                   |
| 2023 (1)                        | \$ 1,918,554                                 | \$ 1,918,554                   | 100.0%                            |
| 2022 (1)                        | 2,241,383                                    | 2,241,383                      | 100.0%                            |
| 2021                            | 2,241,383                                    | 1,884,186                      | 84.1%                             |
| 2020                            | 2,112,644                                    | 1,827,723                      | 86.5%                             |
| 2019                            | 2,112,644                                    | 1,966,261                      | 93.1%                             |
| <b><u>Police Department</u></b> |  |                                |                                   |
| 2023 (1)                        | \$ 1,670,859                                 | \$ 1,670,859                   | 100.0%                            |
| 2022 (1)                        | 1,653,267                                    | 1,653,267                      | 100.0%                            |
| 2021                            | 1,586,586                                    | 1,397,939                      | 88.1%                             |
| 2020                            | 1,571,540                                    | 1,426,820                      | 90.8%                             |
| 2019                            | 1,563,912                                    | 1,443,904                      | 92.3%                             |
| <b><u>Fire Department</u></b>   |  |                                |                                   |
| 2023 (1)                        | \$ 906,861                                   | \$ 906,861                     | 100.0%                            |
| 2022 (1)                        | 899,281                                      | 899,281                        | 100.0%                            |
| 2021                            | 962,841                                      | 953,504                        | 99.0%                             |
| 2020                            | 954,826                                      | 935,116                        | 97.9%                             |
| 2019                            | 1,049,522                                    | 1,071,772                      | 102.1%                            |
| <b><u>Volunteer Fire</u></b>    |  |                                |                                   |
| 2023 (1)                        | \$ 202,345                                   | \$ 202,345                     | 100.0%                            |
| 2022 (1)                        | 28,773                                       | 28,773                         | 100.0%                            |
| 2021                            | 28,773                                       | 28,773                         | 100.0%                            |
| 2020                            | 8,618  | 8,618                          | 100.0%                            |
| 2019                            | 8,618  | 8,618                          | 100.0%                            |
| <b><u>Elected Officials</u></b> |  |                                |                                   |
| 2023 (1)                        | \$ 114,822                                   | \$ 114,822                     | 100.0%                            |
| 2022 (1)                        | 109,881                                      | 109,881                        | 100.0%                            |
| 2021                            | 114,480                                      | 109,344                        | 95.5%                             |
| 2020                            | 134,686                                      | 134,686                        | 100.0%                            |
| 2019                            | 181,753                                      | 131,825                        | 72.5%                             |

(1) As budgeted for fiscal years 2021-22 and 2022-23.

Please refer to Appendix A "Basic Financial Statements, Note 9 to Financial Statements" herein for additional information on the Town's Pension Plans.

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**OTHER POST-EMPLOYMENT BENEFITS**

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made June 30, 2015. The post-retirement plan does not issue stand-alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2013, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town’s future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town funds its contributions to the plan under the pay-as-you-go method. The Town determines the required contribution using the Entry Age Normal as a Level Percent of Pay (previously projected unit credit).

As of July 1, 2019, membership in the plan consisted of 659 active members and 304 retirees and dependents for a total of 963 members.

For fiscal year 2016-17, the Town implemented Government Accounting Standards Board's ("GASB") Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town as of June 30 were as follows:

|  | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability.....  | \$ 92,433,591        | \$ 82,204,388        | \$ 68,496,162        | \$ 67,792,858        | \$ 90,230,101        |
| Plan fiduciary net position.....                                   | <u>464,773</u>       | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Net OPEB liability.....  | <u>\$ 91,968,818</u> | <u>\$ 82,204,388</u> | <u>\$ 68,496,162</u> | <u>\$ 67,792,858</u> | <u>\$ 90,230,101</u> |
| Plan fiduciary net position as a %<br>of total OPEB liability..... | 0.5%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 |

The following represents the net OPEB liability of the Town, calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

|                         | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|-------------------------|--------------------|----------------------------------|--------------------|
|                         | <u>1.16%</u>       | <u>2.16%</u>                     | <u>3.16%</u>       |
| Net OPEB Liability..... | \$ 107,305,670     | \$ 91,968,818                    | \$ 79,694,018      |

The following represents the net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

|                         | <u>1% Decrease in<br/>Health Care Cost<br/>Trend Rates</u> | <u>Current<br/>Health Care Cost<br/>Trend Rates</u> | <u>1% Increase in<br/>Health Care Cost<br/>Trend Rates</u> |
|-------------------------|--|---|--|
| Net OPEB Liability..... | \$ 76,838,320  | \$ 91,968,818                                       | \$ 111,695,745   |

**INVESTMENT POLICIES AND PROCEDURES**

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

The Connecticut General Statutes ("CGS") (Section 7-400) permit municipalities to invest in obligations of the United States and its agencies, highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated investment companies (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. CGS Sections 3-27d and 3-27f also provide for investment in shares of the Connecticut Short Term Investment Fund ("STIF"). Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

**PROPERTY TAX REVENUES (1)**

| <b>Fiscal Year</b>    | <b>General Fund Revenues</b> | <b>Property Tax Revenues</b> | <b>Property Tax As a % of General Fund</b> |
|-----------------------|------------------------------|------------------------------|--|
| 2023 (Adopted Budget) | \$114,048,597                | \$ 99,645,939                | 87.4                                       |
| 2022 (Adopted Budget) | 109,428,794                  | 96,577,543                   | 88.3                                       |
| 2021                  | 114,642,377                  | 96,098,000                   | 83.8                                       |
| 2020                  | 108,510,020                  | 91,248,922                   | 84.1                                       |
| 2019                  | 106,449,552                  | 59,005,054                   | 55.4                                       |
| 2018                  | 104,529,510                  | 85,795,155                   | 82.1                                       |
| 2017                  | 104,695,831                  | 84,624,119                   | 80.8                                       |
| 2016                  | 96,126,185                   | 81,149,464                   | 84.4                                       |
| 2015                  | 94,453,731                   | 79,591,102                   | 84.3                                       |
| 2014                  | 93,673,925                   | 79,605,043                   | 85.0                                       |

(1) Fiscal years 2021-22 and 2022-23 are presented on a budgetary basis, all other fiscal years are presented on a GAAP basis.

Source: Annual audited financial statements, fiscal years 2021-22 and 2022-23 adopted budgets.

**INTERGOVERNMENTAL REVENUES (1)**

| <b>Fiscal Year</b>    | <b>General Fund Revenues</b> | <b>Intergovernmental Revenues</b> | <b>Aid As a % of General Fund</b> |
|-----------------------|------------------------------|-----------------------------------|-----------------------------------|
| 2023 (Adopted Budget) | \$114,048,597                | \$ 10,118,298                     | 8.9                               |
| 2022 (Adopted Budget) | 109,428,794                  | 8,587,241                         | 7.8                               |
| 2021                  | 114,642,377                  | 14,667,439                        | 12.8                              |
| 2020                  | 108,510,020                  | 12,828,891                        | 11.8                              |
| 2019                  | 106,449,552                  | 13,225,380                        | 12.4                              |
| 2018                  | 104,529,510                  | 14,591,953                        | 14.0                              |
| 2017                  | 104,695,831                  | 14,995,758                        | 14.3                              |
| 2016                  | 96,126,185                   | 11,075,271                        | 11.5                              |
| 2015                  | 94,453,731                   | 10,825,225                        | 11.5                              |
| 2014                  | 93,673,925                   | 10,399,054                        | 11.1                              |

(1) Fiscal years 2021-22 and 2022-23 are presented on a budgetary basis, all other fiscal years are presented on a GAAP basis.

Source: Annual audited financial statements, fiscal years 2021-22 and 2022-23 adopted budgets.

**EXPENDITURES (1)**

| <b>Fiscal Year</b>    | <b>Board of Education</b> | <b>Employee Benefits</b> | <b>Public Safety</b> | <b>Debt Service</b> | <b>General Government</b> | <b>Public Works</b> |
|-----------------------|---------------------------|--------------------------|----------------------|---------------------|---------------------------|---------------------|
|                       | <b>%</b>                  | <b>%</b>                 | <b>%</b>             | <b>%</b>            | <b>%</b>                  | <b>%</b>            |
| 2023 (Adopted Budget) | 51.9                      | 12.5                     | 11.9                 | 7.9                 | 6.0                       | 6.6                 |
| 2022 (Adopted Budget) | 52.3                      | 12.5                     | 11.6                 | 7.6                 | 5.7                       | 6.3                 |
| 2021                  | 56.0                      | 11.3                     | 10.8                 | 7.5                 | 7.5                       | 4.7                 |
| 2020                  | 56.8                      | 11.3                     | 10.4                 | 7.1                 | 7.7                       | 4.4                 |
| 2019                  | 57.2                      | 11.0                     | 10.1                 | 6.2                 | 8.3                       | 4.5                 |
| 2018                  | 58.9                      | 11.1                     | 9.9                  | 6.4                 | 7.5                       | 4.3                 |
| 2017                  | 58.4                      | 11.5                     | 9.7                  | 6.4                 | 6.0                       | 4.1                 |
| 2016                  | 57.0                      | 11.9                     | 9.3                  | 6.5                 | 6.6                       | 4.5                 |
| 2015                  | 56.8                      | 11.7                     | 9.5                  | 6.7                 | 6.4                       | 4.5                 |
| 2014                  | 56.4                      | 11.6                     | 9.4                  | 6.5                 | 6.4                       | 4.7                 |

(1) Fiscal years 2021-22 and 2022-23 are presented on a budgetary basis, all other fiscal years are presented on a GAAP basis.

Source: Annual audited financial statements, fiscal years 2021-22 and 2022-23 adopted budgets.

**MUNICIPAL BUDGET EXPENDITURES CAP**

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2022-2023 biennium budget legislation provides funding for the municipal revenue sharing grant in fiscal years ending June 30, 2022 and June 30, 2023.

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

|   | <b>Fiscal Year 2020-21</b> |                              |   | <b>2021-22<br/>Adopted<br/>Budget</b> | <b>2022-23<br/>Adopted<br/>Budget</b> |
|---|----------------------------|------------------------------|---|---------------------------------------|---------------------------------------|
|   | <b>Final<br/>Budget</b>    | <b>Actual<br/>Operations</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |                                       |                                       |
| <b>Revenues</b>                           |                            |                              |   |                                       |                                       |
| Property taxes.....                       | \$96,260,421               | \$ 96,098,000                | \$ (162,421)                                    | \$ 96,577,543                         | \$ 99,645,939                         |
| Education grants.....                     | 3,857,813                  | 4,037,619                    | 179,806   | 4,331,305                             | 4,874,016                             |
| Other government grants.....              | 2,860,536                  | 2,956,152                    | 95,616  | 4,255,936                             | 5,244,282                             |
| Investment income.....                    | 400,000                    | 134,398                      | (265,602)                                       | 100,000                               | 150,000                               |
| Charges for services.....                 | 3,185,384                  | 2,675,139                    | (510,245)                                       | 1,145,510                             | 1,015,510                             |
| Other.....                                | 200,000                    | 1,067,401                    | 867,401   | 3,018,500                             | 3,118,850                             |
| <b>Total Revenues.....</b>                | <b>106,764,154</b>         | <b>106,968,709</b>           | <b>204,555</b>                                  | <b>109,428,794</b>                    | <b>114,048,597</b>                    |
| <b>Expenditures</b>                       |                            |                              |   |                                       |                                       |
| Current:                                  |                            |                              |   |                                       |                                       |
| General government.....                   | 7,373,024                  | 7,212,337                    | 160,687   | 6,382,104                             | 6,907,336                             |
| Public safety.....                        | 12,346,711                 | 12,346,711                   | -   | 13,014,026                            | 13,787,414                            |
| Public works.....                         | 5,929,825                  | 5,421,056                    | 508,769   | 7,042,531                             | 7,635,857                             |
| Public services.....                      | 1,019,303                  | 1,019,303                    | -   | 1,041,957                             | 1,067,499                             |
| Recreation.....                           | 565,839                    | 565,839                      | -   | 540,246                               | 557,875                               |
| Employee benefits.....                    | 13,013,663                 | 12,929,862                   | 83,801  | 14,010,212                            | 14,514,381                            |
| Education.....                            | 56,974,245                 | 56,966,890                   | 7,355   | 58,470,730                            | 60,166,330                            |
| Miscellaneous.....                        | 1,577,708                  | 1,577,708                    | -   | 1,625,985                             | 1,604,985                             |
| Capital.....                              | 962,832                    | 962,832                      | -   | 1,272,150                             | 671,950                               |
| Debt service.....                         | 8,578,004                  | 8,578,004                    | -   | 8,453,853                             | 9,109,970                             |
| <b>Total Expenditures.....</b>            | <b>108,341,154</b>         | <b>107,580,542</b>           | <b>760,612</b>                                  | <b>111,853,794</b>                    | <b>116,023,597</b>                    |
| Revenues over (under) expenditures.....   | (1,577,000)                | (611,833)                    | 965,167   | (2,425,000)                           | (1,975,000)                           |
| Other financing sources (uses):           |                            |                              |   |                                       |                                       |
| Operating transfers in.....               | 200,000                    | 400,000                      | 200,000   | 700,000                               | 550,000                               |
| Operating transfers out.....              | (350,000)                  | (350,000)                    | -   | -                                     | -                                     |
| Other.....                                | 2,000                      | 14,976                       | 12,976  | -                                     | -                                     |
| Appropriated fund balance.....            | 1,725,000                  | -                            | (1,725,000)                                     | 1,725,000                             | 1,425,000                             |
| Total other financing sources (uses)..... | 1,577,000                  | 64,976                       | (1,512,024)                                     | 2,425,000                             | 1,975,000                             |
| Net change in fund balances.....          | \$ -                       | \$ (546,857)                 | \$ (546,857)                                    | \$ -                                  | \$ -                                  |

Source: Annual audited financial statements; fiscal years 2021-22 and 2022-23 adopted budgets.

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**COMPARATIVE GENERAL FUND BALANCE SHEET**  
(Summary of Assets and Liabilities)  
(GAAP BASIS)

| Fiscal Year Ended:   | 2017                | 2018                | 2019                | 2020                | 2021                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |                     |                     |                     |
| Cash and cash equivalents.....   | \$24,442,784        | \$31,518,881        | \$16,225,478        | \$19,182,963        | \$23,609,180        |
| Receivables, net:  |                     |                     |                     |                     |                     |
| Property taxes.....  | 2,825,697           | 2,845,242           | 2,877,602           | 2,929,278           | 2,849,980           |
| Assessments and user charges.....  | 338,900             | 338,900             | 285,980             | 165,495             | 165,495             |
| Intergovernmental.....   | 188,336             | -                   | -                   | 34,902              | -                   |
| Other .....  | 4,482               | 5,047               | 399,474             | 85,996              | 32,363              |
| Due from other funds.....  | 3,087,485           | 1,948,105           | 9,370,330           | 6,416,417           | 4,565,516           |
| Prepaid expenses / Other.....  | 66,246              | 43,573              | 12,696              | -                   | 173,306             |
| <b>Total Assets.....</b>   | <b>\$30,953,930</b> | <b>\$36,699,748</b> | <b>\$29,171,560</b> | <b>\$28,815,051</b> | <b>\$31,395,840</b> |
| <b>Liabilities</b>   |                     |                     |                     |                     |                     |
| Accounts payables .....  | \$ 4,281,160        | \$ 3,531,009        | \$ 4,674,699        | \$ 5,048,294        | \$ 2,618,272        |
| Accrued payroll.....   | -                   | 1,526,541           | 784,758             | 200,307             | 277,573             |
| Unearned revenue.....  | 191,091             | 32,250              | 32,250              | 32,250              | 32,250              |
| Due to other funds.....  | 8,752,427           | 15,077,535          | 7,737,863           | 8,325,391           | 13,015,534          |
| Performance bonds.....   |                     | 1,022,169           | 1,245,633           | 1,047,189           | 1,073,611           |
| Other.....   |                     | -                   | 217,430             | 212,003             | 303,688             |
| <b>Total Liabilities.....</b>  | <b>13,224,678</b>   | <b>21,189,504</b>   | <b>14,692,633</b>   | <b>14,865,434</b>   | <b>17,320,928</b>   |
| <b>Deferred Inflows of Resources</b>   |                     |                     |                     |                     |                     |
| Unavailable revenue.....   | 3,231,437           | 2,632,105           | -                   | -                   | -                   |
| Advanced tax collections.....  | 71,549              | 288,781             | 2,610,996           | 2,722,979           | 2,632,632           |
| Sewer assessments.....   | -                   | 338,900             | 285,980             | 165,495             | 165,495             |
| <b>Total Deferred Inflows of Resources....</b>                                 | <b>3,302,986</b>    | <b>3,259,786</b>    | <b>2,896,976</b>    | <b>2,888,474</b>    | <b>2,798,127</b>    |
| <b>Fund Balances</b>   |                     |                     |                     |                     |                     |
| Nonspendable.....  | 66,246              | -                   | -                   | -                   | -                   |
| Committed.....   | -                   | -                   | -                   | 557,718             | -                   |
| Assigned.....  | 6,960,298           | 4,207,067           | 3,512,011           | 2,299,012           | 2,388,756           |
| Unassigned.....  | 7,399,722           | 8,043,391           | 8,069,940           | 8,204,413           | 8,888,029           |
| <b>Total Fund Balances.....</b>  | <b>14,426,266</b>   | <b>12,250,458</b>   | <b>11,581,951</b>   | <b>11,061,143</b>   | <b>11,276,785</b>   |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances.....</b> | <b>\$30,953,930</b> | <b>\$36,699,748</b> | <b>\$29,171,560</b> | <b>\$28,815,051</b> | <b>\$31,395,840</b> |

Source: Annual audited financial statements.

**ANALYSIS OF GENERAL FUND EQUITY**  
(GAAP BASIS)

|  | Actual<br>2016-17    | Actual<br>2017-18    | Actual<br>2018-19    | Actual<br>2019-20    | Actual<br>2020-21    |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Nonspendable.....  | \$ 66,246            | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Committed.....   | -                    | -                    | -                    | 557,718              | -                    |
| Assigned.....  | 6,960,298            | 4,207,067            | 3,512,011            | 2,299,012            | 2,388,756            |
| Unassigned.....  | 7,399,722            | 8,043,391            | 8,069,940            | 8,204,413            | 8,888,029            |
| <b>Total Fund Balance.....</b>   | <b>\$ 14,426,266</b> | <b>\$ 12,250,458</b> | <b>\$ 11,581,951</b> | <b>\$ 11,061,143</b> | <b>\$ 11,276,785</b> |
| Unassigned Fund Balance as % of<br>Total Expenditures & Transfers..... | 7.13%                | 7.55%                | 7.50%                | 7.50%                | 7.74%                |

**COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES**  
 (Summary of Audited Revenues and Expenditures)  
 (GAAP BASIS)

| Fiscal Year Ended:                       | 2017               | 2018               | 2019               | 2020               | 2021               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Revenues</b>                          |                    |                    |                    |                    |                    |
| Property taxes.....                      | \$84,624,119       | \$85,795,155       | \$89,005,054       | \$91,248,922       | \$96,098,000       |
| Licenses, permits, fees and fines.....   | 1,673,142          | -                  | -                  | -                  | -                  |
| Intergovernmental.....                   | 14,995,758         | 14,591,953         | 13,225,380         | 12,828,891         | 14,667,439         |
| Investment income.....                   | 109,297            | -                  | 500,351            | 225,381            | 134,398            |
| Charges for services.....                | 872,590            | 3,627,502          | 3,094,519          | 3,482,742          | 2,675,139          |
| Contributions.....                       | 5,828              | -                  | -                  | -                  | -                  |
| Other.....                               | 2,415,097          | 514,900            | 624,248            | 724,084            | 1,067,401          |
| <b>Total Revenues.....</b>               | <b>104,695,831</b> | <b>104,529,510</b> | <b>106,449,552</b> | <b>108,510,020</b> | <b>114,642,377</b> |
| <b>Expenditures</b>                      |                    |                    |                    |                    |                    |
| General government.....                  | 6,184,997          | 7,945,372          | 8,953,346          | 8,351,340          | 8,589,996          |
| Public safety.....                       | 10,107,911         | 10,510,097         | 10,834,504         | 11,364,974         | 12,346,711         |
| Public works.....                        | 4,274,154          | 4,572,370          | 4,884,583          | 4,813,788          | 5,421,056          |
| Health and welfare.....                  | 953,711            | 974,369            | 1,007,448          | 1,003,448          | 1,019,303          |
| Culture and recreation.....              | 848,858            | 568,903            | 538,677            | 529,401            | 565,839            |
| Benefits and insurance.....              | 11,967,710         | 11,830,977         | 11,855,785         | 12,357,604         | 12,929,862         |
| Education.....                           | 60,579,298         | 62,750,555         | 61,608,229         | 62,008,577         | 64,078,108         |
| Other.....                               | 1,503,614          | -                  | -                  | -                  | -                  |
| Debt service.....                        | 6,650,021          | 6,790,890          | 6,654,290          | 7,740,003          | 8,578,004          |
| Capital outlay.....                      | 730,730            | 524,916            | 1,281,197          | 921,042            | 962,832            |
| <b>Total Expenditures.....</b>           | <b>103,801,004</b> | <b>106,468,449</b> | <b>107,618,059</b> | <b>109,090,177</b> | <b>114,491,711</b> |
| Revenues over (under) expenditures       | 894,827            | (1,938,939)        | (1,168,507)        | (580,157)          | 150,666            |
| Other financing sources (uses)           |                    |                    |                    |                    |                    |
| Transfers in.....                        | 971,854            | 284,103            | 500,000            | 330,000            | 400,000            |
| Transfers out.....                       | (21,320)           | -                  | -                  | (282,875)          | (350,000)          |
| Sale of capital assets.....              | -                  | -                  | -                  | 12,224             | 14,976             |
| Capital lease proceeds.....              | 80,192             | -                  | -                  | -                  | -                  |
| Total other financing sources (uses).... | 1,030,726          | 284,103            | 500,000            | 59,349             | 64,976             |
| Net change in fund balances.....         | 1,925,553          | (1,654,836)        | (668,507)          | (520,808)          | 215,642            |
| Fund Balance - July 1.....               | 12,500,713         | 13,905,294 (1)     | 12,250,458         | 11,581,951         | 11,061,143         |
| Fund Balance - June 30.....              | \$14,426,266       | \$12,250,458       | \$11,581,951       | \$11,061,143       | \$11,276,785       |

Source: Annual audited financial statements.

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**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of July 14, 2022 (Pro Forma)

**Long-Term Debt: Bonds**

| <u>Date of Issue</u>          | <u>Purpose</u>                    | <u>Rate %</u> | <u>Original Issue Amount</u> | <u>Principal Outstanding as of 7/14/22</u> | <u>Date of Fiscal Year Maturity</u> |
|-------------------------------|-----------------------------------|---------------|------------------------------|--|-------------------------------------|
| <b><u>General Purpose</u></b> |                                   |               |                              |  |                                     |
| 4/26/2006                     | General Purpose .....             | 3.875 - 5.00  | \$ 935,000                   | \$ 235,000                                 | 2026                                |
| 11/10/2016                    | General Purpose .....             | 2.00 - 4.00   | 3,000,000                    | 1,125,000                                  | 2028                                |
| 8/13/2019                     | Refunding - General Purpose ..... | 5.00          | 10,472,000                   | 7,290,000                                  | 2029                                |
| 11/7/2019                     | General Purpose .....             | 2.50 - 5.00   | 15,000,000                   | 15,000,000                                 | 2030                                |
| 7/21/2020                     | Refunding - General Purpose ..... | 0.415 - 2.40  | 1,541,000                    | 1,511,000                                  | 2037                                |
| 11/5/2020                     | General Purpose .....             | 2.00 - 4.00   | 5,500,000                    | 5,500,000                                  | 2041                                |
| 11/4/2021                     | General Purpose .....             | 2.00 - 5.00   | 2,000,000                    | 2,000,000                                  | 2042                                |
|                               |                                   |               | <b>\$ 38,448,000</b>         | <b>\$ 32,661,000</b>                       |                                     |
| <b><u>Schools</u></b>         |                                   |               |                              |  |                                     |
| 4/26/2006                     | Schools .....                     | 3.875 - 5.00  | \$ 22,445,000                | \$ 5,675,000                               | 2026                                |
| 1/23/2007                     | Schools .....                     | 3.875 - 4.75  | 21,850,000                   | 5,750,000                                  | 2027                                |
| 11/10/2016                    | Schools .....                     | 2.00 - 4.00   | 7,000,000                    | 2,250,000                                  | 2028                                |
| 11/9/2017                     | Schools .....                     | 2.25 - 5.00   | 7,500,000                    | 6,900,000                                  | 2038                                |
| 11/8/2018                     | Schools .....                     | 2.25 - 5.00   | 7,500,000                    | 4,500,000                                  | 2033                                |
| 7/21/2020                     | Refunding - Schools .....         | 0.415 - 2.40  | 31,434,000                   | 28,944,000                                 | 2039                                |
| 11/4/2021                     | Schools .....                     | 2.00 - 5.00   | 3,700,000                    | 3,700,000                                  | 2042                                |
|                               |                                   |               | <b>\$101,429,000</b>         | <b>\$ 57,719,000</b>                       |                                     |
| <b><u>Sewers</u></b>          |                                   |               |                              |  |                                     |
| 4/20/2006                     | Clean Water Fund Loan #489-C....  | 2.00          | \$ 889,772                   | \$ 200,519                                 | 2037                                |
|                               |                                   |               | <b>\$ 889,772</b>            | <b>\$ 200,519</b>                          |                                     |
|                               | <b>Total .....</b>                |               | <b>\$140,766,772</b>         | <b>\$ 90,580,519</b>                       |                                     |

**Short-Term Debt: Notes**

| <u>Date of Issue</u>          | <u>Purpose</u>        | <u>Rate %</u> | <u>Original Issue Amount</u> | <u>Principal Outstanding as of 7/14/22</u> | <u>Date of Maturity</u> |
|-------------------------------|-----------------------|---------------|------------------------------|--|-------------------------|
| <b><u>General Purpose</u></b> |                       |               |                              |  |                         |
| 11/4/2021                     | General Purpose ..... | 1.000         | \$ 7,820,000                 | \$ 7,820,000                               | 11/3/2022               |
|                               | <b>Total .....</b>    |               | <b>7,820,000</b>             | <b>7,820,000</b>                           |                         |
| <b><u>Schools</u></b>         |                       |               |                              |  |                         |
| 7/14/2022                     | Schools .....         | TBD           | 3,500,000                    | 3,500,000                                  | 11/3/2022               |
|                               | <b>Total .....</b>    |               | <b>3,500,000</b>             | <b>3,500,000</b>                           |                         |
|                               |                       |               | <b>\$ 11,320,000</b>         | <b>\$ 11,320,000</b>                       |                         |

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**COMBINED SCHEDULE OF LONG-TERM DEBT**

As of July 14, 2022

(Pro Forma)

| <b>Fiscal<br/>Year</b> | <b>Principal<br/>Payments</b> | <b>Interest<br/>Payments</b> | <b>Total Debt<br/>Service</b> |
|------------------------|-------------------------------|------------------------------|-------------------------------|
| 2022-23                | \$ 6,490,838                  | \$ 2,541,150                 | \$ 9,031,988                  |
| 2023-24                | 6,811,864                     | 2,195,089                    | 9,006,953                     |
| 2024-25                | 7,932,911                     | 1,915,394                    | 9,848,305                     |
| 2025-26                | 8,059,907                     | 1,629,079                    | 9,688,986                     |
| 2026-27                | 7,195,000                     | 1,368,195                    | 8,563,195                     |
| 2027-28                | 6,050,000                     | 1,165,557                    | 7,215,557                     |
| 2028-29                | 5,605,000                     | 1,006,250                    | 6,611,250                     |
| 2029-30                | 4,825,000                     | 886,574                      | 5,711,574                     |
| 2030-31                | 4,795,000                     | 789,142                      | 5,584,142                     |
| 2031-32                | 4,765,000                     | 688,742                      | 5,453,742                     |
| 2032-33                | 4,735,000                     | 586,898                      | 5,321,898                     |
| 2033-34                | 4,530,000                     | 487,398                      | 5,017,398                     |
| 2034-35                | 4,500,000                     | 389,298                      | 4,889,298                     |
| 2035-36                | 4,415,000                     | 290,333                      | 4,705,333                     |
| 2036-37                | 2,890,000                     | 205,075                      | 3,095,075                     |
| 2037-38                | 2,455,000                     | 138,760                      | 2,593,760                     |
| 2038-39                | 2,000,000                     | 83,963                       | 2,083,963                     |
| 2039-40                | 1,550,000                     | 40,406                       | 1,590,406                     |
| 2040-41                | 650,000                       | 14,219                       | 664,219                       |
| 2041-42                | 325,000                       | 3,656                        | 328,656                       |
|                        | <u>\$90,580,519</u>           | <u>\$16,425,178</u>          | <u>\$107,005,697</u>          |

Source: Town of North Haven.

**THE TOWN OF NORTH HAVEN, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.****CAPITAL LEASES**

The Town has outstanding Lease Agreements in the amount of approximately \$6,617,358 as of June 30, 2021. On July 2, 2015 the Town entered into a lease purchase agreement for energy saving improvements to various town buildings and facilities in the amount of \$6,325,257 and to be repaid from the savings achieved. On September 28, 2017 the Town entered into a lease agreement for a new fire truck in the amount of \$1,209,060. On June 18, 2020 the Town entered into a lease purchase agreement in the amount of \$375,326 for a sewer cleaner vacuum truck. These payments are not included in the outstanding bonded debt.

**OVERLAPPING AND UNDERLYING INDEBTEDNESS**

The Town has no overlapping or underlying indebtedness.

**DEBT STATEMENT**

As of July 14, 2022

(Pro Forma)

|   |                       |
|---|-----------------------|
| <b>Long-Term Indebtedness</b> (1)                     |                       |
| General Purpose.....                                  | \$ 32,661,000         |
| Schools.....  | 57,719,000            |
| State of Connecticut CWF Project Loan Obligation..... | 200,519               |
| <b>Total Long-Term Indebtedness</b> .....             | <u>90,580,519</u>     |
| <b>Short-Term Indebtedness</b>                        |                       |
| Notes Payable.....                                    | 7,820,000             |
| The Notes (This Issue).....                           | 3,500,000             |
| <b>Total Direct Indebtedness</b> .....                | <u>101,900,519</u>    |
| <b>Exclusions</b> .....                               | -                     |
| <b>Total Net Direct Indebtedness</b> .....            | <u>\$ 101,900,519</u> |

(1) Does not include authorized but unissued debt of \$4,580,802. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.

**CURRENT DEBT RATIOS**

As of July 14, 2022

(Pro Forma)

|  |                 |
|--|-----------------|
| Total Direct Indebtedness.....                   | \$ 101,900,519  |
| Total Net Direct Indebtedness.....               | \$ 101,900,519  |
| Population (1).....                              | 23,655          |
| Net Taxable Grand List (10/1/21).....            | \$3,219,183,624 |
| Estimated Full Value.....                        | \$4,598,833,749 |
| Equalized Net Taxable Grand List (2019) (2)..... | \$4,448,012,262 |
| Per Capita Income (2020) (1).....                | \$ 50,363       |
| <b>Total Direct Indebtedness:</b>                |                 |
| Per Capita.....                                  | \$4,307.78      |
| To Net Taxable Grand List .....                  | 3.17%           |
| To Estimated Full Value .....                    | 2.22%           |
| To Equalized Net Taxable Grand List.....         | 2.29%           |
| Per Capita to Per Capita Income.....             | 8.55%           |
| <b>Total Net Direct Indebtedness:</b>            |                 |
| Per Capita.....                                  | \$4,307.78      |
| To Net Taxable Grand List.....                   | 3.17%           |
| To Estimated Full Value.....                     | 2.22%           |
| To Equalized Net Taxable Grand List.....         | 2.29%           |
| Per Capita to Per Capita Income.....             | 8.55%           |

(1) U.S. Department of Commerce, 2016-2020 American Community Survey.

