

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 28, 2026

NEW MONEY ISSUE: Book-Entry-Only

RATINGS: S&P Global Ratings: "A+"

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 (the "Code"), under existing law, interest on the Series A Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Series A Bonds and the Series B Bonds is excludable 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 Series A Bonds and the Series B Bonds. (See "Tax Matters" herein.)



Town of East Haven, Connecticut
\$2,600,000
General Obligation Bonds, Issue of 2026, Series A
(Bank Qualified)

Dated: Date of Delivery

Due: Serially on July 15,
As detailed on the inside cover page:

The \$2,600,000 General Obligation Bonds, Issue of 2026, Series A (the "Series A Bonds") of the Town of East Haven, Connecticut (the "Town") will bear interest payable on January 15, 2027 and semiannually thereafter on January 15 and July 15 in each year until maturity.

The Series A Bonds are subject to redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.

Electronic bids via PARITY for the Series A Bonds will be received until 11:30 A.M. (Eastern Time) on Wednesday, May 6, 2026 at Town Hall, 250 Main Street, East Haven, Connecticut 06512. (See Notice of Sale, attached hereto as Appendix D-1).

\$17,400,000
General Obligation Bonds, Issue of 2026 (Federally Taxable), Series B

Dated: Date of Delivery

Due: Serially on July 15,
As detailed on the inside cover page:

The \$17,400,000 General Obligation Bonds, Issue of 2026 (Federally Taxable), Series B (the "Series B Bonds") of the Town will bear interest payable on January 15, 2027 and semiannually thereafter on January 15 and July 15 in each year until maturity.

The Series B Bonds are subject to redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.

Electronic bids via PARITY for the Series B Bonds will be received until 12:00 Noon (Eastern Time) on Wednesday, May 6, 2026 at Town Hall, 250 Main Street, East Haven, Connecticut 06512. (See Notice of Sale, attached hereto as Appendix D-2).

The Series A Bonds and the Series B Bonds (collectively, the "Bonds") will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the Town to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

The Bonds will be issued in book-entry-only form and will bear interest, at such rate or rates per annum as are specified by the successful bidder or bidders, in accordance with the respective Notices of Sale, each dated April 28, 2026.

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

The Bonds are offered for delivery when, as and if issued, subject to the approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about May 20, 2026. The Registrar, Transfer Agent, Paying Agent and Certifying Agent will be U.S. Bank Trust Company, National Association.



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Town of East Haven, Connecticut
\$2,600,000
General Obligation Bonds, Issue of 2026, Series A
(Bank Qualified)

Dated: Date of Delivery

Due: Serially, July 15, 2028 – 2045
As detailed below:

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2028	\$ 140,000	..%	..%	272875	2037	\$ 145,000	..%	..%	272875
2029	140,000	..%	..%	272875	2038	145,000	..%	..%	272875
2030	145,000	..%	..%	272875	2039	145,000	..%	..%	272875
2031	145,000	..%	..%	272875	2040	145,000	..%	..%	272875
2032	145,000	..%	..%	272875	2041	145,000	..%	..%	272875
2033	145,000	..%	..%	272875	2042	145,000	..%	..%	272875
2034	145,000	..%	..%	272875	2043	145,000	..%	..%	272875
2035	145,000	..%	..%	272875	2044	145,000	..%	..%	272875
2036	145,000	..%	..%	272875	2045	145,000	..%	..%	272875

\$17,400,000
General Obligation Bonds, Issue of 2026 (Federally Taxable), Series B

Dated: Date of Delivery

Due: Serially, July 15, 2028 – 2045
As detailed below:

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2028	\$ 965,000	..%	..%	272875	2037	\$ 965,000	..%	..%	272875
2029	965,000	..%	..%	272875	2038	965,000	..%	..%	272875
2030	965,000	..%	..%	272875	2039	965,000	..%	..%	272875
2031	965,000	..%	..%	272875	2040	970,000	..%	..%	272875
2032	965,000	..%	..%	272875	2041	970,000	..%	..%	272875
2033	965,000	..%	..%	272875	2042	970,000	..%	..%	272875
2034	965,000	..%	..%	272875	2043	970,000	..%	..%	272875
2035	965,000	..%	..%	272875	2044	970,000	..%	..%	272875
2036	965,000	..%	..%	272875	2045	970,000	..%	..%	272875

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. which is not affiliated with the Town, and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but 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 Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds 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.

The Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Other than as to matters expressly set forth herein as the opinions of Bond Counsel in Appendices B-1 and B-2, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

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; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; (xi) disruptions to the Town's technology network and systems, including computer systems and software; and (xii) other factors contained in this Official Statement.

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Issue Summary – The Series A Bonds

The information in this Series A Bond Issue Summary and the inside 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.

Date of Sale:	Wednesday, May 6, 2026 at 11:30 A.M. (Eastern Time).
Location of Sale:	Town Hall, 250 Main Street, East Haven, Connecticut 06512.
Issuer:	Town of East Haven, Connecticut (the “Town”).
Issue:	\$2,600,000 General Obligation Bonds, Issue of 2026, Series A (the “Series A Bonds”).
Dated Date:	Date of delivery.
Interest Due:	Interest due January 15, 2027 and semiannually thereafter on January 15 and July 15 in each year until maturity.
Principal Due:	Principal due serially July 15, 2028 through July 15, 2045 as detailed in this Official Statement.
Authorization and Purpose:	The Series A Bonds are being issued to finance various general purpose and school projects. (See “Authorization and Purpose” and “Use of Proceeds” herein.)
Redemption:	The Series A Bonds are subject to redemption prior to maturity as herein provided. (See “Optional Redemption” herein.)
Security and Remedies:	The Series A Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal and interest on the Series A Bonds when due.
Credit Rating:	The Town received a rating of “A+” from S&P Global Ratings on the Series A Bonds.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Series A Bonds <u>shall be</u> designated as qualified tax-exempt obligations by the Town under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Series A Bonds.
Continuing Disclosure:	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 with respect to the Series A Bonds: (i) annual financial information and operating data, (ii) notices of certain events, no later than ten (10) business days after the occurrence of such event, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form set forth in Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Series A Bonds in book-entry-only form will be made to The Depository Trust Company on or about May 20, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning the Town or this Official Statement should be addressed to Barbara-Ann K. Brannigan, Director of Finance, Town of East Haven, 250 Main Street, East Haven, Connecticut 06512. Telephone (203) 468-3210.

Issue Summary – The Series B Bonds

The information in this Series B Bond Issue Summary and the inside 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.

Date of Sale:	Wednesday, May 6, 2026 at 12:00 Noon (Eastern Time).
Location of Sale:	Town Hall, 250 Main Street, East Haven, Connecticut 06512.
Issuer:	Town of East Haven, Connecticut (the “Town”).
Issue:	\$17,400,000 General Obligation Bonds, Issue of 2026 (Federally Taxable), Series B (the “Series B Bonds”).
Dated Date:	Date of delivery.
Interest Due:	Interest due January 15, 2027 and semiannually thereafter on January 15 and July 15 in each year until maturity.
Principal Due:	Principal due serially July 15, 2028 through July 15, 2045 as detailed in this Official Statement.
Authorization and Purpose:	The Series B Bonds are being issued to finance various general purpose and school projects. (See “Authorization and Purpose” and “Use of Proceeds” herein.)
Redemption:	The Series B Bonds are subject to redemption prior to maturity as herein provided. (See “Optional Redemption” herein.)
Security and Remedies:	The Series B Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal and interest on the Series B Bonds when due.
Credit Rating:	The Town received a rating of “A+” from S&P Global Ratings on the Series B Bonds.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Series B Bonds <u>shall NOT</u> be designated as qualified tax-exempt obligations by the Town under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Series B Bonds.
Continuing Disclosure:	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 with respect to the Series B Bonds: (i) annual financial information and operating data, (ii) notices of certain events, no later than ten (10) business days after the occurrence of such event, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form set forth in Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Series B Bonds in book-entry-only form will be made to The Depository Trust Company on or about May 20, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning the Town or this Official Statement should be addressed to Barbara-Ann K. Brannigan, Director of Finance, Town of East Haven, 250 Main Street, East Haven, Connecticut 06512. Telephone (203) 468-3210.

I. Bond Information

Introduction

This Official Statement, including the inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of East Haven, Connecticut (the “Town”), in connection with the original issuance and sale of the Town’s \$2,600,000 General Obligation Bonds, Issue of 2026, Series A (the “Series A Bonds”), and \$17,400,000 General Obligation Bonds, Issue of 2026 (Federally Taxable), Series B (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”).

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 Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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 Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

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

The Bonds are being offered for sale at public bidding. Notices of Sale for the Bonds, each dated April 28, 2026, have been furnished to prospective bidders. Reference is made to the Notices of Sale attached hereto as Appendices D-1 and D-2, for the terms and conditions of the bidding on the Bonds.

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, annual financial information and operating data and timely notice of the occurrence of certain events with respect to the Bonds pursuant to Continuing Disclosure Agreements to be executed substantially in the forms set forth in Appendices C-1 and C-2, respectively, to this Official Statement. The successful bidders’ obligation to purchase the Bonds shall be conditioned upon their receipt of, at or prior to the delivery of the Bonds, an executed copy of the respective Continuing Disclosure Agreement.

U.S. Bank Trust Company, National Association will act as the Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

Municipal Advisor

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the Town in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Public Health Considerations

Commencing in late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) resulted in a global public health crisis. The federal and State governments both declared public health emergencies and, along with local governments, took action to limit the spread of the outbreak and reduce the resulting economic impact. The federal and State public health emergency declarations have since been terminated.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the Town and its financial and operational performance.

The Town received \$8.455 million from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the “COVID-19 Aid”). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

Climate Change

Numerous federal and national studies have documented evolving weather patterns and an increased likelihood of more frequent and severe weather events. The Town’s location in southern Connecticut along Long Island Sound heightens its exposure to coastal flooding and storm impacts. Like other coastal communities, the Town is subject to these conditions and the associated risks and impacts, including flooding and potentially more severe and frequent damaging wind events. The Town cannot predict the timing, extent, or severity of these conditions or their effect on operations and finances.

The Town has a long history of planning for coastal flooding impacts. It has adopted coastal resiliency initiatives, enforces drainage and water quality regulations to limit the effects of new development and redevelopment, and continues to invest in mitigation efforts, including drainage improvements, a regular catch basin cleaning program, and ongoing maintenance and cleaning work along the Farm River.

Cybersecurity

The Town, like many public and private entities, relies extensively on technology to conduct its daily operations. As a result, it is subject to ongoing cybersecurity threats, including hacking, phishing, malware, ransomware, and other attempts to compromise digital systems. To address these risks, the Town has implemented and continues to maintain a layered cybersecurity framework. All Town computers and servers are protected by network firewalls, as well as anti-virus and anti-malware systems. These tools are designed to monitor activity, detect threats, and reduce overall risk exposure.

In addition to these baseline protections, the Town has recently enhanced its cybersecurity posture through several targeted upgrades. Microsoft 365 licensing has been expanded to allow for the implementation of more advanced security policies and controls. The Town also utilizes Datto RMM for endpoint user protection. Further, the Town has deployed additional security tools through Kaseya, including Inky Pro, BullPhish ID, Spanning, Dark Web ID, and SaaS Alerts. These systems provide continuous 24/7 monitoring and are designed to prevent, detect, respond to, and recover from cybersecurity incidents. They also support employee education, awareness training, and user susceptibility testing, which are critical components of an effective cybersecurity program.

While these measures significantly reduce the likelihood and potential impact of a cybersecurity incident, no system can provide absolute protection. A successful cyber event could disrupt or paralyze Town operations, compromise sensitive data, and result in substantial remediation costs.

The Bonds

The Bonds will be dated the date of delivery and will mature on July 15 in each of the years as set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on January 15, 2027 and semiannually thereafter on January 15 and July 15 in each year until maturity. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of June and December in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

Optional Redemption

The Series A Bonds maturing on or before July 15, 2034 are not subject to redemption prior to maturity. The Series A Bonds maturing on July 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after July 15, 2034 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the following redemption price (expressed as a percentage of the principal amount of Series A Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
July 15, 2034 and thereafter	100%

The Series B Bonds maturing on or before July 15, 2036 are not subject to redemption prior to maturity. The Series B Bonds maturing on July 15, 2037 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after July 15, 2036 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the following redemption price (expressed as a percentage of the principal amount of Series B Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
July 15, 2036 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are authorized and are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of East Haven, and certain ordinances adopted by the Town Council.

Under the Charter, the Town Council is authorized to approve appropriations and the incurrence of indebtedness, subject to review and recommendation by the Board of Finance, and the Mayor is responsible for the administration and execution of such actions. The Bonds are issued pursuant to such authority.

Use of Proceeds

Project	Total Amount of Authorization	This Issue:	
		Series A: Tax Exempt	Series B: Taxable
2019 - 2020 Capital Improvements.....	\$ 6,950,000	\$ 5,012	\$ 837,511
2020 - 2021 Capital Improvements.....	2,675,000	-	2,570,330
2021 - 2022 Capital Improvements.....	1,060,134	-	887,254
2022 - 2023 Capital Improvements.....	1,520,191	47,484	1,222,088
2023 - 2024 Capital Improvements.....	3,330,321	2,547,504	682,817
Judgement / Settlement.....	11,200,000	-	11,200,000
Totals.....	\$ 26,735,646	\$ 2,600,000	\$ 17,400,000

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity 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 regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds 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 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Agent, on 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 Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

DTC Practices

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

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

Replacement Bonds

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

Security and Remedies

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

Unless paid from other sources, the Bonds are payable from general property tax revenues. 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 of qualified disabled persons taxable at limited amounts. On the last completed Grand List of the Town, there were no acres classified 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.

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

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

The Town is subject to suit on its general obligation debt, 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 power in appropriate proceedings to order payment of a judgment on such Bonds 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 Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, 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 and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Series A Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Series A Bonds.

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

***THE TOWN OF EAST HAVEN HAS NEVER DEFAULTED IN THE PAYMENT
OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES***

Availability of Continuing Disclosure Information

The Town prepares, in accordance with State law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management.