(2) Office of Policy and Management, State of Connecticut

**LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING**

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by the Town Meeting following recommendation by the Board of Finance, except for refunding bonds which are authorized by the Board of Selectmen.

**TEMPORARY FINANCING**

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

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

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

**SCHOOL BUILDING GRANT REIMBURSEMENTS**

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996 (the "Current Program").

Under the Current Program, the State of Connecticut is making proportional progress payments for eligible construction costs during project construction. The State grants are paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality issues its bonds only for its share of project costs.

| <u>Project</u>                 | <u>Amount of Total Authorization</u> | <u>Estimated Non-reimbursable Costs</u> | <u>Estimated Eligible Cost For Reimbursement</u> | <u>Reimbursement Rate (%)</u> | <u>Estimated Grant</u> |
|--------------------------------|--------------------------------------|---|--|-------------------------------|------------------------|
| North Haven Middle School..... | \$ 69,814,452                        | \$ 21,596,364                           | \$ 48,218,088                                    | 39.64                         | \$ 19,113,650          |

**CLEAN WATER FUND PROGRAM**

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and denitrification projects which are financed by a 30% grant and 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements (the "Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs (Interim Funding Obligations). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following Clean Water Project Loan Obligation ("PLO") outstanding:

| <u>Project</u>     | <u>Original 2%<br/>Loan Amount</u> | <u>Amount Outstanding<br/>As of July 14, 2022</u> |
|--------------------|------------------------------------|---|
| CWF PLO 489-C..... | \$ 889,772                         | \$ 200,519  |

**LIMITATION OF INDEBTEDNESS**

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

|                                      |  |
|--------------------------------------|--|
| General Purposes:                    | 2.25 times annual receipts from taxation |
| School Purposes:                     | 4.50 times annual receipts from taxation |
| Sewer Purposes:                      | 3.75 times annual receipts from taxation |
| Urban Renewal Purposes:              | 3.25 times annual receipts from taxation |
| Unfunded Pension Liability Purposes: | 3.00 times annual receipts from taxation |

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

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**STATEMENT OF STATUTORY DEBT LIMITATION**

As of July 14, 2022

(Pro Forma)

Total Fiscal Year 2021 tax collections (including interest and lien fees) - Base for Establishing Debt Limit (1) \$ 90,928,533

| <b>Debt Limitation</b>  | <b>General Purpose</b> | <b>Schools</b>       | <b>Sewers</b>        | <b>Urban Renewal</b> | <b>Past Pension</b>  | <b>Total Debt</b>    |
|---|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (2.25 times base).....  | \$204,589,199          |                      |                      |                      |                      |                      |
| (4.50 times base).....  |                        | \$409,178,399        |                      |                      |                      |                      |
| (3.75 times base).....  |                        |                      | \$340,981,999        |                      |                      |                      |
| (3.25 times base).....  |                        |                      |                      | \$295,517,732        |                      |                      |
| (3.00 times base).....  |                        |                      |                      |                      | \$272,785,599        |                      |
| (7.00 times base).....  |                        |                      |                      |                      |                      | \$636,499,731        |
| <b>Indebtedness (Including the Notes)</b>   |                        |                      |                      |                      |                      |                      |
| Bonds Payable.....  | \$ 32,661,000          | \$ 57,719,000        | \$ -                 | \$ -                 | \$ -                 | \$ 90,380,000        |
| Notes Payable.....  | 7,820,000              | -                    | -                    | -                    | -                    | 7,820,000            |
| The Notes (This Issue).....   | -                      | 3,500,000            | -                    | -                    | -                    | 3,500,000            |
| State of Connecticut<br>Clean Water Fund<br>Project Loan<br>Obligation ("PLO")..... | -                      | -                    | 200,519              | -                    | -                    | 200,519              |
| Authorized but<br>Unissued Debt.....  | 4,580,000              | 802                  | -                    | -                    | -                    | 4,580,802            |
| <b>Total Indebtedness</b>   | <b>45,061,000</b>      | <b>61,219,802</b>    | <b>200,519</b>       | <b>-</b>             | <b>-</b>             | <b>106,481,321</b>   |
| Less receivable:<br>School grants (2).....  | -                      | -                    | -                    | -                    | -                    | -                    |
| <b>Total Net Indebtedness.....</b>  | <b>45,061,000</b>      | <b>61,219,802</b>    | <b>200,519</b>       | <b>-</b>             | <b>-</b>             | <b>106,481,321</b>   |
| Excess of Limit Over<br>Outstanding and<br>Authorized Debt.....                     | <u>\$159,528,199</u>   | <u>\$347,958,597</u> | <u>\$340,781,480</u> | <u>\$295,517,732</u> | <u>\$272,785,599</u> | <u>\$530,018,410</u> |

- Fiscal year ending June 30, 2022 tax collections are not yet available, however the Town expects fiscal year 2022 tax collections will exceed the amount collected in fiscal year 2021. As a result, the Town expects that its statutory debt limit will increase.
- It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$19,113,650 during the construction of the Middle School project. As of July 14, 2022, the Town has received progress payments in the amount of \$19,113,650 for the Middle School project. (See "School Projects" herein).

Source: Town Officials.

**AUTHORIZED BUT UNISSUED DEBT**

| <b>Projects</b>                         | <b>Amount Authorized</b> | <b>Prior Financings</b> | <b>Notes Maturing November 3, 2022</b> | <b>Paydowns/ Grants (1)</b> | <b>The Notes (This Issue)</b> | <b>Authorized But Unissued</b> |
|---|--------------------------|-------------------------|--|-----------------------------|-------------------------------|--------------------------------|
| Sackett Point Bridge.....               | \$ 12,000,000            | \$ -                    | \$ 5,820,000                           | \$ 3,750,000                | \$ -                          | \$ 2,430,000                   |
| Valley Service Road.....                | 2,150,000                | -                       | -                                      | -                           | -                             | 2,150,000                      |
| North Haven Middle School.....          | 69,814,452               | 50,700,000              | -                                      | 19,113,650                  | -                             | 802 (2)                        |
| 2021 Road Milling and Paving Project... | 2,000,000                | -                       | 2,000,000                              | -                           | -                             | -                              |
| 2022 Athletic Fields Improvements.....  | 3,500,000                | -                       | -                                      | -                           | 3,500,000                     | -                              |
| <b>Total.....</b>                       | <u>\$ 89,464,452</u>     | <u>\$ 50,700,000</u>    | <u>\$ 7,820,000</u>                    | <u>\$ 22,863,650</u>        | <u>\$ 3,500,000</u>           | <u>\$ 4,580,802</u>            |

- Over the life of the authorization.
- It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$19,113,650 during the construction of the Middle School project. As of July 14, 2022, the Town has received progress payments in the amount of \$19,113,650 for the Middle School project. (See "School Projects" herein).

## HISTORICAL DEBT STATEMENT

|   | <u>2021-22 (1)</u> | <u>2020-21</u>  | <u>2019-20</u>  | <u>2018-19</u>  | <u>2017-18</u>  |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|
| Population (2).....                       | 23,655             | 23,655          | 23,655          | 23,655          | 23,655          |
| Net taxable grand list.....               | \$3,124,595,937    | \$3,115,065,924 | \$2,886,587,315 | \$2,810,468,315 | \$2,809,254,369 |
| Estimated full value.....                 | \$4,463,708,481    | \$4,450,094,177 | \$4,123,696,164 | \$4,014,954,736 | \$4,013,220,527 |
| Equalized net taxable grand list (3)..... | \$4,448,012,262    | \$4,448,012,262 | \$4,390,105,930 | \$4,162,286,379 | \$4,231,389,799 |
| Per capita income (2).....                | \$ 50,363          | \$ 50,363       | \$ 50,363       | \$ 50,363       | \$ 50,363       |
| Short-term debt.....                      | \$ 7,820,000       | \$ 9,700,000    | \$ 11,200,000   | \$ 20,500,000   | \$ 22,500,000   |
| Long-term debt.....                       | 90,580,519         | 90,555,351      | 89,123,222      | 81,337,076      | 79,069,006      |
| Total Direct Indebtedness.....            | \$ 98,400,519      | \$ 100,255,351  | \$ 100,323,222  | \$ 101,837,076  | \$ 101,569,006  |
| Net Direct Indebtedness.....              | \$ 98,400,519      | \$ 100,255,351  | \$ 100,323,222  | \$ 101,837,076  | \$ 101,569,006  |

(1) Unaudited estimates.

(2) U.S. Department of Commerce, 2016-2020 American Community Survey.

(3) Office of Policy and Management, State of Connecticut.

## HISTORICAL DEBT RATIOS

|  | <u>2021-22 (1)</u> | <u>2020-21</u> | <u>2019-20</u> | <u>2018-19</u> | <u>2017-18</u> |
|--|--------------------|----------------|----------------|----------------|----------------|
| <b>Total Direct Indebtedness:</b>            |                    |                |                |                |                |
| Per capita.....                              | \$4,159.82         | \$4,238.23     | \$4,241.10     | \$4,305.10     | \$4,293.76     |
| To net taxable grand list.....               | 3.15%              | 3.22%          | 3.48%          | 3.62%          | 3.62%          |
| To estimated full value.....                 | 2.20%              | 2.25%          | 2.43%          | 2.54%          | 2.53%          |
| To equalized net taxable<br>grand list.....  | 2.21%              | 2.25%          | 2.29%          | 2.45%          | 2.40%          |
| Debt per capita to per capita<br>income..... | 8.26%              | 8.42%          | 8.42%          | 8.55%          | 8.53%          |
| <b>Net Direct Indebtedness:</b>              |                    |                |                |                |                |
| Per capita.....                              | \$4,159.82         | \$4,238.23     | \$4,241.10     | \$4,305.10     | \$4,293.76     |
| To net taxable grand list.....               | 3.15%              | 3.22%          | 3.48%          | 3.62%          | 3.62%          |
| To estimated full value.....                 | 2.20%              | 2.25%          | 2.43%          | 2.54%          | 2.53%          |
| To equalized net taxable<br>grand list.....  | 2.21%              | 2.25%          | 2.29%          | 2.45%          | 2.40%          |
| Debt per capita to per capita<br>income..... | 10.67%             | 10.87%         | 10.88%         | 11.05%         | 11.02%         |

(1) Unaudited estimates.

*[The remainder of this page intentionally left blank]*

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND  
EXPENDITURES AND TRANSFERS OUT**

| <b>Fiscal Year<br/>Ended 6/30</b> | <b>Annual<br/>Debt Service</b> | <b>Total General<br/>Fund Expenditures<br/>and Transfers out</b> | <b>Ratio of General Fund Debt<br/>Service to Total General Fund<br/>Expenditures and Transfers Out %</b> |
|-----------------------------------|--------------------------------|--|--|
| 2023 (1)                          | \$ 9,109,970                   | \$ 116,023,597   | 7.85%  |
| 2022 (1)                          | 8,453,853                      | 111,853,794  | 7.56%  |
| 2021                              | 8,578,004                      | 114,841,711  | 7.47%  |
| 2020                              | 7,685,747                      | 103,785,950  | 7.41%  |
| 2019                              | 6,654,290                      | 107,618,059  | 6.18%  |
| 2018                              | 6,790,890                      | 106,468,449  | 6.38%  |
| 2017                              | 6,650,021                      | 103,822,324  | 6.41%  |
| 2016                              | 6,315,065                      | 97,609,813   | 6.47%  |
| 2015                              | 6,436,326                      | 95,920,586   | 6.71%  |
| 2014                              | 6,144,329                      | 94,667,270   | 6.49%  |

(1) Fiscal years 2019-20 and 2020-21 are presented on a budgetary basis, all other fiscal years are presented on a GAAP basis.

Source: Annual audited financial statements, fiscal year 2019-20 estimated actuals and 2020-21 adopted budget.

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## VII. LEGAL AND OTHER LITIGATION

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### LITIGATION

The Town, its officers, employees, boards and commissions are defendants in a number of lawsuits. Following consultation with the Town Attorney, it is the opinion of Town Officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position.

### MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the “Municipal Advisor”) to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy.

### DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Upon delivery of the Notes, the original purchasers will be furnished with the following:

1. A signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the First Selectman and the Town Treasurer of the Town, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that at the time bids were accepted on the Notes, the descriptions and statements in the Official Statement relating to the Town of North Haven and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. A receipt for the purchase price of the Notes;
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut for the Notes in substantially in the form attached as Appendix B;
5. An executed Continuing Disclosure Agreement for the Notes in substantially the form attached to the Official Statement as Appendix C; and
6. Within seven business days of the bid opening, the Town will furnish the purchaser of the Notes a reasonable number of copies of the Official Statement, as prepared by the Town.

A record of the proceedings taken by the Town in authorizing the Notes will be kept on file at the principal office of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum St., 27th Floor, Hartford, Connecticut, and will be available for examination upon reasonable request.

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**CONCLUDING STATEMENT**

Additional information may be obtained upon request from the office of the First Selectman at (203) 239-5321 or from Munistat Services, Inc. at (203) 421-2087.

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

This Official Statement has been duly authorized and approved by the Town and duly executed and delivered on its behalf by the Town.

**TOWN OF NORTH HAVEN, CONNECTICUT**

**BY:** \_\_\_\_\_  
**MICHAEL J. FREDA**  
*First Selectman*

**BY:** \_\_\_\_\_  
**DONALD CLARK**  
*Town Treasurer*

**Dated: June 21, 2022**

**APPENDIX A - AUDITED FINANCIAL STATEMENTS**

**TOWN OF NORTH HAVEN, CONNECTICUT**

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**JUNE 30, 2021**

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**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of North Haven for the Fiscal Year ended June 30, 2021 as presented by the Auditors. This appendix does not include all of the schedules made in such report. A copy of the complete report is available upon request to the Director of Finance/Administration, Town of North Haven, Connecticut.

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement, and make no representation that they have independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post audit period. The auditors have not provided their consent for the use of the audit report in this Official Statement.

## **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, 2021, 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, 2021, 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, as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

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

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

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**

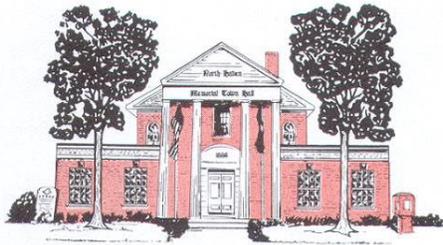
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
February 25, 2022



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



REPLY TO:

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

**Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

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, 2021.

**Financial highlights**

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

|                           | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>  |
|---------------------------|------------------------------------|-------------------------------------|---------------|
| Change in net position    | \$ 20,064,094                      | \$ (416,408)                        | \$ 19,647,686 |
| Total net position        | 45,083,768                         | 27,378,986                          | 72,462,754    |
| Unrestricted net position | (101,276,033)                      | 5,423,689                           | (95,852,344)  |

- The Town's total net position increased by \$19,647,686. The increase is due to the following:

Governmental and enterprise fund activity:

- |   |              |
|---|--------------|
| ➤ positive operations of the bonded projects fund of      | \$ 3,458,865 |
| ➤ positive operations in the capital nonrecurring fund of | 3,667,744    |
| ➤ negative operations of the WPCA fund of                 | (416,408)    |

Conversion to accrual basis on Exhibit E:

- |   |             |
|---|-------------|
| ➤ capital outlay net of depreciation expense of           | 3,931,554   |
| ➤ net principal debt activity of                          | 990,521     |
| ➤ change in net pension liability of                      | 17,641,393  |
| ➤ change in OPEB liability of                             | (3,706,986) |
| ➤ change in pension and OPEB deferred inflows/outflows of | (7,508,935) |
| ➤ positive operations of the internal service funds of    | 1,486,068   |

- The Town's governmental funds reported combined fund balance of \$19,472,140, an increase of \$7,035,273 compared to the prior year. The change is based on the operating results of each major fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.

- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$8,888,029 or 8.23% of total budgetary general fund expenditures and transfers out.
- The Town's total debt increased by \$567,435 or 0.56% as the result of the issuance of debt of \$38,675,000 net with scheduled principal payments on outstanding debt of \$7,132,565 and \$30,975,000 of debt refunded.

- Net capital assets increased by \$4,182,647 during the current fiscal year. The increase is attributable to capital asset additions for construction in progress along with an increase for infrastructure 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, Bonded Projects Fund and Capital Nonrecurring Fund, 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 other governmental funds is provided in the form of combining schedules 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.

### **Required supplementary information**

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

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget (RSI-1).
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

### **Other information**

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

**Government-wide financial analysis**

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the Town, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$72,462,754, 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, distribution and collection system 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. Restricted net position is \$3,068,191.

The analysis below focuses on the net position and changes in net position. Unrestricted net position at year-end totaled \$(95,852,344). This is an increase of \$12,724,065 from the prior year.

**Summary Statement of Net Position  
June 30**

|                                   | Governmental Activities |                       | Business-Type Activities |                     | Totals               |                       |
|-----------------------------------|-------------------------|-----------------------|--------------------------|---------------------|----------------------|-----------------------|
|                                   | 2021                    | 2020<br>(as restated) | 2021                     | 2020                | 2021                 | 2020<br>(as restated) |
| Current and other assets          | \$ 36,685,146           | \$ 31,462,260         | \$ 5,476,815             | \$ 6,346,462        | \$ 42,161,961        | \$ 37,808,722         |
| Capital assets (net)              | 252,115,962             | 248,405,280           | 21,955,297               | 21,483,332          | 274,071,259          | 269,888,612           |
| <b>Total assets</b>               | <b>288,801,108</b>      | <b>279,867,540</b>    | <b>27,432,112</b>        | <b>27,829,794</b>   | <b>316,233,220</b>   | <b>307,697,334</b>    |
| Deferred outflows of resources    | 20,315,673              | 21,597,395            | -                        | -                   | 20,315,673           | 21,597,395            |
| Long-term liabilities outstanding | 213,033,017             | 226,363,308           | -                        | -                   | 213,033,017          | 226,363,308           |
| Other liabilities                 | 18,609,704              | 21,867,874            | 53,126                   | 34,400              | 18,662,830           | 21,902,274            |
| <b>Total liabilities</b>          | <b>231,642,721</b>      | <b>248,231,182</b>    | <b>53,126</b>            | <b>34,400</b>       | <b>231,695,847</b>   | <b>248,265,582</b>    |
| Deferred inflows of resources     | 32,390,292              | 28,214,079            | -                        | -                   | 32,390,292           | 28,214,079            |
| Net investment in capital assets  | 143,291,610             | 136,199,752           | 21,955,297               | 21,483,332          | 165,246,907          | 157,683,084           |
| Restricted                        | 3,068,191               | 3,708,393             | -                        | -                   | 3,068,191            | 3,708,393             |
| Unrestricted                      | (101,276,033)           | (114,888,471)         | 5,423,689                | 6,312,062           | (95,852,344)         | (108,576,409)         |
| <b>Total net position</b>         | <b>\$ 45,083,768</b>    | <b>\$ 25,019,674</b>  | <b>\$27,378,986</b>      | <b>\$27,795,394</b> | <b>\$ 72,462,754</b> | <b>\$ 52,815,068</b>  |

Management's Discussion and Analysis (continued)

As detailed below, the Town's total net position increased by \$19,647,686 during the current fiscal year:

**Statement of Changes in Net Position  
For the Year Ended June 30**

|   | Governmental Activities |                      | Business-Type Activities |                      | Totals               |                      |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|   | 2021                    | 2020                 | 2021                     | 2020                 | 2021                 | 2020                 |
| Revenues:   |                         |                      |                          |                      |                      |                      |
| Program revenues:   |                         |                      |                          |                      |                      |                      |
| Charges for services  | \$ 4,458,042            | \$ 5,720,168         | \$ 3,673,531             | \$ 3,408,135         | \$ 8,131,573         | \$ 9,128,303         |
| Operating grants and contributions                              | 16,500,584              | 15,364,921           | -                        | -                    | 16,500,584           | 15,364,921           |
| Capital grants and contributions                                | 10,514,970              | 3,456,432            | -                        | -                    | 10,514,970           | 3,456,432            |
| General revenues:   |                         |                      |                          |                      |                      |                      |
| Property taxes  | 95,886,544              | 91,136,843           | -                        | -                    | 95,886,544           | 91,136,843           |
| Grants and contributions not<br>restricted to specific programs | 776,652                 | 780,728              | -                        | -                    | 776,652              | 780,728              |
| Income from investments   | 135,367                 | 230,900              | -                        | -                    | 135,367              | 230,900              |
| Other   | 1,067,401               | 727,185              | -                        | -                    | 1,067,401            | 727,185              |
| <b>Total revenues</b>   | <b>129,339,560</b>      | <b>117,417,177</b>   | <b>3,673,531</b>         | <b>3,408,135</b>     | <b>133,013,091</b>   | <b>120,825,312</b>   |
| Expenses:   |                         |                      |                          |                      |                      |                      |
| General government  | 11,515,666              | 10,556,071           | -                        | -                    | 11,515,666           | 10,556,071           |
| Public safety   | 20,480,012              | 20,708,719           | -                        | -                    | 20,480,012           | 20,708,719           |
| Health and welfare  | 898,323                 | 2,173,151            | -                        | -                    | 898,323              | 2,173,151            |
| Public works  | 8,410,408               | 8,655,822            | -                        | -                    | 8,410,408            | 8,655,822            |
| Culture and recreation  | 698,173                 | 1,534,821            | -                        | -                    | 698,173              | 1,534,821            |
| Education   | 66,475,576              | 64,307,549           | -                        | -                    | 66,475,576           | 64,307,549           |
| Interest  | 797,308                 | 2,060,941            | -                        | -                    | 797,308              | 2,060,941            |
| WPCA  | -                       | -                    | 4,089,939                | 3,428,009            | 4,089,939            | 3,428,009            |
| <b>Total expenses</b>   | <b>109,275,466</b>      | <b>109,997,074</b>   | <b>4,089,939</b>         | <b>3,428,009</b>     | <b>113,365,405</b>   | <b>113,425,083</b>   |
| Change in net position  | 20,064,094              | 7,420,103            | (416,408)                | (19,874)             | 19,647,686           | 7,400,229            |
| Net position - July 1   | 25,019,674              | 16,997,982           | 27,795,394               | 27,815,268           | 52,815,068           | 44,813,250           |
| Restatement for GASB No. 84                                     | -                       | 601,589              | -                        | -                    | -                    | 601,589              |
| <b>Net position - June 30</b>                                   | <b>\$ 45,083,768</b>    | <b>\$ 25,019,674</b> | <b>\$ 27,378,986</b>     | <b>\$ 27,795,394</b> | <b>\$ 72,462,754</b> | <b>\$ 52,815,068</b> |

Of the total increase, \$20,064,094 was for governmental activities offset by (\$416,408) for business-type activities. The detailed discussion of reasons for the results are discussed below.

### **Governmental activities**

Governmental activities resulted in an increase of the Town's net position by \$20,064,094. The major factors for the increase are as follows:

#### **Revenues**

Governmental activities revenues totaled \$129,339,560. This represents an increase of \$11,922,383 from the prior year. Property taxes are the largest revenue source for the Town and represent 74.14% of revenues. Operating grants and contributions are the second largest revenue source for the Town and represent 12.76% of revenues and includes grants for education, general government, public safety and public works. Capital grants and contributions account for 8.13%. Charges for services accounted for 3.45% of revenue.

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

#### **Revenues**

- Capital grants and contributions increased by \$7,058,538 primarily due to an increase in highway planning grants of \$3,569,783 and the receipt of the first installment of the ARPA grant of \$3,504,499.
- Property taxes increased by \$4,749,701 due to the increase in the tax levy necessary to support the adopted budget.

#### **Expenses**

Governmental activity expenses totaled \$109,275,466 for the fiscal year, a decrease of \$721,608. Of the expenses, \$66,475,576 or 60.83% is related to education. Public safety expenses were \$20,480,012 or 18.74%, general government expenses were \$11,515,666 or 10.54% and public works expenses amounted to \$8,410,408 or 7.70%.

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

- General government expenses increased by \$959,595 primarily due to an increase in employee benefits of \$830,888, increase in compensated absences expense of \$359,746, offset by a decrease in pension expense of \$257,094.
- Education expenses increased by \$2,168,027 due to an increase in education expenses of \$3,100,442 as a result of an increase in salaries and benefits and an increase in various COVID-19 grants received, increase in depreciation expense of \$941,457, offset by a decrease in OPEB expense of \$1,875,948.
- Health and welfare expenses decreased by \$1,274,828 primarily due to a decrease in daycare expenses of \$372,806 as a result of closures during the pandemic, pension expense of \$456,541, and OPEB expense of \$162,434.
- Interest expense decreased by \$1,263,633 due to a bond issuance in July 2020 that refunded bonds of \$30,975,000.

**Business-type activities**

General revenues do not support the Town's business-type activities; thus, the only source of revenues is from charges for services. The Town's business-type activity, the Water Pollution Control Authority's operation resulted in a decrease in net position of \$416,408 due mostly to a \$1,043,712 increase in repairs and maintenance projects to improve sewer site compared to the prior year offset by a decrease in contracted services of \$722,225. Unrestricted net position of the Water Pollution Control Authority was \$5,423,689 at year end.

**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.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$19,472,140, an increase of \$7,035,273 in comparison with the prior year.

|  |                      |
|--|----------------------|
| Nonspendable for endowments and perpetual care | \$ 201,722           |
| Restricted                                     | 2,866,469            |
| Committed                                      | 5,699,779            |
| Assigned                                       | 2,532,165            |
| Unassigned                                     | <u>8,172,005</u>     |
| Total  | <u>\$ 19,472,140</u> |

Fund balances increased by \$7,035,273 as a result of the following funds activity:

**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 \$8,888,029. 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 8.23% of total general fund budgetary expenditures and transfers out, while total fund balance represents 10.45% of that same amount.

The Town's total fund balance in the general fund increased by \$215,642 during the current fiscal year. This was primarily due to budgeted revenues and transfers in excess of budget by \$404,555 offset by the appropriation of fund balance of \$1,725,000 resulting in a net shortfall in revenues of \$1,307,469. The shortfall in revenues were offset by spending savings of \$760,612. The details for these amounts are discussed in the budgetary highlights section.

**Bonded projects fund.** The Bonded Projects Fund's net change in fund balance was an increase of \$3,458,865 for the fiscal year. This is primarily the result of issuances of general obligation bonds of \$5,700,000 that funded expenditures for projects in the current and prior year. The ending fund balance was a deficit of \$92,595.

**Capital nonrecurring fund.** The Capital Nonrecurring Fund's net change in fund balance was an increase of \$3,667,744 for the fiscal year due mostly to the ARPA grant of \$3,504,499 that has not been spent.

**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 a decrease in net position of \$416,408 due mostly to a \$1,043,712 increase in repairs and maintenance projects to improve sewer site compared to the prior year offset by a decrease in contracted services of \$722,225. Unrestricted net position of the Water Pollution Control Authority was \$5,423,689 at year end.

**Internal service funds.** The internal service funds are used to account for dental, medical and workers' compensation claims. The internal service funds had an increase in net position of \$1,486,068. This is a result of increased funding during the fiscal year for both the Town and Education medical self insurance funds based upon an expected increase in claims as compared to prior year due to medical facility closure during the pandemic. Claims were lower than expected and therefore the Town and Education funds had positive operating results of \$359,321 and \$1,267,929, respectively. The internal service funds had an unrestricted net position of \$2,553,229 at year end.

### **General fund budgetary highlights**

On a budgetary basis, expenditures and other financing uses exceeded revenues and other financing sources by \$546,857. Overall, revenues and transfers in were \$1,307,469 less than anticipated and expenditures were \$760,612 less than budgeted.

The most significant item budget variances were as follows:

#### **Revenues**

- The Town budgeted \$1,725,000 of fund balance to balance the 2021 budget.
- Charges for services revenue was \$510,245 less than budgeted due to lower than expected building and fire fees as construction of the Amazon distribution center was completed.
- Town clerk conveyance taxes were in excess of budget by \$215,440 due to the increased transactions in the real estate market as a result of the pandemic.
- Investment income was lower than budgeted by \$265,602 as interest rates did not increase from the decline caused by the pandemic

#### **Expenditures**

- Streets and roads were less than budgeted by \$508,769 due to salaries being underspent for planned positions that were unable to be filled as a result of the pandemic.
- Insurance was less than budgeted by \$160,687 due to liability, auto, and property insurance premiums were less than expected.

Significant budget transfers were as follows:

- Transfers from the contingency budget (\$271,850) and police budget (\$247,901) and the streets and road budget (\$130,894) were used to fund additional costs incurred for sanitation of \$297,533 and transfer station and recycling of \$183,408 as a result of increased volume from people working from home as a result of the pandemic.

**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 \$252,115,962 and \$21,955,297, respectively. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, distribution and collection system and infrastructure. The net increase in the Town's investment in capital assets for the current fiscal year was \$4,182,647. This is mainly attributable to increases in construction in progress, building improvements, machinery and equipment and infrastructure offset by depreciation expense.

|                                    | Capital Assets - Net    |                       |                          |                      |                       |                       |
|------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                    | June 30                 |                       |                          |                      |                       |                       |
|                                    | Governmental Activities |                       | Business-Type Activities |                      | Totals                |                       |
|                                    | 2021                    | 2020                  | 2021                     | 2020                 | 2021                  | 2020                  |
| Land                               | \$ 3,681,628            | \$ 3,681,628          | \$ 21,000                | \$ 21,000            | \$ 3,702,628          | \$ 3,702,628          |
| Construction in progress           | 8,926,224               | 5,313,191             | 1,043,712                | -                    | 9,969,936             | 5,313,191             |
| Land improvements                  | 4,741,051               | 4,993,440             | 277,465                  | 286,740              | 5,018,516             | 5,280,180             |
| Buildings and improvements         | 186,254,405             | 187,888,731           | 9,734,192                | 9,922,789            | 195,988,597           | 197,811,520           |
| Machinery and equipment            | 5,973,088               | 6,174,468             | 1,806,586                | 1,972,264            | 7,779,674             | 8,146,732             |
| Vehicles                           | 6,819,235               | 7,114,151             | 73,480                   | 81,762               | 6,892,715             | 7,195,913             |
| Distribution and collection system | -                       | -                     | 8,998,862                | 9,198,777            | 8,998,862             | 9,198,777             |
| Infrastructure                     | 35,720,331              | 33,239,671            | -                        | -                    | 35,720,331            | 33,239,671            |
| <b>Total</b>                       | <b>\$ 252,115,962</b>   | <b>\$ 248,405,280</b> | <b>\$ 21,955,297</b>     | <b>\$ 21,483,332</b> | <b>\$ 274,071,259</b> | <b>\$ 269,888,612</b> |

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

**Governmental activities**

Construction in progress:

- Sackett Point bridge \$ 2,613,577
- School security 1,600,562
- Road paving 1,068,744
- Pump station 1,043,712

Building and improvements additions from construction in progress:

- Vanacore concessions building 703,706
- Police station 274,744

Vehicles purchases:

- Police cars 139,883

Infrastructure improvements:

- Valley service road 2,798,951
- Other road projects 409,895

Machinery and equipment:

- Technology upgrades 269,150

**Business-type activities**

- Construction in progress for sewer projects 1,043,712

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

**Long-term debt** - At the end of the year, the Town had total bonded debt and notes outstanding of \$102,571,754 backed by the full faith and credit of the Town.

**Outstanding Debt  
General Obligation Bonds and Notes  
June 30**

|                           | Governmental Activities |                |
|---------------------------|-------------------------|----------------|
|                           | 2021                    | 2020           |
| General obligation bonds  | \$ 90,000,000           | \$ 88,820,000  |
| Bond anticipation notes   | 5,700,000               | 5,500,000      |
| Equipment financing notes | 6,617,358               | 7,381,097      |
| Clean water loans         | 254,396                 | 303,222        |
| Total                     | \$ 102,571,754          | \$ 102,004,319 |

The Town's total debt increased by \$567,435 during the current fiscal year. The increase is the result of the issuance of debt of \$38,675,000 net with scheduled principal payments on outstanding debt of \$7,132,565 and \$30,975,000 of debt refunded.

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 prior year taxation or \$636,499,731, 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 2021-2022 general fund adopted budget totaled \$111,853,794. The following economic factors currently affect the Town of North Haven and were considered in developing the 2021-2022 fiscal year budget:

- As of June 2021, the national unemployment rate was 5.9% and the State was 7.7%. The Town's unemployment rate was 5.1% as compared to 9.1% in the prior year. The decreases are due to job market recovery subsequent to the coronavirus pandemic.
- Inflationary trends in the region compare favorably to national indices, although they have increased substantially from the prior year.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being continually monitored. For fiscal year 2021, there was a negative impact on income from investments, but other revenues such as building permits and conveyance taxes were positively impacted. The Town did not see any impact on tax collections for the prior fiscal year and there is no indication that there will be an impact on 2022 collections.

**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 Finance Department, 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, 2021

| <u>Assets</u>  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>       |
|--|------------------------------------|-------------------------------------|--------------------|
| Current assets:  |                                    |                                     |                    |
| Cash   | \$ 24,218,235                      | \$ 1,059,481                        | \$ 25,277,716      |
| Investments  | 9,977,493                          | -                                   | 9,977,493          |
| Receivables (net):                                     |                                    |                                     |                    |
| Property taxes   | 1,237,906                          | -                                   | 1,237,906          |
| Assessments and usage                                  | 165,495                            | 640,956                             | 806,451            |
| Intergovernmental                                      | 1,972,175                          | -                                   | 1,972,175          |
| Other  | 191,765                            | -                                   | 191,765            |
| Internal balances                                      | (3,776,378)                        | 3,776,378                           | -                  |
| Other  | 197,114                            | -                                   | 197,114            |
| Total current assets                                   | <u>34,183,805</u>                  | <u>5,476,815</u>                    | <u>39,660,620</u>  |
| Noncurrent assets:                                     |                                    |                                     |                    |
| Restricted assets:                                     |                                    |                                     |                    |
| Temporarily restricted:                                |                                    |                                     |                    |
| Cash   | 1,073,611                          | -                                   | 1,073,611          |
| Investments  | 145,073                            | -                                   | 145,073            |
| Permanently restricted:                                |                                    |                                     |                    |
| Investments  | 201,722                            | -                                   | 201,722            |
| Total restricted assets                                | <u>1,420,406</u>                   | <u>-</u>                            | <u>1,420,406</u>   |
| Receivables (net):                                     |                                    |                                     |                    |
| Property taxes   | 1,080,935                          | -                                   | 1,080,935          |
| Capital assets (net of accumulated depreciation):      |                                    |                                     |                    |
| Land   | 3,681,628                          | 21,000                              | 3,702,628          |
| Construction in progress                               | 8,926,224                          | 1,043,712                           | 9,969,936          |
| Land improvements                                      | 4,741,051                          | 277,465                             | 5,018,516          |
| Buildings and improvements                             | 186,254,405                        | 9,734,192                           | 195,988,597        |
| Machinery and equipment                                | 5,973,088                          | 1,806,586                           | 7,779,674          |
| Vehicles   | 6,819,235                          | 73,480                              | 6,892,715          |
| Distribution and collection system                     | -                                  | 8,998,862                           | 8,998,862          |
| Infrastructure   | 35,720,331                         | -                                   | 35,720,331         |
| Total capital assets (net of accumulated depreciation) | <u>252,115,962</u>                 | <u>21,955,297</u>                   | <u>274,071,259</u> |
| Total noncurrent assets                                | <u>254,617,303</u>                 | <u>21,955,297</u>                   | <u>276,572,600</u> |
| Total assets   | <u>288,801,108</u>                 | <u>27,432,112</u>                   | <u>316,233,220</u> |
| <u>Deferred Outflows of Resources</u>                  |                                    |                                     |                    |
| Deferred charge on refunding                           | 521,000                            | -                                   | 521,000            |
| Pension related  | 453,837                            | -                                   | 453,837            |
| OPEB related   | 19,340,836                         | -                                   | 19,340,836         |
| Total deferred outflows of resources                   | <u>20,315,673</u>                  | <u>-</u>                            | <u>20,315,673</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, 2021

| <u>Liabilities</u>                              | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|---|------------------------------------|-------------------------------------|----------------------|
| Current liabilities:                            |                                    |                                     |                      |
| Accounts payable                                | \$ 3,503,913                       | \$ 53,126                           | \$ 3,557,039         |
| Accrued payroll and related liabilities         | 277,573                            | -                                   | 277,573              |
| Accrued interest payable                        | 1,082,648                          | -                                   | 1,082,648            |
| Unearned revenue                                | 242,632                            | -                                   | 242,632              |
| Bond anticipation notes                         | 4,000,000                          | -                                   | 4,000,000            |
| Other   | 303,688                            | -                                   | 303,688              |
| Bonds and notes payable                         | 6,453,920                          | -                                   | 6,453,920            |
| Compensated absences                            | 1,305,012                          | -                                   | 1,305,012            |
| Landfill liability                              | 10,000                             | -                                   | 10,000               |
| Risk management claims payable                  | 1,430,318                          | -                                   | 1,430,318            |
| Total current liabilities                       | <u>18,609,704</u>                  | <u>53,126</u>                       | <u>18,662,830</u>    |
| Noncurrent liabilities:                         |                                    |                                     |                      |
| Performance bonds                               | 1,073,611                          | -                                   | 1,073,611            |
| Bonds and notes payable and related liabilities | 98,283,562                         | -                                   | 98,283,562           |
| Compensated absences                            | 5,220,047                          | -                                   | 5,220,047            |
| Landfill liability                              | 30,000                             | -                                   | 30,000               |
| Claims payable                                  | 208,000                            | -                                   | 208,000              |
| Risk management claims payable                  | 1,561,054                          | -                                   | 1,561,054            |
| Net pension liability                           | 14,687,925                         | -                                   | 14,687,925           |
| OPEB liability                                  | 91,968,818                         | -                                   | 91,968,818           |
| Total noncurrent liabilities                    | <u>213,033,017</u>                 | <u>-</u>                            | <u>213,033,017</u>   |
| Total liabilities                               | <u>231,642,721</u>                 | <u>53,126</u>                       | <u>231,695,847</u>   |
| <u>Deferred Inflows of Resources</u>            |                                    |                                     |                      |
| Pension related                                 | 13,609,667                         | -                                   | 13,609,667           |
| OPEB related                                    | 18,780,625                         | -                                   | 18,780,625           |
| Total deferred inflows of resources             | <u>32,390,292</u>                  | <u>-</u>                            | <u>32,390,292</u>    |
| <u>Net Position</u>                             |                                    |                                     |                      |
| Net investment in capital assets                | 143,291,610                        | 21,955,297                          | 165,246,907          |
| Restricted for:                                 |                                    |                                     |                      |
| Endowments:                                     |                                    |                                     |                      |
| Nonexpendable                                   | 101,722                            | -                                   | 101,722              |
| Expendable                                      | 21,062                             | -                                   | 21,062               |
| Perpetual care:                                 |                                    |                                     |                      |
| Nonexpendable                                   | 100,000                            | -                                   | 100,000              |
| Expendable                                      | 118,358                            | -                                   | 118,358              |
| General government                              | 65,616                             | -                                   | 65,616               |
| Public safety                                   | 165,074                            | -                                   | 165,074              |
| Health and welfare                              | 223,879                            | -                                   | 223,879              |
| Public works                                    | 1,771,987                          | -                                   | 1,771,987            |
| Culture and recreation                          | 60,865                             | -                                   | 60,865               |
| Education                                       | 439,628                            | -                                   | 439,628              |
| Unrestricted                                    | <u>(101,276,033)</u>               | <u>5,423,689</u>                    | <u>(95,852,344)</u>  |
| Total net position                              | <u>\$ 45,083,768</u>               | <u>\$ 27,378,986</u>                | <u>\$ 72,462,754</u> |

(Concluded)

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

Town of North Haven, Connecticut

Statement of Activities  
For the Year Ended June 30, 2021

| Functions/Programs   | Expenses              | Program Revenues        |  |  | Net Revenues (Expenses) and<br>Change in Net Position |                             |                      |
|--|-----------------------|-------------------------|--|--|---|-----------------------------|----------------------|
|  |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                            | Business-type<br>Activities | Total                |
| Governmental activities:                                     |                       |                         |  |  |   |                             |                      |
| General government   | \$ 11,515,666         | \$ 792,920              | \$ 339,157                               | \$ -                                   | \$ (10,383,589)                                       | \$ -                        | \$ (10,383,589)      |
| Public safety  | 20,480,012            | 1,632,594               | 32,222                                   | -                                      | (18,815,196)  | -                           | (18,815,196)         |
| Health and welfare   | 898,323               | 370,947                 | 197,853                                  | -                                      | (329,523)   | -                           | (329,523)            |
| Public works   | 8,410,408             | 1,126,472               | -  | 10,514,970                             | 3,231,034   | -                           | 3,231,034            |
| Culture and recreation                                       | 698,173               | 19,894                  | 27,609                                   | -                                      | (650,670)   | -                           | (650,670)            |
| Education  | 66,475,576            | 515,215                 | 15,903,743                               | -                                      | (50,056,618)  | -                           | (50,056,618)         |
| Interest   | 797,308               | -                       | -  | -                                      | (797,308)   | -                           | (797,308)            |
| Total governmental activities                                | 109,275,466           | 4,458,042               | 16,500,584                               | 10,514,970                             | (77,801,870)  | -                           | (77,801,870)         |
| Business-type activities:                                    |                       |                         |  |  |   |                             |                      |
| Water Pollution Control Authority                            | 4,089,939             | 3,673,531               | -  | -                                      | -   | (416,408)                   | (416,408)            |
| Total  | <u>\$ 113,365,405</u> | <u>\$ 8,131,573</u>     | <u>\$ 16,500,584</u>                     | <u>\$ 10,514,970</u>                   | <u>(77,801,870)</u>                                   | <u>(416,408)</u>            | <u>(78,218,278)</u>  |
| General revenues:  |                       |                         |  |  |   |                             |                      |
| Property taxes   |                       |                         |  |  | 95,886,544  | -                           | 95,886,544           |
| Grants and contributions not restricted to specific programs |                       |                         |  |  | 776,652   | -                           | 776,652              |
| Income from investments                                      |                       |                         |  |  | 135,367   | -                           | 135,367              |
| Other  |                       |                         |  |  | 1,067,401   | -                           | 1,067,401            |
| Total general revenues                                       |                       |                         |  |  | <u>97,865,964</u>                                     | <u>-</u>                    | <u>97,865,964</u>    |
| Change in net position                                       |                       |                         |  |  | 20,064,094  | (416,408)                   | 19,647,686           |
| Net position - July 1, 2020 (as restated)                    |                       |                         |  |  | <u>25,019,674</u>                                     | <u>27,795,394</u>           | <u>52,815,068</u>    |
| Net position - June 30, 2021                                 |                       |                         |  |  | <u>\$ 45,083,768</u>                                  | <u>\$ 27,378,986</u>        | <u>\$ 72,462,754</u> |

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

Town of North Haven, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2021

|   | <u>General</u>       | <u>Bonded<br/>Projects Fund</u> | <u>Capital<br/>Nonrecurring<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|---------------------------------|--|---|---|
| <u>Assets</u>   |                      |                                 |  |   |   |
| Cash  | \$ 12,704,029        | \$ 1,026,611                    | \$ 854,526                               | \$ 934,235                              | \$ 15,519,401                           |
| Restricted cash   | 1,073,611            | -                               | -  | -                                       | 1,073,611                               |
| Investments   | 9,831,540            | 145,953                         | -  | -                                       | 9,977,493                               |
| Restricted investments  | -                    | -                               | -  | 346,795                                 | 346,795                                 |
| Receivables:  |                      |                                 |  |   |   |
| Property taxes  | 2,849,980            | -                               | -  | -                                       | 2,849,980                               |
| Intergovernmental   | -                    | -                               | 1,727,099                                | 245,076                                 | 1,972,175                               |
| Assessments   | 165,495              | -                               | -  | -                                       | 165,495                                 |
| Other   | 32,363               | -                               | -  | -                                       | 32,363                                  |
| Due from other funds  | 4,565,516            | -                               | 7,583,750                                | 1,170,036                               | 13,319,302                              |
| Other   | 173,306              | -                               | -  | 23,808                                  | 197,114                                 |
| Total assets  | <u>\$ 31,395,840</u> | <u>\$ 1,172,564</u>             | <u>\$ 10,165,375</u>                     | <u>\$ 2,719,950</u>                     | <u>\$ 45,453,729</u>                    |
| <u>Liabilities</u>  |                      |                                 |  |   |   |
| Accounts payable  | \$ 2,618,272         | \$ 607,870                      | \$ 12,005                                | \$ 347,135                              | \$ 3,585,282                            |
| Accrued payroll and related liabilities                               | 277,573              | -                               | -  | -                                       | 277,573                                 |
| Due to other funds  | 13,015,534           | 657,289                         | -  | 27,853                                  | 13,700,676                              |
| Unearned revenue  | 32,250               | -                               | 30,000                                   | 180,382                                 | 242,632                                 |
| Bond anticipation notes   | -                    | -                               | 4,000,000                                | -                                       | 4,000,000                               |
| Performance bonds   | 1,073,611            | -                               | -  | -                                       | 1,073,611                               |
| Other   | 303,688              | -                               | -  | -                                       | 303,688                                 |
| Total liabilities   | <u>17,320,928</u>    | <u>1,265,159</u>                | <u>4,042,005</u>                         | <u>555,370</u>                          | <u>23,183,462</u>                       |
| <u>Deferred Inflows of Resources</u>                                  |                      |                                 |  |   |   |
| Unavailable revenue:  |                      |                                 |  |   |   |
| Property taxes  | 2,632,632            | -                               | -  | -                                       | 2,632,632                               |
| Assessments   | 165,495              | -                               | -  | -                                       | 165,495                                 |
| Total deferred inflows of resources                                   | <u>2,798,127</u>     | <u>-</u>                        | <u>-</u>                                 | <u>-</u>                                | <u>2,798,127</u>                        |
| <u>Fund Balances</u>  |                      |                                 |  |   |   |
| Nonspendable  | -                    | -                               | -  | 201,722                                 | 201,722                                 |
| Restricted  | -                    | -                               | 1,771,987                                | 1,094,482                               | 2,866,469                               |
| Committed   | -                    | -                               | 4,947,642                                | 752,137                                 | 5,699,779                               |
| Assigned  | 2,388,756            | -                               | -  | 143,409                                 | 2,532,165                               |
| Unassigned  | 8,888,029            | (92,595)                        | (596,259)                                | (27,170)                                | 8,172,005                               |
| Total fund balances   | <u>11,276,785</u>    | <u>(92,595)</u>                 | <u>6,123,370</u>                         | <u>2,164,580</u>                        | <u>19,472,140</u>                       |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 31,395,840</u> | <u>\$ 1,172,564</u>             | <u>\$ 10,165,375</u>                     | <u>\$ 2,719,950</u>                     | <u>\$ 45,453,729</u>                    |

(Continued)

The notes to 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, 2021**

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) | \$ 19,472,140 |
|---|---------------|

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

|  |                    |
|--|--------------------|
| Beginning capital assets (net)                             | 248,405,280        |
| Capital assets additions (net of construction in progress) | 8,769,221          |
| Depreciation expense                                       | (4,837,667)        |
| Disposal and sale of capital assets                        | (220,872)          |
| <b>Total</b>   | <b>252,115,962</b> |

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

|  |                  |
|--|------------------|
| Property tax interest and lien accrual | 1,210,132        |
| Allowance for doubtful accounts        | (1,741,271)      |
| <b>Total</b>                           | <b>(531,139)</b> |

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

|                                       |                   |
|---------------------------------------|-------------------|
| Property taxes - accrual basis change | 2,632,632         |
| Assessments - accrual basis change    | 165,495           |
| Deferred charge on refunding          | 521,000           |
| Deferred outflows related to pensions | 453,837           |
| Deferred outflows related to OPEB     | 19,340,836        |
| <b>Total</b>                          | <b>23,113,800</b> |

Internal service funds are used by management for risk financing activities

|   |           |
|---|-----------|
| The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position | 2,553,229 |
|---|-----------|

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

|                                      |                      |
|--------------------------------------|----------------------|
| Bonds and notes payable              | (102,571,754)        |
| Premium                              | (2,165,728)          |
| Compensated absences                 | (6,525,059)          |
| Landfill liability                   | (40,000)             |
| Claims payable                       | (208,000)            |
| Net pension liability                | (14,687,925)         |
| OPEB liability                       | (91,968,818)         |
| Accrued interest payable             | (1,082,648)          |
| Deferred inflows related to pensions | (13,609,667)         |
| Deferred inflows related to OPEB     | (18,780,625)         |
| <b>Total</b>                         | <b>(251,640,224)</b> |

|   |                      |
|---|----------------------|
| Net position of governmental activities (Exhibit A) | <b>\$ 45,083,768</b> |
|---|----------------------|

(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, 2021**

|  | General              | Bonded<br>Projects Fund | Capital<br>Nonrecurring<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------|---------------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                      |                         |                                 |                                |                                |
| Property taxes   | \$ 96,098,000        | \$ -                    | \$ -                            | \$ -                           | \$ 96,098,000                  |
| Intergovernmental  | 14,667,439           | -                       | 8,807,767                       | 4,300,389                      | 27,775,595                     |
| Charges for services                                     | 2,675,139            | -                       | 68,898                          | 1,714,005                      | 4,458,042                      |
| Income from investments                                  | 134,398              | 633                     | 104                             | 232                            | 135,367                        |
| Contributions  | -                    | -                       | -                               | 16,611                         | 16,611                         |
| Other  | 1,067,401            | -                       | -                               | -                              | 1,067,401                      |
| <b>Total revenues</b>                                    | <b>114,642,377</b>   | <b>633</b>              | <b>8,876,769</b>                | <b>6,031,237</b>               | <b>129,551,016</b>             |
| <b>Expenditures:</b>                                     |                      |                         |                                 |                                |                                |
| <b>Current:</b>  |                      |                         |                                 |                                |                                |
| General government                                       | 8,589,996            | -                       | -                               | 58,606                         | 8,648,602                      |
| Public safety  | 12,346,711           | -                       | -                               | 1,063,792                      | 13,410,503                     |
| Health and welfare                                       | 1,019,303            | -                       | -                               | 173,527                        | 1,192,830                      |
| Public works   | 5,421,056            | -                       | -                               | -                              | 5,421,056                      |
| Culture and recreation                                   | 565,839              | -                       | -                               | 116,208                        | 682,047                        |
| Employee benefits  | 12,929,862           | -                       | -                               | -                              | 12,929,862                     |
| Education  | 64,078,108           | -                       | -                               | 4,371,499                      | 68,449,607                     |
| Debt service   | 8,578,004            | 258,787                 | -                               | 354,583                        | 9,191,374                      |
| Capital outlay   | 962,832              | 2,636,092               | 5,406,745                       | -                              | 9,005,669                      |
| <b>Total expenditures</b>                                | <b>114,491,711</b>   | <b>2,894,879</b>        | <b>5,406,745</b>                | <b>6,138,215</b>               | <b>128,931,550</b>             |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>150,666</b>       | <b>(2,894,246)</b>      | <b>3,470,024</b>                | <b>(106,978)</b>               | <b>619,466</b>                 |
| <b>Other financing sources (uses):</b>                   |                      |                         |                                 |                                |                                |
| Issuance of debt   | -                    | 5,700,000               | -                               | -                              | 5,700,000                      |
| Issuance of refunding bonds                              | -                    | 32,975,000              | -                               | -                              | 32,975,000                     |
| Payment to refunded bonds escrow agent                   | -                    | (32,716,213)            | -                               | -                              | (32,716,213)                   |
| Sale of capital assets                                   | 14,976               | -                       | -                               | -                              | 14,976                         |
| Premium  | -                    | 394,324                 | 47,720                          | -                              | 442,044                        |
| Transfers in   | 400,000              | -                       | 350,000                         | -                              | 750,000                        |
| Transfers out  | (350,000)            | -                       | (200,000)                       | (200,000)                      | (750,000)                      |
| <b>Net other financing sources (uses)</b>                | <b>64,976</b>        | <b>6,353,111</b>        | <b>197,720</b>                  | <b>(200,000)</b>               | <b>6,415,807</b>               |
| <b>Net change in fund balances</b>                       | <b>215,642</b>       | <b>3,458,865</b>        | <b>3,667,744</b>                | <b>(306,978)</b>               | <b>7,035,273</b>               |
| <b>Fund balances - July 1, 2020 (as restated)</b>        | <b>11,061,143</b>    | <b>(3,551,460)</b>      | <b>2,455,626</b>                | <b>2,471,558</b>               | <b>12,436,867</b>              |
| <b>Fund balances - June 30, 2021</b>                     | <b>\$ 11,276,785</b> | <b>\$ (92,595)</b>      | <b>\$ 6,123,370</b>             | <b>\$ 2,164,580</b>            | <b>\$ 19,472,140</b>           |

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 the Statement of Activities  
For the Year Ended June 30, 2021

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)   | <u>\$ 7,035,273</u> |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. |                     |
| Capital outlay   | 8,769,221           |
| Depreciation expense   | <u>(4,837,667)</u>  |
| Total  | <u>3,931,554</u>    |

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

|   |                  |
|---|------------------|
| Disposal of capital assets  | <u>(220,872)</u> |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities: |                  |
| Change in property tax receivable - accrual basis change  | (90,347)         |
| Change in property tax interest and lien revenue  | (108,585)        |
| Change in property tax allowance for doubtful accounts  | <u>(12,524)</u>  |
| Total   | <u>(211,456)</u> |

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

|                                    |                   |
|------------------------------------|-------------------|
| Debt issued or incurred:           |                   |
| Issuance of bonds and notes        | (38,675,000)      |
| Premium                            | (442,044)         |
| Deferred charge on refunding       | 2,000,000         |
| Principal repayments:              |                   |
| General obligation bonds and notes | 7,132,565         |
| Refunded bonds                     | <u>30,975,000</u> |
| Total                              | <u>990,521</u>    |

(Continued)

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 the Statement of Activities  
For the Year Ended June 30, 2021

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:

|  |                      |
|--|----------------------|
| Changes in:  |                      |
| Compensated absences   | \$ (375,180)         |
| Landfill liability   | 10,000               |
| Net pension liability  | 17,641,393           |
| OPEB liability   | (3,706,986)          |
| Accrued interest payable   | (305,811)            |
| Amortization of:   |                      |
| Premium  | 1,247,525            |
| Deferred charge on refunding   | 51,000               |
| Deferred outflows related to pension   | (5,802,533)          |
| Deferred inflows related to pension  | (10,323,803)         |
| Deferred outflows related to OPEB  | 3,999,811            |
| Deferred inflows related to OPEB   | 4,617,590            |
| Total  | <u>7,053,006</u>     |
| The net revenue (expense) of the activities of the internal service funds are reported with governmental activities as they are used by management for risk financing activities | <u>1,486,068</u>     |
| Change in net position of governmental activities (Exhibit B)  | <u>\$ 20,064,094</u> |
|  | (Concluded)          |

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

Town of North Haven, Connecticut

Statement of Net Position  
 Proprietary Funds  
 June 30, 2021

|                                    | Business-type<br>Activities<br>Enterprise Fund | Governmental<br>Activities   |
|------------------------------------|--|------------------------------|
| <u>Assets</u>                      | Water Pollution<br>Control Authority           | Internal<br>Service<br>Funds |
| Current assets:                    |  |                              |
| Cash                               | \$ 1,059,481                                   | \$ 8,698,834                 |
| Usage receivable (net)             | 640,956  | 159,402                      |
| Due from other funds               | 3,776,378                                      | 445,190                      |
| Total current assets               | 5,476,815                                      | 9,303,426                    |
| Capital assets (net):              |  |                              |
| Land                               | 21,000   | -                            |
| Construction in progress           | 1,043,712                                      | -                            |
| Land improvements                  | 277,465  | -                            |
| Buildings and improvements         | 9,734,192                                      | -                            |
| Machinery and equipment            | 1,806,586                                      | -                            |
| Vehicles                           | 73,480   | -                            |
| Distribution and collection system | 8,998,862                                      | -                            |
| Total capital assets (net)         | 21,955,297                                     | -                            |
| Total assets                       | 27,432,112                                     | 9,303,426                    |
|                                    |  |                              |
| <u>Liabilities</u>                 |  |                              |
| Current liabilities:               |  |                              |
| Accounts payable                   | 53,126   | -                            |
| Due to other funds                 | -  | 3,758,825                    |
| Claims payable                     | -  | 1,430,318                    |
| Total current liabilities          | 53,126   | 5,189,143                    |
| Noncurrent liabilities:            |  |                              |
| Claims payable                     | -  | 1,561,054                    |
| Total liabilities                  | 53,126   | 6,750,197                    |
|                                    |  |                              |
| <u>Net Position</u>                |  |                              |
| Net investment in capital assets   | 21,955,297                                     | -                            |
| Unrestricted                       | 5,423,689                                      | 2,553,229                    |
| Total net position                 | \$ 27,378,986                                  | \$ 2,553,229                 |

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

## Town of North Haven, Connecticut

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021**

|                                    | <u>Business-type<br/>Activities</u>          | <u>Governmental<br/>Activities</u>    |
|------------------------------------|--|---------------------------------------|
|                                    | <u>Enterprise Fund</u>                       | <u>Internal<br/>Service<br/>Funds</u> |
|                                    | <u>Water Pollution<br/>Control Authority</u> | <u>Funds</u>                          |
| Operating revenues:                |  |                                       |
| Charges for services               | <u>\$ 3,673,531</u>                          | <u>\$ 21,269,441</u>                  |
| Operating expenses:                |  |                                       |
| Repairs and maintenance            | 1,403,279                                    | -                                     |
| Contracted services                | 1,793,177                                    | -                                     |
| Materials and supplies             | 2,274  | -                                     |
| Utilities                          | 283,106                                      | -                                     |
| Insurance                          | 36,356                                       | -                                     |
| Claims incurred                    | -  | 18,274,654                            |
| Administration                     | -  | 1,508,719                             |
| Depreciation                       | <u>571,747</u>                               | <u>-</u>                              |
| Total operating expenses           | <u>4,089,939</u>                             | <u>19,783,373</u>                     |
| Change in net position             | (416,408)                                    | 1,486,068                             |
| Total net position - July 1, 2020  | <u>27,795,394</u>                            | <u>1,067,161</u>                      |
| Total net position - June 30, 2021 | <u><u>\$ 27,378,986</u></u>                  | <u><u>\$ 2,553,229</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, 2021**

|  | Business-type<br>Activities<br>Enterprise Fund | Governmental<br>Activities   |
|--|--|------------------------------|
|  | Water Pollution<br>Control Authority           | Internal<br>Service<br>Funds |
| Cash flows from (used in) operating activities:  |  |                              |
| Receipts from customers and premiums   | \$ 3,759,581                                   | \$ 18,144,357                |
| Claims paid  | -  | (17,649,952)                 |
| Administration paid  | -  | (1,508,719)                  |
| Payments to suppliers  | (1,935,318)                                    | -                            |
| Net cash from (used in) operating activities   | 1,824,263                                      | (1,014,314)                  |
| Cash flows from (used in) capital and related financing activities                                   |  |                              |
| Purchase of capital assets   | (1,043,712)                                    | -                            |
| Increase (decrease) in cash  | 780,551  | (1,014,314)                  |
| Cash - July 1, 2020  | 278,930  | 9,713,148                    |
| Cash - June 30, 2021   | \$ 1,059,481                                   | \$ 8,698,834                 |
| Reconciliation of operating income (loss) to net cash<br>from (used in) operating activities:        |  |                              |
| Operating income (loss)  | \$ (416,408)                                   | \$ 1,486,068                 |
| Adjustments to reconcile operating income (loss) to net<br>cash from (used in) operating activities: |  |                              |
| Depreciation   | 571,747  | -                            |
| (Increase) decrease in:  |  |                              |
| Usage receivable   | 86,050   | -                            |
| Accounts receivable  | -  | (159,402)                    |
| Due from other funds   | 1,564,148                                      | -                            |
| Increase (decrease) in:  |  |                              |
| Accounts payable   | 18,726   | -                            |
| Due to other funds   | -  | (2,965,682)                  |
| Claims payable   | -  | 624,702                      |
| Net cash from (used in) operating activities   | \$ 1,824,263                                   | \$ (1,014,314)               |

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, 2021

| <u>Assets</u>                     | <u>Pension and OPEB<br/>Trust Funds</u> | <u>Private Purpose<br/>Trust Funds</u> |
|-----------------------------------|---|--|
| Cash                              | \$ 1,088,460                            | \$ 467,718                             |
| Investments:                      |   |  |
| Mutual funds:                     |   |  |
| Equity                            | 30,052,310                              | -                                      |
| Fixed income                      | 202,269                                 | -                                      |
| Private equity funds              | 18,470,936                              | -                                      |
| Real estate funds                 | 14,150,294                              | -                                      |
| Bank money market accounts        | 6,949,410                               | -                                      |
| U.S. government agency securities | 505,436                                 | -                                      |
| Common stock                      | 27,767,502                              | -                                      |
| Exchange traded funds             | 19,761,699                              | -                                      |
| Municipal bonds                   | 4,459,989                               | -                                      |
| Corporate bonds                   | 1,967,149                               | -                                      |
| Total investments                 | <u>124,286,994</u>                      | <u>-</u>                               |
| Accounts receivable:              |   |  |
| Interest                          | 69,763                                  | -                                      |
| Due from other funds              | 40,223                                  | -                                      |
| Total accounts receivable         | <u>109,986</u>                          | <u>-</u>                               |
| Total assets                      | <u>125,485,440</u>                      | <u>467,718</u>                         |
|                                   |   |  |
| <u>Liabilities</u>                |   |  |
| Due to other funds                | <u>113,592</u>                          | <u>8,000</u>                           |
|                                   |   |  |
| <u>Net Position</u>               |   |  |
| Restricted for:                   |   |  |
| Pensions                          | 124,907,075                             | -                                      |
| OPEB                              | 464,773                                 | -                                      |
| Individuals and organizations     | -                                       | 459,718                                |
| Total net position                | <u>\$ 125,371,848</u>                   | <u>\$ 459,718</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, 2021**

|                                     | <u>Pension and OPEB<br/>Trust Funds</u> | <u>Purpose<br/>Trust Funds</u> |
|-------------------------------------|---|--------------------------------|
| Additions:                          |   |                                |
| Contributions:                      |   |                                |
| Employer                            | \$ 7,193,884                            | \$ -                           |
| Plan members                        | 82,139                                  | -                              |
| Private                             | <u>-</u>                                | <u>3,100</u>                   |
| Total contributions                 | <u>7,276,023</u>                        | <u>3,100</u>                   |
| Investment income (loss):           |   |                                |
| Change in fair value of investments | 23,916,398                              | -                              |
| Interest and dividends              | <u>108,319</u>                          | <u>84</u>                      |
| Total investment income (loss)      | 24,024,717                              | 84                             |
| Less investment expenses            | <u>222,855</u>                          | <u>-</u>                       |
| Net investment income (loss)        | <u>23,801,862</u>                       | <u>84</u>                      |
| Total additions                     | <u>31,077,885</u>                       | <u>3,184</u>                   |
| Deductions:                         |   |                                |
| Benefits                            | 10,394,513                              | -                              |
| Administration                      | 473,290                                 | -                              |
| Scholarships awarded                | <u>-</u>                                | <u>5,500</u>                   |
| Total deductions                    | <u>10,867,803</u>                       | <u>5,500</u>                   |
| Change in net position              | 20,210,082                              | (2,316)                        |
| Net position - July 1, 2020         | <u>105,161,766</u>                      | <u>462,034</u>                 |
| Net position - June 30, 2021        | <u><u>\$125,371,848</u></u>             | <u><u>\$459,718</u></u>        |

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

## Town of North Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****History and organization**

The Town of North Haven, Connecticut (“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.