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, annual financial information and operating data with respect to the Bonds and notices of the occurrence of certain events with respect to the Series A Bonds and the Series B Bonds pursuant to Continuing Disclosure Agreements to be executed by the Town substantially in the forms set forth in Appendices C-1 and C-2, respectively, to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information, operating data, and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has complied, in all material respects, with its undertakings under such agreements, except for the following:

The Town failed to timely file certain annual financial information and operating data for the fiscal years ending June 30, 2021, June 30, 2022, June 30, 2023 and June 30, 2024. The Town filed failure to file notices and filed the annual financial information on August 1, 2023 (for FY 2021 and FY 2022) and June 25, 2025 (for FY 2023 and FY 2024). The Town filed the additional operating data for fiscal years 2020 through 2024 on September 30, 2025. For fiscal year ending June 30, 2025, the Town's audited annual financial information was not complete on February 28, 2025. In accordance with the Town's prior disclosure agreements, the Town filed unaudited financial statement on February 27, 2026 and will file the audited annual financial statement upon completion.

Ratings

The Town received a rating of "A+" S&P Global Ratings on the Bonds. The Town furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement. Such ratings reflect only the views of the Rating Agencies and will be subject to revision or withdrawal, which could affect the market price of the Bonds. The Rating Agencies should be contacted directly for their rating on the Bonds and the explanation of such rating.

The Town expects to furnish to the Rating Agencies information and materials that they may request. However, the Town may issue short-term or other debt for which a rating is not required. The Town's Municipal Advisor, Phoenix Advisors, recommends that all bonded debt be submitted for a credit rating.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Bonds.

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Tax Matters

Series A Bonds

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Series A Bonds is excludable 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; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Series A Bonds 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 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Series A Bonds in order that interest on the Series A Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series A Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Series A Bonds, 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 Series A Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Series A Bonds 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 Series A Bonds.

Original Issue Discount. The initial public offering prices of certain maturities of the Series A Bonds may be less than the stated principal amount (the "OID Series A Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Series A Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement for such OID Series A Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Series A Bonds are sold. Under existing law, original issue discount on the OID Series A Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Series A Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Series A Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Series A Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Series A Bond.

Prospective purchasers of OID Series A Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Series A Bonds purchasing such OID Series A Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Series A Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Series A Bonds may be more than their stated principal amounts payable at maturity (the "OIP Series A Bonds"). In general, an owner who purchases an OIP Series A Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Series A Bond for federal income tax purposes. Prospective purchasers of OIP Series A Bonds 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 Series A Bonds should be aware that ownership of the Series A Bonds 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 Series A Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Series A Bonds 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 Series A Bonds is excludable 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 Series A Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Series A Bond is also excludable 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.

Owners of the Series A Bonds 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 Series A Bonds.

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 Series A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Series A Bonds will not have an adverse effect on the tax status of interest on the Series A Bonds or the market value or marketability of the Series A Bonds. 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 Series A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Series A Bonds 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 Series A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series A Bonds may be adversely affected and the ability of holders to sell their Series A Bonds in the secondary market may be reduced. The Series A Bonds are not subject to special mandatory redemption, and the interest rates on the Series A Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series A Bonds.

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 Series A Bonds. Prospective owners of the Series A Bonds, 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 Series A Bonds.

Series B Bonds

In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code.

United States Tax Consequences

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Series B Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Series B Bonds, and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Series B Bond at its issue price, which is the first price at which a substantial amount of the Series B Bonds is sold to the public, and who hold Series B Bonds as “capital assets” within the meaning of the Internal Revenue Code of 1986 (the “Code”) (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Series B Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a bond and one or more other investments, or United States Holders (as defined below) that have a “functional currency” other than the United States dollar. This summary is applicable only to a person (a “United States Holder”) who or that is the beneficial owner of the Series B Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

United States Holders

Payments of Stated Interest. In general, for a United States Holder, interest on a Series B Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner’s method of accounting for tax purposes.

Series B Bonds Purchased at a Market Discount. A Series B Bond will be treated as acquired at a market discount (market discount bond) if the amount for which a United States Holder purchased the Series B Bond is less than the Series B Bond’s adjusted issue price, unless such difference is less than a specified de minimis amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Series B Bond. Alternatively, a United States Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. That election applies to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service (“IRS”). If an election is made to include market discount in income currently, the tax basis of the Series B Bond in the hands of the United States Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Holder elected to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A United States Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Series B Bond in an amount not exceeding the accrued market discount on such Series B Bond until maturity or disposition of the Series B Bond.

Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Series B Bond purchased at a discount, whether at the date of original issue or subsequent thereto.

Series B Bonds Purchased at Original Issue Premium. The initial public offering price of certain maturities of the Series B Bonds are greater than the principal amount payable on such Series B Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series B Bonds are sold over the principal amount payable at maturity constitutes original issue premium. The offering prices relating to the yields set forth on the inside cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of each maturity of the Series B Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a Series B Bond may elect to treat such excess as “amortizable bond premium”, in which case the amount of interest required to be included in the taxpayer’s income each year with respect to interest on the Series B Bond will be reduced by the amount of amortizable bond premium allocable (based on the Series B Bond’s yield to maturity) to that year. If such an election is made, the amount of each reduction in interest income will result in a corresponding reduction in the taxpayer’s adjusted basis in the Series B Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the IRS. Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Series B Bond purchased at a premium.

Purchase, Sale, Exchange, and Retirement of Series B Bonds. A United States Holder’s tax basis in a Series B Bond generally will equal its cost, increased by any market discount included in the United States Holder’s income with respect to the Series B Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Series B Bond. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Series B Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder’s tax adjusted basis in the Series B Bond. Except to the extent described above under *Series B Bonds Purchased at a Market Discount*, gain or loss recognized on the sale, exchange or retirement of a Bond will be capital gain or loss and will be long-term capital gain or loss if the Series B Bond was held for more than one year. The material modification of the terms of any Series B Bond may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

Backup Withholding. United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series B Bonds, if they fail to provide an accurate Form W-9, “Request for Taxpayer Identification Number and Certification,” or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder’s United States federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

Medicare Tax Affecting United States Holders. For taxable years beginning after December 31, 2012, a United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) the United States Holder’s “net investment income” for the taxable year and (2) the excess of the United States Holder’s modified adjusted gross income for the taxable year over a certain threshold. A United States Holder’s net investment income will generally include its interest income and its net gains from the disposition of the Series B Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A United States Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

Information Reporting

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Series B Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Series B Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax (currently at a rate of 24%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Series B Bonds.

Any payments of interest and original issue discount on the Series B Bonds to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Series B Bond by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences of the purchase, ownership, and disposition of the Series B Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Taxes

In the opinion of Bond Counsel, under existing statutes, interest on the Series B Bonds is excludable 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. Interest on the Series B Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Prospective owners of the Series B Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Series B Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Series B Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

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 or the interpretation thereof that may occur after the date of its opinion. The discussion above does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner of a Series B Bond. Prospective owners of the Series B Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Series B Bonds.

Legal Opinion

The legal opinions for the Series A Bonds and the Series B Bonds will be rendered by Pullman & Comley, LLC in substantially the forms set forth in Appendices B-1 and B-2, respectively, to this Official Statement.

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II. The Issuer



Description of the Municipality

The Town of East Haven (the “Town”) is a suburb of the City of New Haven comprising approximately 12.6 square miles. The Town is bounded by New Haven on the west, North Haven on the north, North Branford and Branford on the east, and Long Island Sound on the south. Settled by early colonists in 1639 as an iron works village, the Town, originally East Farms, separated from New Haven and became an incorporated Town in May of 1785.

The Tweed-New Haven Airport (“Tweed Airport”) on the western boundary of East Haven has regularly scheduled flights to Florida, Newark, Philadelphia, Chicago and Washington D.C. The Town is served by and linked to, New Haven and eastern Connecticut by Interstate 95. Connecticut Route 80, located in northern section of Town, not only provides easy access to New Haven but also to Interstate 91, the main route to Hartford. The Town is also conveniently located within minutes of the New Haven Terminal, a deep water berthing facility. Amtrak owns and maintains tracks in the Town and provides service to Boston, New York, and Washington, along the northeast corridor shoreline route, which passes through East Haven.

Economic Development

The Town of East Haven maintains a mixed economic base consisting of commercial, industrial, and service-related uses. Economic activity within the Town is influenced by its location along Interstate 95, with access to Interstate 91 and Route 80, which provide regional connectivity to New Haven and other employment centers within southern Connecticut.

Commercial and Industrial Activity

Commercial and industrial uses are primarily located along Frontage Road, Route 80, and other designated corridors within the Town. These areas support a range of activities, including light manufacturing, distribution, automotive services, and retail operations. Such uses contribute to the Town's grand list and provide local employment opportunities.

The Town's land use framework regulates commercial and industrial development through zoning and related approvals administered by the Planning and Zoning Commission. Existing development patterns reflect a combination of established businesses and incremental reinvestment in commercial properties.

Retail and Service Sector

Retail and service-related businesses are located throughout the Town, with concentrations along Main Street, Hemingway Avenue, and Route 80. These areas serve both local residents and the surrounding region. The Town has experienced periodic changes in retail occupancy consistent with broader economic conditions affecting the region.

Infrastructure and Development Considerations

Economic activity within the Town is affected by infrastructure conditions, including roadway capacity, traffic flow, and drainage systems. The Town continues to coordinate with state and regional agencies regarding transportation and infrastructure matters that may impact commercial areas. Future development remains subject to local land use approvals and applicable state and federal requirements.

Regional Factors

The Town's proximity to the City of New Haven and its inclusion within a broader regional economy provide access to employment centers, transportation networks, and institutional resources. Economic conditions within the Town are influenced, in part, by regional economic trends.

Tweed New Haven Airport

Tweed New Haven Airport is located partially within the Town. The airport is operated by a third-party operator pursuant to agreements with the airport authority and the City of New Haven.

Proposed or potential future development of airport facilities, including those that may affect areas within East Haven, remains subject to multiple regulatory processes, including local land use approvals where applicable, as well as state and federal review. The Town has identified potential impacts associated with airport-related activity, including traffic, infrastructure demands, environmental conditions, and public safety considerations. The extent and timing of any such impacts cannot be determined at this time.

General

The Town's economic condition is subject to a variety of factors, including regional economic trends, changes in commercial activity, infrastructure conditions, and land use regulation. No assurance can be given as to the pace or extent of future development or redevelopment within the Town.

Form of Government

The Town has a Mayor-Council form of government and operates under a Town Charter last amended on November 8, 1994. Town elections are held on the first Tuesday after the first Monday in November of each odd numbered year to elect a Mayor, Town Clerk and Town Council. The terms of office for the Mayor, Town Clerk and Town Council members are for two years and commence at twelve noon on the second Saturday following the election. The Town Council consists of fifteen members elected on the basis of three representatives from each of five districts.

Principal Municipal Officials

Office	Name	Manner of Selection	Years of Service
Mayor	Joseph A. Carfora	Elected	7 years
Town Clerk.....	Lisa Balter	Elected	5 years
Tax Collector.....	Shayna Acampora	Appointed	7 years
Treasurer.....	Noreen Clough	Appointed	> 1 year
Town Attorney.....	Michael Luzzi	Appointed	7 years
Director of Finance.....	Barbara-Ann K. Brannigan	Appointed	> 1 year
Director of Admin. & Mgmt.	Rich Coppola	Appointed	2 years
Town Engineer.....	Jonathan Bodwell	Appointed	6 years
Chief of Police.....	Edward Lennon	Appointed	13 years
Interim Superintendent of Schools....	Adam Swinney	Appointed	2 years

Sources: Town Officials, Town of East Haven.

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Municipal Services

The Town of East Haven provides municipal services including public safety, public works, wastewater management, solid waste services, recreation, and land use regulation. Such services are funded through the Town's annual operating budget.

Police: The Police Department provides 24-hour law enforcement services, including patrol, investigative, and administrative functions. The Department is staffed by sworn officers and civilian personnel and is responsible for maintaining public safety and enforcing applicable laws within the Town. The Police Department consists of approximately 60 sworn officers, supported by civilian personnel, and is responsible for law enforcement, public safety, emergency response, and community policing services throughout the Town. The Department operates on a full-time basis and provides patrol, investigative, and administrative functions.

Fire: The Fire Department provides fire suppression, emergency medical response, rescue services, and fire prevention activities. The Department operates through a combination of career personnel and volunteer members and maintains apparatus and equipment to respond to emergencies throughout the Town. The Fire Department is comprised of a combination of 52 career firefighters and a volunteer force, providing fire suppression, emergency medical services, rescue operations, and fire prevention services. The Department operates from multiple stations and maintains a fleet of fire apparatus and emergency response vehicles to support its operations.

Public Services: The Department of Public Services is responsible for the maintenance, repair, and snow removal of Town roadways, sidewalks, and related infrastructure, as well as the maintenance of Town-owned buildings and stormwater systems.

Water Pollution Control / Sewers: The Town is served by a sanitary sewer system consisting of collection lines, laterals, and pump stations. Wastewater treatment services are provided on a regional basis by the Greater New Haven Water Pollution Control Authority. The Town retains certain maintenance and operational responsibilities within its system. Sewer operations are supported through user charges.

Solid Waste: Solid waste collection and disposal services are provided through contracted services. The Town conducted a competitive procurement process in 2024 and awarded a multi-year contract for such services.

Parks and Recreation: The Parks and Recreation Department provides recreational programming and maintains parks, athletic fields, and related facilities.

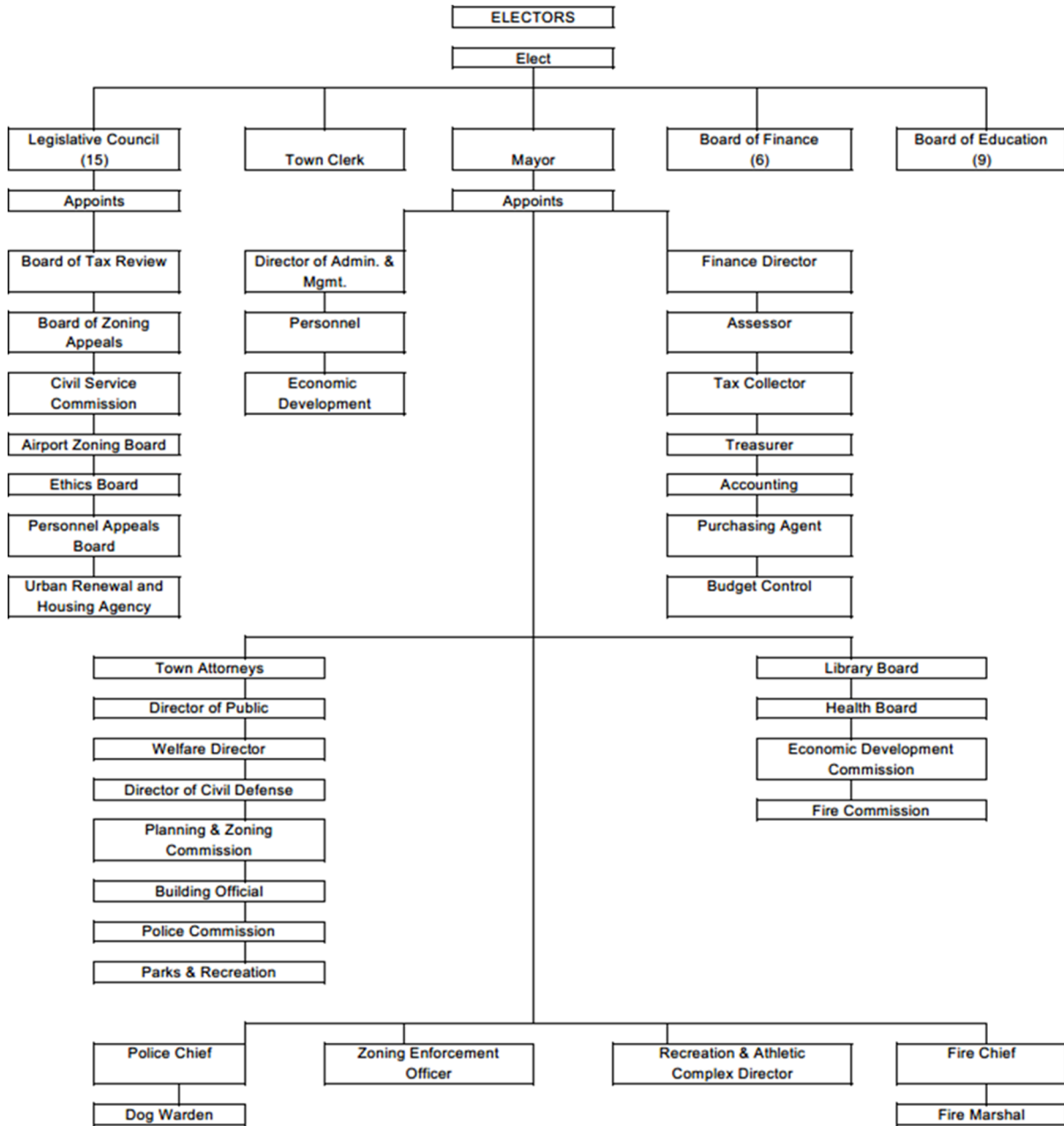
Planning and Zoning: Land use regulation within the Town is administered by a combined Planning and Zoning Commission, which is responsible for development review, zoning enforcement, and land use planning in accordance with applicable regulations.

Water: Water service within the Town is provided by the South Central Connecticut Regional Water Authority.

Electric: Electric service within the Town is provided by the United Illuminating Company.

General: The provision of municipal services is subject to annual appropriation, personnel levels, and operational considerations.

Organizational Chart



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**Employee Relations and Collective Bargaining
Municipal Employees**

	2025	2024	2023	2022	2021
General Government.....	239	228	236	231	227
Board of Education ¹	603	621	625	614	602
Total	842	849	861	845	829

Note: Includes full-time, permanent part-time and personal contract employees.

Source: Town of East Haven, CT.

Employee Bargaining Groups

General Government Unions	Positions Covered	Current Contract Expiration Date
East Haven Public Services Employee, Local 1303-119 of Council #4 (AFL-CIO).....	33	6/30/2028
International Association of Firefighters, Local 1205.....	50	6/30/2030
East Haven Town Hall Employees, Local 1303 of Council #4 AFSCME (AFL-CIO).....	20	6/30/2028
East Haven Police Union Local 1662, AFSCME (AFL-CIO).....	59	6/30/2029
East Haven Town Hall Professional Supervisors Local 818, AFSCME (AFL-CIO).....	25	6/30/2026 ¹
East Haven Fire Dispatchers Local 1303-248 of Council #4 (AFL-CIO).....	10	6/30/2030
Organized.....	197	
Non-Union.....	12	
Sub-Total	209	
Board of Education Unions		
East Haven Administration & Supervisors Association (EHASA).....	15	6/30/2028
East Haven Education Association (EHEA).....	283	6/30/2029
East Haven Custodians Local 1344 of Council #4 (AFL-CIO).....	26	6/30/2029
Educational Secretaries of East Haven Local 1303 of Council #4 (AFL-CIO).....	24	6/30/2028
East Haven Nurses Association Chapter 182, Civil Service Employees Affiliate, Inc. ...	7	6/30/2027
East Haven Middle Management Association Local 818 of Council #4 (AFL-CIO).....	3	6/30/2030
United Public Service Employees Union / Paraprofessionals.....	129	6/30/2027
East Haven United Federation of Technicians.....	7	6/30/2028
Organized.....	494	
Non-Union.....	115	
Sub-Total	609	
Total	818	

¹ In negotiation.

Source: Town of East Haven, CT.

Note: The negotiation of collective bargaining agreements is subject to binding arbitration under Connecticut Statutes.

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 of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. 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 municipal entity, there is an irrefutable presumption that a budget reserve of: (i) 5% or less with respect to teachers’ contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In the light of the employers’ 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.

Educational System

The Town's school system consists of eight schools for pupils in grades pre-K through 12. The schools are governed by a nine-member Board of Education.

School Facilities

School	Grades	Date of Construction (Remodeling)	Number of Classrooms	10/1/2025 Enrollment	Rated Capacity
Overbrook.....	PreK-2	1954, 1966	9	195	210
Deer Run.....	PreK-2	1954, 1959, 1980	15	228	650
Ferrara.....	3-5	1964	9	154	210
Mamuguin.....	3-5	1922, 1929, 1951, 1954, 1962, 1995	16	274	525
Tuttle.....	3-5	1929, 19990, 1991	13	287	360
E.H. Academy.....	n/a	1936, 1966, 1973, 1988	16	319	350
E.H. Middle.....	6-8	1957, 1966, 1973, 1988	34	453	950
E.H. High.....	9-12	1997	67	855	1,500
Spec. Ed Outplace.....	n/a	n/a	n/a	-	n/a
Total.....			179	2,765	4,755

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

School Enrollment

School Year	PreK-5	6-8	9-12	Special Education	Total
		Historical			
2016-17	1,397	709	924	-	3,030
2017-18	1,317	641	940	-	2,898
2018-19	1,377	629	905	-	2,911
2019-20	1,435	560	899	-	2,894
2020-21	1,448	548	950	-	2,946
2021-22	1,496	548	925	-	2,969
2022-23	1,514	548	987	-	3,049
2023-24	1,543	495	1,056	-	3,094
2024-25	1,497	661	1,102	-	3,260
2025-26	1,439	622	1,056	-	3,117

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

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III. Economic and Demographic Information Population and Density

Year	Actual		
	Population ¹	% Increase	Density ²
1980	25,028	-0.7%	2,035
1990	26,144	4.5%	2,126
2000	28,189	7.8%	2,292
2010	29,257	3.8%	2,379
2020	27,293	-6.7%	2,219
2024 ³	27,806	1.9%	2,261

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 23.5 square miles.

³ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2020-2024.

Age Distribution of the Population

Age	Town of East Haven		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,171	4.2%	181,691	5.0%
5 to 9 years	1,031	3.7	195,164	5.4
10 to 14 years	1,367	4.9	214,972	5.9
15 to 19 years	1,630	5.9	239,710	6.6
20 to 24 years	1,541	5.5	238,387	6.6
25 to 34 years	3,045	11.0	454,892	12.6
35 to 44 years	3,839	13.8	460,916	12.7
45 to 54 years	3,522	12.7	453,917	12.5
55 to 59 years	2,758	9.9	256,068	7.1
60 to 64 years	2,213	8.0	258,234	7.1
65 to 74 years	2,887	10.4	386,232	10.7
75 to 84 years	1,950	7.0	196,373	5.4
85 years and over	852	3.1	87,952	2.4
Total.....	27,806	100.0%	3,624,508	100.0%
Median Age (Years).....	45.7		41.1	

Source: American Community Survey 2020-2024.

Income Distribution

Income	Town of East Haven		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	194	2.8%	24,004	2.6%
\$10,000 to \$14,999.....	60	0.9	12,584	1.4
\$15,000 to \$24,999.....	111	1.6	27,285	3.0
\$25,000 to \$34,999.....	167	2.4	33,429	3.6
\$35,000 to \$49,999.....	287	4.1	59,826	6.5
\$50,000 to \$74,999.....	1,099	15.6	106,611	11.6
\$75,000 to \$99,999.....	728	10.4	106,893	11.6
\$100,000 to \$149,999.....	2,016	28.7	182,785	19.8
\$150,000 to \$199,999.....	1,364	19.4	131,310	14.3
\$200,000 or more.....	997	14.2	236,661	25.7
Total.....	7,023	100.0%	921,388	100.0%

Source: American Community Survey 2020-2024.

Income Levels

	Town of East Haven	State of Connecticut
Per Capita Income, 2024.....	\$ 45,976	\$ 55,905
Per Capita Income, 2020.....	\$ 32,860	\$ 36,412
Median Family Income, 2024.....	\$ 119,375	\$ 122,706
Percent Below Poverty (Families), 2024.....	5.10%	6.90%

Source: American Community Survey 2020-2024.

Educational Attainment Persons 25 Years and Older

	Town of East Haven		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	693	3.3%	101,458	4.0%
9th to 12th grade.....	1,083	5.1	114,887	4.5
High School graduate.....	8,674	41.2	647,192	25.3
Some college, no degree.....	3,871	18.4	410,903	16.1
Associate's degree	1,302	6.2	195,081	7.6
Bachelor's degree.....	3,285	15.6	595,631	23.3
Graduate or professional degree.....	2,158	10.2	489,432	19.2
Total.....	21,066	100.0%	2,554,584	100.0%
Total high school graduate or higher (%).	91.6%		91.5%	
Total bachelor's degree or higher (%).	25.8%		42.5%	

Source: American Community Survey 2020-2024.

Employment by Industry

Sector	Town of East Haven		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	-	0.0%	7,132	0.4%
Construction	1,344	9.0	113,006	6.1
Manufacturing	1,773	11.8	198,526	10.7
Wholesale trade	203	1.4	35,592	1.9
Retail trade	2,044	13.6	192,698	10.4
Transportation and warehousing, and utilities	926	6.2	87,076	4.7
Information	179	1.2	37,488	2.0
Finance, insurance, real estate, rental & leasing	969	6.5	161,226	8.7
Professional, scientific, management, administrative, and waste mgmt services	1,464	9.8	228,229	12.3
Education, health and social services	3,587	23.9	496,559	26.8
Arts, entertainment, recreation, accommodation and food services	1,159	7.7	143,851	7.8
Other services (except public administration)	751	5.0	80,617	4.4
Public Administration	606	4.0	67,864	3.7
Total Labor Force, Employed	15,005	100.0%	1,849,864	100.0%

Source: American Community Survey 2020-2024.

**Employment Data
By Place of Residence**

Period	Town of East Haven		Percentage Unemployed		
	Employed	Unemployed	Town of East Haven	New Haven Labor Market	State of Connecticut
February 2026	14,564	993	6.4	5.8	5.8
Annual Average					
2025	15,503	662	4.1	3.9	3.9
2024	15,717	620	3.8	3.3	3.5
2023	15,617	636	3.9	3.5	3.7
2022	15,762	724	4.4	3.9	4.2
2021	14,731	1,052	6.7	5.9	6.3
2020	14,693	1,334	8.3	7.3	7.9
2019	15,307	661	4.1	3.5	3.6
2018	15,099	703	4.4	3.8	3.9
2017	15,198	836	5.2	4.4	4.4
2016	14,964	903	5.7	4.8	4.8

Note: Not seasonally adjusted.

Source: State of Connecticut, Department of Labor.

**Major Employers
As of March 2026**

Name	Business	Number of Employees
Town of East Haven.....	Municipal Government	842
Town Fair Tires	Retail Corporate / Distribution	309
Laurel Woods	Health Care Facility	184
Home Depot	Home Improvements	168
Super Stop & Shop Supermarket	Supermarket	149
Calabro Cheese	Manufacturer	143
Stock Building and Supply	Building Supplies and Distribution	133
Shop Rite	Supermarket	133
Whispering Pines	Nursing Home	120
Village at Mariner's Point	Assisted Living Facility	112

Source: Town of East Haven.

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Building Permits

Calendar Year Ending 12/31	Residential		Commercial		Totals	
	No.	Value	No.	Value	No.	Value
2025	1,114	\$ 14,084,048	128	\$ 6,749,566	1,242	\$ 20,833,614
2024	1,007	11,861,434	136	4,479,465	1,143	16,340,899
2023	1,107	14,257,475	105	14,008,720	1,212	28,266,195
2022	1,052	19,002,000	64	3,131,000	1,116	22,133,000
2021	1,307	17,762,000	75	7,480,000	1,382	25,242,000
2020	1,170	14,609,000	30	2,046,000	1,200	16,655,000
2019	1,231	14,932,000	93	18,816,000	1,324	33,748,000
2018	1,148	16,647,000	131	2,518,000	1,279	19,165,000
2017	1,090	23,472,000	149	3,201,000	1,239	26,673,000
2016	1,034	26,683,000	115	2,964,000	1,149	29,647,000

Source: Building Department, Town of East Haven.

Age Distribution of Housing

Year Built	Town of East Haven		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	2,056	17.0%	311,584	20.2%
1940 to 1969.....	4,498	37.3	514,365	33.4
1970 to 1979.....	1,398	11.6	210,797	13.7
1980 to 1989.....	2,183	18.1	199,083	12.9
1990 to 1999.....	1,183	9.8	115,803	7.5
2000 or 2009.....	482	4.0	109,783	7.1
2010 or later.....	269	2.2	80,407	5.2
Total Housing Units.....	12,069	100.0%	1,541,822	100.0%

Percent Owner Occupied 74.6% 66.5%

Source: American Community Survey 2020-2024.

Housing Inventory

Type	Town of East Haven		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	8,194	67.9%	902,771	58.6%
1-unit, attached.....	714	5.9	99,493	6.5
2 units.....	525	4.3	115,211	7.5
3 or 4 units.....	544	4.5	125,486	8.1
5 to 9 units.....	656	5.4	76,014	4.9
10 to 19 units.....	448	3.7	54,675	3.5
20 or more units.....	988	8.2	156,730	10.2
Mobile home.....	-	-	10,890	0.7
Boat, RV, van, etc.....	-	-	552	0.0
Total Inventory.....	12,069	100.0%	1,541,822	100.0%

Source: American Community Survey 2020-2024.