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the 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, pension and OPEB benefits, claims and judgments, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

Property taxes, expenditure-type reimbursement grants, certain intergovernmental revenues, charges for services, 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, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

|                           |  |
|---------------------------|--|
| General Fund              | The Town's primary operating fund. It accounts for all financial resources of the general government, except those funds required to be accounted for in another fund. |
| Bonded Projects Fund      | Accounts for the financial revenues to be used for major capital asset construction and/or purchases.  |
| Capital Nonrecurring Fund | Accounts for activities associated with major capital improvements and equipment.  |

The Town reports the following major proprietary fund:

|  |   |
|--|---|
| 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:

|                             |   |
|-----------------------------|---|
| Special Revenue Funds       | Accounts for and reports the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt |
| Debt Service Funds          | Accounts for and reports resources and expenditures that are assigned for the repayment of debt   |
| Permanent Funds             | Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs    |
| Internal Service Funds      | Accounts for risk financing activities for workers' compensation and medical, dental and related employee benefits as allowed by GASB Statement No. 10      |
| Pension Trust Funds         | Accounts for the activity of the Town's defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees       |
| OPEB Trust Funds            | Accounts for the activities of the Town's OPEB Plan, which accumulates resources for OPEB benefit payments to qualified employees                           |
| Private Purpose Trust Funds | Accounts for resources legally held in trust for educational purposes   |

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.

## Town of North Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include 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 fund and of the Town's internal service fund are charges to customers for sales and services. The enterprise fund also recognizes 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 fund 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.

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's Pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

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

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

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**

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

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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.

The investment guidelines are as follows:

| Asset Class          | Target Allocation              |                              |                            |                                      |         |
|----------------------|--------------------------------|------------------------------|----------------------------|--------------------------------------|---------|
|                      | Pension                        |                              |                            |                                      | OPEB    |
|                      | Employee<br>Retirement<br>Plan | Police<br>Retirement<br>Plan | Fire<br>Retirement<br>Plan | Volunteer Fire<br>Retirement<br>Plan |         |
|                      | 60.00%                         | 60.00%                       | 33.00%                     | 33.00%                               |         |
| Domestic equity      | 60.00%                         | 60.00%                       | 33.00%                     | 33.00%                               |         |
| International equity | -                              | -                            | 27.00%                     | 27.00%                               | -       |
| Core fixed income    | 40.00%                         | 40.00%                       | 35.00%                     | 35.00%                               | 35.00%  |
| High yield bonds     | -                              | -                            | 5.00%                      | 5.00%                                | -       |
| Total                | 100.00%                        | 100.00%                      | 100.00%                    | 100.00%                              | 100.00% |

The investment managers have been given discretion to use alternative investments to increase investment return.

**c. Method used to value investments**

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

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 readily available market for the securities existed.

**Fair value of investments**

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

|         |  |
|---------|--|
| Level 1 | Quoted prices for identical investments in active markets              |
| Level 2 | Quoted prices for identical investments in markets that are not active |
| Level 3 | Unobservable inputs  |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

|                              |  |
|------------------------------|--|
| Interest rate risk           | Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town 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                  | Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has 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 |
| Concentration of credit risk | Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository  |
| Custodial credit risk        | Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk  |
| Foreign currency risk        | Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk  |

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). 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 58% of outstanding receivable balances and are calculated based upon prior collections.

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.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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 construction in progress, 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 Town defines capital assets as assets with an initial, individual cost of more than \$5,000, 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

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                  | 25-45        |
| Buildings and improvements         | 40-75        |
| Machinery and equipment            | 5-40         |
| Vehicles                           | 20-40        |
| Distribution and collection system | 30-75        |
| Infrastructure                     | 50-80        |

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

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

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

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

Deferred outflows of resources also include deferred outflows related to advance refunding of debt. These amounts are deferred and are amortized over the shorter life of the new debt or the old debt.

Town of North Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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

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

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

**6. 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.

**7. Long-term liabilities**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities 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.

**8. Fund equity and net position**

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

|                                  |   |
|----------------------------------|---|
| Net Investment in Capital Assets | This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded. |
| Restricted Net Position          | This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).   |
| Unrestricted Net Position        | This category presents the net position of the Town which is not classified in the preceding two categories.  |

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

|              |  |
|--------------|--|
| Nonspendable | This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.  |
| Restricted   | This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.                                   |
| Committed    | This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by 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.   |

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

**9. Use of estimates**

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

**10. 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**  
**As of and for the Year Ended June 30, 2021**

**II. 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.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. 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 and the Cemetery Board, respectively. At year end, the amount of appreciation included in restricted fund balance for the library and cemetery funds totaled \$21,062 and \$118,358 respectively.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

**C. Capital projects authorizations**

The following is a summary of certain capital projects:

|  | <u>Project<br/>Authorization</u> | <u>Cumulative<br/>Expenditures</u> | <u>Balance</u>       |
|--|----------------------------------|------------------------------------|----------------------|
| Sackett Point bridge   | \$ 12,000,000                    | \$ 4,578,547                       | \$ 7,421,453         |
| Valley Service road  | 3,000,000                        | 2,798,951                          | 201,049              |
| North Haven middle school                                    | 78,000,000                       | 70,727,820                         | 7,272,180            |
| Universal Drive reconstruction                               | 1,306,020                        | 1,304,982                          | 1,038                |
| Road paving  | 2,000,000                        | 1,916,127                          | 83,873               |
| Police Department renovations and<br>communication equipment | 18,000,000                       | 17,953,137                         | 46,863               |
| Board of Education school security                           | 2,000,000                        | 1,600,562                          | 399,438              |
| Total  | <u>\$116,306,020</u>             | <u>\$ 100,880,126</u>              | <u>\$ 15,425,894</u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**III. Detailed notes****A. Cash and investments****1. Deposits - Custodial Credit Risk**

At year end, \$37,847,878 of the Town's bank balance of \$40,597,978 (including certificates of deposit accounts and money markets classified as investments) was exposed to custodial credit risk as follows:

|   |                      |
|---|----------------------|
| Uninsured and uncollateralized  | \$ 26,082,425        |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name | <u>11,765,453</u>    |
| Total amount subject to custodial credit risk   | <u>\$ 37,847,878</u> |

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

**2. Investments**

a. The Town's investments (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>              |                       |                                  |                      |                     |                     |                     |
| Equity                            | \$ 30,052,310         | \$ 30,052,310                    | \$ -                 | \$ -                | \$ -                | \$ -                |
| Fixed income                      | 202,269               | -                                | -                    | -                   | -                   | 202,269             |
| Private equity funds              | 18,470,936            | 18,470,936                       | -                    | -                   | -                   | -                   |
| Real estate funds                 | 14,150,294            | 14,150,294                       | -                    | -                   | -                   | -                   |
| Bank money market accounts        | 11,984,549            | -                                | 11,984,549           | -                   | -                   | -                   |
| Pooled fixed income               | 2,110,843             | -                                | 2,110,843            | -                   | -                   | -                   |
| U.S. government agency securities | 505,436               | -                                | 20,119               | 466,670             | 18,647              | -                   |
| Common stock                      | 27,767,503            | 27,767,503                       | -                    | -                   | -                   | -                   |
| Exchange traded funds             | 19,761,699            | 19,761,699                       | -                    | -                   | -                   | -                   |
| Municipal bonds                   | 4,459,989             | -                                | 35,158               | 1,176,072           | 1,857,345           | 1,391,414           |
| Corporate bonds                   | 1,967,149             | -                                | 86,264               | 746,322             | 1,004,155           | 130,408             |
| Guaranteed investment contract    | 3,178,305             | -                                | -                    | 3,178,305           | -                   | -                   |
| Total                             | <u>\$ 134,611,282</u> | <u>\$ 110,202,742</u>            | <u>\$ 14,236,933</u> | <u>\$ 5,567,369</u> | <u>\$ 2,880,147</u> | <u>\$ 1,724,091</u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

|  | <u>Amount</u>         | <u>Quoted Market<br/>Prices in Active<br/>Markets<br/>Level 1</u> | <u>Significant<br/>Observable<br/>Inputs<br/>Level 2</u> |
|--|-----------------------|---|--|
| <u>Investments by fair value level</u>                   |                       |   |  |
| <u>Mutual funds:</u>                                     |                       |   |  |
| Equity   | \$ 30,052,310         | \$ 30,052,310   | \$ -   |
| Fixed income   | 202,269               | 202,269   | -  |
| U.S. government agency securities                        | 505,436               | -   | 505,436  |
| Common stock   | 27,767,503            | 27,767,503  | -  |
| Exchange traded funds                                    | 19,761,699            | 19,761,699  | -  |
| Municipal bonds  | 4,459,989             | -   | 4,459,989  |
| Corporate bonds  | <u>1,967,149</u>      | <u>-</u>  | <u>1,967,149</u>   |
| Total investments by fair value level                    | <u>84,716,355</u>     | <u>\$ 77,783,781</u>  | <u>\$ 6,932,574</u>                                      |
| <u>Investments measured at Net<br/>Asset Value (NAV)</u> |                       |   |  |
| Private equity funds                                     | 18,470,936            |   |  |
| Real estate funds  | <u>14,150,294</u>     |   |  |
| Total investments measured at Net<br>Asset Value (NAV)   | <u>32,621,230</u>     |   |  |
| <u>Other investments</u>                                 |                       |   |  |
| Bank money market accounts                               | 11,984,549            |   |  |
| Guaranteed interest contracts                            | 3,178,305             |   |  |
| Pooled fixed income                                      | <u>2,110,843</u>      |   |  |
| Total other investments                                  | <u>17,273,697</u>     |   |  |
| Total investments  | <u>\$ 134,611,282</u> |   |  |

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. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Cash and investments (continued)****c. Investments measured at the net asset value (NAV)**

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The limited partnership consists of equity interests in non-publicly traded entities that may not be readily marketable. The underlying investments of such funds, whether invested in stock or securities, may include investments in companies that are not currently traded in public market and may be subject to restrictions on resale. Values determined by the Funds’ investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisal, a review of the investees’ financial results, financial condition and prospects, together with comparisons to similar companies for which market prices are available or other estimates that require varying degrees of judgement. The Town values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially.

However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is estimated from the most recently available valuation taking into account subsequent calls and distributions. The following table represents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the Town’s alternative investments measured at the NAV:

| Investment Description                         | Fair Value           | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|--|----------------------|----------------------|--|--------------------------|
| Private equity limited partnership investments | 1 \$ 18,470,936      | \$ 3,708,500         | Not permitted                                | Not permitted            |
| Real estate funds                              | 2 <u>14,150,294</u>  | <u>-</u>             | Quarterly                                    | 90 days                  |
| Total investments measured at the NAV          | <u>\$ 32,621,230</u> | <u>\$ 3,708,500</u>  |  |                          |

- 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.
- 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.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

| Average<br>Rating | Fixed Income<br>Mutual<br>Funds | Pooled<br>Fixed<br>Income  | U.S. Government<br>Agency<br>Securities | Municipal<br>Bonds         | Corporate<br>Bonds         |
|-------------------|---------------------------------|----------------------------|---|----------------------------|----------------------------|
| AAA               | \$ 202,269                      | \$ 2,110,843               | \$ 505,436                              | \$ 147,582                 | \$ 47,484                  |
| AA                | -                               | -                          | -                                       | 3,812,765                  | 109,337                    |
| A                 | -                               | -                          | -                                       | 320,735                    | 292,766                    |
| BBB               | -                               | -                          | -                                       | 55,141                     | 982,341                    |
| BB                | -                               | -                          | -                                       | -                          | 326,423                    |
| Unrated           | -                               | -                          | -                                       | 123,766                    | 208,798                    |
| <b>Total</b>      | <b><u>\$ 202,269</u></b>        | <b><u>\$ 2,110,843</u></b> | <b><u>\$ 505,436</u></b>                | <b><u>\$ 4,459,989</u></b> | <b><u>\$ 1,967,149</u></b> |

e. 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, 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<br>Insured<br>Amounts | Amount<br>Subject to<br>Custodial<br>Credit Risk |
|-----------------------------------|----------------------------|----------------------------|--|
| U.S. government agency securities | \$ 505,436                 | \$ -                       | \$ 505,436                                       |
| Common stock                      | 27,767,503                 | 500,000                    | 27,267,503                                       |
| Exchange traded funds             | 19,761,699                 | -                          | 19,761,699                                       |
| Municipal bonds                   | 4,459,989                  | -                          | 4,459,989  |
| Corporate bonds                   | 1,967,149                  | -                          | 1,967,149  |
| <b>Total</b>                      | <b><u>\$54,461,776</u></b> | <b><u>\$ 500,000</u></b>   | <b><u>\$53,961,776</u></b>                       |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**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 and<br>Lien Fees | Total        |
| Current portion                   | \$ 826,494     | \$ 411,412                | \$ 1,237,906 |
| Long-term portion                 | 2,023,486      | 798,720                   | 2,822,206    |
| Less allowance for uncollectibles | (1,036,271)    | (705,000)                 | (1,741,271)  |
| Net long-term portion             | 987,215        | 93,720                    | 1,080,935    |
| Total receivable                  | \$ 2,849,980   | \$ 1,210,132              | \$ 4,060,112 |

Business-Type Activities:

|                                   | WPCA Use Charges     |                           |            |
|-----------------------------------|----------------------|---------------------------|------------|
|                                   | Sewer Use<br>Charges | Interest and<br>Lien Fees | Total      |
| Receivable amount                 | \$ 653,249           | \$ 58,925                 | \$ 712,174 |
| Less allowance for uncollectibles | (65,325)             | (5,893)                   | (71,218)   |
| Net receivable                    | \$ 587,924           | \$ 53,032                 | \$ 640,956 |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

A summary of interfund balances is as follows:

| Major Funds                           | <u>Corresponding Fund</u> | <u>Due From</u>  | <u>Due To</u>     |
|---------------------------------------|---------------------------|------------------|-------------------|
| General Fund:                         |                           |                  |                   |
| Bonded Projects                       | N/A                       | \$ 657,289       | \$ -              |
| Capital Nonrecurring                  | N/A                       | -                | 7,583,750         |
| General Government                    | N/A                       | -                | 65,616            |
| Public Safety                         | N/A                       | -                | 221,312           |
| Health and Welfare                    | N/A                       | -                | 92,960            |
| Cultural and Recreation               | N/A                       | -                | 196,548           |
| Education Grants                      | N/A                       | -                | 593,600           |
| State/Federal Grants                  | N/A                       | 22,200           | -                 |
| Library                               | N/A                       | 5,653            | -                 |
| Water Pollution Control Authority     | N/A                       | -                | 3,776,378         |
| Internal Service Funds - Town         | N/A                       | 3,758,782        | -                 |
| Internal Service Funds - Education    | N/A                       | -                | 445,190           |
| Employees Retirement                  | N/A                       | 970              | -                 |
| Police Department Retirement          | N/A                       | -                | 40,180            |
| Fire Department Retirement            | N/A                       | 107,164          | -                 |
| Volunteer Firefighters' Pension Plan  | N/A                       | 5,458            | -                 |
| Private Purpose Trust Funds           | N/A                       | 8,000            | -                 |
| <b>Total General Fund</b>             |                           | <u>4,565,516</u> | <u>13,015,534</u> |
| Bonded Projects Fund                  | General Fund              | <u>-</u>         | <u>657,289</u>    |
| Capital Nonrecurring Fund             | General Fund              | <u>7,583,750</u> | <u>-</u>          |
| Other Governmental Funds              |                           |                  |                   |
| Special Revenue Funds:                |                           |                  |                   |
| General Government                    | General Fund              | 65,616           | -                 |
| Public Safety                         | General Fund              | 221,312          | -                 |
| Health and Welfare                    | General Fund              | 92,960           | -                 |
| Cultural and Recreation               | General Fund              | 196,548          | -                 |
| Education Grants                      | General Fund              | 593,600          | -                 |
| State/Federal Grants                  | General Fund              | -                | 22,200            |
| <b>Total Special Revenue Funds</b>    |                           | <u>1,170,036</u> | <u>22,200</u>     |
| Permanent Funds:                      |                           |                  |                   |
| Library                               | General Fund              | <u>-</u>         | <u>5,653</u>      |
| <b>Total Other Governmental Funds</b> |                           | <u>1,170,036</u> | <u>27,853</u>     |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Interfund accounts (continued)**

|                                      | <u>Corresponding Fund</u>  | <u>Due From</u>      | <u>Due To</u>        |
|--------------------------------------|----------------------------|----------------------|----------------------|
| Enterprise Funds:                    |                            |                      |                      |
| Water Pollution Control Authority    | General Fund               | \$ 3,776,378         | \$ -                 |
| Internal Service Funds:              |                            |                      |                      |
| Town Internal Service Funds          | General Fund               | -                    | 3,758,782            |
| Town Internal Service Funds          | Employees Retirement       | -                    | 43                   |
| Education Internal Service Funds     | General Fund               | 445,190              | -                    |
| Total Internal Service Funds         |                            | 445,190              | 3,758,825            |
| Fiduciary Funds:                     |                            |                      |                      |
| Employees Retirement                 | Town Internal Service Fund | 43                   | -                    |
| Employees Retirement                 | General Fund               | -                    | 970                  |
| Police Department Retirement         | General Fund               | 40,180               | -                    |
| Fire Department Retirement           | General Fund               | -                    | 107,164              |
| Volunteer Firefighters' Pension Plan | General Fund               | -                    | 5,458                |
| Private Purpose Trust Funds          | General Fund               | -                    | 8,000                |
| Total Fiduciary Funds                |                            | 40,223               | 121,592              |
| Total                                |                            | <u>\$ 17,581,093</u> | <u>\$ 17,581,093</u> |

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

**2. Interfund transfers**

A summary of interfund transfers is as follows:

|                           | <u>Corresponding Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------|---------------------------|---------------------|----------------------|
| Major Funds               |                           |                     |                      |
| General Fund:             |                           |                     |                      |
| Public Safety             | N/A                       | \$ 200,000          | \$ -                 |
| Capital Nonrecurring      | N/A                       | 200,000             | 350,000              |
| Total General Fund        |                           | 400,000             | 350,000              |
| Capital Nonrecurring      | General Fund              | 350,000             | 200,000              |
| Other Governmental Funds: |                           |                     |                      |
| Public Safety             | General Fund              | -                   | 200,000              |
| Grand Total               |                           | <u>\$ 750,000</u>   | <u>\$ 750,000</u>    |

Transfers are used to account for police outside services contribution to the general fund and for funding of the capital nonrecurring fund.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Capital assets**

Capital asset activity for the year was as follows:

|  | Balance<br>July 1, 2020 | Increases           | Decreases           | Balance<br>June 30, 2021 |
|--|-------------------------|---------------------|---------------------|--------------------------|
| <u>Governmental activities:</u>              |                         |                     |                     |                          |
| Capital assets, not being depreciated:       |                         |                     |                     |                          |
| Land   | \$ 3,681,628            | \$ -                | \$ -                | \$ 3,681,628             |
| Construction in progress                     | 5,313,191               | 6,411,985           | 2,798,952           | 8,926,224                |
| Total capital assets, not being depreciated  | <u>8,994,819</u>        | <u>6,411,985</u>    | <u>2,798,952</u>    | <u>12,607,852</u>        |
| Capital assets, being depreciated:           |                         |                     |                     |                          |
| Land improvements                            | 6,569,335               | -                   | -                   | 6,569,335                |
| Buildings and improvements                   | 211,940,457             | 1,075,443           | -                   | 213,015,900              |
| Machinery and equipment                      | 10,449,832              | 521,160             | -                   | 10,970,992               |
| Vehicles                                     | 11,027,464              | 350,739             | 1,268,132           | 10,110,071               |
| Infrastructure                               | 44,612,006              | 3,208,846           | -                   | 47,820,852               |
| Total capital assets, being depreciated      | <u>284,599,094</u>      | <u>5,156,188</u>    | <u>1,268,132</u>    | <u>288,487,150</u>       |
| Total capital assets                         | <u>293,593,913</u>      | <u>11,568,173</u>   | <u>4,067,084</u>    | <u>301,095,002</u>       |
| Less accumulated depreciation:               |                         |                     |                     |                          |
| Land improvements                            | 1,575,895               | 252,389             | -                   | 1,828,284                |
| Buildings and improvements                   | 24,051,726              | 2,709,769           | -                   | 26,761,495               |
| Machinery and equipment                      | 4,275,364               | 722,540             | -                   | 4,997,904                |
| Vehicles                                     | 3,913,313               | 424,783             | 1,047,260           | 3,290,836                |
| Infrastructure                               | 11,372,335              | 728,186             | -                   | 12,100,521               |
| Total accumulated depreciation               | <u>45,188,633</u>       | <u>4,837,667</u>    | <u>1,047,260</u>    | <u>48,979,040</u>        |
| Total capital assets, being depreciated, net | <u>239,410,461</u>      | <u>318,521</u>      | <u>220,872</u>      | <u>239,508,110</u>       |
| Capital assets, net                          | <u>\$ 248,405,280</u>   | <u>\$ 6,730,506</u> | <u>\$ 3,019,824</u> | <u>\$ 252,115,962</u>    |

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

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| General government                                   | \$ 450,020          |
| Public safety  | 782,002             |
| Public works   | 1,017,481           |
| Health and welfare                                   | 15,242              |
| Culture and recreation                               | 31,937              |
| Education  | <u>2,540,985</u>    |
| Total depreciation expense - governmental activities | <u>\$ 4,837,667</u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Capital assets (continued)**Business-Type Activities:

|  | Balance<br>July 1, 2020 | Increases           | Decreases   | Balance<br>June 30, 2021 |
|--|-------------------------|---------------------|-------------|--------------------------|
| Capital assets, not being depreciated:       |                         |                     |             |                          |
| Land   | \$ 21,000               | \$ -                | \$ -        | \$ 21,000                |
| Construction in progress                     | -                       | 1,043,712           | -           | 1,043,712                |
|  | <u>21,000</u>           | <u>1,043,712</u>    | <u>-</u>    | <u>1,064,712</u>         |
| Total capital assets, not being depreciated  | <u>21,000</u>           | <u>1,043,712</u>    | <u>-</u>    | <u>1,064,712</u>         |
| Capital assets, being depreciated:           |                         |                     |             |                          |
| Land improvements                            | 370,984                 | -                   | -           | 370,984                  |
| Buildings and improvements                   | 15,352,025              | -                   | -           | 15,352,025               |
| Machinery and equipment                      | 6,569,133               | -                   | -           | 6,569,133                |
| Vehicles                                     | 321,272                 | -                   | -           | 321,272                  |
| Distribution and collection system           | 18,434,752              | -                   | -           | 18,434,752               |
|  | <u>41,048,166</u>       | <u>-</u>            | <u>-</u>    | <u>41,048,166</u>        |
| Total capital assets, being depreciated      | <u>41,048,166</u>       | <u>-</u>            | <u>-</u>    | <u>41,048,166</u>        |
| Total capital assets                         | <u>41,069,166</u>       | <u>1,043,712</u>    | <u>-</u>    | <u>42,112,878</u>        |
| Less accumulated depreciation for:           |                         |                     |             |                          |
| Land improvements                            | 84,244                  | 9,275               | -           | 93,519                   |
| Buildings and improvements                   | 5,429,236               | 188,597             | -           | 5,617,833                |
| Machinery and equipment                      | 4,596,869               | 165,678             | -           | 4,762,547                |
| Vehicles                                     | 239,510                 | 8,282               | -           | 247,792                  |
| Distribution and collection system           | 9,235,975               | 199,915             | -           | 9,435,890                |
|  | <u>19,585,834</u>       | <u>571,747</u>      | <u>-</u>    | <u>20,157,581</u>        |
| Total accumulated depreciation               | <u>19,585,834</u>       | <u>571,747</u>      | <u>-</u>    | <u>20,157,581</u>        |
| Total capital assets, being depreciated, net | <u>21,462,332</u>       | <u>(571,747)</u>    | <u>-</u>    | <u>20,890,585</u>        |
| Capital assets, net                          | <u>\$21,483,332</u>     | <u>\$ (571,747)</u> | <u>\$ -</u> | <u>\$ 21,955,297</u>     |

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

## Business-type activities:

|                                   |                   |
|-----------------------------------|-------------------|
| Water Pollution Control Authority | <u>\$ 571,747</u> |
|-----------------------------------|-------------------|

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**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 |                      |                     |                     | Permanently Financed  | Balance June 30, 2021 |
|---------------------------------|---------------|-----------------------|----------------------|---------------------|---------------------|-----------------------|-----------------------|
|                                 |               |                       | Balance July 1, 2020 | Additions           | Reductions          |                       |                       |
| Road Milling and Paving Project | 11/4/2021     | 1.50%                 | \$ 2,000,000         | \$ 2,000,000        | \$ 2,000,000        | \$ (2,000,000)        | \$ -                  |
| North Haven Middle School       | 11/4/2021     | 1.50%                 | 3,700,000            | 3,700,000           | 3,700,000           | (3,700,000)           | -                     |
| Sackett Point Bridge            | 11/4/2021     | 1.50%                 | -                    | 4,000,000           | -                   | -                     | 4,000,000             |
| <b>Total</b>                    |               |                       | <b>\$ 5,700,000</b>  | <b>\$ 9,700,000</b> | <b>\$ 5,700,000</b> | <b>\$ (5,700,000)</b> | <b>\$ 4,000,000</b>   |

The bond anticipation notes mature in November 2021 and carry a coupon interest rates of 1.50%. In November 2021, the Town issued \$5,700,000 of general obligation bonds which permanently financed a portion of the bond anticipation notes outstanding at fiscal year-end. These bonds mature through 2041 and carry interest rates of 2.00-5.00%.

In November 2021, the Town issued \$7,820,000 of bond anticipation notes that mature in November 2022 and carry a coupon interest rate of 1.00% and a true interest cost of 0.20%.