Owner-Occupied Housing Values

Specified Owner-Occupied Units	Town of East Haven		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	293	3.4%	23,262	2.4%
\$50,000 to \$99,999.....	165	1.9	14,209	1.5
\$100,000 to \$149,999.....	365	4.3	31,134	3.3
\$150,000 to \$199,999.....	646	7.6	65,851	6.9
\$200,000 to \$299,999.....	2,969	34.9	205,349	21.5
\$300,000 to \$499,999.....	3,690	43.4	350,277	36.8
\$500,000 to \$999,999.....	335	3.9	197,853	20.8
\$1,000,000 or more.....	36	0.4	65,054	6.8
Total.....	8,499	100.0%	952,989	100.0%
Median Sales Price.....	\$294,200		\$366,900	

Source: American Community Survey 2020-2024.

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IV. Tax Base Data

Property Tax Assessments

The Town last had a general property revaluation effective October 1, 2021. Under Section 12-62 of the Connecticut General Statutes, the Town must do a statistical revaluation every five years and a revaluation by physical inspection must be done no later than ten years from the preceding physical inspection. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibility of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. 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, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but prior to the first day of August in such assessment year, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

Section 12-71e(a) of the Connecticut General Statutes has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the Connecticut General Statutes, as amended, states that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. The Town's mill rate for motor vehicles for the current 2024 assessment year (2025/2026 Fiscal Year) is 32.46.

Property Tax Levy and Collection

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate and personal property tax bills are payable in two installments - July 1 and January 1. Real estate and personal property bills of \$50 or less are due in full on July 1. Motor vehicle bills are due in full regardless of amount on July 1. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is included as a revenue item in the budget. Delinquent taxes are billed on a periodic basis, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically 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 after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

Comparative Assessed Valuations

Grand List of 10/1	Commercial/ Residential Industrial		Other Land (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemption	Net Taxable Grand List	Percent Growth
	Real Property (%)	Real Property (%)							
2025	68.6	14.9	1.7	4.4	10.4	\$ 2,439,424	\$ 49,013	\$ 2,390,411	1.00
2024	69.5	15.3	1.7	4.3	9.1	2,404,835	37,982	2,366,853	(0.83)
2023	69.1	14.7	1.7	4.1	10.4	2,416,920	30,234	2,386,686	(1.14)
2022	68.2	14.6	1.8	4.5	10.9	2,447,485	33,236	2,414,249	0.60
2021 ¹	68.5	14.7	1.6	4.8	10.4	2,434,247	34,506	2,399,741	18.39
2020	68.6	15.9	1.9	4.1	9.5	2,054,203	27,208	2,026,995	1.40
2019	68.2	16.0	2.9	3.8	9.1	2,024,293	25,381	1,998,912	1.37
2018	70.5	16.9	0.9	3.1	8.6	1,996,504	24,579	1,971,925	(0.11)
2017	69.2	17.3	1.2	3.6	8.7	1,997,163	23,046	1,974,117	0.61
2016 ¹	68.8	17.1	1.3	3.4	8.7	1,984,607	22,518	1,962,089	(2.38)

¹ Revaluation.

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

Property Tax Levies and Collections

(in thousands)

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List (000's)	Mill Rate	Adjusted Annual Levy (000's)	Percent of Annual Levy	Percent of Annual Levy	Percent of Annual Levy
					Collected at End of Fiscal Year	Uncollected at End of Fiscal Year	Uncollected as of 6/30/2025 ²
2024	2026 ²	\$ 2,366,853	33.44	\$ 79,840	IN PROCESS		
2023	2025 ²	2,386,686	33.44	79,811	98.1%	1.9%	1.90%
2022	2024	2,414,249	31.20	75,137	97.9%	2.1%	0.03%
2021 ¹	2023	2,399,741	31.20	74,796	97.8%	2.2%	0.02%
2020	2022	2,026,995	34.25	69,412	98.0%	2.0%	0.02%
2019	2021	1,998,912	34.25	68,327	98.2%	1.8%	0.01%
2018	2020	1,971,925	32.42	63,930	98.0%	2.0%	0.00%
2017	2019	1,974,117	34.25	63,817	98.0%	2.0%	0.00%
2016 ¹	2018	1,962,089	31.55	61,904	98.0%	2.0%	0.00%
2015	2017	2,009,895	31.55	63,412	98.0%	2.0%	0.00%

¹ Revaluation.

² Subject to audit.

Sources: Assessor's Office and Tax Collector's Office, Town of East Haven.

Property Tax Receivable

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2025 ¹	\$ 5,976,956	\$ 1,472,297
2024	3,046,293	1,612,387
2023	4,271,991	1,618,827
2022	3,629,306	1,360,829
2021	3,455,988	1,235,254
2020	3,055,103	1,116,775

¹ Subject to audit.

Source: Tax Collector's Report, Town of East Haven Annual Audited Financial Statements, 2020-2024. Finance Department, 2025.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
65 Messina Drive LLC	Apartments	\$ 20,259,400	0.85%
140 Mill ST LLC	Apartments	19,126,030	0.80%
Southern Conn Gas Co.	Gas Distribution Co.	13,644,780	0.57%
500-520 Main St. LLC	Apartments	13,592,880	0.57%
LJG Trolley Square LLC	Shopping Plaza	13,101,620	0.55%
KRE-BSL	Residential Living	11,677,890	0.49%
1270 North High St. LLC DVA Woodview ...	Residential Living	10,616,900	0.44%
Home Depot	Retail Building	10,582,670	0.44%
United Illuminating	Electronic Distribution Co.	9,994,510	0.42%
DarBar LLC	Hotel	9,639,000	0.40%
Total		\$ 132,235,680	5.53%

¹ Based on the October 1, 2025 Net Taxable Grand List of \$2,390,410,741.

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

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V. Debt Summary
Principal Amount of Bonded Indebtedness ¹
As of May 20, 2026
(Pro-Forma)

Long-Term Debt			Amount of	Outstanding	Fiscal Year
Date	Purpose	Rate %	Original Issue	After This Issue	of Final Maturity
08/02/11	General Purpose.....	3.00 - 5.00	\$ 1,545,000	\$ 60,000	2027
07/31/13	General Purpose/School.....	2.00 - 4.125	4,435,000	925,000	2029
11/17/16	General Purpose - Series A.....	3.00 - 4.00	3,500,000	2,100,000	2037
11/17/16	General Purpose/School - Series B.....	3.00 - 4.00	5,230,000	2,180,000	2030
12/27/18	General Purpose/School - Series A.....	2.55 - 5.00	3,305,000	2,440,000	2039
12/27/18	General Purpose/School - Series B (Taxable)....	4.00 - 4.625	4,325,000	3,925,000	2039
06/30/20	General Purpose - Series A.....	2.50 - 5.00	6,850,000	6,055,000	2044
06/30/20	General Purpose/School - Series B (Taxable)....	2.375 - 4.15	4,465,000	3,905,000	2044
11/09/23	General Purpose/School.....	5.00	4,900,000	4,715,000	2049
Sub-Total.....			\$ 38,555,000	\$ 26,305,000	
<u>This Issue</u>					
The Series A Bonds					
05/20/26	General Purpose.....	<i>tbd</i>	\$ 2,573,602	\$ 2,573,602	2046
05/20/26	Schools	<i>tbd</i>	26,398	26,398	2046
Sub-Total - Series A Bonds.....			\$ 2,600,000	\$ 2,600,000	
The Series B Bonds					
05/20/26	General Purpose - Taxable.....	<i>tbd</i>	\$ 16,036,636	\$ 16,036,636	2046
05/20/26	Schools - Taxable	<i>tbd</i>	1,363,364	1,363,364	2046
Sub-Total - Series B Bonds.....			\$ 17,400,000	\$ 17,400,000	
Total Bonds of This Issue.....			\$ 20,000,000	\$ 20,000,000	
Total Long Term Debt.....			\$ 58,555,000	\$ 46,305,000	

¹ Excludes bonds previously refunded and capital leases. Also excludes an energy savings improvement plan lease and solar panel lease. The amounts outstanding as of June 30, 2025 are \$4,945,000 and \$8,000,000, respectively.

² Permanent Loan Obligations issued in conjunction with State of Connecticut, Clean Water Fund Program. Principal & interest are paid in equal monthly installments. See "Clean Water Fund Program" herein.

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**Short-Term Debt
As of May 20, 2026
(Pro-Forma)**

As of May 20, 2026, the Town doesn't not have any outstanding short-term notes.

**Annual Bonded Debt Maturity Schedule ¹
As of May 20, 2026
(Pro-Forma)**

Fiscal Year Ended	This Issue						Cumulative Principal Retired
	Principal	Interest	Total	Series A Tax Exempt Bonds	Series B Taxable Bonds	Total	
2027 ²	\$ 2,090,000	\$ 998,769	\$ 3,088,769	\$ -	\$ -	\$ 2,090,000	4.5%
2028	2,055,000	916,025	2,971,025	-	-	2,055,000	9.0%
2029	2,115,000	837,109	2,952,109	140,000	965,000	3,220,000	15.9%
2030	1,765,000	761,610	2,526,610	140,000	965,000	2,870,000	22.1%
2031	1,190,000	700,678	1,890,678	145,000	965,000	2,300,000	27.1%
2032	1,220,000	651,982	1,871,982	145,000	965,000	2,330,000	32.1%
2033	1,255,000	604,314	1,859,314	145,000	965,000	2,365,000	37.2%
2034	1,295,000	555,017	1,850,017	145,000	965,000	2,405,000	42.4%
2035	1,335,000	503,641	1,838,641	145,000	965,000	2,445,000	47.7%
2036	1,380,000	450,188	1,830,188	145,000	965,000	2,490,000	53.1%
2037	1,430,000	394,998	1,824,998	145,000	965,000	2,540,000	58.5%
2038	1,300,000	341,538	1,641,538	145,000	965,000	2,410,000	63.8%
2039	1,350,000	289,598	1,639,598	145,000	965,000	2,460,000	69.1%
2040	800,000	248,685	1,048,685	145,000	965,000	1,910,000	73.2%
2041	830,000	219,285	1,049,285	145,000	970,000	1,945,000	77.4%
2042	860,000	187,610	1,047,610	145,000	970,000	1,975,000	81.7%
2043	895,000	153,503	1,048,503	145,000	970,000	2,010,000	86.0%
2044	930,000	117,980	1,047,980	145,000	970,000	2,045,000	90.4%
2045	970,000	80,939	1,050,939	145,000	970,000	2,085,000	94.9%
2046	290,000	54,750	344,750	145,000	970,000	1,405,000	97.9%
2047	300,000	40,000	340,000	-	-	300,000	98.6%
2048	315,000	24,625	339,625	-	-	315,000	99.3%
2049	335,000	8,375	343,375	-	-	335,000	100.0%
Total.....	\$ 26,305,000	\$ 9,141,217	\$ 35,446,217	\$ 2,600,000	\$ 17,400,000	\$ 46,305,000	

¹ Excludes outstanding Notes, long-term capital leases and bonds previously refunded.

² Excludes \$2,915,000 in principal payments and \$1,087,565 in interest payments from April 1, 2026 through June 30, 2026.

Overlapping/Underlying Debt

Apart from the Town, there are no other political subdivisions with power to issue debt or cause taxes to be levied on taxable property in the Town. The Town has no overlapping or underlying indebtedness.

Debt Statement ¹
As of May 20, 2026
(Pro-Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue).....	\$ 41,053,508
Schools (Includes this issue).....	5,251,492
Total Long-Term Debt	<u>46,305,000</u>

Short-Term Debt:

Bond Anticipation Notes	-
Total Short-Term Debt	<u>-</u>

Total Direct Debt

	<u>46,305,000</u>
--	-------------------

Underlying Debt.....

	-
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Total Overall Debt

	<u>46,305,000</u>
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Less: School Construction Grants Receivable (As of June 30, 2025)

	-
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Total Overall Net Debt

	<u><u>\$ 46,305,000</u></u>
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¹ Excludes capital leases.

Current Debt Ratios
As of May 20, 2026
(Pro-Forma)

Population (2024) ¹	27,806
Net Taxable Grand List (10/1/25)	\$ 2,390,410,741
Estimated Full Value	\$ 3,414,872,487
Equalized Grand List (10/1/23) ²	\$ 4,581,370,878
Money Income per Capita (2024) ¹	\$ 45,976

	Total Long Term Debt	Total Direct Debt	Total Overall Net Debt
	\$46,305,000	\$46,305,000	\$46,305,000
Per Capita.....	\$1,665.29	\$1,665.29	\$1,665.29
Ratio to Net Taxable Grand List.....	1.94%	1.94%	1.94%
Ratio to Estimated Full Value.....	1.36%	1.36%	1.36%
Ratio to Equalized Grand List.....	1.01%	1.01%	1.01%
Debt per Capita to Money Income per Capita.....	3.62%	3.62%	3.62%

¹ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2020-2024.

² Office of Policy and Management, State of Connecticut.

Debt Authorization

The Town has the power to incur indebtedness by issuing its Bonds or as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the procedural requirements of the Town Charter. The issuance of bonds is authorized by ordinance adopted by the Town Council. The issuance of refunding bonds is authorized by resolution adopted by the Town Council.

Maturities

General obligation bonds (serial and term), with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The first installment of any series of bonds shall mature not later than three years from the date of the issue of such series. Pursuant to state law, all bonds issued on or after July 1, 2017, shall be due not later than thirty years from the date of their issuance.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing no later than two years after the original date of issue (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 temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third and each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for certain sewer and 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 the initial borrowing date, except for sewer or school notes issued in anticipation of state and/or federal grants. If a written commitment exists, the municipality may renew the sewer or school 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 issuance of such notes (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. 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).

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Limitation of Indebtedness

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

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

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

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

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Statement of Statutory Debt Limitation ¹
As of May 20, 2026
(Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2025 ¹ \$ 79,113,791

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 79,113,791

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 178,006,030	-	-	-	-
4 1/2 times base.....	-	\$ 356,012,060	-	-	-
3 3/4 times base.....	-	-	\$ 296,676,716	-	-
3 1/4 times base.....	-	-	-	\$ 257,119,821	-
3 times base.....	-	-	-	-	\$ 237,341,373
Total Debt Limitation	\$ 178,006,030	\$ 356,012,060	\$ 296,676,716	\$ 257,119,821	\$ 237,341,373

Indebtedness:

Bonds Outstanding.....	\$ 22,443,270	\$ 3,861,730	\$ -	\$ -	\$ -
Bonds – This Issue - Series A.....	2,573,602	26,398	-	-	-
Bonds – This Issue - Series B.....	16,036,636	1,363,364	-	-	-
Underlying Debt.....	-	-	-	-	-
Debt Authorized But Unissued.....	2,441,564	2,338,232	-	-	-
Total Indebtedness	43,495,071	7,589,725	-	-	-

Less:

State School Grants Receivable -

Total Net Indebtedness..... 43,495,071 7,589,725 - - -

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS.... \$ 134,510,958 \$ 348,422,335 \$ 296,676,716 \$ 257,119,821 \$ 237,341,373

¹ Subject to audit.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$553,796,537.