**F. Changes in long-term liabilities****1. Summary of changes**

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

Governmental Activities:

| Description                      | Original Amount   | Date of Issue | Date of Maturity | Interest Rate | Balance July 1, 2020 | Additions        | Deductions*      | Balance June 30, 2021 | Current Portion  | Long-Term Portion |
|----------------------------------|-------------------|---------------|------------------|---------------|----------------------|------------------|------------------|-----------------------|------------------|-------------------|
| <u>General Obligation Bonds:</u> |                   |               |                  |               |                      |                  |                  |                       |                  |                   |
| <u>General Purpose:</u>          |                   |               |                  |               |                      |                  |                  |                       |                  |                   |
| Debt issue                       | \$ 935,000        | 04/26/06      | 07/15/25         | 3.875%-5.0%   | \$ 365,012           | \$ -             | \$ 50,000        | \$ 315,012            | \$ 50,000        | \$ 265,012        |
| Debt issue                       | 3,000,000         | 11/10/16      | 11/01/36         | 2.0%-4.0%     | 2,806,500            | -                | 2,461,750        | 344,750               | 193,500          | 151,250           |
| Debt issue                       | 7,500,000         | 11/09/17      | 11/01/37         | 2.25%-5.00%   | 7,500,000            | -                | 3,000,000        | 4,500,000             | 300,000          | 4,200,000         |
| Debt issue                       | 15,000,000        | 10/23/19      | 11/01/39         | 2.75%-5.00%   | 15,000,000           | -                | -                | 15,000,000            | -                | 15,000,000        |
| Refunding issue                  | 10,565,000        | 07/30/19      | 08/01/28         | 5.00%         | 9,366,000            | -                | 1,086,000        | 8,280,000             | 990,000          | 7,290,000         |
| Refunding issue                  | 1,541,000         | 07/21/20      | 10/01/38         | 0.415%-2.40%  | -                    | 1,541,000        | 71,968           | 1,469,032             | 45,798           | 1,423,234         |
| Debt issue                       | 5,500,000         | 11/05/20      | 11/05/40         | 2.0%-4.0%     | 5,500,000            | -                | -                | 5,500,000             | -                | 5,500,000         |
| <b>Total General Purpose</b>     | <b>44,041,000</b> |               |                  |               | <b>40,537,512</b>    | <b>1,541,000</b> | <b>6,669,718</b> | <b>35,408,794</b>     | <b>1,579,298</b> | <b>33,829,496</b> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**Changes in long-term liabilities (continued)**

| Description   | Original Amount     | Date of Issue | Date of Maturity | Interest Rate | Balance July 1, 2020  | Additions            | Deductions*          | Balance June 30, 2021 | Current Portion     | Long-Term Portion     |
|---|---------------------|---------------|------------------|---------------|-----------------------|----------------------|----------------------|-----------------------|---------------------|-----------------------|
| <b>Schools:</b>                                       |                     |               |                  |               |                       |                      |                      |                       |                     |                       |
| Debt issue  | \$ 22,445,000       | 04/26/06      | 07/15/25         | 3.875%-5.0%   | \$ 8,449,988          | \$ -                 | \$ 1,400,000         | \$ 7,049,988          | \$ 1,405,000        | \$ 5,644,988          |
| Debt issue  | 21,850,000          | 01/23/07      | 07/15/26         | 3.875%-4.75%  | 8,050,000             | -                    | 1,150,000            | 6,900,000             | 1,150,000           | 5,750,000             |
| Debt issue  | 25,000,000          | 10/06/15      | 10/01/35         | 2.25%-5.0%    | 23,000,000            | -                    | 23,000,000           | -                     | -                   | -                     |
| Debt issue  | 7,000,000           | 11/10/16      | 11/01/36         | 2.0%-4.0%     | 6,738,500             | -                    | 3,263,250            | 3,475,250             | 256,500             | 3,218,750             |
| Debt issue  | 7,500,000           | 11/01/18      | 11/01/37         | 2.25%-5.0%    | 7,500,000             | -                    | 300,000              | 7,200,000             | 300,000             | 6,900,000             |
| Refunding issue                                       | 10,565,000          | 07/30/19      | 08/01/20         | 5.00%         | 44,000                | -                    | 44,000               | -                     | -                   | -                     |
| Refunding issue                                       | <u>31,434,000</u>   | 07/21/20      | 10/01/38         | 0.415%-2.40%  | -                     | 31,434,000           | 1,468,032            | 29,965,968            | 934,202             | 29,031,766            |
| <b>Total Schools</b>                                  | <u>125,794,000</u>  |               |                  |               | <u>53,782,488</u>     | <u>31,434,000</u>    | <u>30,625,282</u>    | <u>54,591,206</u>     | <u>4,045,702</u>    | <u>50,545,504</u>     |
| <b>Total General Obligation Bonds</b>                 | <u>169,835,000</u>  |               |                  |               | <u>94,320,000</u>     | <u>32,975,000</u>    | <u>37,295,000</u>    | <u>90,000,000</u>     | <u>5,625,000</u>    | <u>84,375,000</u>     |
| <b>Bond Anticipation Notes - Permanently Financed</b> |                     |               |                  |               | <u>-</u>              | <u>5,700,000</u>     | <u>-</u>             | <u>5,700,000</u>      | <u>-</u>            | <u>5,700,000</u>      |
| <b>Notes (direct borrowings):</b>                     |                     |               |                  |               |                       |                      |                      |                       |                     |                       |
| <b>Equipment financing notes:</b>                     |                     |               |                  |               |                       |                      |                      |                       |                     |                       |
| Fire Truck  | 1,209,060           | 09/28/17      | 09/28/23         | 1.85%         | 609,867               | -                    | 199,574              | 410,293               | 203,266             | 207,027               |
| Energy Performance Contract                           | 6,338,681           | 07/02/15      | 07/02/35         | 2.61%         | 5,747,184             | -                    | 229,653              | 5,517,531             | 247,163             | 5,270,368             |
| Jet Vac Truck   | 375,326             | 06/18/20      | 08/01/25         | 2.70%         | 375,326               | -                    | 65,775               | 309,551               | 58,656              | 250,895               |
| Education technology equipment                        | 180,000             | 05/20/20      | 04/30/23         | 4.33%-4.77%   | 648,720               | -                    | 268,737              | 379,983               | 268,737             | 111,246               |
| <b>Sewer:</b>   |                     |               |                  |               |                       |                      |                      |                       |                     |                       |
| CWF 489C  | <u>889,772</u>      | 04/20/06      | 03/31/26         | 2.00%         | <u>303,222</u>        | <u>-</u>             | <u>48,826</u>        | <u>254,396</u>        | <u>51,098</u>       | <u>203,298</u>        |
| <b>Total Notes</b>                                    | <u>\$ 8,992,839</u> |               |                  |               | <u>7,684,319</u>      | <u>-</u>             | <u>812,565</u>       | <u>6,871,754</u>      | <u>828,920</u>      | <u>6,042,834</u>      |
| <b>Total Bonds and Notes</b>                          |                     |               |                  |               | <u>102,004,319</u>    | <u>38,675,000</u>    | <u>38,107,565</u>    | <u>102,571,754</u>    | <u>6,453,920</u>    | <u>96,117,834</u>     |
| <b>Premium</b>  |                     |               |                  |               | <u>2,971,209</u>      | <u>442,044</u>       | <u>1,247,525</u>     | <u>2,165,728</u>      | <u>-</u>            | <u>2,165,728</u>      |
| <b>Total Bonds, Notes and Related Liabilities</b>     |                     |               |                  |               | <u>104,975,528</u>    | <u>39,117,044</u>    | <u>39,355,090</u>    | <u>104,737,482</u>    | <u>6,453,920</u>    | <u>98,283,562</u>     |
| <b>Compensated Absences</b>                           |                     |               |                  |               | <u>6,149,879</u>      | <u>499,877</u>       | <u>124,697</u>       | <u>6,525,059</u>      | <u>1,305,012</u>    | <u>5,220,047</u>      |
| <b>Landfill Liability</b>                             |                     |               |                  |               | <u>50,000</u>         | <u>-</u>             | <u>10,000</u>        | <u>40,000</u>         | <u>10,000</u>       | <u>30,000</u>         |
| <b>Claims Payable</b>                                 |                     |               |                  |               | <u>208,000</u>        | <u>-</u>             | <u>-</u>             | <u>208,000</u>        | <u>-</u>            | <u>208,000</u>        |
| <b>Risk Management Claims Payable</b>                 |                     |               |                  |               | <u>1,647,696</u>      | <u>1,027,051</u>     | <u>521,080</u>       | <u>2,153,667</u>      | <u>592,613</u>      | <u>1,561,054</u>      |
| <b>Net Pension Liability</b>                          |                     |               |                  |               | <u>32,329,318</u>     | <u>12,318,192</u>    | <u>29,959,585</u>    | <u>14,687,925</u>     | <u>-</u>            | <u>14,687,925</u>     |
| <b>OPEB Liability</b>                                 |                     |               |                  |               | <u>88,261,832</u>     | <u>6,725,139</u>     | <u>3,018,153</u>     | <u>91,968,818</u>     | <u>-</u>            | <u>91,968,818</u>     |
| <b>Total Long-Term Liabilities</b>                    |                     |               |                  |               | <u>\$ 233,622,253</u> | <u>\$ 59,687,303</u> | <u>\$ 72,988,605</u> | <u>\$ 220,320,951</u> | <u>\$ 8,361,545</u> | <u>\$ 211,959,406</u> |

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

\* Includes \$30,975,000 of refunded bonds.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**Changes in long-term liabilities (continued)**

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

| Year Ended<br>June 30: | Bond<br>Principal    | Note<br>Principal   | Total<br>Interest    |
|------------------------|----------------------|---------------------|----------------------|
| 2022                   | \$ 5,625,000         | \$ 828,920          | 2,826,612            |
| 2023                   | 6,440,000            | 696,119             | 2,496,087            |
| 2024                   | 6,760,000            | 399,678             | 2,219,469            |
| 2025                   | 7,805,000            | 418,844             | 1,946,186            |
| 2026                   | 7,790,000            | 438,168             | 1,670,927            |
| 2027                   | 6,865,000            | 347,449             | 1,426,187            |
| 2028                   | 5,715,000            | 370,289             | 1,244,209            |
| 2029                   | 5,275,000            | 394,148             | 941,714              |
| 2030                   | 4,495,000            | 419,055             | 833,765              |
| 2031                   | 4,465,000            | 445,055             | 746,313              |
| 2032                   | 4,435,000            | 472,189             | 654,075              |
| 2033                   | 3,955,000            | 500,929             | 485,414              |
| 2034                   | 4,200,000            | 530,964             | 399,334              |
| 2035                   | 4,170,000            | 562,304             | 307,104              |
| 2036                   | 4,085,000            | 47,643              | 219,306              |
| 2037                   | 2,565,000            | -                   | 154,201              |
| 2038                   | 2,130,000            | -                   | 107,886              |
| 2039                   | 1,675,000            | -                   | 59,588               |
| 2040                   | 1,225,000            | -                   | 22,734               |
| 2041                   | 325,000              | -                   | 3,453                |
| Totals                 | <u>\$ 90,000,000</u> | <u>\$ 6,871,754</u> | <u>\$ 18,764,564</u> |

**2. Assets pledged as collateral**

The Town's outstanding equipment financing notes of \$6,617,358 are secured with collateral of the equipment purchased.

**3. Statutory debt limitations**

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

| Category        | Debit Limit    | Net Indebtedness | Balance        |
|-----------------|----------------|------------------|----------------|
| General purpose | \$ 204,589,199 | \$ 47,646,169    | \$ 156,943,030 |
| Schools         | 409,178,399    | 58,671,189       | 350,507,210    |
| Sewer           | 340,981,999    | 254,396          | 340,727,603    |
| Urban renewal   | 295,517,732    | -                | 295,517,732    |
| Pension deficit | 272,785,599    | -                | 272,785,599    |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$636,499,731.

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

**4. Authorized/unissued debt**

The amount of authorized and unissued bonds are as follows:

| <u>Project</u>            | <u>Authorized<br/>Unissued Debt</u> |
|---------------------------|-------------------------------------|
| Sackett point bridge      | \$ 12,000,000                       |
| Valley service road       | 2,150,000                           |
| North Haven middle school | 3,700,000                           |
| Road milling and paving   | <u>2,000,000</u>                    |
| <br>Total                 | <br><u>\$ 19,850,000</u>            |

**5. Current year advance refunding**

In July 2020, the Town issued \$32,975,000 general obligation refunding bonds with interest rates of 0.415-2.400%. These refunding bonds were issued to defease bonds issued in 2015 to 2018. The refunding resulted in an economic gain of \$2,161,259 and a total savings of \$2,277,488.

**6. Prior year defeasance of debt**

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, \$39,305,000 of bonds outstanding are considered defeased.

**7. 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 \$40,000, 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.

**8. Claims and judgments**

The Town, it's 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**  
**As of and for the Year Ended June 30, 2021**

**G. Fund balance classifications and restricted net position**

Fund balances are classified as follows:

| Fund Balance Component          | General<br>Fund | Bonded<br>Projects<br>Fund | Capital<br>Nonrecurring<br>Fund | Other<br>Governmental<br>Funds | Total         |
|---------------------------------|-----------------|----------------------------|---------------------------------|--------------------------------|---------------|
| <b><u>Nonspendable:</u></b>     |                 |                            |                                 |                                |               |
| Cemetery maintenance            | \$ -            | \$ -                       | \$ -                            | \$ 100,000                     | \$ 100,000    |
| Library programs                | -               | -                          | -                               | 101,722                        | 101,722       |
| Total nonspendable              | -               | -                          | -                               | 201,722                        | 201,722       |
| <b><u>Restricted:</u></b>       |                 |                            |                                 |                                |               |
| General government programs     | -               | -                          | -                               | 65,616                         | 65,616        |
| Public safety programs          | -               | -                          | -                               | 165,074                        | 165,074       |
| Health and welfare programs     | -               | -                          | -                               | 223,879                        | 223,879       |
| Culture and recreation programs | -               | -                          | -                               | 60,865                         | 60,865        |
| Education:                      |                 |                            |                                 |                                |               |
| Cafeteria operations*           | -               | -                          | -                               | 152,456                        | 152,456       |
| Grants and programs             | -               | -                          | -                               | 287,172                        | 287,172       |
| Capital projects                | -               | -                          | 1,771,987                       | -                              | 1,771,987     |
| Cemetery maintenance*           | -               | -                          | -                               | 118,358                        | 118,358       |
| Library programs                | -               | -                          | -                               | 21,062                         | 21,062        |
| Total restricted                | -               | -                          | 1,771,987                       | 1,094,482                      | 2,866,469     |
| <b><u>Committed:</u></b>        |                 |                            |                                 |                                |               |
| Public safety programs          | -               | -                          | -                               | 110,813                        | 110,813       |
| School activity programs        | -               | -                          | -                               | 641,324                        | 641,324       |
| Capital projects                | -               | -                          | 4,947,642                       | -                              | 4,947,642     |
| Total committed                 | -               | -                          | 4,947,642                       | 752,137                        | 5,699,779     |
| <b><u>Assigned:</u></b>         |                 |                            |                                 |                                |               |
| Economic development            | 18,539          | -                          | -                               | -                              | 18,539        |
| Encumbrances                    | 1,320,217       | -                          | -                               | -                              | 1,320,217     |
| Subsequent year budget          | 1,050,000       | -                          | -                               | -                              | 1,050,000     |
| Culture and recreation          | -               | -                          | -                               | 143,409                        | 143,409       |
| Total assigned                  | 2,388,756       | -                          | -                               | 143,409                        | 2,532,165     |
| <b><u>Unassigned</u></b>        | 8,888,029       | (92,595)                   | (596,259)                       | (27,170)                       | 8,172,005     |
| Total                           | \$ 11,276,785   | \$ (92,595)                | \$ 6,123,370                    | \$ 2,164,580                   | \$ 19,472,140 |

\*The amount of restricted net position which was restricted by enabling legislation, totaled \$270,814.

**Deficit fund balance:** The State/Federal grants fund had a deficit of \$27,170, which will be eliminated by transfers from the general fund.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**IV. Other information****A. Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance except as noted below. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

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.

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.

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

|                             | Claims<br>Payable<br>July 1 | Current year<br>Claims and<br>Changes in<br>Estimates | Claims<br>Paid | Claims<br>Payable<br>June 30 | Current<br>Portion | Long-term<br>Portion |
|-----------------------------|-----------------------------|---|----------------|------------------------------|--------------------|----------------------|
| <u>Workers Compensation</u> |                             |   |                |                              |                    |                      |
| <u>Town</u>                 |                             |   |                |                              |                    |                      |
| 2019-2020                   | \$ 1,045,078                | \$ 803,331  | \$ 469,582     | \$ 1,378,827                 | \$ 440,791         | \$ 938,036           |
| 2020-2021                   | 1,378,827                   | 462,194   | 333,545        | 1,507,476                    | 426,936            | 1,080,540            |
| <u>Education</u>            |                             |   |                |                              |                    |                      |
| 2019-2020                   | 401,250                     | (25,560)  | 106,821        | 268,869                      | 31,541             | 237,328              |
| 2020-2021                   | 268,869                     | 564,857   | 187,535        | 646,191                      | 165,677            | 480,514              |
| <u>Subtotal</u>             |                             |   |                |                              |                    |                      |
| 2019-2020                   | <u>1,446,328</u>            | <u>777,771</u>  | <u>576,403</u> | <u>1,647,696</u>             | <u>472,332</u>     | <u>1,175,364</u>     |
| 2020-2021                   | <u>1,647,696</u>            | <u>1,027,051</u>                                      | <u>521,080</u> | <u>2,153,667</u>             | <u>592,613</u>     | <u>1,561,054</u>     |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Risk management (continued)**

|   | Claims<br>Payable<br>July 1 | Current year<br>Claims and<br>Changes in<br>Estimates | Claims<br>Paid | Claims<br>Payable<br>June 30 | Current<br>Portion | Long-term<br>Portion |
|---|-----------------------------|---|----------------|------------------------------|--------------------|----------------------|
| <u>Medical Insurance</u>                    |                             |   |                |                              |                    |                      |
| <u>Town Dental</u>                          |                             |   |                |                              |                    |                      |
| 2019-2020                                   | \$ 9,757                    | \$ 314,143  | \$ 315,201     | \$ 8,699                     | \$ 8,699           | \$ -                 |
| 2020-2021                                   | 8,699                       | 288,627   | 288,192        | 9,134                        | 9,134              | -                    |
| <u>Town Medical</u>                         |                             |   |                |                              |                    |                      |
| 2019-2020                                   | 332,102                     | 9,695,436   | 9,751,624      | 275,914                      | 275,914            | -                    |
| 2020-2021                                   | 275,914                     | 9,874,110   | 9,673,100      | 476,924                      | 476,924            | -                    |
| <u>Education Dental</u>                     |                             |   |                |                              |                    |                      |
| 2019-2020                                   | 13,661                      | 244,273   | 247,009        | 10,925                       | 10,925             | -                    |
| 2020-2021                                   | 10,925                      | 268,595   | 268,049        | 11,471                       | 11,471             | -                    |
| <u>Education Medical</u>                    |                             |   |                |                              |                    |                      |
| 2019-2020                                   | 629,878                     | 5,745,068   | 5,951,510      | 423,436                      | 423,436            | -                    |
| 2020-2021                                   | 423,436                     | 6,816,271   | 6,899,531      | 340,176                      | 340,176            | -                    |
| <u>Subtotal</u>                             |                             |   |                |                              |                    |                      |
| 2019-2020                                   | 985,398                     | 15,998,920  | 16,265,344     | 718,974                      | 718,974            | -                    |
| 2020-2021                                   | 718,974                     | 17,247,603  | 17,128,872     | 837,705                      | 837,705            | -                    |
| <u>Total Risk Management Claims Payable</u> |                             |   |                |                              |                    |                      |
| 2019-2020                                   | \$ 2,431,726                | \$16,776,691  | \$ 16,841,747  | \$ 2,366,670                 | \$ 1,191,306       | \$1,175,364          |
| 2020-2021                                   | \$ 2,366,670                | \$18,274,654  | \$ 17,649,952  | \$ 2,991,372                 | \$ 1,430,318       | \$1,561,054          |

**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. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**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.

There are currently 3 companies participating in the economic development tax incentive program.

The amount of the tax abatement under these programs was approximately \$1,488,131.

**D. Contingencies***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various type of items, including construction costs. The pandemic has also resulted in labor shortages.

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town was awarded grants from the federal government for the costs and impact of the pandemic as follows:

| <u>Grant Name</u>                    | <u>Amount</u>       |
|--------------------------------------|---------------------|
| Coronavirus Relief Fund ("CRF")      | \$ 585,133          |
| Education Stabilization Fund ("ESF") | 336,487             |
| American Rescue Plan Act ("ARPA")    | <u>3,504,498</u>    |
| Total                                | <u>\$ 4,426,118</u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Contingencies (continued)**

The second payment of the ARPA grant of \$3,504,498 is to be received in fiscal year 2022.

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

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

The Town administers five single-employer defined benefit plans:

|                                   |  |
|-----------------------------------|--|
| Employee Retirement Plan          |  |
| Police Retirement Plan            | Closed; New hires after September 6, 2012 are eligible for disability only |
| Fire Retirement Plan              | Closed; New hires after October 30, 2012 are eligible for disability only  |
| Volunteer Fire Retirement Plan    |  |
| Elected Officials Retirement Plan |  |

All five single-employer defined benefit pension plans provide pensions for all full-time employees. The pension plans grant the authority to establish and amend the benefit terms to the Retirement Board. The elected official's retirement plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 68. The plans do not issue separate, stand-alone financial reports. Management of each plan is vested in a Retirement Board.

**b. Plan membership**

As of July 1, 2021 for the police, fire, employee, volunteer fire and elected officials' retirement plans, membership in the plans is comprised of the following:

|   | Employee<br>Retirement<br>Plan | Police<br>Retirement<br>Plan | Fire<br>Retirement<br>Plan | Volunteer<br>Fire<br>Retirement<br>Plan | Elected<br>Officials<br>Retirement<br>Plan |
|---|--------------------------------|------------------------------|----------------------------|---|--|
| Retirees and beneficiaries receiving benefits | 227                            | 54                           | 27                         | 31                                      | 3  |
| Terminated employees entitled to benefits     | 15                             | 3                            | -                          | 16                                      | -  |
| Active members                                | 98                             | 50                           | 39                         | 29                                      | 2  |
| Total   | <u>340</u>                     | <u>107</u>                   | <u>66</u>                  | <u>76</u>                               | <u>5</u>                                   |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)****2. 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%  | \$350 per month plus \$3 per month for each year of service as an officer                                 | 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 years   | Average of compensation for basic pay for 3 highest years out of last 5 years   |   | 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  
As of and for the Year Ended June 30, 2021

Pension plans (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 26, 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. |

3. Contributions required

Each participant is required to contribute the following percentage of their pensionable wages to the plan.

|   | Employee Retirement Plan | Police Retirement Plan | Fire Retirement Plan | Volunteer Fire Retirement Plan | Elected Officials Retirement Plan |
|---|--------------------------|------------------------|----------------------|--------------------------------|-----------------------------------|
| Board of Education employees                          | 3%                       | None required          | None required        | None required                  | None required                     |
| Town employees  | 0% - 4%                  | None required          | None required        | None required                  | None required                     |
| Town average contribution rate of covered payroll was | 35.29%                   | 48.93%                 | 38.43%               | N/A                            | 52.45%                            |

4. Investments

a. 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 the Plans:

| Asset Class          | Target Allocation        |                        |                      |                                |
|----------------------|--------------------------|------------------------|----------------------|--------------------------------|
|                      | Employee Retirement Plan | Police Retirement Plan | Fire Retirement Plan | Volunteer Fire Retirement Plan |
| Domestic Equity      | 60.00%                   | 60.00%                 | 33.00%               | 33.00%                         |
| International Equity | -                        | -                      | 27.00%               | 27.00%                         |
| Core Fixed Income    | 40.00%                   | 40.00%                 | 35.00%               | 35.00%                         |
| High Yield Bonds     | -                        | -                      | 5.00%                | 5.00%                          |
| Total                | 100.00%                  | 100.00%                | 100.00%              | 100.00%                        |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)****b. Concentrations**

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

**c. 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 weighing 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 plans' investment policy) are also summarized above.

| Long-Term Expected Real Rate of Return |                             |                           |                         |                                   |
|--|-----------------------------|---------------------------|-------------------------|-----------------------------------|
| Asset Class                            | Employee<br>Retirement Plan | Police<br>Retirement Plan | Fire<br>Retirement Plan | Volunteer Fire<br>Retirement Plan |
| Domestic Equity                        | 6.55%                       | 6.55%                     | 6.55%                   | 6.55%                             |
| International Equity                   | -                           | -                         | 7.30%                   | 7.30%                             |
| Core Fixed Income                      | 0.40%                       | 0.40%                     | 0.40%                   | 0.40%                             |
| High Yield Bonds                       | -                           | -                         | 3.10%                   | 3.10%                             |
| Inflation rate                         | 2.10%                       | 2.10%                     | 2.10%                   | 2.10%                             |

**d. Annual money-weighted rate of return**

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

|                | Employee<br>Retirement<br>Plan | Police<br>Retirement<br>Plan | Fire<br>Retirement<br>Plan | Volunteer Fire<br>Retirement<br>Plan | Elected Officials<br>Retirement Plan |
|----------------|--------------------------------|------------------------------|----------------------------|--------------------------------------|--------------------------------------|
| Rate of Return | 25.37%                         | 25.63%                       | 25.38%                     | 24.76%                               | N/A                                  |

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)****5. Net pension liability**

The components of the net pension liability were as follows:

|   | Employee<br>Retirement<br>Plan | Police<br>Retirement<br>Plan | Fire<br>Retirement<br>Plan | Volunteer Fire<br>Retirement<br>Plan | Elected<br>Officials<br>Retirement<br>Plan |
|---|--------------------------------|------------------------------|----------------------------|--------------------------------------|--|
| Total pension liability   | \$ 71,720,461                  | \$ 39,086,151                | \$ 24,389,902              | \$ 1,689,482                         | \$ 2,709,004                               |
| Plan fiduciary net position   | 67,192,052                     | 33,152,849                   | 23,345,160                 | 1,217,014                            | -  |
| Net pension liability   | <u>\$ 4,528,409</u>            | <u>\$ 5,933,302</u>          | <u>\$ 1,044,742</u>        | <u>\$ 472,468</u>                    | <u>\$ 2,709,004</u>                        |
| Plan fiduciary net position as a<br>percentage of the total pension liability | <u>93.69%</u>                  | <u>84.82%</u>                | <u>95.72%</u>              | <u>72.03%</u>                        | <u>0.00%</u>                               |

**6. Actuarial assumptions**

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

|                               | Employee<br>Retirement Plan  | Police<br>Retirement Plan   | Fire<br>Retirement Plan   | Volunteer Fire<br>Retirement Plan   | Elected Officials<br>Retirement Plan   |
|-------------------------------|--|---|---|---|--|
| Valuation date                | July 1, 2021   | July 1, 2021  | July 1, 2021  | July 1, 2021  | July 1, 2021   |
| Actuarial cost<br>method      | Entry age normal   | Entry age normal  | Entry age normal  | Entry age normal  | Entry age normal   |
| Amortization method           | Level percent  | Level percent   | Level percent   | Level percent   | Level percent  |
| Asset valuation<br>method     | 5 year smoothing   | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing   |
| Investment rate of<br>return  | 7.00%  | 7.00%   | 7.00%   | 6.50%   | 2.16%  |
| Inflation                     | 2.10%  | 2.10%   | 2.10%   | N/A   | N/A  |
| Salary increases              | 3.00% to 6.70%   | 4.00%   | 3.50%   | N/A   | 2.50%  |
| Cost of living<br>adjustments | 2.25%  | 3.00% starting at<br>age 62   | 3.00% starting at<br>age 62   | N/A   | 2.25%  |
| Mortality rates               | RP-2014<br>(adjusted back to<br>2006) Blue Collar<br>Employee &<br>Healthy Annuitant<br>Tables projected<br>generationally with<br>Scale MP-2018 | RP-2014 (adjusted<br>back to 2006) Blue<br>Collar Employee &<br>Healthy Annuitant<br>Tables projected<br>generationally with<br>Scale MP-2017 | RP-2014 (adjusted<br>back to 2006) Blue<br>Collar Employee &<br>Healthy Annuitant<br>Tables projected<br>generationally with<br>Scale MP-2017 | RP-2014 Blue<br>Collar (adjusted<br>back to 2006),<br>projected<br>generationally with<br>Scale MP-2020 | RP-2014 (adjusted<br>back to 2006),<br>projected<br>generationally with<br>Scale MP-2018 |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

- Mortality was updated to RP-2014 (adjusted back to 2006) Blue Collar Employee and Healthy Annuitant Tables, Projected with Scale MP-2017 from scale MP-2019 for the Police Retirement Plan and the Fire Retirement Plan.
- Mortality was updated to RP-2014 Blue collar (adjusted back to 2006), projected with scale MP-2020 from scale MP-2018 for the Volunteer Fire Retirement Plan.
- The discount rate decreased from 3.50% to 2.16% for the Elected Officials Plan.

**b. Benefit changes**

There were benefit changes for the Volunteer Fire Retirement Plan as follows:

- The normal retirement benefit amount was increased to \$350 per month (previously, \$200 per month)
- The supplemental officer benefit amount was changed to a flat amount of \$3 per month per year of service as an officer (previously, it calculated only on years of service in excess of 20 years and the amount was dependent on the officer's grade level)

**8. Discount rate**

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

|               | <u>Employee<br/>Retirement Plan</u> | <u>Police<br/>Retirement Plan</u> | <u>Fire<br/>Retirement Plan</u> | <u>Volunteer Fire<br/>Retirement Plan</u> | <u>Elected Officials<br/>Retirement Plan</u> |
|---------------|-------------------------------------|-----------------------------------|---------------------------------|---|--|
| Discount Rate | 7.00%                               | 7.00%                             | 7.00%                           | 6.50%                                     | 2.16%  |

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

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.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

The Town's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 for the Plans. The changes in net pension liability for each plan for the fiscal year were as follows:

| Employee Retirement Plan                                       | Increase (Decrease)            |                                    |                                    |
|--|--------------------------------|------------------------------------|------------------------------------|
|  | Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
| Balance at July 1, 2020  | \$ 71,690,598                  | \$ 57,769,863                      | \$ 13,920,735                      |
| Service cost   | 910,422                        | -                                  | 910,422                            |
| Interest   | 4,930,377                      | -                                  | 4,930,377                          |
| Differences between expected and actual experience             | (858,620)                      | -                                  | (858,620)                          |
| Changes in assumptions   | (617,978)                      | -                                  | (617,978)                          |
| Contributions - employer                                       | -                              | 1,884,186                          | (1,884,186)                        |
| Contributions - member   | -                              | 82,139                             | (82,139)                           |
| Net investment income (loss)                                   | -                              | 12,011,756                         | (12,011,756)                       |
| Benefit payments, including refunds<br>of member contributions | (4,334,338)                    | (4,334,338)                        | -                                  |
| Administration expenses  | -                              | (221,554)                          | 221,554                            |
| Net change   | 29,863                         | 9,422,189                          | (9,392,326)                        |
| Balance at June 30, 2021                                       | \$ 71,720,461                  | \$ 67,192,052                      | \$ 4,528,409                       |

| Police Retirement Plan   | Increase (Decrease)            |                                    |                                    |
|--|--------------------------------|------------------------------------|------------------------------------|
|  | Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
| Balance at July 1, 2020  | \$ 38,084,549                  | \$ 27,389,337                      | \$ 10,695,212                      |
| Service cost   | 480,453                        | -                                  | 480,453                            |
| Interest   | 2,625,884                      | -                                  | 2,625,884                          |
| Contributions - employer                                       | -                              | 1,397,939                          | (1,397,939)                        |
| Net investment income (loss)                                   | -                              | 6,617,073                          | (6,617,073)                        |
| Benefit payments, including refunds<br>of member contributions | (2,104,735)                    | (2,104,735)                        | -                                  |
| Administration expenses  | -                              | (146,765)                          | 146,765                            |
| Net change   | 1,001,602                      | 5,763,512                          | (4,761,910)                        |
| Balance at June 30, 2021                                       | \$ 39,086,151                  | \$ 33,152,849                      | \$ 5,933,302                       |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)**

| Fire Retirement Plan   | Increase (Decrease)               |                                       |                                       |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Balance at July 1, 2020  | \$ 23,427,555                     | \$ 18,717,576                         | \$ 4,709,979                          |
| Service cost   | 393,992                           | -                                     | 393,992                               |
| Interest   | 1,630,339                         | -                                     | 1,630,339                             |
| Contributions - employer                                       | -                                 | 953,504                               | (953,504)                             |
| Net investment income (loss)                                   | -                                 | 4,834,381                             | (4,834,381)                           |
| Benefit payments, including refunds<br>of member contributions | (1,061,984)                       | (1,061,984)                           | -                                     |
| Administration expenses  | -                                 | (98,317)                              | 98,317                                |
| Net change   | 962,347                           | 4,627,584                             | (3,665,237)                           |
| Balance at June 30, 2021                                       | \$ 24,389,902                     | \$ 23,345,160                         | \$ 1,044,742                          |

| Volunteer Fire Retirement Plan                                 | Increase (Decrease)               |                                       |                                       |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Balance at July 1, 2020  | \$ 1,131,554                      | \$ 1,007,294                          | \$ 124,260                            |
| Service cost   | 10,864                            | -                                     | 10,864                                |
| Interest   | 72,178                            | -                                     | 72,178                                |
| Differences between expected and actual experience             | (25,280)                          | -                                     | (25,280)                              |
| Changes in assumptions   | (8,401)                           | -                                     | (8,401)                               |
| Change in benefit terms  | 572,541                           | -                                     | 572,541                               |
| Contributions - employer                                       | -                                 | 28,773                                | (28,773)                              |
| Net investment income (loss)                                   | -                                 | 249,981                               | (249,981)                             |
| Benefit payments, including refunds<br>of member contributions | (63,974)                          | (63,974)                              | -                                     |
| Administration expenses  | -                                 | (5,060)                               | 5,060                                 |
| Net change   | 557,928                           | 209,720                               | 348,208                               |
| Balance at June 30, 2021                                       | \$ 1,689,482                      | \$ 1,217,014                          | \$ 472,468                            |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)**

| Elected Officials Retirement Plan                              | Increase (Decrease)               |                                       |                                       |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Balance at July 1, 2020  | \$ 2,879,132                      | \$ -                                  | \$ 2,879,132                          |
| Service cost   | 144,949                           | -                                     | 144,949                               |
| Interest   | 65,624                            | -                                     | 65,624                                |
| Differences between expected and actual experience             | (280,230)                         | -                                     | (280,230)                             |
| Changes in assumptions   | 8,873                             | -                                     | 8,873                                 |
| Benefit payments, including refunds<br>of member contributions | (109,344)                         | -                                     | (109,344)                             |
| Net change   | (170,128)                         | -                                     | (170,128)                             |
| Balance at June 30, 2021                                       | \$ 2,709,004                      | \$ -                                  | \$ 2,709,004                          |

**10. 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:

| <u>Net Pension Liability (Asset)</u> | <u>Current<br/>Discount Rate</u> | <u>1%<br/>Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1%<br/>Increase</u> |
|--------------------------------------|----------------------------------|------------------------|----------------------------------|------------------------|
| Employees Retirement Plan            | 7.00%                            | \$ 12,022,330          | \$ 4,528,409                     | \$(1,847,871)          |
| Police Retirement Plan               | 7.00%                            | \$ 10,878,669          | \$ 5,933,302                     | \$ 1,834,266           |
| Fire Retirement Plan                 | 7.00%                            | \$ 4,102,936           | \$ 1,044,742                     | \$ 1,507,538           |
| Volunteer Fire Retirement Plan       | 6.50%                            | \$ 676,810             | \$ 472,468                       | \$ 304,488             |
| Elected Officials Retirement Plan    | 2.16%                            | \$ 3,068,045           | \$ 2,709,004                     | \$ 2,412,155           |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)****11. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions**

The Town recognized pension expense of \$(168,899). The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Employee Retirement Plan   | Deferred<br>Inflows of<br>Resources | Net                   |
|--|-------------------------------------|-----------------------|
| Differences between expected and actual experience                               | \$ 537,039                          | \$ (537,039)          |
| Changes in assumptions   | 386,526                             | (386,526)             |
| Net difference between projected and actual earnings on pension plan investments | <u>5,785,901</u>                    | <u>(5,785,901)</u>    |
| Total  | <u>\$ 6,709,466</u>                 | <u>\$ (6,709,466)</u> |

| Police Retirement Plan   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net                   |
|--|--------------------------------------|-------------------------------------|-----------------------|
| Differences between expected and actual experience                               | \$ 204,606                           | \$ -                                | \$ 204,606            |
| Changes in assumptions   | -                                    | 695,176                             | (695,176)             |
| Net difference between projected and actual earnings on pension plan investments | <u>-</u>                             | <u>2,665,622</u>                    | <u>(2,665,622)</u>    |
| Total  | <u>\$ 204,606</u>                    | <u>\$ 3,360,798</u>                 | <u>\$ (3,156,192)</u> |

| Fire Retirement Plan   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net                   |
|--|--------------------------------------|-------------------------------------|-----------------------|
| Differences between expected and actual experience                               | \$ 8,559                             | \$ 276,012                          | \$ (267,453)          |
| Changes in assumptions   | 30,882                               | 785,589                             | (754,707)             |
| Net difference between projected and actual earnings on pension plan investments | <u>-</u>                             | <u>2,074,702</u>                    | <u>(2,074,702)</u>    |
| Total  | <u>\$ 39,441</u>                     | <u>\$ 3,136,303</u>                 | <u>\$ (3,096,862)</u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)**

| <u>Volunteer Fire Retirement Plan</u>  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net                 |
|--|--------------------------------------|-------------------------------------|---------------------|
| Differences between expected and actual experience                               | \$ -                                 | \$ 79,471                           | \$ (79,471)         |
| Changes in assumptions   | 31,034                               | 6,551                               | 24,483              |
| Net difference between projected and actual earnings on pension plan investments | -                                    | 120,250                             | (120,250)           |
| Total  | <u>\$ 31,034</u>                     | <u>\$ 206,272</u>                   | <u>\$ (175,238)</u> |

| <u>Elected Officials Retirement Plan</u>           | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net                |
|--|--------------------------------------|-------------------------------------|--------------------|
| Differences between expected and actual experience | \$ 10,070                            | \$ 196,828                          | \$ (186,758)       |
| Changes in assumptions                             | 168,686                              | -                                   | 168,686            |
| Total  | <u>\$ 178,756</u>                    | <u>\$ 196,828</u>                   | <u>\$ (18,072)</u> |

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

| <u>Plan</u>                       | <u>Years</u> |
|-----------------------------------|--------------|
| Employees Retirement Plan         | 2.67         |
| Police Department Retirement Plan | 4.20         |
| Fire Department Retirement Plan   | 5.36         |
| Volunteer Fire Retirement Plan    | 4.54         |
| Elected Officials Retirement Plan | 3.36         |

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Pension plans (continued)**

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

| June 30,   | Employee<br>Retirement<br>Plan | Police<br>Retirement<br>Plan | Fire<br>Retirement<br>Plan | Volunteer Fire<br>Retirement<br>Plan | Elected<br>Officials<br>Retirement<br>Plan | Total                  |
|------------|--------------------------------|------------------------------|----------------------------|--------------------------------------|--|------------------------|
| 2022       | \$ (1,798,880)                 | \$ (957,979)                 | \$ (888,432)               | \$ (51,553)                          | \$ 49,966                                  | \$ (3,646,878)         |
| 2023       | (1,380,969)                    | (549,300)                    | (885,699)                  | (42,905)                             | (38,964)                                   | (2,897,837)            |
| 2024       | (1,450,232)                    | (641,385)                    | (611,280)                  | (36,359)                             | (29,074)                                   | (2,768,330)            |
| 2025       | (2,079,385)                    | (1,007,528)                  | (711,451)                  | (42,039)                             | -  | (3,840,403)            |
| Thereafter | -                              | -                            | -                          | (2,382)                              | -  | (2,382)                |
| Total      | <u>\$ (6,709,466)</u>          | <u>\$ (3,156,192)</u>        | <u>\$ (3,096,862)</u>      | <u>\$ (175,238)</u>                  | <u>\$ (18,072)</u>                         | <u>\$ (13,155,830)</u> |

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

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

**2. Benefit provisions**

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

|  |   |
|--|---|
| Non-service connected disability service requirement | Five years of credited service  |
| Vesting - service                                    | 10 years of service   |
| Vesting - amount                                     | 100%  |
| Pre-retirement death benefit amount                  | Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service |

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

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

**Employer (school districts)**

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

**Employees**

Each teacher is required to contribute 7.00% of their pensionable wages 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>116,817,112</u>           |
| Total   | <u><u>\$ 116,817,112</u></u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

During the year, the Town recognized pension expense and revenue of \$7,492,840 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.

**Long-term expected rate of return**

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

| <u>Asset Class</u>                        | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---|--------------------------|---|
| Domestic equity fund                      | 20.00%                   | 5.60%   |
| Developed market international stock fund | 11.00%                   | 6.00%   |
| Emerging market international stock fund  | 9.00%                    | 7.90%   |
| Core fixed income fund                    | 16.00%                   | 2.10%   |
| Inflation linked bond fund                | 5.00%                    | 1.10%   |
| Emerging market debt fund                 | 5.00%                    | 2.70%   |
| High yield bond fund                      | 6.00%                    | 4.00%   |
| Real estate fund                          | 10.00%                   | 4.50%   |
| Private equity                            | 10.00%                   | 7.30%   |
| Alternative investments                   | 7.00%                    | 2.90%   |
| Liquidity fund                            | 1.00%                    | 0.40%   |
| Total                                     | <u>100.00%</u>           |   |

**6. Discount rate**

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

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Total pension plans**

|                                   | <u>Net Pension<br/>Liability</u> | <u>Pension<br/>Expense</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------|----------------------------------|----------------------------|---|--|
| Employee Retirement Plan          | \$ 4,528,409                     | \$ (743,845)               | \$ -  | \$ 6,709,466                                 |
| Police Retirement Plan            | 5,933,302                        | (133,780)                  | 204,606                                       | 3,360,798                                    |
| Fire Retirement Plan              | 1,044,742                        | (96,080)                   | 39,441  | 3,136,303                                    |
| Volunteer Fire Retirement Plan    | 472,468                          | 535,539                    | 31,034  | 206,272                                      |
| Elected Officials Retirement Plan | <u>2,709,004</u>                 | <u>269,267</u>             | <u>178,756</u>                                | <u>196,828</u>                               |
| <br>Total                         | <br><u>\$ 14,687,925</u>         | <br><u>\$ (168,899)</u>    | <br><u>\$ 453,837</u>                         | <br><u>\$ 13,609,667</u>                     |
|                                   |                                  |                            | Net amount of deferred inflows and outflows   | <u>\$ 13,155,830</u>                         |

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

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. The plan is closed to dispatchers hired after January 1, 2019 and social workers hired after January 1, 2020.

**b. Plan membership**

As of July 1, 2019 the following employees are covered by the benefit terms:

|   |                |
|---|----------------|
| Retirees and beneficiaries receiving benefits | 304            |
| Active members                                | <u>659</u>     |
| <br>Total                                     | <br><u>963</u> |

**2. 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.

**3. Contributions**

The Board of Finance has the authority to determine contributions to the plan. The Town is not currently funding benefits based upon an actuarial valuation.

There are no employee contributions to the plan.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Other post-employment benefit plan (continued)**

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

**4. Investments****a. Investment policy**

The OPEB 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 OPEB Plan:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|--------------------|--------------------------|
| Domestic Equity    | 65.00%                   |
| Fixed Income       | <u>35.00%</u>            |
| Total              | <u><u>100.00%</u></u>    |

**b. Concentrations**

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

**c. Rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation (see the discussion of the OPEB plan's investment policy) are as follows:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|---|
| Domestic Equity    | 6.55%   |
| Fixed Income       | 0.40%   |
| Inflation rate     | 2.10%   |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Other post-employment benefit plan (continued)****d. Annual money-weighted rate of return**

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 31.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**5. Net OPEB Liability**

The Town's net OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as July 1, 2019. The components of the net OPEB liability were as follows:

|  |                      |
|--|----------------------|
| Total OPEB liability   | \$ 92,433,591        |
| Plan fiduciary net position  | <u>464,773</u>       |
| Net OPEB liability   | <u>\$ 91,968,818</u> |
| Plan fiduciary net position as a<br>percentage of the total OPEB liability | <u>0.50%</u>         |

**6. Actuarial methods and assumptions**

The net OPEB liability was determined based upon the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|   |  |
|---|--|
| Valuation Date  | July 1, 2019   |
| Actuarial Cost Method   | Entry age normal   |
| Investment Rate of Return                                     | 2.16%  |
| Salary Increases  | 4.00%  |
| Inflation   | 2.10%  |
| Healthcare cost trend rates:                                  |  |
| Initial medical trend rate                                    | 7.00%  |
| Ultimate medical trend rate                                   | 4.50%  |
| Mortality Rates   |  |
| Board of Education -<br>Certified                             | RP-2014 White Collar Employer &<br>Healthy Annuitant tables projected to<br>2020 using Scale BB  |
| General Employees &<br>Board of Education - Non-<br>Certified | RP-2014 (adjusted back to 2006)<br>Headcount-Weighted, projected<br>generationally with Scale MP-2018  |
| Police and Firefighters                                       | RP-2014 (adjusted back to 2006)<br>Headcount-Weighted Blue Collar<br>Employee & Healthy Annuitant Tables<br>projected generationally with Scale<br>MP-2017 |

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

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Other post-employment benefit plan (continued)****7. Change from prior year****a. Changes in assumptions**

- The discount rate decreased from 2.21% to 2.16%.
- Mortality rates were changed from Scale MP-2018 to MP-2017 for Police and Firefighters plans.

**b. Benefit changes**

- There were no benefit changes in the current year.

**8. Changes in the net OPEB liability**

|  | Increase (Decrease)            |                                       |                                    |
|--|--------------------------------|---------------------------------------|------------------------------------|
|  | Total OPEB<br>Liability<br>(a) | Plan Fiduciary Net<br>Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
| Balance at July 1, 2020  | \$ 88,539,528                  | \$ 277,696                            | \$ 88,261,832                      |
| Service cost   | 4,029,478                      | -                                     | 4,029,478                          |
| Interest   | 2,014,680                      | -                                     | 2,014,680                          |
| Changes in assumptions   | 679,387                        | -                                     | 679,387                            |
| Contributions - employer                                       | -                              | 2,929,482                             | (2,929,482)                        |
| Net investment income  | -                              | 88,671                                | (88,671)                           |
| Benefit payments, including refunds<br>of member contributions | (2,829,482)                    | (2,829,482)                           | -                                  |
| Administrative expenses  | -                              | (1,594)                               | 1,594                              |
| Net change   | 3,894,063                      | 187,077                               | 3,706,986                          |
| Balance at June 30, 2021                                       | \$ 92,433,591                  | \$ 464,773                            | \$ 91,968,818                      |

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate at 2.16%:

|                    | 1% Decrease    | Discount Rate | 1% Increase   |
|--------------------|----------------|---------------|---------------|
| Net OPEB Liability | \$ 107,305,670 | \$ 91,968,818 | \$ 79,694,018 |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D Other post-employment benefit plan (continued)****10. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates of 7.00% decreasing to 4.50%:

|                    | <u>1% Decrease</u>   | <u>Current<br/>Trend Rate</u> | <u>1% Increase</u>    |
|--------------------|----------------------|-------------------------------|-----------------------|
| Net OPEB Liability | <u>\$ 76,838,320</u> | <u>\$ 91,968,818</u>          | <u>\$ 111,695,745</u> |

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

For the fiscal year the Town recognized OPEB expense of \$1,453,341. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

| <u>Description of Inflows/Outflows</u>  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Net</u>        |
|---|---|--|-------------------|
| Differences between expected and actual experience                            | \$ 10,969,231                                 | \$ -   | \$ 10,969,231     |
| Changes in assumptions  | 8,371,605                                     | 18,772,832                                   | (10,401,227)      |
| Net difference between projected and actual earnings on OPEB plan investments | -   | 7,793  | (7,793)           |
| Total   | <u>\$ 19,340,836</u>                          | <u>\$ 18,780,625</u>                         | <u>\$ 560,211</u> |

Changes in assumptions and differences between expected and actual experience are amortized over 9.60 years.

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

| <u>Year Ending<br/>June 30,</u> |                   |
|---------------------------------|-------------------|
| 2022                            | \$ (1,746,154)    |
| 2023                            | (1,746,154)       |
| 2024                            | (1,746,154)       |
| 2025                            | (1,679,149)       |
| 2026                            | 1,620,561         |
| Thereafter                      | <u>5,857,261</u>  |
| Total                           | <u>\$ 560,211</u> |

Town of North Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

**E. Connecticut state teachers’ retirement board retiree health insurance plan**

**1. Plan description**

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

**2. Benefit provisions**

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

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

**Retiree health care coverage**

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits. 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.

## Town of North Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**

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

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

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

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

**Survivor health care coverage**

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

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

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

**Employer (school districts)**

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

**Employees**

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

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

The Town reports no amounts for its proportionate share of the 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 of North Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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

|  |                      |
|--|----------------------|
| Town's proportionate share of the net OPEB liability                           | \$ -                 |
| State's proportionate share of the net OPEB liability associated with the Town | <u>17,423,276</u>    |
| Total  | <u>\$ 17,423,276</u> |

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

The Town recognized OPEB expense and revenue of \$180,828 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

|   |  |
|---|--|
| Investment rate of return               | 3.00%  |
| Inflation                               | 2.50%  |
| Health care cost trend rate (Medicare)  | 5.125% decreasing to 4.50% by 2023   |
| Salary increases                        | 3.00-6.50%, including inflation  |
| Mortality rates                         | Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019 |
| Year fund net position will be depleted | 2021   |

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% to 2.21% to reflect the change in the Municipal Bond Index rate.

## Town of North Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

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

**Long-term expected rate of return**

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

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

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate and health care cost trend 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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**F. Plan statements**

**Combining Statement of Fiduciary Net Position**  
**Pension and OPEB Trust Funds**  
**June 30, 2021**

|                                   | Employees<br>Retirement | Police<br>Department<br>Retirement | Fire<br>Department<br>Retirement | Volunteer<br>Firefighters'<br>Pension Plan | OPEB<br>Trust<br>Fund | Total          |
|-----------------------------------|-------------------------|------------------------------------|----------------------------------|--|-----------------------|----------------|
| <u>Assets</u>                     |                         |                                    |                                  |  |                       |                |
| Cash                              | \$ 947,366              | \$ 32,086                          | \$ 30,602                        | \$ 78,406                                  | \$ -                  | \$ 1,088,460   |
| Investments:                      |                         |                                    |                                  |  |                       |                |
| Mutual funds:                     |                         |                                    |                                  |  |                       |                |
| Equity                            | 17,590,362              | 11,483,609                         | 978,339                          | -  | -                     | 30,052,310     |
| Fixed income                      | -                       | -                                  | 62,320                           | -  | 139,949               | 202,269        |
| Private equity funds              | 11,605,132              | 4,781,597                          | 2,084,207                        | -  | -                     | 18,470,936     |
| Real estate funds                 | 9,176,259               | 4,053,838                          | 920,197                          | -  | -                     | 14,150,294     |
| Bank money market accounts        | 4,389,418               | 2,287,726                          | 239,544                          | 15,102                                     | 17,620                | 6,949,410      |
| U.S. government agency securities | -                       | -                                  | 505,436                          | -  | -                     | 505,436        |
| Common stock                      | 14,996,098              | 5,934,962                          | 6,537,763                        | 298,679                                    | -                     | 27,767,502     |
| Exchange traded funds             | 4,734,525               | 2,579,278                          | 11,310,407                       | 830,285                                    | 307,204               | 19,761,699     |
| Municipal bonds                   | 3,047,310               | 1,412,679                          | -                                | -  | -                     | 4,459,989      |
| Corporate bonds                   | 662,805                 | 530,594                            | 773,750                          | -  | -                     | 1,967,149      |
| Total investments                 | 66,201,909              | 33,064,283                         | 23,411,963                       | 1,144,066                                  | 464,773               | 124,286,994    |
| Accounts receivable:              |                         |                                    |                                  |  |                       |                |
| Interest                          | 43,704                  | 16,300                             | 9,759                            | -  | -                     | 69,763         |
| Due from other funds              | 43                      | 40,180                             | -                                | -  | -                     | 40,223         |
| Total accounts receivable         | 43,747                  | 56,480                             | 9,759                            | -  | -                     | 109,986        |
| Total assets                      | 67,193,022              | 33,152,849                         | 23,452,324                       | 1,222,472                                  | 464,773               | 125,485,440    |
| <u>Liabilities</u>                |                         |                                    |                                  |  |                       |                |
| Due to other funds                | 970                     | -                                  | 107,164                          | 5,458                                      | -                     | 113,592        |
| <u>Net Position</u>               |                         |                                    |                                  |  |                       |                |
| Restricted for:                   |                         |                                    |                                  |  |                       |                |
| Pension benefits                  | 67,192,052              | 33,152,849                         | 23,345,160                       | 1,217,014                                  | -                     | 124,907,075    |
| OPEB benefits                     | -                       | -                                  | -                                | -  | 464,773               | 464,773        |
| Total net position                | \$ 67,192,052           | \$ 33,152,849                      | \$ 23,345,160                    | \$ 1,217,014                               | \$ 464,773            | \$ 125,371,848 |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**F. Plan statements (continued)**

**Combining Statement of Changes In Fiduciary Net Position**  
**Pension and OPEB Trust Funds**  
**For the Year Ended June 30, 2021**

|                                     | Employees<br>Retirement | Police<br>Department<br>Retirement | Fire<br>Department<br>Retirement | Volunteer<br>Firefighters'<br>Pension Plan | OPEB<br>Trust<br>Fund | Total                 |
|-------------------------------------|-------------------------|------------------------------------|----------------------------------|--|-----------------------|-----------------------|
| Additions:                          |                         |                                    |                                  |  |                       |                       |
| Contributions:                      |                         |                                    |                                  |  |                       |                       |
| Employer                            | \$ 1,884,186            | \$ 1,397,939                       | \$ 953,504                       | \$ 28,773                                  | \$ 2,929,482          | \$ 7,193,884          |
| Plan members                        | 82,139                  | -                                  | -                                | -  | -                     | 82,139                |
| Total contributions                 | <u>1,966,325</u>        | <u>1,397,939</u>                   | <u>953,504</u>                   | <u>28,773</u>                              | <u>2,929,482</u>      | <u>7,276,023</u>      |
| Investment income (loss):           |                         |                                    |                                  |  |                       |                       |
| Change in fair value of investments | 12,102,506              | 6,634,344                          | 4,839,875                        | 250,072                                    | 89,601                | 23,916,398            |
| Interest and dividends              | 85,591                  | 15,961                             | 6,767                            | -  | -                     | 108,319               |
| Total investment income (loss)      | 12,188,097              | 6,650,305                          | 4,846,642                        | 250,072                                    | 89,601                | 24,024,717            |
| Less investment expenses            | 176,341                 | 33,232                             | 12,261                           | 91   | 930                   | 222,855               |
| Net investment income (loss)        | <u>12,011,756</u>       | <u>6,617,073</u>                   | <u>4,834,381</u>                 | <u>249,981</u>                             | <u>88,671</u>         | <u>23,801,862</u>     |
| Total additions                     | <u>13,978,081</u>       | <u>8,015,012</u>                   | <u>5,787,885</u>                 | <u>278,754</u>                             | <u>3,018,153</u>      | <u>31,077,885</u>     |
| Deductions:                         |                         |                                    |                                  |  |                       |                       |
| Benefits                            | 4,334,338               | 2,104,735                          | 1,061,984                        | 63,974                                     | 2,829,482             | 10,394,513            |
| Administration                      | 221,554                 | 146,765                            | 98,317                           | 5,060                                      | 1,594                 | 473,290               |
| Total deductions                    | <u>4,555,892</u>        | <u>2,251,500</u>                   | <u>1,160,301</u>                 | <u>69,034</u>                              | <u>2,831,076</u>      | <u>10,867,803</u>     |
| Change in net position              | 9,422,189               | 5,763,512                          | 4,627,584                        | 209,720                                    | 187,077               | 20,210,082            |
| Net position - July 1, 2020         | <u>57,769,863</u>       | <u>27,389,337</u>                  | <u>18,717,576</u>                | <u>1,007,294</u>                           | <u>277,696</u>        | <u>105,161,766</u>    |
| Net position - June 30, 2021        | <u>\$ 67,192,052</u>    | <u>\$ 33,152,849</u>               | <u>\$ 23,345,160</u>             | <u>\$ 1,217,014</u>                        | <u>\$ 464,773</u>     | <u>\$ 125,371,848</u> |

## Town of North Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**VI. Prior period adjustments**

The government-wide and custodial funds net position and special revenue fund balance were restated as a result of the implementation of GASB No. 84 as follows:

|   | <u>Governmental<br/>Activities</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Custodial<br/>Funds</u> |
|---|------------------------------------|---|----------------------------|
| Net position fund balance as previously reported at June 30, 2020 | \$ 24,418,085                      | \$ 1,869,969                            | \$ 601,589                 |
| Reclassification of fund to proper fund type                      | <u>601,589</u>                     | <u>601,589</u>                          | <u>(601,589)</u>           |
| Net position fund balance as restated at July 1, 2020             | <u>\$ 25,019,674</u>               | <u>\$ 2,471,558</u>                     | <u>\$ -</u>                |

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# Required Supplementary Information

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

Town of North Haven, Connecticut  
Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For the Year Ended June 30, 2021

|  | Original<br>Budget | Additional<br>Appropriations<br>and Transfers | Final<br>Budget   | Actual            | Variance<br>With Final<br>Budget |
|--|--------------------|---|-------------------|-------------------|----------------------------------|
| Property taxes:                            |                    |   |                   |                   |                                  |
| Current taxes                              | \$ 93,879,596      | \$ -  | \$ 93,879,596     | \$ 93,128,418     | \$ (751,178)                     |
| Arrears taxes                              | 800,000            | -   | 800,000           | 1,027,246         | 227,246                          |
| Interest and liens                         | 450,000            | -   | 450,000           | 718,620           | 268,620                          |
| Supplemental auto tax- current             | 725,000            | -   | 725,000           | 882,562           | 157,562                          |
| Personal property audit taxes              | 100,000            | -   | 100,000           | -                 | (100,000)                        |
| In lieu of taxes                           | 250,000            | -   | 250,000           | 285,663           | 35,663                           |
| Telephone access line                      | 55,825             | -   | 55,825            | 55,491            | (334)                            |
| <b>Total property taxes</b>                | <b>96,260,421</b>  | <b>-</b>                                      | <b>96,260,421</b> | <b>96,098,000</b> | <b>(162,421)</b>                 |
| Intergovernmental:                         |                    |   |                   |                   |                                  |
| Education grants:                          |                    |   |                   |                   |                                  |
| Equal cost sharing                         | 3,851,360          | -   | 3,851,360         | 4,030,517         | 179,157                          |
| Adult education                            | 6,453              | -   | 6,453             | 7,102             | 649                              |
| <b>Total education grants</b>              | <b>3,857,813</b>   | <b>-</b>                                      | <b>3,857,813</b>  | <b>4,037,619</b>  | <b>179,806</b>                   |
| Other government grants:                   |                    |   |                   |                   |                                  |
| Tax relief- elderly and disabled homeowner | 211,800            | -   | 211,800           | -                 | (211,800)                        |
| Tax relief- totally disabled               | 3,378              | -   | 3,378             | 1,069             | (2,309)                          |
| PILOT                                      | 666,389            | -   | 666,389           | 666,389           | -                                |
| Tax relief- veterans                       | 31,800             | -   | 31,800            | 23,474            | (8,326)                          |
| Mashantucket Pequot fund                   | 86,789             | -   | 86,789            | 86,789            | -                                |
| Other grants                               | -                  | -   | -                 | 318,051           | 318,051                          |
| MRSA Municipal Projects                    | 1,860,380          | -   | 1,860,380         | 1,860,380         | -                                |
| <b>Total other government grants</b>       | <b>2,860,536</b>   | <b>-</b>                                      | <b>2,860,536</b>  | <b>2,956,152</b>  | <b>95,616</b>                    |
| <b>Total intergovernmental</b>             | <b>6,718,349</b>   | <b>-</b>                                      | <b>6,718,349</b>  | <b>6,993,771</b>  | <b>275,422</b>                   |
| Charges for services:                      |                    |   |                   |                   |                                  |
| Cemetery                                   | 45,000             | -   | 45,000            | 19,500            | (25,500)                         |
| Assessor's office                          | 1,000              | -   | 1,000             | 164               | (836)                            |
| Town clerk fees                            | 500,000            | -   | 500,000           | 715,440           | 215,440                          |
| Registrar of vital statistics              | 15,000             | -   | 15,000            | 26,527            | 11,527                           |
| Miscellaneous licenses and permits         | 9,000              | -   | 9,000             | -                 | (9,000)                          |
| Alarm use fee                              | 14,000             | -   | 14,000            | 12,400            | (1,600)                          |
| Police photocopies                         | 6,000              | -   | 6,000             | 5,458             | (542)                            |
| Dog licenses                               | 8,000              | -   | 8,000             | 9,042             | 1,042                            |
| Building fees                              | 1,350,000          | -   | 1,350,000         | 1,045,444         | (304,556)                        |
| Fire fees                                  | 500,000            | -   | 500,000           | 294,780           | (205,220)                        |
| Paramedic fees                             | 50,000             | -   | 50,000            | 63,210            | 13,210                           |
| Engineering fees                           | 1,000              | -   | 1,000             | 820               | (180)                            |
| Road permit fees                           | 5,000              | -   | 5,000             | 9,640             | 4,640                            |
| Public works fees                          | 2,000              | -   | 2,000             | 1,670             | (330)                            |
| Application inspection                     | 500                | -   | 500               | -                 | (500)                            |
| Planning and zoning commission fees        | 12,000             | -   | 12,000            | 14,917            | 2,917                            |
| Inland wetlands commission fees            | 2,000              | -   | 2,000             | 1,573             | (427)                            |
| Community service fees and local welfare   | 250,000            | -   | 250,000           | 250,322           | 322                              |

(Continued)

Town of North Haven, Connecticut  
Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For the Year Ended June 30, 2021

|  | Original<br>Budget | Additional<br>Appropriations<br>and Transfers | Final<br>Budget | Actual         | Variance<br>With Final<br>Budget |
|--|--------------------|---|-----------------|----------------|----------------------------------|
| Charges for services: (continued)          |                    |   |                 |                |                                  |
| Zoning board of appeals                    | \$ 3,000           | \$ -  | \$ 3,000        | \$ 4,707       | \$ 1,707                         |
| Rental of town property                    | 90,000             | -   | 90,000          | 78,481         | (11,519)                         |
| Parking violations                         | 1,000              | -   | 1,000           | 160            | (840)                            |
| Rental- Mill Road School                   | 120,884            | -   | 120,884         | 120,884        | -                                |
| Quinnipiac College                         | 200,000            | -   | 200,000         | -              | (200,000)                        |
| Total charges for services                 | 3,185,384          | -   | 3,185,384       | 2,675,139      | (510,245)                        |
| Income from investments                    | 400,000            | -   | 400,000         | 134,398        | (265,602)                        |
| Other                                      | 200,000            | -   | 200,000         | 1,067,401      | 867,401                          |
| Total revenues                             | 106,764,154        | -   | 106,764,154     | 106,968,709    | 204,555                          |
| Other financing sources:                   |                    |   |                 |                |                                  |
| Appropriation of fund balance              | 1,725,000          | -   | 1,725,000       | -              | (1,725,000)                      |
| Sale of capital assets                     | 2,000              | -   | 2,000           | 14,976         | 12,976                           |
| Transfers in                               | 200,000            | -   | 200,000         | 400,000        | 200,000                          |
| Total other financing sources              | 1,927,000          | -   | 1,927,000       | 414,976        | (1,512,024)                      |
| Total revenues and other financing sources | \$ 108,691,154     | \$ -  | \$ 108,691,154  | \$ 107,383,685 | \$ (1,307,469)                   |

(Concluded)

## Town of North Haven, Connecticut

## Required Supplementary Information

**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

|                                 | Original<br>Budget | Additional<br>Appropriations<br>and Transfers | Final<br>Budget   | Actual            | Variance<br>With Final<br>Budget |
|---------------------------------|--------------------|---|-------------------|-------------------|----------------------------------|
| General government:             |                    |   |                   |                   |                                  |
| Selectmen                       | \$ 255,476         | \$ (2,045)                                    | \$ 253,431        | \$ 253,431        | \$ -                             |
| Town clerk                      | 192,687            | (1,097)                                       | 191,590           | 191,590           | -                                |
| Election                        | 113,950            | 4,229   | 118,179           | 118,179           | -                                |
| Legal                           | 226,800            | 30,092  | 256,892           | 256,892           | -                                |
| Probate court                   | 10,700             | (10,700)                                      | -                 | -                 | -                                |
| Economic development            | 13,400             | (4,692)                                       | 8,708             | 8,708             | -                                |
| Land use administration         | 299,648            | (140)   | 299,508           | 299,508           | -                                |
| Planning and zoning             | 20,000             | (17,798)                                      | 2,202             | 2,202             | -                                |
| Inland Wetlands commission      | 11,750             | (11,144)                                      | 606               | 606               | -                                |
| Zoning board of appeals         | 7,050              | (6,134)                                       | 916               | 916               | -                                |
| Building inspection and permit  | 449,141            | (126)   | 449,015           | 449,015           | -                                |
| Public libraries                | 1,023,212          | (30,493)                                      | 992,719           | 992,719           | -                                |
| Cemetery commission             | 52,200             | (4,046)                                       | 48,154            | 48,154            | -                                |
| Treasurer/finance               | 674,166            | (60,651)                                      | 613,515           | 613,515           | -                                |
| Board of Finance                | 3,750              | (2,950)                                       | 800               | 800               | -                                |
| Contingency                     | 300,000            | (271,850)                                     | 28,150            | 28,150            | -                                |
| Annual and special audit        | 53,050             | (12,307)                                      | 40,743            | 40,743            | -                                |
| Personnel policy                | 959,645            | 138,555                                       | 1,098,200         | 1,098,200         | -                                |
| Central supply services         | 510,497            | (28,173)                                      | 482,324           | 482,324           | -                                |
| Central facilities              | 339,872            | 178,911                                       | 518,783           | 518,783           | -                                |
| Information technology          | 454,474            | (50,758)                                      | 403,716           | 403,716           | -                                |
| Assessor                        | 294,863            | (13,822)                                      | 281,041           | 281,041           | -                                |
| Board of assessment appeals     | 5,300              | (4,794)                                       | 506               | 506               | -                                |
| Tax collector                   | 206,448            | (19,789)                                      | 186,659           | 186,659           | -                                |
| Insurance                       | 1,096,967          | (300)   | 1,096,667         | 935,980           | 160,687                          |
| <b>Total general government</b> | <b>7,575,046</b>   | <b>(202,022)</b>                              | <b>7,373,024</b>  | <b>7,212,337</b>  | <b>160,687</b>                   |
| Public safety:                  |                    |   |                   |                   |                                  |
| Police                          | 6,638,760          | (247,901)                                     | 6,390,859         | 6,390,859         | -                                |
| Animal control/dog warden       | 170,750            | 3,365   | 174,115           | 174,115           | -                                |
| Fire                            | 5,608,458          | 173,279                                       | 5,781,737         | 5,781,737         | -                                |
| <b>Total public safety</b>      | <b>12,417,968</b>  | <b>(71,257)</b>                               | <b>12,346,711</b> | <b>12,346,711</b> | <b>-</b>                         |
| Public works:                   |                    |   |                   |                   |                                  |
| Department of public works      | 329,147            | (41,835)                                      | 287,312           | 287,312           | -                                |
| Transfer station and recycling  | 522,568            | 183,408                                       | 705,976           | 705,976           | -                                |
| Sanitation                      | 1,489,719          | 297,533                                       | 1,787,252         | 1,787,252         | -                                |
| Streets and roads               | 2,512,129          | (130,894)                                     | 2,381,235         | 1,872,466         | 508,769                          |
| Maintenance                     | 333,060            | (35,151)                                      | 297,909           | 297,909           | -                                |
| Parks                           | 362,700            | (38,409)                                      | 324,291           | 324,291           | -                                |
| Engineering                     | 201,993            | (56,143)                                      | 145,850           | 145,850           | -                                |
| <b>Total public works</b>       | <b>5,751,316</b>   | <b>178,509</b>                                | <b>5,929,825</b>  | <b>5,421,056</b>  | <b>508,769</b>                   |

(Continued)

See Notes to Required Supplementary Information.