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

Authorized but Unissued Debt
As of May 20, 2026
(Pro Forma)

Project	Total Amount of Authorization	Bonds Issued	Statutory Paydowns	Grants	This Issue Bonds		Authorized But Unissued
					Series A: Tax Exempt	Series B: Taxable	
2019 - 2020 Capital Improvements.....	\$ 6,950,000	\$ 3,900,050	\$ -	\$ -	\$ 5,012	\$ 837,511	\$ 2,207,427
2020 - 2021 Capital Improvements.....	2,675,000	-	-	-	-	2,570,330	104,670
2021 - 2022 Capital Improvements.....	1,060,134	-	-	-	-	887,254	172,880
2022 - 2023 Capital Improvements.....	1,520,191	-	-	-	47,484	1,222,088	250,619
2023 - 2024 Capital Improvements.....	3,330,321	-	-	-	2,547,504	682,817	100,000
2024 - 2025 Capital Improvements.....	1,944,200	-	-	-	-	-	1,944,200
Judgement / Settlement.....	11,200,000	-	-	-	-	11,200,000	-
Totals.....	\$ 28,679,846	\$ 3,900,050	\$ -	\$ -	\$ 2,600,000	\$ 17,400,000	\$ 4,779,796

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**Principal Amount of Outstanding General Fund Debt
Last Five Fiscal Years Ending June 30**

Long-Term Debt	2025¹	2024	2023	2022	2021
Bonds.....	\$ 28,500,000	\$ 31,020,000	\$ 28,475,000	\$ 30,735,000	\$ 30,735,000
Clean Water Fund.....	-	-	-	-	-
Sub-Total.....	28,500,000	31,020,000	28,475,000	30,735,000	30,735,000
Short-Term Debt					
Bond Anticipation Notes...	-	-	-	-	-
Grand Total.....	\$ 28,500,000	\$ 31,020,000	\$ 28,475,000	\$ 30,735,000	\$ 30,735,000

¹ Subject to audit.

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)		Net Long-Term Debt (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)		Population¹	Ratio of Net Long-Term Debt per Capita to Income² (%)	
	Estimated Full Value (000s)	Estimated Full Value (000s)		Estimated Full Value (%)	Estimated Full Value (%)		Net Long-Term Debt per Capita	Net Long-Term Debt per Capita
2025 ³	\$ 2,386,686	\$ 3,409,551	\$ 28,500	1.19%	0.84%	27,806	\$ 1,024.96	2.23%
2024	2,414,249	3,448,927	31,020	1.28%	0.90%	27,806	1,115.59	2.43%
2023	2,399,741	3,428,201	28,475	1.19%	0.83%	27,806	1,024.06	2.23%
2022	2,026,995	2,895,707	30,735	1.52%	1.06%	27,806	1,105.34	2.40%
2021	1,998,912	2,855,589	30,735	1.54%	1.08%	27,806	1,105.34	2.40%

¹ U.S. Bureau of Census, 2020-2024 ACS data.

² Money Income per Capita: Census 2020-2024 ACS data: \$45,976 used for all calculations.

³ Subject to audit.

Note: Excludes capital leases.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
To Total General Fund Expenditures**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures¹	Ratio of General Fund Debt Service To Total General Fund Expenditures (%)
2026 ²	\$ 4,585,388	\$ 110,716,325	4.14%
2025	4,351,354	107,437,282	4.05%
2024	3,782,218	108,370,488	3.49%
2023	4,032,970	105,911,040	3.81%
2022	1,821,432	92,529,350	1.97%
2021	1,564,787	90,224,941	1.73%

¹ GAAP basis of accounting. Includes Transfers out.

² Budgetary basis of accounting; subject to audit

Capital Improvement Program

Proposed Projects	Fiscal 2025-26	Fiscal 2026-27	Fiscal 2027-28	Fiscal 2028-29	Fiscal 2029-30	Total
Public Service.....	\$ 1,280,000	\$ 1,315,000	\$ 955,000	\$ 865,000	\$ 1,115,000	\$ 5,530,000
Animal Shelter.....	95,000	-	-	-	-	95,000
Police.....	170,000	-	-	-	-	170,000
Fire.....	3,595,000	430,000	1,070,000	750,000	2,000,000	7,845,000
Library	15,681	60,000	-	-	-	75,681
Senior Center.....	30,000	-	-	-	-	30,000
Education.....	2,510,450	-	-	-	-	2,510,450
Total.....	\$ 7,696,131	\$ 1,805,000	\$ 2,025,000	\$ 1,615,000	\$ 3,115,000	\$ 16,256,131

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VI. Financial Administration

Fiscal Year

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

Basis of Accounting and Accounting Policies

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Please refer to Appendix A "Notes to Financial Statements" herein for compliance and implementation details.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

The new reporting model includes the following segments:

Management's Discussion and Analysis ("MD&A") provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

Government-wide financial statements - consist of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

Fund financial statements - provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

The general fund is the general operating fund of the Town government. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt and capital improvement costs of the Town, which were not paid through a special fund.

The Town reports the following major proprietary funds:

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Internal Service funds account for general insurance, medical insurance and workers' compensation insurance provided to other departments or agencies of the government.

Agency funds account for monies held as a custodian for outside groups and agencies.

Required supplementary information - in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A under "Notes to Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements of the Town of East Haven.

Budgetary Procedures

The Town adheres to the following procedures in establishing the budgetary data reported in the financial statements for the general fund. Prior to March 4, the Mayor submits to the Board of Finance a proposed operating budget for the year commencing the following July 1. The Board of Finance returns the budget to the Mayor with its recommendations by March 23. On or before March 31, the Mayor submits the budget to the Town Council, which calls a public hearing. By April 30, the Town Council votes to adopt the budget.

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.

Annual Audit

Pursuant to Connecticut Law, the Town is required 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 the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2024, the examination was conducted by the firm of PKF O'Connor Davies, LLP, independent certified public accountants, of Wethersfield, Connecticut.

Auditor's Disclaimer

The audited financial statements of the Town are included in Appendix A. The independent auditor's report is only effective through the date of the report. The independent auditors for the Town do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement, and no representation is made 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 been asked nor have they provided their written consent to use their Independent Auditors' Report in this Official Statement.

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Pension Plans

Town Employees

All Town employees participate in the Municipal Employees' Retirement System ("MERS"). MERS is the administrator of a cost-sharing, multiple employer public employee retirement system ("PERS") established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. The Pension Commission makes recommendations for plan provisions which are approved by the Board of Finance and Town Council. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund.

Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All benefits vest after 10 years of continuous service. Members who retire after age 55 with 10 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

Covered employees are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid, plus 7.5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. The following represents the Town's funding of its contribution to the MERS over the last five years:

Fiscal Year Ended	Actuarially Determined Contribution	Amount Contributed	Percentage Contributed
6/30/2025 ¹	\$ 5,967,141	\$ 5,967,141	100.0%
6/30/2024	4,990,510	4,990,510	100.0%
6/30/2023	4,777,609	4,777,609	100.0%
6/30/2022	3,998,834	3,998,834	100.0%
6/30/2021	3,565,853	3,565,853	100.0%

¹ Subject to audit.

The Town's annually required contribution is determined as a percentage of covered payroll. For the fiscal year ended June 30, 2025, the required contribution was 27.4% of covered payroll.

Teachers' Retirement System

All Town certified teachers participate in the State of Connecticut Teachers' Retirement System (TRS) under Section 10-183b through 10-183rr of the Connecticut General Statutes. A teacher is eligible to receive a normal retirement benefit if he or she has: (1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or (2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement at June 30, 2025 amounted to \$23,419,525 or 67.22% of the total Board of Education payroll of \$34,838,381.

The Town does not have any liability for teacher pensions. The TRS is funded by the State based upon the recommendation of the State Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. For the year ended June 30, 2025, the Town recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$8,340,144, as payment made by the State of Connecticut on behalf of the Town.

The TRS is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 165 Capital Avenue, Hartford, Connecticut 06106.

Other Post-Employment Benefits

The Town and the Board of Education provide post-employment benefits for retirees who meet certain requirements regarding age and years of service. This benefit is provided based on union agreements and is fully funded by the Town. Currently, the Town provides health, medical and life insurance to 345 retirees, beneficiaries and dependents and 383 active employees.

The Town’s actuary, The Segal Group, Inc., has prepared a valuation in compliance with Governmental Accounting Standard’s Board (“GASB”) Statement #45 which included both Town and Board of Education employees. As part of the valuation, the actuary determined an implicit rate subsidy where applicable, and employed a 3.65% discount rate. Currently, the Town funds benefits on a pay-as-you-go basis and has not established a trust for plan assets. The actuarial value of assets and liabilities were as follows.

	Town	Education	Total
Valuation Date July 1.....	\$ 105,912,615	\$ 29,750,103	\$ 135,662,718
Service Cost.....	4,060,164	192,250	4,252,414
Interest.....	3,945,976	1,055,640	5,001,616
Differences Between Expected and Actual Experience.....	-	-	-
Changes of Assumptions	(5,172,962)	(705,302)	(5,878,264)
Benefit Payments.....	(3,761,424)	(2,059,853)	(5,821,277)
Net Change in Total OPEB Liability	(928,246)	(1,517,265)	(2,445,511)
Total OPEB Liability - Ending.....	\$ 104,984,369	\$ 28,232,838	\$ 133,217,207

Investment Policies and Practices

The Town Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, repurchase agreements, municipal bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The investment practices of the Town are in compliance with the Connecticut General Statutes.

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General Fund Balance Sheet
Five Year Summary of Assets, Liabilities, and General Fund Equity

	<i>Estimated</i>				
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
	<i>6/30/2025</i> ¹	<i>6/30/2024</i>	<i>6/30/2023</i>	<i>6/30/2022</i>	<i>6/30/2021</i>
Assets:					
Cash and cash equivalents	\$ 3,909,001	\$ 3,897,783	\$ 4,849,421	\$ 8,496,090	\$ 5,616,759
Investments	8,117,580	20,137,245	14,265,399	17,744,769	22,315,317
Property Taxes	1,925,531	2,646,293	4,271,991	3,629,306	3,455,988
Intergovernmental	-	-	-	-	233,159
Other Receivables	410,734	372,979	398,440	338,830	179,469
Due from other funds	25,017,933	5,611,659	8,560,983	4,730,951	1,911,205
Other	-	-	-	12,934	8,750
Total Assets	39,380,779	32,665,959	32,346,234	34,952,880	33,720,647
Liabilities, Equity, & Other Credits:					
Current Liabilities					
Accounts and other payables	2,485,621	2,273,755	2,707,931	2,253,374	2,593,536
Accrued Payroll	5,773,898	3,260,096	3,117,575	4,868,664	5,512,426
Due to other funds	16,694,439	12,995,093	10,513,228	10,869,175	11,550,023
Unearned Revenues	-	-	-	-	-
Other Liabilities	88,552	88,552	75,024	69,554	64,878
Total Liabilities	25,042,510	18,617,496	16,413,758	18,060,767	19,720,863
Deferred Inflow of Resources					
Unavailable Revenue	1,925,531	2,646,293	4,271,991	3,629,306	3,455,988
Deferred Inflows Related to Leases	-	-	-	-	-
Advance Payment in Lieu of Taxes Collections ...	-	-	-	-	-
Advance Property Tax Collections	3,903,893	2,222,998	3,400,166	6,009,926	4,845,641
Advance Sewer Collections	-	-	-	-	-
Total Deferred Inflow of Resources	5,829,424	4,869,291	7,672,157	9,639,232	8,301,629
Equity & Other Credits					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	4,926,000	-	-	-	-
Unassigned	3,582,845	9,179,172	8,260,319	7,252,881	5,698,155
Total Equity & Other Credits	8,508,845	9,179,172	8,260,319	7,252,881	5,698,155
Total Liabilities, Equity & Other Credits	\$ 39,380,779	\$ 32,665,959	\$ 32,346,234	\$ 34,952,880	\$ 33,720,647

¹ Subject to audit.

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General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and
Estimated Actuals and Current Year Adopted Budget (Budgetary Basis)

	Adopted Budget ¹ 6/30/2026	Estimated Actual ¹ 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022	Actual 6/30/2021
Revenues:						
Property Taxes & Assessments.....	\$ 79,991,271	\$ 80,631,814	\$ 76,577,210	\$ 75,351,140	\$ 71,150,527	\$ 69,380,880
Charges for Services.....	1,844,900	3,331,263	2,802,082	3,014,876	2,549,885	2,026,595
Intergovernmental.....	20,998,952	20,836,614	27,839,115	26,935,635	19,451,195	19,697,361
Investment Income.....	850,000	903,697	1,083,257	702,010	54,532	30,045
Other.....	2,105,202	1,057,433	972,587	903,092	834,513	1,905,848
Total.....	\$ 105,790,325	\$ 106,760,821	\$ 109,274,251	\$ 106,906,753	\$ 94,040,652	\$ 93,040,729
Expenditures:						
General Government.....	\$ 3,707,986	\$ 3,485,613	\$ 3,156,898	\$ 3,459,899	\$ 3,037,668	\$ 2,908,659
Public Safety.....	18,881,734	17,695,125	16,754,704	16,503,153	15,435,078	14,420,951
Public Works.....	6,469,264	6,917,278	6,042,879	6,113,162	5,631,818	5,581,262
Culture and Recreation.....	2,463,521	2,262,139	2,122,562	1,997,886	1,828,077	1,438,370
Health & Welfare.....	631,961	616,704	609,502	540,811	531,446	953,464
Employee Benefits and Insurance.....	19,699,750	18,185,915	16,854,156	15,993,274	14,835,843	13,973,871
Education.....	52,294,271	52,444,414	57,765,789	55,688,922	48,044,271	47,994,271
General Services.....	1,982,450	1,478,743	1,281,780	1,580,963	1,293,501	1,389,269
Debt Service.....	4,585,388	4,351,354	3,782,218	4,032,970	1,821,432	1,564,787
Total.....	\$ 110,716,325	\$ 107,437,282	\$ 108,370,488	\$ 105,911,040	\$ 92,459,134	\$ 90,224,904
Excess (Deficiency) of Revenues						
Over Expenditures.....	\$ (4,926,000)²	\$ (676,461)	\$ 903,763	\$ 995,713	\$ 1,581,518	\$ 2,815,825
Other Financing Sources (Uses):						
Sale of Town Owned Property.....	-	6,125	15,099	11,584	39,950	29,766
Operating transfers in.....	-	-	-	141	3,474	8,560
Operating transfers out.....	-	-	-	-	(70,216)	(37)
Net Other Financing Sources (Uses).....	\$ -	\$ 6,125	\$ 15,099	\$ 11,725	\$ (26,792)	\$ 38,289
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....						
	N/A	(670,336)	918,862	1,007,438	1,554,726	2,854,114
Fund Equity, Beginning of Year.....	N/A	9,179,181	8,260,319	7,252,881	5,698,155	2,844,041
Residual Equity Transfer.....	-	-	-	-	-	-
Fund Equity, End of Year.....	N/A	\$ 8,508,845	\$ 9,179,181	\$ 8,260,319	\$ 7,252,881	\$ 5,698,155

¹ Budgetary basis of accounting; subject to audit.