**Town of North Haven, Connecticut**  
**Required Supplementary Information**

**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

|  | Original<br>Budget    | Additional<br>Appropriations<br>and Transfers | Final<br>Budget       | Actual                | Variance<br>With Final<br>Budget |
|--|-----------------------|---|-----------------------|-----------------------|----------------------------------|
| Health and welfare - (public services):      |                       |   |                       |                       |                                  |
| Regional health district                     | \$ 151,622            | \$ -  | \$ 151,622            | \$ 151,622            | \$ -                             |
| Regional visiting nurse association          | 32,160                | (31,884)                                      | 276                   | 276                   | -                                |
| Community services                           | 588,013               | (3,028)                                       | 584,985               | 584,985               | -                                |
| Welfare                                      | 3,000                 | (3,000)                                       | -                     | -                     | -                                |
| Senior center                                | 323,002               | (40,582)                                      | 282,420               | 282,420               | -                                |
| Total health and welfare - (public services) | <u>1,097,797</u>      | <u>(78,494)</u>                               | <u>1,019,303</u>      | <u>1,019,303</u>      | <u>-</u>                         |
| Culture and recreation                       | <u>566,041</u>        | <u>(202)</u>                                  | <u>565,839</u>        | <u>565,839</u>        | <u>-</u>                         |
| Employee benefits:                           |                       |   |                       |                       |                                  |
| Pension and social security                  | 6,498,997             | 79,595  | 6,578,592             | 6,494,791             | 83,801                           |
| Insurance employees                          | <u>6,438,187</u>      | <u>(3,116)</u>                                | <u>6,435,071</u>      | <u>6,435,071</u>      | <u>-</u>                         |
| Total employee benefits                      | <u>12,937,184</u>     | <u>76,479</u>                                 | <u>13,013,663</u>     | <u>12,929,862</u>     | <u>83,801</u>                    |
| Education                                    | <u>56,974,245</u>     | <u>-</u>                                      | <u>56,974,245</u>     | <u>56,966,890</u>     | <u>7,355</u>                     |
| Miscellaneous:                               |                       |   |                       |                       |                                  |
| Miscellaneous                                | 398,085               | (38,157)                                      | 359,928               | 359,928               | -                                |
| Utilities                                    | <u>1,196,000</u>      | <u>21,780</u>                                 | <u>1,217,780</u>      | <u>1,217,780</u>      | <u>-</u>                         |
| Total miscellaneous                          | <u>1,594,085</u>      | <u>(16,377)</u>                               | <u>1,577,708</u>      | <u>1,577,708</u>      | <u>-</u>                         |
| Capital outlay                               | <u>987,012</u>        | <u>(24,180)</u>                               | <u>962,832</u>        | <u>962,832</u>        | <u>-</u>                         |
| Debt service                                 | <u>8,440,460</u>      | <u>137,544</u>                                | <u>8,578,004</u>      | <u>8,578,004</u>      | <u>-</u>                         |
| Total expenditures                           | 108,341,154           | -   | 108,341,154           | 107,580,542           | 760,612                          |
| Other financing uses:                        |                       |   |                       |                       |                                  |
| Transfers out                                | <u>350,000</u>        | <u>-</u>                                      | <u>350,000</u>        | <u>350,000</u>        | <u>-</u>                         |
| Total expenditures and other financing uses  | <u>\$ 108,691,154</u> | <u>\$ -</u>                                   | <u>\$ 108,691,154</u> | <u>\$ 107,930,542</u> | <u>\$ 760,612</u>                |

(Concluded)

See Notes to Required Supplementary Information.

**Town of North Haven, Connecticut**

**Notes to Required Supplementary Information**

**For the Year Ended June 30, 2021  
Budgets and Budgetary Accounting**

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

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

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.
3. Certain funds that are required to be reported as part of the general fund under the requirement of GASB No. 54.

**Reconciliation to Exhibit D**

|  | <u>Revenues</u>      | <u>Expenditures</u>  |
|--|----------------------|----------------------|
| Budgetary Basis - RSI-1                  | \$106,968,709        | \$107,580,542        |
| Encumbrances                             | -                    | (1,320,217)          |
| Other funds (Schedule 2)                 | -                    | 557,718              |
| State Teachers' pension on behalf amount | 7,492,840            | 7,492,840            |
| State Teachers' OPEB on behalf amount    | <u>180,828</u>       | <u>180,828</u>       |
| GAAP Basis - Exhibit D                   | <u>\$114,642,377</u> | <u>\$114,491,711</u> |

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

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.

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

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. 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 unrestricted balances otherwise appropriated.

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.

During the year, there were no additional appropriations.

**Town of North Haven, Connecticut**  
**Required Supplementary Information**

**Employee Retirement Plan**  
**Last Eight Years (1)**

|   | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b><u>Schedule of Changes in Net Pension Liability and Related Ratios</u></b> |                     |                     |                     |                     |                     |                     |                     |                     |
| Total pension liability:  |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost  | \$ 910,422          | \$ 883,905          | \$ 942,978          | \$ 942,978          | \$ 942,978          | \$ 1,362,570        | \$ 1,298,632        | \$ 1,475,199        |
| Interest  | 4,930,377           | 4,827,240           | 4,725,585           | 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                            | (858,620)           | -                   | (174,746)           | -                   | (1,478,574)         | -                   | 812,771             | -                   |
| Changes in assumptions  | (617,978)           | -                   | 91,929              | -                   | -                   | -                   | -                   | -                   |
| Benefit payments, including refunds of member contributions                   | (4,334,338)         | (4,194,421)         | (3,954,482)         | (3,775,945)         | (3,648,672)         | (3,330,585)         | (3,063,616)         | (2,842,836)         |
| Net change in total pension liability   | 29,863              | 1,516,724           | 1,631,264           | 1,774,641           | (649,495)           | 2,462,278           | 2,389,674           | (388,548)           |
| Total pension liability - July 1  | 71,690,598          | 70,173,874          | 68,542,610          | 66,767,969          | 67,417,464          | 64,955,186          | 62,565,512          | 62,954,060          |
| Total pension liability - June 30 (a)   | <u>\$71,720,461</u> | <u>\$71,690,598</u> | <u>\$70,173,874</u> | <u>\$68,542,610</u> | <u>\$66,767,969</u> | <u>\$67,417,464</u> | <u>\$64,955,186</u> | <u>\$62,565,512</u> |
| Plan fiduciary net position:  |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - employer  | \$ 1,884,186        | \$ 1,827,723        | \$ 1,966,261        | \$ 2,089,673        | \$ 2,397,367        | \$ 2,301,816        | \$ 2,479,521        | \$ 2,313,309        |
| Contributions - member  | 82,139              | 91,622              | 85,372              | 86,136              | 90,425              | 92,689              | 79,485              | 97,713              |
| Net investment income (loss)  | 12,011,756          | 1,230,659           | 2,167,426           | 4,874,782           | 7,031,573           | (2,711,129)         | 1,259,124           | 7,721,782           |
| Benefit payments, including refunds of member contributions                   | (4,334,338)         | (4,194,421)         | (3,954,482)         | (3,775,945)         | (3,648,672)         | (3,330,585)         | (3,063,616)         | (2,842,836)         |
| Transfers from Fire Department plan   | -                   | -                   | -                   | -                   | 392,721             | -                   | -                   | -                   |
| Administration  | (221,554)           | (316,868)           | (144,118)           | -                   | -                   | -                   | -                   | (289,700)           |
| Net change in plan fiduciary net position                                     | 9,422,189           | (1,361,285)         | 120,459             | 3,274,646           | 6,263,414           | (3,647,209)         | 754,514             | 7,000,268           |
| Plan fiduciary net position - July 1  | 57,769,863          | 59,131,148          | 59,010,689          | 55,736,043          | 49,472,629          | 53,119,838          | 52,365,324          | 45,365,056          |
| Plan fiduciary net position - June 30 (b)                                     | <u>\$67,192,052</u> | <u>\$57,769,863</u> | <u>\$59,131,148</u> | <u>\$59,010,689</u> | <u>\$55,736,043</u> | <u>\$49,472,629</u> | <u>\$53,119,838</u> | <u>\$52,365,324</u> |
| Net pension liability (asset) - June 30 (a)-(b)                               | <u>\$ 4,528,409</u> | <u>\$13,920,735</u> | <u>\$11,042,726</u> | <u>\$ 9,531,921</u> | <u>\$11,031,926</u> | <u>\$17,944,835</u> | <u>\$11,835,348</u> | <u>\$10,200,188</u> |
| Plan fiduciary net position as a percentage of the total pension liability    | 93.69%              | 80.58%              | 84.26%              | 86.09%              | 83.48%              | 73.38%              | 81.78%              | 83.70%              |
| Covered payroll   | <u>\$ 5,339,852</u> | <u>\$ 6,483,853</u> | <u>\$ 6,483,853</u> | <u>\$ 6,928,764</u> | <u>\$ 6,928,764</u> | <u>\$ 7,512,900</u> | <u>\$ 7,512,900</u> | <u>\$ 7,634,273</u> |
| Net pension liability as a percentage of covered payroll                      | <u>84.80%</u>       | <u>214.70%</u>      | <u>170.31%</u>      | <u>137.57%</u>      | <u>159.22%</u>      | <u>238.85%</u>      | <u>157.53%</u>      | <u>133.61%</u>      |

**Schedule of Investment Returns**

|   |               |              |              |              |               |               |            |            |
|---|---------------|--------------|--------------|--------------|---------------|---------------|------------|------------|
| Annual money weighted rate of return, net of investment expense | <u>25.37%</u> | <u>1.58%</u> | <u>3.22%</u> | <u>9.14%</u> | <u>14.32%</u> | <u>-5.15%</u> | <u>N/A</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

## Required Supplementary Information

Employee Retirement Plan  
Schedule of Contributions  
Last Ten Years

|   | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contributions                                    | \$ 2,241,383        | \$ 2,112,644        | \$ 2,112,644        | \$ 2,598,720        | \$ 2,523,029        | \$ 2,521,308        | \$ 2,447,872        | \$ 2,313,309        | \$ 2,132,607        | \$ 1,913,252        |
| Contributions in relation to the actuarially<br>determined contribution | 1,884,186           | 1,827,723           | 1,966,261           | 2,089,673           | 2,397,367           | 2,301,816           | 2,479,521           | 2,313,309           | 2,132,607           | 1,913,252           |
| Contribution excess (deficiency)  | <u>\$ (357,197)</u> | <u>\$ (284,921)</u> | <u>\$ (146,383)</u> | <u>\$ (509,047)</u> | <u>\$ (125,662)</u> | <u>\$ (219,492)</u> | <u>\$ 31,649</u>    | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| Covered payroll   | <u>\$ 5,339,852</u> | <u>\$ 6,483,853</u> | <u>\$ 6,483,853</u> | <u>\$ 6,928,764</u> | <u>\$ 6,928,764</u> | <u>\$ 7,512,900</u> | <u>\$ 7,512,900</u> | <u>\$ 7,634,000</u> | <u>\$ 7,634,000</u> | <u>\$ 8,172,000</u> |
| Contributions as a percentage of covered payroll                        | <u>35.29%</u>       | <u>28.19%</u>       | <u>30.33%</u>       | <u>30.16%</u>       | <u>34.60%</u>       | <u>30.64%</u>       | <u>33.00%</u>       | <u>30.30%</u>       | <u>27.94%</u>       | <u>23.41%</u>       |

Town of North Haven, Connecticut

Notes to Required Supplementary Information

Employee Retirement Plan  
Schedule of Contributions  
Last Eight Years (1)

|   | 2021   | 2020   | 2019   | 2018  | 2017  | 2016  | 2015  | 2014  |
|---|--|--|--|---|---|---|---|---|
| Changes of Benefit Terms  | None   | None   | None   | None  | None  | None  | None  | None  |
| The actuarially determined contribution rates are calculated as of      | July 1, 2019   | July 1, 2017   | July 1, 2017   | July 1, 2015  | July 1, 2015  | July 1, 2013  | July 1, 2013  | July 1, 2011  |
| Actuarial methods and assumptions used to determine contribution rates: |  |  |  |   |   |   |   |   |
| Actuarial Cost Method   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal  | Entry age normal  | Entry age normal  | Projected unit credit   | Projected unit credit   |
| Amortization Method   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed  | Level percentage, closed  | Level percentage, closed  | Level percentage, closed  | Level percentage, closed  |
| Asset Valuation Method  | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  |
| Inflation   | 2.10%  | 2.25%  | 2.25%  | 3.00%   | 3.00%   | 3.00%   | 3.00%   | 3.00%   |
| Salary Increases  | 3.00-6.70%   | 3.00-6.70%   | 3.00-6.70%   | 3.00-6.70%  | 3.00-6.70%  | 3.00-6.70%  | 3.70%   | 3.70%   |
| Investment Rate of Return (Net)   | 7.00%  | 7.00%  | 7.00%  | 7.00%   | 7.00%   | 7.00%   | 7.00%   | 7.00%   |
| Mortality Rate  | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2018 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA |

(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

## Required Supplementary Information

Police Retirement Plan  
Last Eight Years (1)

|  | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Schedule of Changes in Net Pension Liability and Related Ratios</b>     |                      |                      |                      |                      |                      |                      |                      |                      |
| Total pension liability:   |                      |                      |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 480,453           | \$ 591,226           | \$ 568,487           | \$ 568,487           | \$ 544,748           | \$ 701,881           | \$ 701,881           | \$ 685,828           |
| Interest   | 2,625,884            | 2,554,828            | 2,479,897            | 2,540,426            | 2,448,030            | 2,299,968            | 2,082,903            | 2,077,159            |
| Differences between expected and actual experience                         | -                    | 373,365              | -                    | 37,709               | -                    | (1,761,303)          | (485,465)            | -                    |
| Changes in assumptions   | -                    | (322,323)            | -                    | (2,197,269)          | -                    | -                    | -                    | -                    |
| Change of benefit terms  | -                    | -                    | -                    | 22,402               | -                    | 2,011,545            | (1,477,464)          | (40,919)             |
| Benefit payments, including refunds of member contributions                | (2,104,735)          | (2,037,738)          | (1,963,626)          | (1,709,283)          | (1,683,859)          | (1,679,478)          | (1,557,764)          | (1,464,875)          |
| Net change in total pension liability                                      | 1,001,602            | 1,159,358            | 1,084,758            | (737,528)            | 1,308,919            | 1,572,613            | (735,909)            | 1,257,193            |
| Total pension liability - July 1   | 38,084,549           | 36,925,191           | 35,840,433           | 36,577,961           | 35,269,042           | 33,696,429           | 34,432,338           | 33,175,145           |
| Total pension liability - June 30 (a)                                      | <u>\$ 39,086,151</u> | <u>\$ 38,084,549</u> | <u>\$ 36,925,191</u> | <u>\$ 35,840,433</u> | <u>\$ 36,577,961</u> | <u>\$ 35,269,042</u> | <u>\$ 33,696,429</u> | <u>\$ 34,432,338</u> |
| Plan fiduciary net position:   |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | \$ 1,397,939         | \$ 1,426,820         | \$ 1,443,904         | \$ 1,566,982         | \$ 1,349,295         | \$ 1,344,518         | \$ 1,313,710         | \$ 1,319,369         |
| Net investment income (loss)   | 6,617,073            | 298,858              | 842,882              | 2,423,854            | 3,230,134            | (167,870)            | 1,119,448            | 3,115,520            |
| Benefit payments, including refunds of member contributions                | (2,104,735)          | (2,037,738)          | (1,963,626)          | (1,709,283)          | (1,683,859)          | (1,679,478)          | (1,557,764)          | (1,464,875)          |
| Administration   | (146,765)            | (186,626)            | (18,534)             | -                    | -                    | -                    | -                    | (21,513)             |
| Net change in plan fiduciary net position                                  | 5,763,512            | (498,686)            | 304,626              | 2,281,553            | 2,895,570            | (502,830)            | 875,394              | 2,948,501            |
| Plan fiduciary net position - July 1                                       | 27,389,337           | 27,888,023           | 27,583,397           | 25,301,844           | 22,406,274           | 22,909,104           | 22,033,710           | 19,085,209           |
| Plan fiduciary net position - June 30 (b)                                  | <u>\$ 33,152,849</u> | <u>\$ 27,389,337</u> | <u>\$ 27,888,023</u> | <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 (asset) - June 30 (a)-(b)                            | <u>\$ 5,933,302</u>  | <u>\$ 10,695,212</u> | <u>\$ 9,037,168</u>  | <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 | 84.82%               | 71.92%               | 75.53%               | 76.96%               | 69.17%               | 63.53%               | 67.99%               | 63.99%               |
| Covered payroll  | <u>\$ 2,856,976</u>  | <u>\$ 3,147,732</u>  | <u>\$ 3,026,665</u>  | <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                   | 207.68%              | 339.78%              | 298.59%              | 283.72%              | 370.36%              | 439.37%              | 315.45%              | 350.88%              |
| <b>Schedule of Investment Returns</b>                                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Annual money weighted rate of return, net of investment expense            | 25.63%               | 0.41%                | 3.52%                | 9.08%                | 14.52%               | 7.36%                | 11.15%               | 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**  
**Required Supplementary Information**

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

|  | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contributions                                 | \$ 1,586,586        | \$ 1,571,540        | \$ 1,563,912        | \$ 1,532,110        | \$ 1,528,888        | \$ 1,470,085        | \$ 1,388,051        | \$ 1,319,369        | \$ 1,181,302        | \$ 1,143,362        |
| Contributions in relation to the actuarially determined contribution | <u>1,397,939</u>    | <u>1,426,820</u>    | <u>1,443,904</u>    | <u>1,566,982</u>    | <u>1,349,295</u>    | <u>1,344,518</u>    | <u>1,313,710</u>    | <u>1,319,369</u>    | <u>1,181,302</u>    | <u>1,143,362</u>    |
| Contribution excess (deficiency)                                     | <u>\$ (188,647)</u> | <u>\$ (144,720)</u> | <u>\$ (120,008)</u> | <u>\$ 34,872</u>    | <u>\$ (179,593)</u> | <u>\$ (125,567)</u> | <u>\$ (74,341)</u>  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| Covered payroll  | <u>\$ 2,856,976</u> | <u>\$ 2,856,976</u> | <u>\$ 3,026,665</u> | <u>\$ 2,910,255</u> | <u>\$ 2,044,642</u> | <u>\$ 2,927,540</u> | <u>\$ 3,419,688</u> | <u>\$ 3,553,608</u> | <u>\$ 3,397,000</u> | <u>\$ 3,397,000</u> |
| Contributions as a percentage of covered payroll                     | <u>48.93%</u>       | <u>49.94%</u>       | <u>47.71%</u>       | <u>53.84%</u>       | <u>65.99%</u>       | <u>45.93%</u>       | <u>38.42%</u>       | <u>37.13%</u>       | <u>34.77%</u>       | <u>33.66%</u>       |

**Town of North Haven, Connecticut**  
**Police Retirement Plan**  
**Notes to Required Supplementary Information**  
**Schedule of Contributions**  
**Last Eight Years (1)**

|   | 2021   | 2020   | 2019   | 2018   | 2017  | 2016  | 2015  | 2014  |
|---|--|--|--|--|---|---|---|---|
| Changes of Benefit Terms  | None   | None   | None   | None   | None  | None  | None  | None  |
| The actuarially determined contribution rates are calculated as of      | July 1, 2020   | July 1, 2018   | July 1, 2017   | July 1, 2016   | July 1, 2016  | July 1, 2015  | July 1, 2014  | July 1, 2012  |
| Actuarial methods and assumptions used to determine contribution rates: |  |  |  |  |   |   |   |   |
| Actuarial Cost Method   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal  | Entry age normal  | Projected unit credit   | Projected unit credit   |
| Amortization Method   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed  | Level percentage, closed  | Level percentage, closed  | Level percentage, closed  |
| Asset Valuation Method  | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  |
| Inflation   | 2.10%  | 2.60%  | 2.60%  | 2.60%  | 2.60%   | 2.60%   | 2.60%   | 3.50%   |
| Salary Increases  | 4.00%  | 4.00%  | 4.00%  | 4.00%  | 4.00%   | 3.00% - 6.70%   | 4.00%   | 3.50%   |
| Investment Rate of Return (Net)   | 7.00%  | 7.00%  | 7.00%  | 7.00%  | 7.00%   | 7.00%   | 7.00%   | 7.00%   |
| Mortality Rate  | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA | RP-2000 Combined Healthy tables projected generationally using Scale AA |

(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**  
**Required Supplementary Information**

**Fire Retirement Plan**  
**Last Eight Years (1)**

|  | <u>2021</u>          | <u>2020</u>          | <u>2019</u>         | <u>2018</u>          | <u>2017</u>         | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>Schedule of Changes in Net Pension Liability and Related Ratios</b>     |                      |                      |                     |                      |                     |                      |                      |                      |
| Total pension liability:   |                      |                      |                     |                      |                     |                      |                      |                      |
| Service cost   | \$ 393,992           | \$ 435,175           | \$ 420,459          | \$ 420,459           | \$ 401,604          | \$ 434,080           | \$ 434,080           | \$ 412,809           |
| Interest   | 1,630,339            | 1,591,221            | 1,525,305           | 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                         | -                    | (184,492)            | -                   | (441,692)            | -                   | 295,843              | 472,257              | -                    |
| Changes in assumptions   | -                    | (195,528)            | -                   | (1,821,368)          | -                   | -                    | -                    | -                    |
| Change of benefit terms  | -                    | -                    | -                   | 7,685                | -                   | 1,266,054            | (616,436)            | (90,301)             |
| Benefit payments, including refunds of member contributions                | <u>(1,061,984)</u>   | <u>(1,030,706)</u>   | <u>(1,006,965)</u>  | <u>(981,552)</u>     | <u>(956,880)</u>    | <u>(944,118)</u>     | <u>(909,224)</u>     | <u>(871,895)</u>     |
| Net change in total pension liability                                      | 962,347              | 615,670              | 938,799             | (1,205,864)          | 985,861             | 2,030,477            | 636,701              | 654,267              |
| Total pension liability - July 1   | <u>23,427,555</u>    | <u>22,811,885</u>    | <u>21,873,086</u>   | <u>23,078,950</u>    | <u>22,093,089</u>   | <u>20,062,612</u>    | <u>19,425,911</u>    | <u>18,771,644</u>    |
| Total pension liability - June 30 (a)                                      | <u>\$ 24,389,902</u> | <u>\$ 23,427,555</u> | <u>\$22,811,885</u> | <u>\$ 21,873,086</u> | <u>\$23,078,950</u> | <u>\$ 22,093,089</u> | <u>\$ 20,062,612</u> | <u>\$ 19,425,911</u> |
| Plan fiduciary net position:   |                      |                      |                     |                      |                     |                      |                      |                      |
| Contributions - employer   | \$ 953,504           | \$ 935,116           | \$ 1,071,772        | \$ 1,005,527         | \$ 845,601          | \$ 827,868           | \$ 742,505           | \$ 772,232           |
| Net investment income (loss)   | 4,834,381            | 158,287              | 1,233,286           | 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                | (1,061,984)          | (1,030,706)          | (1,006,965)         | (981,552)            | (956,880)           | (944,118)            | (909,224)            | (871,895)            |
| Administration   | <u>(98,317)</u>      | <u>(82,257)</u>      | <u>(5,564)</u>      | <u>-</u>             | <u>-</u>            | <u>-</u>             | <u>-</u>             | <u>(13,556)</u>      |
| Net change in plan fiduciary net position                                  | 4,627,584            | (19,560)             | 1,292,529           | 1,414,820            | 1,507,830           | 101,084              | 516,822              | 1,805,067            |
| Plan fiduciary net position - July 1                                       | <u>18,717,576</u>    | <u>18,737,136</u>    | <u>17,444,607</u>   | <u>16,029,787</u>    | <u>14,521,957</u>   | <u>14,420,873</u>    | <u>13,904,051</u>    | <u>12,098,984</u>    |
| Plan fiduciary net position - June 30 (b)                                  | <u>\$ 23,345,160</u> | <u>\$ 18,717,576</u> | <u>\$18,737,136</u> | <u>\$ 17,444,607</u> | <u>\$16,029,787</u> | <u>\$ 14,521,957</u> | <u>\$ 14,420,873</u> | <u>\$ 13,904,051</u> |
| Net pension liability (asset) - June 30 (a)-(b)                            | <u>\$ 1,044,742</u>  | <u>\$ 4,709,979</u>  | <u>\$ 4,074,749</u> | <u>\$ 4,428,479</u>  | <u>\$ 7,049,163</u> | <u>\$ 7,571,132</u>  | <u>\$ 5,641,739</u>  | <u>\$ 5,521,860</u>  |
| Plan fiduciary net position as a percentage of the total pension liability | <u>95.72%</u>        | <u>79.90%</u>        | <u>82.14%</u>       | <u>79.75%</u>        | <u>69.46%</u>       | <u>65.73%</u>        | <u>71.88%</u>        | <u>71.57%</u>        |
| Covered payroll  | <u>\$ 2,481,359</u>  | <u>\$ 2,481,359</u>  | <u>\$ 2,401,799</u> | <u>\$ 2,320,579</u>  | <u>\$ 2,273,343</u> | <u>\$ 2,185,907</u>  | <u>\$ 2,182,842</u>  | <u>\$ 2,175,961</u>  |
| Net pension liability as a percentage of covered payroll                   | <u>42.10%</u>        | <u>189.81%</u>       | <u>169.65%</u>      | <u>190.84%</u>       | <u>310.08%</u>      | <u>346.36%</u>       | <u>258.46%</u>       | <u>253.77%</u>       |
| <b>Schedule of Investment Returns</b>                                      |                      |                      |                     |                      |                     |                      |                      |                      |
| Annual money weighted rate of return, net of investment expense            | <u>25.38%</u>        | <u>0.41%</u>         | <u>7.43%</u>        | <u>8.26%</u>         | <u>11.19%</u>       | <u>8.32%</u>         | <u>11.02%</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  
Required Supplementary Information

Fire Retirement Plan  
Schedule of Contributions  
Last Ten Years

|  | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contributions                                 | \$ 962,841          | \$ 954,826          | \$ 1,049,522        | \$ 1,031,219        | \$ 909,328          | \$ 874,354          | \$ 799,260          | \$ 772,232          | \$ 715,215          | \$ 689,471          |
| Contributions in relation to the actuarially determined contribution | <u>953,504</u>      | <u>935,116</u>      | <u>1,071,772</u>    | <u>1,005,527</u>    | <u>845,601</u>      | <u>827,868</u>      | <u>742,505</u>      | <u>772,232</u>      | <u>715,215</u>      | <u>689,471</u>      |
| Contribution excess (deficiency)                                     | <u>\$ (9,337)</u>   | <u>\$ (19,710)</u>  | <u>\$ 22,250</u>    | <u>\$ (25,692)</u>  | <u>\$ (63,727)</u>  | <u>\$ (46,486)</u>  | <u>\$ (56,755)</u>  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| Covered payroll  | <u>\$ 2,481,359</u> | <u>\$ 2,481,359</u> | <u>\$ 2,401,799</u> | <u>\$ 2,320,579</u> | <u>\$ 2,273,343</u> | <u>\$ 2,185,907</u> | <u>\$ 2,182,842</u> | <u>\$ 2,175,961</u> | <u>\$ 2,175,961</u> | <u>\$ 2,100,000</u> |
| Contributions as a percentage of covered payroll                     | <u>38.43%</u>       | <u>37.69%</u>       | <u>44.62%</u>       | <u>43.33%</u>       | <u>37.20%</u>       | <u>37.87%</u>       | <u>34.02%</u>       | <u>35.49%</u>       | <u>32.87%</u>       | <u>32.83%</u>       |

**Town of North Haven, Connecticut**  
**Notes to Required Supplementary Information**

**Fire Retirement Plan**  
**Schedule of Contributions**  
**Last Eight Years (1)**

|   | 2021   | 2020   | 2019   | 2018   | 2017  | 2016  | 2015  | 2014  |
|---|--|--|--|--|---|---|---|---|
| Changes of Benefit Terms  | None   | None   | None   | None   | None  | None  | None  | None  |
| The actuarially determined contribution rates are calculated as of      | July 1, 2020   | July 1, 2018   | July 1, 2017   | July 1, 2016   | July 1, 2014  | July 1, 2014  | July 1, 2014  | July 1, 2012  |
| Actuarial methods and assumptions used to determine contribution rates: |  |  |  |  |   |   |   |   |
| Actuarial Cost Method   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal  | Entry age normal  | Entry age normal  | Projected unit credit                                   |
| Amortization Method   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed                                | Level percentage, closed                                | Level percentage, closed                                | Level percentage, closed                                |
| Asset Valuation Method  | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  |
| Inflation   | 2.10%  | 3.00%  | 3.00%  | 3.00%  | 2.00%   | N/A   | N/A   | 3.50%   |
| Salary Increases  | 3.50%  | 3.50%  | 4.00%  | 4.00%  | 4.00%   | 4.00%   | 4.00%   | 3.50%   |
| Investment Rate of Return (Net)   | 7.00%  | 7.00%  | 7.00%  | 7.00%  | 7.00%   | 7.00%   | 7.00%   | 7.00%   |
| Mortality Rate  | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2000 Mortality Table projected with scale AA to 2014 | RP-2000 Mortality Table projected with scale AA to 2014 | RP-2000 Mortality Table projected with scale AA to 2014 | RP-2000 Mortality Table projected with scale AA to 2014 |