² At the time the FY2026 budget was adopted, the Town anticipated drawing down approximately \$4.9 million in fund balance to balance the budget. However, based on current projections and positive operating variances, the projected deficit is approximately \$1 million, and as such, that amount is expected to be drawn down to balance the budget.

Analysis of General Fund Equity

	Adopted Budget ¹ 6/30/2026	Estimated Actual ¹ 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022	Actual 6/30/2021
Nonspendable.....	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	N/A	-	-	-	-	-
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	4,926,000	-	-	-	-
Unassigned.....	N/A	3,582,845	9,179,181	8,260,319	7,252,881	5,698,155
Total Fund Equity.....	N/A	\$ 8,508,845	\$ 9,179,181	\$ 8,260,319	\$ 7,252,881	\$ 5,698,155

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections & the final result of operations will not change.

VII. Legal and Other Information

Legal Matters

The Town Attorney is responsible for the management of all legal matters involving the Town of East Haven and represents the Town, its officers, boards, commissions, and departments in all legal proceedings. The Town Attorney engages outside counsel in connection with specialized matters and litigation as deemed necessary.

Litigation

The Town Attorney has advised that the Town, its officers, employees, boards, and commissions are named defendants in various lawsuits, tax appeals, administrative proceedings, and other claims arising in the ordinary course of municipal operations, including, but not limited to, tax appeals brought pursuant to Connecticut General Statutes § 12-117a and Connecticut General Statutes § 12-119.

After consultation with Town officials and, where appropriate, outside counsel, it is the opinion of the Town Attorney that the ultimate disposition of such matters is not expected to result, either individually or in the aggregate, in judgments against the Town which would materially adversely affect its financial position.

The Town maintains liability insurance, including coverage for certain litigation risks and adverse judgments, and all such policies are in full force and effect. Notice of claims is provided to carriers in accordance with policy requirements. No assurance can be given, however, that the outcome of any such matters will not differ from current expectations or that such differences would not have a material adverse effect on the Town's financial position.

Other Legal Matters

In addition to the matters described above, the Town may be subject to various other legal proceedings and claims arising from time to time in the normal course of its operations, including land use appeals pursuant to Connecticut General Statutes § 8-8. The Town Attorney is not aware of any such matters which, if adversely determined, would be expected to have a material adverse effect on the financial condition of the Town, except as otherwise disclosed herein.

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Transcript and Closing Documents

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.

2. A Certificate on behalf of the Town, signed by the Mayor, Treasurer and Director of Finance, which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in 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. Receipts for the purchase price of the Bonds.

4. The approving opinions for the Bonds of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut, substantially in the forms attached hereto as Appendices B-1 and B-2, respectively.

5. Executed continuing disclosure agreements for the Bonds substantially in the forms attached hereto as Appendices C-1 and C-2, respectively.

6. The Town has prepared an Official Statement for the Bonds which is dated May __, 2026. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Town will make available to the winning purchaser of the each series of the Bonds a reasonable number of copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or re-offering prices, the name of the managing underwriter, and the name of the insurer, if any, on the Bonds. The winning purchasers shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement. Additional copies of the Official Statement may be obtained by the winning purchasers at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

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Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

Any questions concerning this Official Statement should be directed to Barbara-Ann K. Brannigan, Director of Finance, Town of East Haven, 250 Main Street, East Haven, Connecticut 06512. Telephone (203) 468-3210. This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF EAST HAVEN, CONNECTICUT

By: _____
Joseph A. Carfora, *Mayor*

By: _____
Barbara-Ann K. Brannigan, *Director of Finance*

By: _____
Noreen Clough, *Treasurer*

Dated as of May __, 2026

Appendix A

2024 General Purpose Financial Statements

The following includes excerpts from the Comprehensive Annual Financial Report of the Town of East Haven, Connecticut for the fiscal year ended June 30, 2024. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, Connecticut 06460. Telephone (203) 878-4945.



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut ("Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025 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 6, 2025



Management’s Discussion and Analysis For the Year Ended June 30, 2024

As management of the Town of East Haven, Connecticut (“Town”), we offer readers of the Town’s financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024.

Financial highlights

- On a government-wide basis, the liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year as follows:

Change in net position	\$ (13,794,591)
Total net position	(95,862,863)
Unrestricted net position	(156,955,001)

- The significant factors for the change are as follows:

Fund level activity:

➤ positive operations of the general fund of	\$ 918,853
➤ negative operations of the education grants fund of	(454,541)
➤ positive operations of the capital projects fund of	3,321,501
➤ negative operations of the school lunch fund of	(628,603)
➤ positive operations of the debt service fund of	429,340
➤ negative operations of the internal service fund of	(2,011,450)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	(2,084,850)
➤ change in property tax, interest, and lien revenue of	(2,084,413)
➤ net long-term debt activity of	(1,789,494)
➤ change in net pension liability of	(2,625,653)
➤ change in OPEB liability of	(20,350,717)
➤ change in deferred outflows of resources related to pension and OPEB of	10,487,509
➤ change in deferred inflows of resources related to pension and OPEB of	3,877,073

- As of the close of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$10,546,134, an increase of \$3,308,667 in comparison with the prior year. This increase is primarily a result of the positive operations in the capital projects fund of \$3,321,501.

- At year end, the unassigned fund balance for the general fund was \$9,179,172, an increase of \$918,853 from the prior year. The unassigned fund balance represents 9.18% of total budgetary expenditures and other financing uses as compared to 8.40% in the prior year.
- Net capital assets decreased \$2,131,105 or 2.15%.
- The Town's total long-term debt increased by \$1,690,035 or 4.55%.

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the 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 of resources, liabilities and deferred inflows of resources, with the difference between these accounts being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues. The governmental activities of the Town include general government, public safety, public works, culture and recreation, health and welfare and education.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each major fund. The funds reported as major funds are as follows:

- General fund
- Education grants fund
- Capital projects fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Schedules 3 and 4.

Proprietary funds

The Town maintains one type of proprietary fund. 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 self-insurance, workers' compensation, and medical benefits. These activities have been included within governmental activities in the government-wide financial statements.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

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

- A budgetary comparison schedule for the general fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

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

Government-wide financial analysis

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year-end totaled \$156,955,001. This is a decrease of \$9,476,553 from the prior year.

**Summary Statement of Net Position
June 30**

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 36,593,355	\$ 37,473,023
Capital assets (net)	<u>96,780,449</u>	<u>98,911,554</u>
Total assets	<u>133,373,804</u>	<u>136,384,577</u>
Deferred outflows of resources	<u>50,455,803</u>	<u>39,896,817</u>
Long-term liabilities	234,748,998	215,912,521
Current liabilities	<u>25,131,980</u>	<u>17,571,412</u>
Total liabilities	<u>259,880,978</u>	<u>233,483,933</u>
Deferred inflows of resources	<u>19,811,492</u>	<u>24,865,733</u>
Net investment in capital assets	57,015,219	60,727,345
Restricted	4,076,919	4,682,831
Unrestricted	<u>(156,955,001)</u>	<u>(147,478,448)</u>
Total net position	<u>\$ (95,862,863)</u>	<u>\$ (82,068,272)</u>

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

A portion of the Town's net position, \$4,076,919, represents resources that are subject to external restrictions on how they may be used.

Net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position decreased by \$13,794,591 as detailed in the table below:

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

	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 4,852,660	\$ 4,580,013
Operating grants and contributions	40,543,106	39,824,045
Capital grants and contributions	1,910,592	3,527,941
General revenues:		
Property taxes	74,492,797	76,164,243
Grants and contributions not restricted to specific programs	623,547	614,032
Net income (loss) from investments	1,479,288	1,065,574
Other	108,248	49,267
Total revenues	124,010,238	125,825,115
Expenses:		
General government	6,998,364	7,359,936
Public safety	35,943,667	34,088,891
Public works	11,100,070	12,135,120
Health and welfare	1,509,464	1,370,643
Culture and recreation	2,852,898	3,203,313
Education	78,166,137	72,334,812
Interest	1,234,229	892,106
Total expenses	137,804,829	131,384,821
Change in net position	(13,794,591)	(5,559,706)
Net position - July 1	(82,068,272)	(76,508,566)
Net position - June 30	\$ (95,862,863)	\$ (82,068,272)

Significant revenue related changes are as follows:

Revenue category	Amount	Explanation
Operating grants and contributions increased by:	\$ 719,061	Due to increase in the teachers retirement pension and OPEB on behalf amounts of \$861,313
Capital grants and contributions decreased by:	(1,617,349)	Due to decrease in ARPA grant of \$1,560,474
Property taxes decreased by:	(1,671,446)	Due to lower net levy than the prior year mostly due to suspense transfers of approximately \$1,400,000

Management's Discussion and Analysis (continued)

Significant expense related changes are as follows:

Expense category	Amount	Explanation
Public safety expenses increased by:	\$ 1,854,776	Due to increase in OPEB expense of \$1,788,141, claims expense of \$1,203,104, and employee benefits of \$550,534, offset by decrease in pension expense of \$1,683,859
Public works expenses decreased by:	(1,035,050)	Due to decrease in pension expense of \$548,946
Education expenses increased by:	5,831,325	Change was due to the following:
		Increase in the operating budget of \$900,000
		Increase in school lunch expenses of \$693,020
		Increase in education grants of \$434,563
		Increase in teachers retirement pension and OPEB on behalf amounts of \$861,313
		Increase in OPEB expense of \$2,331,469
		Increase in medical claims expense of \$1,002,909
Decrease in pension expense of \$1,710,532		

Financial analysis of the Town's funds

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

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

The components of fund balance were as follows:

Nonspendable for endowments	\$ 100,000
Restricted	3,976,919
Committed	1,512,700
Assigned	1,703,364
Unassigned	3,253,151
	Total
	\$ 10,546,134

The total fund balance increased by \$3,308,667 to \$10,546,134. This change is the result of the following activity:

General fund

The general fund is the operating fund of the Town. At the end of the current fiscal year, total fund balance fund was \$9,179,172 as a result of positive operations of \$918,853.

As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 9.18% of total general fund budgetary expenditures and transfers out.

General fund budgetary highlights

The significant budget transfers during the year were as follows:

- The interest budget was decreased by \$250,000 and transferred to the fire and property insurance budget for final rates higher than budgets and additional policies
- The public services budget was decreased by \$190,000 and transferred to the sanitation budget for recycling costs
- The general services budget was decreased by \$533,971 and primarily transferred to the insurance budget to fund:
 - police department of \$250,000 for overtime
 - self-insurance reserve of \$185,000
 - legal fees of \$98,971

Significant budget variances were as follows:

Revenues

- Property taxes were lower than budget by \$371,794 due to the lower-than-expected motor vehicle and personal property tax collections amount of \$920,089 offset by the higher-than-expected delinquent taxes collections amount of \$540,800 and interest, penalties, and liens of \$310,818
- Charges for services revenue was under budget by \$122,118 primarily due to police special assignments under budget by \$293,121 offset by the building department permits over budget by \$142,455
- Income from investments increased by \$503,257 due to positive operations and the continued higher-than-expected interest rates
- Transfers in was under budget by \$225,000 due to the transfer not being made

Expenditures

Expenditure category	Amount	Explanation
General government expenditures were under budget by:	\$ 297,332	Tax collector department was underspent by \$54,517 due to unfilled positions
		Assessor department was underspent by \$81,916 due to the assessor position being open during the year
		Town clerk department underspent by \$48,676 due to unfilled positions
		IT Department underspent by \$49,782 due to unfilled positions of \$21,889 and less equipment purchases than budgeted of \$12,416

Expenditure category	Amount	Explanation
Public services were under budget by:	\$ 200,533	Due to open positions and lower than budgeted amount for gasoline due the lower than estimated gas price increases
Culture and recreation were under budget by:	206,573	Change was due to the following:
		Recreation expenditures lower than budgeted by \$67,369 due to lower than budgeted part-time and summer wages
		Ice rink expenditures lower than budgeted by \$75,606 due to lower than expected part-time wages and lower than budget utility costs of \$52,377
Employee benefits were under budget by:	214,244	Primarily due to cost saving of \$214,244 related to lower than budgeted pension costs due to open positions
Public services were under budget by:	200,533	Substantially due to lower costs for special assignments (police special duty) that were referred to a neighboring Town due to staffing shortages in the police department
Education was over budget by:	(315,554)	Due to higher than budgeted costs for special education

Education grants fund

This fund's net change in fund balance was a decrease of \$454,541 due to increase spending for special education costs.

Capital projects fund

This fund's net change in fund balance was an increase of \$3,321,501 for the fiscal year as a result of issuance of bonds to fund school and town projects as a result of the timing of spending and financing the projects.

Proprietary funds

The self-insurance, workers' compensation, and medical benefits internal service funds are the Town's proprietary funds. Unrestricted net position at year end was a deficit of \$564,240, a decrease of \$2,011,450 from the prior year due to increases in claims expenses.

Capital assets and debt administration

Capital assets

The Town's capital assets (net of accumulated depreciation/amortization) by type are detailed in the table below.

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

<u>Category</u>	<u>2024</u>	<u>2023</u>
Land	\$ 3,505,816	\$ 3,505,816
Construction in progress	1,890,149	4,949,581
Intangible right-to-use assets	1,848,953	2,064,822
Land improvements	3,281,677	2,831,114
Buildings	32,596,876	33,569,919
Building improvements	17,791,716	15,772,134
Machinery and equipment	7,321,826	7,136,251
Vehicles	2,109,522	2,448,276
Infrastructure	26,433,914	26,633,641
Total	<u>\$ 96,780,449</u>	<u>\$ 98,911,554</u>
Dollar change	<u>\$ (2,131,105)</u>	
Percentage change	<u>(2.15%)</u>	

The significant capital asset additions consisted of the following:

Category	Description	Amount
Construction in progress	Greenway trails	\$ 449,756
Land improvement	Town green	501,741
Building improvements	Ice rink	2,755,077
	Library roof	229,375
Machinery and equipment	Cafeteria tables and chairs	315,364
Vehicles	Police vehicles	165,509
Infrastructure	Maple Street bridge	332,072

The decrease in net capital assets is due to depreciation in excess of capital asset additions. Additions of \$3,144,113 were offset by depreciation/amortization expense of \$5,228,963.

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

Long-term debt

At the end of the current fiscal year, the Town had total long-term debt outstanding as detailed in the table below. All debt is backed by the full faith and credit of the Town.

**Long-Term Debt
June 30**

<u>Category</u>	<u>2024</u>	<u>2023</u>
Bonds payable	\$ 31,020,000	\$ 28,475,000
Notes payable	5,893,138	6,546,559
Leases payable	445,718	486,648
Subscriptions payable	1,514,539	1,675,153
Total	<u>\$ 38,873,395</u>	<u>\$ 37,183,360</u>
Dollar change	<u>\$ 1,690,035</u>	
Percentage change	<u>4.55%</u>	

The Town’s total long-term debt increased due to the issuance of bonds of \$4,900,000 and issuance of leases of \$106,851, offset by scheduled debt service payments of \$3,316,816.

The Town maintains an “A” rating from Standard and Poor’s for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$563,816,386, 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 E.

Economic factors and next year’s budgets and rates

As of June 2024, the unemployment rate for the Town was at 2.8%, as compared to 4.1% in the prior year. This is lower than the State average unemployment rate of 3.9% and lower than the national unemployment rate of 4.1%.

Town officials considered many factors when setting the fiscal year 2025 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to its residents and taxpayers.

The 2025 general fund budget is \$105,567,876, which is an increase of \$4,592,112 from the prior year. The Town continues to focus on managing the tax rate in an environment of changing levels of state funding.

Requests for information

This financial report is designed to familiarize the Town’s citizens, taxpayers and customers with the Town’s finances and to demonstrate the Town’s fiscal accountability for its operation. Questions concerning this report, or requests for additional financial information, should be directed to Finance Director, Town of East Haven, 250 Main Street, East Haven, Connecticut 06512.

**Basic
Financial
Statements**

Town of East Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2024

Assets

Current assets:	
Cash	\$ 7,658,122
Investments	21,183,189
Receivables:	
Property taxes	1,375,969
Intergovernmental	1,457,019
Loans	88,637
Other	449,634
Other	<u>36,285</u>
Total current assets	<u>32,248,855</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	50,760
Investments	2,370,251
Permanently restricted:	
Investments	<u>100,000</u>
Total restricted assets	<u>2,521,011</u>
Receivables (net):	
Property taxes	<u>1,823,489</u>
Capital assets (net of accumulated depreciation/amortization):	
Land	3,505,816
Construction in progress	1,890,149
Intangible right-to-use assets	1,848,953
Land improvements	3,281,677
Buildings	32,596,876
Building improvements	17,791,716
Machinery and equipment	7,321,826
Vehicles	2,109,522
Infrastructure	<u>26,433,914</u>
Total capital assets (net of accumulated depreciation/amortization)	<u>96,780,449</u>
Total noncurrent assets	<u>101,124,949</u>
Total assets	<u>133,373,804</u>
<u>Deferred Outflows of Resources</u>	
Deferred charge on refunding	140,902
Pension related	23,184,290
OPEB related	<u>27,130,611</u>
Total deferred outflows of resources	<u>50,455,803</u>

(Continued)

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

Town of East Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2024

Liabilities

Current liabilities:	
Accounts payable	\$ 2,871,891
Accrued payroll and related liabilities	3,758,583
Unearned revenue	3,787,151
Overpayments	88,552
Accrued interest payable	515,934
Long-term debt	3,508,742
Compensated absences	1,457,741
OPEB liability	6,045,000
Claims payable	3,098,386
	<hr/>
Total current liabilities	25,131,980
Noncurrent liabilities:	
Long-term debt and related liabilities	36,223,539
Compensated absences	5,830,962
Net pension liability	55,492,337
OPEB liability	129,617,718
Claims payable	7,584,442
	<hr/>
Total noncurrent liabilities	234,748,998
Total liabilities	<hr/> 259,880,978 <hr/>

Deferred Inflows of Resources

Advance property tax collections	2,222,998
Pension related	1,723,880
OPEB related	15,864,614
	<hr/>
Total deferred inflows of resources	19,811,492

Net Position

Net investment in capital assets	57,015,219
Restricted for:	
Endowments:	
Nonexpendable	100,000
Expendable	2,421,011
Capital replacement	44,566
Road maintenance	298,465
Historical document preservation	92,593
Housing rehabilitation programs	398,324
Cafeteria operations	718,685
Education programs	3,275
Unrestricted	(156,955,001)
	<hr/>
Total net position	\$ (95,862,863)

(Concluded)

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

Town of East Haven, Connecticut

Governmental Activities
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
General government	\$ 6,998,364	\$ 688,363	\$ 723,792	\$ (5,586,209)
Public safety	35,943,667	1,285,384	152,568	(34,505,715)
Public works	11,100,070	675,134	-	(8,744,847)
Health and welfare	1,509,464	237,720	17,672	(1,254,072)
Culture and recreation	2,852,898	502,828	15,102	(2,334,968)
Education	78,166,137	1,463,231	39,633,972	(36,838,431)
Interest	1,234,229	-	-	(1,234,229)
Total	\$ 137,804,829	\$ 4,852,660	\$ 40,543,106	(90,498,471)
General revenues:				
Property taxes				74,492,797
Grants and contributions not restricted to specific programs				623,547
Income from investments				1,479,288
Other				108,248
Total general revenues				76,703,880
Change in net position				(13,794,591)
Net position - July 1, 2023				(82,068,272)
Net position - June 30, 2024				\$ (95,862,863)

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

Town of East Haven, Connecticut

Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 3,897,783	\$ 695,710	\$ -	\$ 2,154,350	\$ 6,747,843
Investments	20,137,245	-	-	2,474,239	22,611,484
Receivables:					
Property taxes	2,646,293	-	-	-	2,646,293
Intergovernmental	-	590,637	561,146	305,236	1,457,019
Loans	-	-	-	88,637	88,637
Other	372,979	-	-	13,016	385,995
Due from other funds	5,611,659	54,710	-	3,616,680	9,283,049
Other	-	-	-	36,285	36,285
Total assets	<u>\$ 32,665,959</u>	<u>\$ 1,341,057</u>	<u>\$ 561,146</u>	<u>\$ 8,688,443</u>	<u>\$ 43,256,605</u>
<u>Liabilities</u>					
Accounts payable	\$ 2,273,755	\$ 87,054	\$ 173,851	\$ 330,823	\$ 2,865,483
Accrued payroll and related liabilities	3,260,096	482,854	-	15,633	3,758,583
Due to other funds	12,995,093	669,168	3,149,154	527,996	17,341,411
Unearned revenue	-	78,847	3,164,162	544,142	3,787,151
Overpayments	88,552	-	-	-	88,552
Total liabilities	<u>18,617,496</u>	<u>1,317,923</u>	<u>6,487,167</u>	<u>1,418,594</u>	<u>27,841,180</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	2,646,293	-	-	-	2,646,293
Advance property tax collections	2,222,998	-	-	-	2,222,998
Total deferred inflows of resources	<u>4,869,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,869,291</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	100,000	100,000
Restricted	-	-	-	3,976,919	3,976,919
Committed	-	23,134	-	1,489,566	1,512,700
Assigned	-	-	-	1,703,364	1,703,364
Unassigned	9,179,172	-	(5,926,021)	-	3,253,151
Total fund balances	<u>9,179,172</u>	<u>23,134</u>	<u>(5,926,021)</u>	<u>7,269,849</u>	<u>10,546,134</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,665,959</u>	<u>\$ 1,341,057</u>	<u>\$ 561,146</u>	<u>\$ 8,688,443</u>	<u>\$ 43,256,605</u>

(Continued)

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

Town of East Haven, Connecticut

**Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2024**

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

Total fund balances (Exhibit C, page 1)	<u>\$ 10,546,134</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	98,911,554
Capital asset additions (net of construction in progress)	3,144,113
Depreciation/amortization expense	(5,228,963)
Disposal of capital assets	<u>(46,255)</u>

Total	<u>96,780,449</u>
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Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	1,053,165
Allowance for doubtful accounts	(500,000)
Deferred charge on refunding	140,902
Deferred outflows related to pension	23,184,290
Deferred outflows related to OPEB	<u>27,130,611</u>

Total	<u>51,008,968</u>
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Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	<u>2,646,293</u>
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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	<u>(564,240)</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(36,913,138)
Premium	(858,886)
Leases payable	(445,718)
Subscription payable	(1,514,539)
Compensated absences	(7,288,703)
Net pension liability	(55,492,337)
OPEB liability	(135,662,718)
Deferred inflows related to pension	(1,723,880)
Deferred inflows related to OPEB	(15,864,614)
Accrued interest payable	<u>(515,934)</u>

Total	<u>(256,280,467)</u>
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Total net position (Exhibit A)	<u>\$ (95,862,863)</u>
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The notes to financial statements are an integral part of this statement.

(Concluded)

Town of East Haven, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 76,577,210	\$ -	\$ -	\$ -	\$ 76,577,210
Intergovernmental	27,839,115	10,294,122	1,017,094	3,800,790	42,951,121
Charges for services	2,802,082	-	-	2,050,578	4,852,660
Income from investments	1,083,257	5,371	-	128,963	1,217,591
Change in fair value of investments	-	-	-	158,707	158,707
Contributions	-	14,570	-	111,554	126,124
Other	972,578	-	-	-	972,578
Total revenues	<u>109,274,242</u>	<u>10,314,063</u>	<u>1,017,094</u>	<u>6,250,592</u>	<u>126,855,991</u>
Expenditures:					
Current:					
General government	3,156,898	-	20,610	98,920	3,276,428
Public safety	16,754,704	-	175,003	457,899	17,387,606
Public works	6,042,879	-	8,340	645,872	6,697,091
Health and welfare	609,502	-	5,389	302,896	917,787
Culture and recreation	2,122,562	-	135,358	122,124	2,380,044
Employee benefits and insurance	16,854,156	-	-	-	16,854,156
Education	57,765,789	10,768,604	18,000	4,824,075	73,376,468
General services	1,281,780	-	-	-	1,281,780
Debt service	3,782,218	-	-	375,411	4,157,629
Capital outlay	-	-	2,339,744	-	2,339,744
Total expenditures	<u>108,370,488</u>	<u>10,768,604</u>	<u>2,702,444</u>	<u>6,827,197</u>	<u>128,668,733</u>
Excess (deficiency) of revenues over expenditures	<u>903,754</u>	<u>(454,541)</u>	<u>(1,685,350)</u>	<u>(576,605)</u>	<u>(1,812,742)</u>
Other financing sources (uses):					
Issuance of debt	-	-	5,006,851	-	5,006,851
Premium	-	-	-	99,459	99,459
Sale of assets	15,099	-	-	-	15,099
Net other financing sources (uses)	<u>15,099</u>	<u>-</u>	<u>5,006,851</u>	<u>99,459</u>	<u>5,121,409</u>
Net change in fund balances	918,853	(454,541)	3,321,501	(477,146)	3,308,667
Fund balances - July 1, 2023	<u>8,260,319</u>	<u>477,675</u>	<u>(9,247,522)</u>	<u>7,746,995</u>	<u>7,237,467</u>
Fund balances - June 30, 2024	<u>\$ 9,179,172</u>	<u>\$ 23,134</u>	<u>\$ (5,926,021)</u>	<u>\$ 7,269,849</u>	<u>\$ 10,546,134</u>

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

Town of East 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, 2024**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 3,308,667</u>
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital outlay	3,144,113
Depreciation/amortization expense	<u>(5,228,963)</u>
Total	<u>(2,084,850)</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 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.

Loss on disposal of assets	<u>(46,255)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax receivable - accrual basis change	(1,625,698)
Change in property tax interest and lien revenue	(1,543,715)
Change in allowance for doubtful accounts	<u>1,085,000</u>
Total	<u>(2,084,413)</u>

The issuance of long-term debt 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:	
Bonds	(4,900,000)
Premium	(99,459)
Leases	(106,851)
Principal repayments:	
Bonds	2,355,000
Notes	653,421
Leases	147,781
Subscriptions	<u>160,614</u>
Total	<u>(1,789,494)</u>

(Continued)

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

Town of East 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, 2024

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

Change in/amortization of:	
Premium	\$ 86,494
Compensated absences	(569,238)
Net pension liability	(2,625,653)
OPEB liability	(20,350,717)
Accrued interest payable	(63,741)
Deferred charge on refunding	71,477
Deferred outflows of resources related to pension	859,490
Deferred outflows of resources related to OPEB	9,628,019
Deferred inflows of resources related to pension	961,202
Deferred inflows of resources related to OPEB	<u>2,915,871</u>
Total	<u>(9,086,796)</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds are reported with governmental activities	<u>(2,011,450)</u>
Change in net position (Exhibit B)	<u><u>\$ (13,794,591)</u></u>
	(Concluded)

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

Town of East Haven, Connecticut

**Internal Service Funds
Statement of Net Position
June 30, 2024**

<u>Assets</u>	
Current assets:	
Cash	\$ 961,039
Investments	1,041,956
Accounts receivable	63,639
Due from other funds	<u>9,378,413</u>
Total assets	<u>11,445,047</u>
 <u>Liabilities</u>	
Current liabilities:	
Accounts payable	6,408
Claims payable	3,098,386
Due to other funds	<u>1,320,051</u>
Total current liabilities	4,424,845
Noncurrent liabilities:	
Claims payable	<u>7,584,442</u>
Total liabilities	<u>12,009,287</u>
 <u>Net Position</u>	
Unrestricted	<u><u>\$ (564,240)</u></u>