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N/A - Not available

**Town of North Haven, Connecticut**  
**Required Supplementary Information**

**Volunteer Fire Retirement Plan**  
**Last Eight Years (1)**

|   | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>        | <u>2016</u>       | <u>2015</u>       | <u>2014</u>       |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|-------------------|-------------------|-------------------|
| <b><u>Schedule of Changes in Net Pension Liability and Related Ratios</u></b> |                     |                     |                     |                     |                    |                   |                   |                   |
| Total pension liability:  |                     |                     |                     |                     |                    |                   |                   |                   |
| Service cost  | \$ 10,864           | \$ 10,864           | \$ 8,073            | \$ 8,073            | \$ 8,073           | \$ 12,505         | \$ 10,800         | \$ 10,800         |
| Interest  | 72,178              | 70,740              | 59,800              | 58,516              | 62,298             | 60,417            | 63,270            | 63,844            |
| Differences between expected and actual experience                            | (25,280)            | -                   | (39,471)            | -                   | (106,597)          | (50,756)          | -                 | -                 |
| Changes in assumptions  | (8,401)             | -                   | 33,585              | -                   | -                  | -                 | -                 | -                 |
| Change of benefit terms   | 572,541             | -                   | 189,879             | -                   | 27,699             | 29,444            | -                 | -                 |
| Benefit payments, including refunds of member contributions                   | (63,974)            | (55,002)            | (49,565)            | (45,549)            | (49,446)           | (55,900)          | (66,974)          | (78,237)          |
| Net change in total pension liability   | 557,928             | 26,602              | 202,301             | 21,040              | (57,973)           | (4,290)           | 7,096             | (3,593)           |
| Total pension liability - July 1  | 1,131,554           | 1,104,952           | 902,651             | 881,611             | 939,584            | 943,874           | 936,778           | 940,371           |
| Total pension liability - June 30 (a)   | <u>\$ 1,689,482</u> | <u>\$ 1,131,554</u> | <u>\$ 1,104,952</u> | <u>\$ 902,651</u>   | <u>\$ 881,611</u>  | <u>\$ 939,584</u> | <u>\$ 943,874</u> | <u>\$ 936,778</u> |
| Plan fiduciary net position:  |                     |                     |                     |                     |                    |                   |                   |                   |
| Contributions - employer  | \$ 28,773           | \$ 8,618            | \$ 8,618            | \$ 21,356           | \$ 21,356          | \$ 35,038         | \$ 35,038         | \$ 51,800         |
| Net investment income (loss)  | 249,981             | 23,848              | 70,353              | 68,914              | 81,577             | 35,982            | 41,593            | 117,118           |
| Benefit payments, including refunds of member contributions                   | (63,974)            | (55,002)            | (49,565)            | (45,549)            | (49,446)           | (55,900)          | (66,974)          | (78,237)          |
| Administration  | (5,060)             | (3,624)             | (9)                 | (1,680)             | -                  | -                 | -                 | (931)             |
| Net change in plan fiduciary net position                                     | 209,720             | (26,160)            | 29,397              | 43,041              | 53,487             | 15,120            | 9,657             | 89,750            |
| Plan fiduciary net position - July 1  | 1,007,294           | 1,033,454           | 1,004,057           | 961,016             | 907,529            | 892,409           | 882,752           | 793,002           |
| Plan fiduciary net position - June 30 (b)                                     | <u>\$ 1,217,014</u> | <u>\$ 1,007,294</u> | <u>\$ 1,033,454</u> | <u>\$ 1,004,057</u> | <u>\$ 961,016</u>  | <u>\$ 907,529</u> | <u>\$ 892,409</u> | <u>\$ 882,752</u> |
| Net pension liability (asset) - June 30 (a)-(b)                               | <u>\$ 472,468</u>   | <u>\$ 124,260</u>   | <u>\$ 71,498</u>    | <u>\$ (101,406)</u> | <u>\$ (79,405)</u> | <u>\$ 32,055</u>  | <u>\$ 51,465</u>  | <u>\$ 54,026</u>  |
| Plan fiduciary net position as a percentage of the total pension liability    | <u>72.03%</u>       | <u>89.02%</u>       | <u>93.53%</u>       | <u>111.23%</u>      | <u>109.01%</u>     | <u>96.59%</u>     | <u>94.55%</u>     | <u>94.23%</u>     |
| Covered payroll   | <u>N/A</u>          | <u>N/A</u>          | <u>N/A</u>          | <u>N/A</u>          | <u>N/A</u>         | <u>N/A</u>        | <u>N/A</u>        | <u>N/A</u>        |
| Net pension liability as a percentage of covered payroll                      | <u>N/A</u>          | <u>N/A</u>          | <u>N/A</u>          | <u>N/A</u>          | <u>N/A</u>         | <u>N/A</u>        | <u>N/A</u>        | <u>N/A</u>        |

**Schedule of Investment Returns**

|   |               |              |              |              |              |            |            |            |
|---|---------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| Annual money weighted rate of return, net of investment expense | <u>24.76%</u> | <u>2.00%</u> | <u>7.50%</u> | <u>6.74%</u> | <u>9.13%</u> | <u>N/A</u> | <u>N/A</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 applicable. Volunteer plan.

See Notes to Required Supplementary Information.

**Town of North Haven, Connecticut**  
**Required Supplementary Information**

**Volunteer Fire Retirement Plan**  
**Schedule of Contributions**  
**Last Ten Years**

|  | <u>2021</u>   | <u>2020</u>  | <u>2019</u>  | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>    | <u>2013</u>   | <u>2012</u>   |
|--|---------------|--------------|--------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| Actuarially determined contributions                                 | \$ 28,773     | \$ 8,618     | \$ 8,618     | \$ 21,356     | \$ 21,356     | \$ 35,038     | \$ 35,038     | \$ 51,890      | \$ 51,890     | \$ 68,415     |
| Contributions in relation to the actuarially determined contribution | <u>28,773</u> | <u>8,618</u> | <u>8,618</u> | <u>21,356</u> | <u>21,356</u> | <u>35,038</u> | <u>35,038</u> | <u>51,800</u>  | <u>51,890</u> | <u>68,415</u> |
| Contribution excess (deficiency)                                     | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ (90)</u> | <u>\$ -</u>   | <u>\$ -</u>   |
| Covered payroll  | <u>N/A</u>    | <u>N/A</u>   | <u>N/A</u>   | <u>N/A</u>    | <u>N/A</u>    | <u>N/A</u>    | <u>N/A</u>    | <u>N/A</u>     | <u>N/A</u>    | <u>N/A</u>    |
| Contributions as a percentage of covered payroll                     | <u>N/A</u>    | <u>N/A</u>   | <u>N/A</u>   | <u>N/A</u>    | <u>N/A</u>    | <u>N/A</u>    | <u>N/A</u>    | <u>N/A</u>     | <u>N/A</u>    | <u>N/A</u>    |

N/A - Not applicable. Volunteer plan.

**Town of North Haven, Connecticut**  
**Notes to Required Supplementary Information**

**Volunteer Fire Retirement Plan**  
**Schedule of Contributions**  
**Last Eight Years (1)**

|   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   |
|---|--|--|--|--|--|--|--|--|
| Changes of Benefit Terms  | None   | None   | None   | None   | None   | None   | None   | None   |
| The actuarially determined contribution rates are calculated as of      | July 1, 2019   | July 1, 2017   | July 1, 2017   | July 1, 2015   | July 1, 2015   | July 1, 2013   | July 1, 2013   | July 1, 2011   |
| Actuarial methods and assumptions used to determine contribution rates: |  |  |  |  |  |  |  |  |
| Actuarial Cost Method   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal   | Entry age normal   | Projected unit credit  | Projected unit credit  | Projected unit credit  |
| Amortization Method   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level percentage, closed   | Level dollar, closed   | Level dollar, closed   | Level dollar, closed   |
| Asset Valuation Method  | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   | 5 year smoothing   |
| Inflation   | 2.10%  | 2.70%  | 2.70%  | 2.00%  | 2.00%  | 2.30%  | 2.30%  | N/A  |
| Salary Increases  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| Investment Rate of Return (Net)   | 6.50%  | 6.75%  | 6.75%  | 6.75%  | 6.75%  | 7.00%  | 7.00%  | 7.00%  |
| Mortality Rate  | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2020 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017 | RP-2000 Combined Healthy Tables projected with scale AA to 2013 to reflect current expected experience | RP-2000 Combined Healthy Tables projected with scale AA to 2013 to reflect current expected experience | RP-2000 Combined Healthy Tables projected with scale AA to 2013 to reflect current expected experience | RP-2000 Combined Healthy Tables projected with scale AA to 2013 to reflect current expected experience | RP-2000 Combined Healthy Tables projected with scale AA to 2013 to reflect current expected experience |

N/A - Not applicable. Volunteer plan.

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**Town of North Haven, Connecticut**  
**Required Supplementary Information**  
**Elected Officials Retirement Plan**  
**Last Eight Years (1)**

|   | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b><u>Schedule of Changes in Total Pension Liability and Related Ratios</u></b> |                     |                     |                     |                     |                     |                     |                     |                     |
| Total pension liability:  |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost  | \$ 144,949          | \$ 108,234          | \$ 107,812          | \$ 110,868          | \$ 124,949          | \$ 108,159          | \$ 94,029           | \$ 86,955           |
| Interest  | 65,624              | 86,070              | 87,054              | 80,986              | 65,886              | 74,048              | 76,774              | 83,581              |
| Differences between expected and actual experience                              | (280,230)           | -                   | 93,986              | -                   | (53,532)            | -                   | 112,972             | -                   |
| Change of benefit terms   | -                   | -                   | -                   | -                   | (35,156)            | 209,506             | 34,876              | 57,941              |
| Changes in assumptions  | 8,873               | 390,100             | 42,518              | (71,248)            | -                   | -                   | -                   | -                   |
| Benefit payments, including refunds of member contributions                     | <u>(109,344)</u>    | <u>(112,367)</u>    | <u>(131,825)</u>    | <u>(128,731)</u>    | <u>(146,656)</u>    | <u>(160,301)</u>    | <u>(158,961)</u>    | <u>(155,292)</u>    |
| Net change in total pension liability   | (170,128)           | 472,037             | 199,545             | (8,125)             | (44,509)            | 231,412             | 159,690             | 73,185              |
| Total pension liability - July 1  | <u>2,879,132</u>    | <u>2,407,095</u>    | <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>    | <u>1,795,897</u>    |
| Total pension liability - June 30*  | <u>\$ 2,709,004</u> | <u>\$ 2,879,132</u> | <u>\$ 2,407,095</u> | <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> |
| Covered-employee payroll  | <u>\$ 208,477</u>   | <u>\$ 198,926</u>   | <u>\$ 198,926</u>   | <u>\$ 194,195</u>   | <u>\$ 194,195</u>   | <u>\$ 189,941</u>   | <u>\$ 189,941</u>   | <u>\$ 178,222</u>   |
| Total pension liability as a percentage of covered employee payroll             | <u>1,299.43%</u>    | <u>1,447.34%</u>    | <u>1,210.05%</u>    | <u>1,136.77%</u>    | <u>1,140.95%</u>    | <u>1,189.94%</u>    | <u>1,068.11%</u>    | <u>1,048.74%</u>    |

\* There are no assets that are being accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 68 to pay benefits.

(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**  
**Required Supplementary Information**  
**Connecticut State Teachers' Retirement System**  
**Last Seven Years (3)**

|  | <u>2021</u>           | <u>2020</u>           | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>                       |                       |                       |                      |                      |                      |                      |                      |
| Town's proportion of the net pension liability   | 0.00%                 | 0.00%                 | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| Town's proportionate share of the net pension liability  | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| State of Connecticut's proportionate share of the net pension liability associated with the Town | 116,817,112           | 106,409,929           | 82,048,238           | 80,607,663           | 86,096,709           | 63,634,867           | 58,817,682           |
| Total  | <u>\$ 116,817,112</u> | <u>\$ 106,409,929</u> | <u>\$ 82,048,238</u> | <u>\$ 80,607,663</u> | <u>\$ 86,096,709</u> | <u>\$ 63,634,867</u> | <u>\$ 58,817,682</u> |
| Town's covered payroll   | <u>(2)</u>            | <u>(2)</u>            | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll   | <u>0.00%</u>          | <u>0.00%</u>          | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         |
| Plan fiduciary net position as a percentage of the total pension liability                       | <u>49.24%</u>         | <u>52.00%</u>         | <u>57.69%</u>        | <u>55.93%</u>        | <u>52.26%</u>        | <u>59.50%</u>        | <u>61.51%</u>        |
| <b><u>Schedule of Contributions</u></b>  |                       |                       |                      |                      |                      |                      |                      |
| Contractually required contribution (1)  | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Contributions in relation to the contractually required contribution                             | -                     | -                     | -                    | -                    | -                    | -                    | -                    |
| Contribution deficiency (excess)   | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll  | <u>(2)</u>            | <u>(2)</u>            | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           |
| Contributions as a percentage of covered payroll   | <u>0.00%</u>          | <u>0.00%</u>          | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         |

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

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

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

See Notes to Required Supplementary Information.

**Town of North Haven, Connecticut**  
**Notes to Required Supplementary Information**  
**Connecticut State Teachers' Retirement System**  
**Schedule of Contributions**  
**Last Seven Years (1)**

|   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
|---|--|--|--|--|--|--|--|
| Changes of Benefit Terms  | None   | None   | Beginning January 1, 2018, member contributions increased from 6% to 7% of salary    | None   | None   | None   | None   |
| The actuarially determined contribution rates are calculated as of      | June 30, 2020  | June 30, 2018  | June 30, 2018  | June 30, 2016  | June 30, 2016  | June 30, 2014  | June 30, 2014  |
| Actuarial methods and assumptions used to determine contribution rates: |  |  |  |  |  |  |  |
| Actuarial Cost Method   | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  |
| Amortization Method   | Level percent of salary, closed, grading to a level dollar | Level percent of salary, closed, grading to a level dollar                           | Level percent of salary, closed, grading to a level dollar                           | Level percent of salary, closed  | Level percent of salary, closed  | Level percent of salary, closed                                    | Level percent of salary, closed                                    |
| Remaining Amortization Period   | 27.8 years   | 30 years   | 30 years   | 20.4 years   | 20.4 years   | 21.4 years   | 22.4 years   |
| Asset Valuation Method  | 4 year smoothing   | 4 year smoothing   | 4 year smoothing   | 4 year smoothing   | 4 year smoothing   | 4 year smoothing   | 4 year smoothing   |
| Inflation   | 2.50%  | 2.50%  | 2.75%  | 2.75%  | 2.75%  | 3.00%  | 3.00%  |
| Salary Increases  | 3.00%-6.50%, average, including inflation                  | 3.25%-6.50%, average, including inflation  | 3.25%-6.50%, average, including inflation  | 3.25%-6.50%, average, including inflation  | 3.25%-6.50%, average, including inflation  | 3.75%-7.00%, average, including inflation                          | 3.75%-7.00%, average, including inflation                          |
| Cost-of-Living Adjustments  | 1.75%-3.00% based on retirement date                       | 1.75%-3.00% based on retirement date   | 1.75%-3.00% based on retirement date   | 1.75%-3.00% based on retirement date   | 1.75%-3.00% based on retirement date   | 2.00%-3.00% based on retirement date                               | 2.00%-3.00% based on retirement date                               |
| Investment Rate of Return (Net)   | 6.90%  | 6.90%  | 8.00%  | 8.00%  | 8.00%  | 8.50%  | 8.50%  |
| Mortality Rate  | PubT-2010 Table projected generationally with MP-2019      | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2000 Combined Mortality Table projected 19 years using scale AA | RP-2000 Combined Mortality Table projected 19 years using scale AA |

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

**Town of North Haven, Connecticut**  
**Required Supplementary Information**  
**Other Post-Employment Benefit (OPEB) Plan**  
**Last Four Years (1)**

|  | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|--|----------------------|----------------------|----------------------|----------------------|
| <b><u>Schedule of Changes in Net OPEB Liability and Related Ratios</u></b> |                      |                      |                      |                      |
| OPEB liability:  |                      |                      |                      |                      |
| Service cost   | \$ 4,029,478         | \$ 3,409,342         | \$ 2,985,199         | \$ 3,876,953         |
| Interest   | 2,014,680            | 2,738,177            | 2,725,671            | 2,652,447            |
| Change in benefit terms  | -                    | (6,082,127)          | -                    | (96,123)             |
| Differences between expected and actual experience                         | -                    | 9,534,540            | -                    | 7,214,307            |
| Changes in assumptions   | 679,387              | 5,327,296            | 4,613,035            | (34,007,353)         |
| Investment expenses  |                      |                      |                      |                      |
| Benefit payments, including refunds of member contributions                | <u>(2,829,482)</u>   | <u>(2,403,289)</u>   | <u>(2,101,174)</u>   | <u>(2,077,474)</u>   |
| Net change in total OPEB liability   | 3,894,063            | 12,523,939           | 8,222,731            | (22,437,243)         |
| OPEB liability - July 1  | <u>88,539,528</u>    | <u>76,015,589</u>    | <u>67,792,858</u>    | <u>90,230,101</u>    |
| OPEB liability - June 30 (a)   | <u>\$ 92,433,591</u> | <u>\$ 88,539,528</u> | <u>\$ 76,015,589</u> | <u>\$ 67,792,858</u> |
| Plan fiduciary net position:   |                      |                      |                      |                      |
| Contributions - employer   | \$ 2,929,482         | \$ 2,503,289         | \$ 2,251,174         | \$ -                 |
| Net investment income (loss)   | 88,671               | 24,305               | 9,460                | -                    |
| Benefit payments, including refunds of member contributions                | (2,829,482)          | (2,403,289)          | (2,101,174)          | -                    |
| Administration expenses  | <u>(1,594)</u>       | <u>(739)</u>         | <u>(5,330)</u>       | <u>-</u>             |
| Net change in plan fiduciary net position                                  | 187,077              | 123,566              | 154,130              | -                    |
| Plan fiduciary net position - July 1                                       | <u>277,696</u>       | <u>154,130</u>       | <u>-</u>             | <u>-</u>             |
| Plan fiduciary net position - June 30 (b)                                  | <u>464,773</u>       | <u>277,696</u>       | <u>154,130</u>       | <u>-</u>             |
| Net OPEB liability - June 30 (a)-(b)                                       | <u>\$ 91,968,818</u> | <u>\$ 88,261,832</u> | <u>\$ 75,861,459</u> | <u>\$ 67,792,858</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability    | <u>0.50%</u>         | <u>0.31%</u>         | <u>0.20%</u>         | <u>0.00%</u>         |
| Covered payroll  | <u>N/A</u>           | <u>N/A</u>           | <u>N/A</u>           | <u>N/A</u>           |
| Net OPEB liability as a percentage of covered payroll                      | <u>N/A</u>           | <u>N/A</u>           | <u>N/A</u>           | <u>N/A</u>           |

**Schedule of Investment Returns**

|  |               |              |              |              |
|--|---------------|--------------|--------------|--------------|
| Annual money weighted rate of return, net investment expense | <u>31.93%</u> | <u>1.99%</u> | <u>2.75%</u> | <u>0.00%</u> |
|--|---------------|--------------|--------------|--------------|

N/A - The plan has been pay-as-you-go up until the Town established a formal trust in the fiscal year ending June 30, 2019.

The Town does not have a formal funding policy for the OPEB plan therefore, there was no actuarially determined contribution calculated.

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

See Notes to Required Supplementary Information.

## Town of North Haven, Connecticut

## Required Supplementary Information

Other Post-Employment Benefits (OPEB) Plan  
Schedule of Contributions  
Last Eight Years(1)

|  | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contributions                                 | N/A                 |
| Contributions in relation to the actuarially determined contribution | <u>\$ 2,929,482</u> | <u>\$ 2,503,289</u> | <u>\$ 2,251,174</u> | <u>\$ 2,077,474</u> | <u>\$ 2,077,474</u> | <u>\$ 1,827,170</u> | <u>\$ 1,791,953</u> | <u>\$ 1,632,512</u> |
| Contribution excess (deficiency)                                     | <u>N/A</u>          |
| Covered payroll  | <u>N/A</u>          |
| Contributions as a percentage of covered payroll                     | <u>N/A</u>          |

N/A - The plan has been pay-as-you-go up until June 30, 2019. The Town established a formal trust in the fiscal year ending June 30, 2019. The Town does not have a formal funding policy for the OPEB plan. As such, there was no actuarially determined contribution calculated.

(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**  
**Notes to Required Supplementary Information**  
**Other Post-Employment Benefit (OPEB) Plan**  
**Schedule of Contributions**  
**Last Eight Years (1)**

|   | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  |
|---|---|---|---|---|---|---|---|---|
| Changes of Benefit Terms  | None  | Dispatchers hired after January 1, 2019 and Social Workers hired on or after January 1, 2020 are no longer eligible for retiree benefits. | None  | None  | None  | None  | None  | None  |
| The actuarially determined contribution rates are calculated as of      | July 1, 2019  | July 1, 2019  | July 1, 2017  | July 1, 2017  | July 1, 2015  | July 1, 2015  | July 1, 2013  | July 1, 2013  |
| Actuarial methods and assumptions used to determine contribution rates: |   |   |   |   |   |   |   |   |
| Actuarial Cost Method   | Entry age normal  | Entry age normal  | Entry age normal  | Entry age normal  | Entry age normal  | Entry age normal  | Projected unit credit   | Projected unit credit   |
| Amortization Method   | Level percentage  | Level percentage  | Level percentage  | Level percentage  | Payments increasing at 4.0%, open   | Payments increasing at 4.0%, open   | Payments increasing at 4.5%, open   | Payments increasing at 4.5%, Open   |
| Asset Valuation Method  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  | 5 year smoothing  |
| Healthcare Inflation Rate - Initial                                     | 7.00%   | 7.00%   | 7.00%   | 7.00%   | 8.00%   | 8.00%   | 8.00%   | 8.00%   |
| Healthcare Inflation Rate - Ultimate                                    | 4.50%   | 4.50%   | 4.50%   | 4.50%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   |
| Investment Rate of Return (Net)   | 2.21%   | 2.21%   | 3.58%   | 3.58%   | 4.00%   | 4.00%   | 4.00%   | 4.00%   |
| Mortality Rate  | RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2018 | RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2018                           | RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2017 | RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2017 | RP2000 Combined health table, disabled retirees set forward 10 years, projected generationally using Scale AA | RP2000 Combined health table, disabled retirees set forward 10 years, projected generationally using Scale AA | RP2000 Combined health table, disabled retirees set forward 10 years, projected generationally using Scale AA | RP2000 Combined health table, disabled retirees set forward 10 years, projected generationally using Scale AA |

(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

## Required Supplementary Information

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

|   | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|----------------------|----------------------|
| <b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>                       |                      |                      |                      |                      |
| Town's proportion of the net OPEB liability   | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         |
| Town's proportionate share of the net OPEB liability  | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| State of Connecticut's proportionate share of the net OPEB liability associated with the Town | <u>17,423,276</u>    | <u>16,595,228</u>    | <u>16,401,985</u>    | <u>21,004,875</u>    |
| Total   | <u>\$ 17,423,276</u> | <u>\$ 16,595,228</u> | <u>\$ 16,401,985</u> | <u>\$ 21,004,875</u> |
| Town's covered payroll  | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           | <u>(2)</u>           |
| Town's proportionate share of the net OPEB liability as a percentage of its covered payroll   | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         | <u>0.00%</u>         |
| Plan fiduciary net position as a percentage of the total OPEB liability                       | <u>2.50%</u>         | <u>2.08%</u>         | <u>1.49%</u>         | <u>1.79%</u>         |

**Schedule of Contributions**

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

(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.

See Notes to Required Supplementary Information.

Town of North Haven, Connecticut

Notes to Required Supplementary Information

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

|   | 2021  | 2020   | 2019   | 2018   |
|---|---|--|--|--|
| Changes of Benefit Terms  | None  | None   | None   | None   |
| The actuarially determined contribution rates are calculated as of      | June 30, 2020   | June 30, 2018  | June 30, 2018  | June 30, 2016  |
| Actuarial methods and assumptions used to determine contribution rates: |   |  |  |  |
| Actuarial Cost Method   | Entry age   | Entry age  | Entry age  | Entry age  |
| Amortization Method   | Level percentage, closed                              | Level percentage, open   | Level percentage, open   | Level percentage, open   |
| Amortization Period   | 30 years  | 30 years   | 30 years   | 30 years   |
| Asset Valuation Method  | Fair Value  | Fair Value   | Fair Value   | Fair Value   |
| Inflation   | 2.50%   | 2.75%  | 2.75%  | 2.75%  |
| Healthcare Inflation Rate   | Initial 5.125% decreasing to 4.50% (ultimate) by 2023 | Initial 5.95% decreasing to 4.75% (ultimate) by 2025                                 | Initial 5.95% decreasing to 4.75% (ultimate) by 2025                                 | Initial 7.25% decreasing to 5.00% (ultimate) by 2022                                 |
| Salary Increases  | 3.00% to 6.50%, including inflation                   | 3.25% to 6.50%, including inflation  | 3.25% to 6.50%, including inflation  | 3.25% to 6.50%, including inflation  |
| Investment Rate of Return (Net)   | 3.00%   | 3.00%  | 3.00%  | 4.25%  |
| Mortality Rate  | PubT-2010 Table projected generationally with MP-2019 | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale |

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

## APPENDIX B – FORM OF OPINION OF BOND COUNSEL

July \_\_, 2022

Town of North Haven  
Town Hall  
18 Church Street  
North Haven, CT 06473

We have acted as Bond Counsel in connection with the issuance by the Town of North Haven, Connecticut (the “Town”), of its \$\_\_\_\_\_ General Obligation Bond Anticipation Notes (the “Notes”) dated July \_\_, 2022. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

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

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of calculating the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

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

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Notes.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Notes to be executed by the Town substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:*

### **Continuing Disclosure Agreement**

This Continuing Disclosure Agreement ("Agreement") is made as of July \_\_, 2022 by the Town of North Haven, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bond Anticipation Notes, dated as of July \_\_, 2022 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

**Section 1. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

### **Section 2. Notice of Certain Events.**

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

*Events (d) and (e).* The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes, unless the Issuer applies for or participates in obtaining the enhancement.

*Event (f).* Event (f) is relevant only to the extent interest on the Notes is excluded from gross income for federal income tax purposes.

*Event (h).* The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Note purchases.

*Events (o) and (p).* The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

### **Section 3. Use of Agents.**

Notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

### **Section 4. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

### **Section 5. Enforcement.**

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's First Selectman, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the First Selectman is Town Hall, 18 Church Street, North Haven, Connecticut 06473.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

**Section 6. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF NORTH HAVEN, CONNECTICUT

By: \_\_\_\_\_  
MICHAEL J. FREDA  
First Selectman

By: \_\_\_\_\_  
DONALD CLARK  
Town Treasurer

**APPENDIX D - NOTICE OF SALE**

**NOTICE OF SALE**

**TOWN OF NORTH HAVEN, CONNECTICUT  
\$3,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES  
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF NORTH HAVEN, CONNECTICUT (the “Issuer”), until 11:00 A.M. (EASTERN TIME) on THURSDAY,

JUNE 30, 2022

(the “Sale Date”) for the purchase of the Issuer’s \$3,500,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc. (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

**The Notes**

The Notes are expected to be dated July 14, 2022 and will mature and be payable to the registered owner on November 3, 2022 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

**Nature of Obligation**

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

**Bank Qualification**

The Notes SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

## **Registration**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

## **Option For No Book-Entry.**

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Issuer as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Issuer at the time of the submission of the bid. The Issuer reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Issuer any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

## **Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms**

Each bid for the purchase of the Notes must be in the form of the Proposal for Notes attached hereto or, if submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

## Electronic Bidding Procedures

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

An electronic bid made through the facilities of **PARITY**<sup>®</sup> shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**<sup>®</sup>, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY<sup>®</sup>, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY<sup>®</sup>, the use of PARITY<sup>®</sup> facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**<sup>®</sup> as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, 1359 Broadway, 36<sup>th</sup> Street, 2<sup>nd</sup> Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: [www.parity@i-deal.com](mailto:www.parity@i-deal.com)).

For purposes of the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**<sup>®</sup> shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under "Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms" above, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

**Disclaimer.** Each **PARITY**<sup>®</sup> prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**<sup>®</sup> for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**<sup>®</sup> shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer nor **PARITY**<sup>®</sup> shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**<sup>®</sup>. The Issuer is using **PARITY**<sup>®</sup> as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**<sup>®</sup> to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**<sup>®</sup> are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY**<sup>®</sup> at (212) 849-5021.]

### Telephone Bidding Procedures

Telephone bids will be received until 11:00 (EASTERN TIME) on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer's municipal advisor. All telephone bids must be made to (203) 421-2087 and be completed by 11:00 A.M. (EASTERN TIME) on the Sale Date. Bidders should be prepared to provide the information set forth in the "Proposal for Notes" attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer.

### CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.]

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

Unless otherwise provided for herein, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

### **Delivery, Payment and Closing Requirements**

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”) (see “Bond Counsel Opinion” below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

Unless otherwise provided for herein, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about July 14, 2022 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

### **Bond Counsel Opinion**

The legality of the issue will be passed upon by Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. If either the Competitive Sale Rule or the Hold-the-Offering-Price Rule (as each is defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”. In rendering such legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Notes, and further, will assume compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

## Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

**Notification of Contact Information of Winning Bidder.** Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

**Competitive Sale Rule.** The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

**Competitive Sale Rule Met.** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price. If the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale of such Maturity to the Public, then the winning bidder shall provide Bond Counsel and the Municipal Advisor a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes.

**Competitive Sale Rule Not Met.** In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (EASTERN TIME) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A)(I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

**Definitions.** For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

### **Official Statement**

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated June 21, 2022 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

### **Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF NORTH HAVEN, CONNECTICUT

MICHAEL J. FREDA  
Frist Selectman

DONALD CLARK  
Town Treasurer

June 21, 2022

(See attached for form of Proposal for Notes)

**PROPOSAL FOR NOTES**

Michael J. Freda, First Selectman  
Donald Clark, Town Treasurer  
Town of North Haven  
c/o Munistat Services, Inc.  
**Telephone Number (203) 421-2087**

North Haven Town Officials:

Subject to the provisions of the Notice of Sale dated June 21, 2022, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$3,500,000 General Obligation Bond Anticipation Notes of the Town of North Haven, Connecticut (the "Issuer"), dated July 14, 2022 and maturing on November 3, 2022 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$3,500,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: June 30, 2022

\_\_\_\_\_  
(Name of Bidder)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Facsimile Number)

\_\_\_\_\_  
(E-mail Address)

We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

***Only if submitting request that Notes not be issued in book-entry form:*** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.