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

Town of East Haven, Connecticut

Internal Service Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

Operating revenues:	
Charges for services	<u>\$ 17,358,244</u>
Operating expenses:	
Claims	17,953,750
Administration	<u>1,518,934</u>
Total operating expenses	<u>19,472,684</u>
Operating income (loss)	(2,114,440)
Nonoperating revenues:	
Income from investments	<u>102,990</u>
Change in net position	(2,011,450)
Total net position - July 1, 2023	<u>1,447,210</u>
Total net position - June 30, 2024	<u><u>\$ (564,240)</u></u>

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

Town of East Haven, Connecticut

**Internal Service Funds
Statement of Cash Flows
For the Year Ended June 30, 2024**

Cash flows from (used in) operating activities:	
Premiums received	\$ 16,295,601
Payments for interfund services	335,761
Payments to vendors	(1,514,185)
Payments for claims	<u>(17,989,794)</u>
Net cash from (used in) operating activities	(2,872,617)
Cash flows from (used in) investing activities:	
Income from investments	<u>102,990</u>
Net increase (decrease) in cash and cash equivalents	(2,769,627)
Cash and cash equivalents - July 1, 2023	<u>4,772,622</u>
Cash and cash equivalents - June 30, 2024	<u><u>\$ 2,002,995</u></u>
Reconciliation to statement of net position cash:	
Cash and cash equivalents per above	\$ 2,002,995
Cash and cash equivalents reported as investments	<u>(1,041,956)</u>
Statement of net position cash	<u><u>\$ 961,039</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (2,114,440)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	94,621
Due from other funds	(745,960)
Increase (decrease) in:	
Accounts payable	4,749
Claims payable	(36,044)
Due to other funds	<u>(75,543)</u>
Net cash from (used in) operating activities	<u><u>\$ (2,872,617)</u></u>

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024**History and organization**

The Town of East Haven, Connecticut (the "Town") was incorporated in May 1785. The Town covers 89 square miles and is located 77 miles east of New York City. The Town operates under a Mayor-Council form of government and the Town Charter as amended on November 7, 1978. The Town provides a full range of services as authorized by its charter including public safety (police and fire), public works, sanitation, health and social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

There are no other entities for which the Town is considered to be financially accountable and, therefore, the Town does not report any component units.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, 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 the governmental funds.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

Reimbursement type grants, certain intergovernmental revenues, charges, 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 required to be accounted for in another fund.
Education Grants Fund	Federal and state grants used for education programs.
Capital Projects Fund	Accounts for resources to be used for capital expenditures.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Capital Projects Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Permanent 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 medical insurance benefits, general liability, and workers' compensation as allowed by GASB Statement No. 10.

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

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to the Town funds for medical insurance benefits, workers' compensation claims, judgments and claims and property insurance deductibles. Operating expenses for the internal service fund include the claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liabilities, 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 OPEB plans, the Connecticut Municipal Employees' Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's OPEB plans, MERS, 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 considers cash equivalents as 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 31.00% 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 East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

c. Method used to value investments

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

Fair value of investments

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

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

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town 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 the foreign currency risk.

Town of East Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****2. Receivables and payables****a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

b. Property taxes and other receivables

In the government-wide financial statements, property tax and related interest and lien fee receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 13.00% - 47.50% of outstanding receivable balances and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable, which have not been collected as 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 fiscal 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 the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

3. Restricted assets

The restricted assets for the Town are restricted for endowment purposes. The Town has several bequests that restrict expenditures to investment income and only for the donor-designated purpose.

4. Capital assets

Capital assets are reported in the applicable government columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

Capital assets of the Town are depreciated/amortized using the straight-line method. Estimated useful lives and capitalization thresholds by asset type are as follows:

Assets	Years	Capitalization Threshold
Intangible right-to-use leased assets	Lease term	\$ 20,000
Intangible right-to-use subscription assets	Subscription term	20,000
Land improvements	25	20,000
Buildings	10-75	20,000
Building improvements	50	20,000
Machinery and equipment	5-40	8,058
Vehicles	10-20	8,058
Infrastructure:		
Bridges	50	100,000
Roads	80	100,000

5. Deferred outflows/inflows of resources

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

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

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, net difference between projected and actual earnings on plan investments, changes in proportional share, and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share 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. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

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

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

Town of East Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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 property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Employees are paid by a prescribed formula for absence due to vacation and sickness based upon the various union contracts and the Town's personnel policies. The eligibility for vacation pay, and in some instances sick pay, does vest and can be paid upon death, retirement or termination, up to certain limits. Expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts are only reported in governmental funds if they are due and payable to employees who have resigned or retired before or at fiscal year-end.

7. Long-term liabilities

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

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

A. Lease and subscription liabilities

The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements.

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

Key estimates and judgments related to leases and subscriptions include:

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

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

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

B. Fund equity and net position

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

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

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 East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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 of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by Town Council.
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 an action by the Town Council 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 Town Council has provided otherwise in its commitment or assignment actions.

C. 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.

D. 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 East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

II. Stewardship, compliance and accountability

A. Capital projects authorizations

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 Hagaman Memorial Library and Thompson Education fund. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the Library Board. The amount of appreciation (depreciation) included in restricted fund balance for the Hagaman Memorial Library was \$371,573.

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. Excess expenditures over appropriations

During the year, general fund expenditures exceeded appropriations in the following departments:

Education	\$ 315,554
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III. Detailed notes

A. Cash and investments

1. Deposits – custodial credit risk

At year end, the Town's bank balance, including bank money market accounts and certificates of deposit classified as investments, was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 12,991,601</u>
Uninsured and uncollateralized	\$ 9,645,667
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,450,849</u>
Total amount subject to custodial credit risk	<u>\$ 12,096,516</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

Financial instruments that potentially subject the Town to significant concentrations of custodial credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its custodial 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 maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5	5-10 Years
Mutual funds:					
Money market	\$ 791,923	\$ -	\$ 791,923	\$ -	\$ -
Domestic equities	718,931	718,931	-	-	-
International equities	82,454	82,454	-	-	-
Domestic bonds	218,834	-	-	-	218,834
International bonds	26,139	-	-	-	26,139
Exchange traded funds	375,300	375,300	-	-	-
Common stock	713	713	-	-	-
Corporate bonds	178,054	-	118,327	59,727	-
U.S. government agency obligations	29,857	-	-	29,857	-
Certificates of deposit	460,806	-	460,806	-	-
Negotiable certificates of deposit	119,607	-	119,607	-	-
Bank money market	2,937,006	-	2,937,006	-	-
Pooled fixed income	17,713,816	-	17,713,816	-	-
Total	\$ 23,653,440	\$ 1,177,398	\$ 22,141,485	\$ 89,584	\$ 244,973

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

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

<u>Investments at fair value level:</u>	<u>Amount</u>	<u>Quoted Market Prices in Active Markets Level 1</u>	<u>Significant Observable Inputs Level 2</u>
<u>Mutual funds:</u>			
Money market	\$ 791,923	\$ 791,923	\$ -
Domestic equity	718,931	718,931	-
International equities	82,454	82,454	-
Domestic bonds	218,834	218,834	-
International bonds	26,139	26,139	-
Exchange traded funds	375,300	375,300	-
Common stock	713	713	-
Corporate bonds	178,054	-	178,054
U.S. government agency obligations	29,857	-	29,857
Total investments by fair value level	<u>2,422,205</u>	<u>\$ 2,214,294</u>	<u>\$ 207,911</u>
<u>Other investments:</u>			
Certificates of deposit	460,806		
Negotiable certificates of deposit	119,607		
Bank money market	2,937,006		
Pooled fixed income	<u>17,713,816</u>		
Total other investments	<u>21,231,235</u>		
Total investments	<u>\$ 23,653,440</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 East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

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

Type of Investment	Ratings				Totals
	AAA	A	BBB	Unrated	
Mutual funds:					
Money market	\$ -	\$ -	\$ -	\$ 791,923	\$ 791,923
Domestic bonds	-	-	-	218,834	218,834
International bonds	-	-	-	26,139	26,139
Corporate bonds	-	118,907	59,147	-	178,054
U.S. government agency obligations	29,857	-	-	-	29,857
Negotiable certificates of deposit	-	-	-	119,607	119,607
Pooled fixed income	17,713,816	-	-	-	17,713,816
Total	\$ 17,743,673	\$ 118,907	\$ 59,147	\$ 1,156,503	\$ 19,078,230

d. The Town's investments are not subject to custodial credit risk.

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables and the related allowances for uncollectible accounts are presented below:

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 1,212,120	\$ 163,849	\$ 1,375,969
Long-term portion	1,834,173	889,316	2,723,489
Less allowance for uncollectible	(400,000)	(500,000)	(900,000)
Net long-term portion	1,434,173	389,316	1,823,489
Total receivable (net)	\$ 2,646,293	\$ 553,165	\$ 3,199,458

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General fund:			
Education grants	N/A	\$ 669,168	\$ -
Capital projects	N/A	3,149,154	-
Public safety	N/A	-	294,376
General government	N/A	-	93,595
Culture and recreation	N/A	-	67,557
Health and welfare	N/A	-	658,930
Roads state aid	N/A	-	401,233
Daycare and preschool	N/A	297,607	-
School rental	N/A	126,742	-
School lunch	N/A	946	-
Adult education	N/A	44,666	-
School activity	N/A	3,325	-
Debt service	N/A	-	1,703,364
Open space	N/A	-	29,164
LOCIP	N/A	-	368,461
Self-insurance	N/A	1,320,051	-
Workers' compensation	N/A	-	7,276,416
Town medical insurance	N/A	-	1,531,779
Education medical insurance	N/A	-	570,218
Total general fund		<u>5,611,659</u>	<u>12,995,093</u>
Education grants:			
General fund	N/A	-	669,168
Daycare and preschool	N/A	54,710	-
Total education grants		<u>54,710</u>	<u>669,168</u>
Capital projects	General fund	<u>-</u>	<u>3,149,154</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other governmental funds:			
Public safety	General fund	\$ 294,376	\$ -
General government	General fund	93,595	-
Culture and recreation	General fund	67,557	-
Health and welfare	General fund	658,930	-
Roads state aid	General fund	401,233	-
Daycare and preschool	General fund	-	297,607
Daycare and preschool	Education grants	-	54,710
School rental	General fund	-	126,742
School lunch	General fund	-	946
Adult education	General fund	-	44,666
School activity	General fund	-	3,325
Debt service fund	General fund	1,703,364	-
Open space	General fund	29,164	-
LOCIP	General fund	368,461	-
Total other governmental funds		<u>3,616,680</u>	<u>527,996</u>
Total governmental funds		<u>9,283,049</u>	<u>17,341,411</u>
Internal service funds:			
Self-insurance	General fund	-	1,320,051
Workers' compensation	General fund	7,276,416	-
Town medical insurance	General fund	1,531,779	-
Education medical insurance	General fund	570,218	-
Total internal service funds		<u>9,378,413</u>	<u>1,320,051</u>
Total		<u>\$ 18,661,462</u>	<u>\$ 18,661,462</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 cash account.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 3,505,816	\$ -	\$ -	\$ 3,505,816
Construction in progress	4,949,581	758,833	3,818,265	1,890,149
Total capital assets, not being depreciated/amortized	<u>8,455,397</u>	<u>758,833</u>	<u>3,818,265</u>	<u>5,395,965</u>
<u>Capital assets, being depreciated/amortized:</u>				
Intangible right-to-use assets	2,502,816	106,851	47,447	2,562,220
Land improvements	5,375,068	818,338	-	6,193,406
Buildings	62,712,818	-	-	62,712,818
Building improvements	27,442,326	3,067,951	-	30,510,277
Machinery and equipment	14,388,792	1,627,453	115,941	15,900,304
Vehicles	7,915,560	206,138	41,392	8,080,306
Infrastructure	42,443,813	376,814	-	42,820,627
Total capital assets, being depreciated/amortized	<u>162,781,193</u>	<u>6,203,545</u>	<u>204,780</u>	<u>168,779,958</u>
Total capital assets	<u>171,236,590</u>	<u>6,962,378</u>	<u>4,023,045</u>	<u>174,175,923</u>
<u>Less accumulated depreciation/amortization for:</u>				
Intangible right-to-use assets	437,994	322,720	47,447	713,267
Land improvements	2,543,954	367,775	-	2,911,729
Buildings	29,142,899	973,043	-	30,115,942
Building improvements	11,670,192	1,048,369	-	12,718,561
Machinery and equipment	7,252,541	1,395,623	69,686	8,578,478
Vehicles	5,467,284	544,892	41,392	5,970,784
Infrastructure	15,810,172	576,541	-	16,386,713
Total accumulated depreciation/amortization	<u>72,325,036</u>	<u>5,228,963</u>	<u>158,525</u>	<u>77,395,474</u>
Total capital assets, being depreciated/amortized, net	<u>90,456,157</u>	<u>974,582</u>	<u>46,255</u>	<u>91,384,484</u>
Capital assets, net	<u>\$ 98,911,554</u>	<u>\$ 1,733,415</u>	<u>\$ 3,864,520</u>	<u>\$ 96,780,449</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets (continued)

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

	<u>Asset</u>	<u>Accumulated Amortization</u>
Intangible right-to-use machinery and equipment	\$ 733,370	\$ 333,261
Intangible right-to-use subscription assets	<u>1,828,850</u>	<u>380,006</u>
Total intangible right-to-use assets	<u>\$ 2,562,220</u>	<u>\$ 713,267</u>

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

General government	\$ 119,166
Public safety	845,537
Public works	1,043,558
Culture and recreation	148,169
Health and welfare	29,928
Education	<u>3,042,605</u>
Total depreciation/amortization expense	<u>\$ 5,228,963</u>

Town of East Haven, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities

Bonds, notes, leases, and subscriptions are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
Bonds:										
General purpose:										
Improvement	\$ 1,275,000	7/26/11	2026	2.00%	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
Improvement Refunding	3,150,000	7/17/13	2026	2.00-4.00%	1,263,600	-	172,800	1,090,800	208,800	882,000
Improvement Refunding	3,421,340	8/5/14	2025	5.00%	824,300	-	402,220	422,080	422,080	-
Improvement Refunding	3,500,000	11/17/16	2037	3.00-4.00%	2,700,000	-	200,000	2,500,000	200,000	2,300,000
Improvement Refunding	4,991,576	11/17/16	2030	3.00-4.00%	3,898,775	-	610,824	3,287,951	606,052	2,681,899
Improvement Refunding*	2,885,000	12/27/18	2039	4.25-6.00%	2,475,000	-	115,000	2,360,000	115,000	2,245,000
Improvement / refunding	3,460,000	12/13/18	2039	4.25-6.00%	3,460,000	-	-	3,460,000	-	3,460,000
Improvement / refunding*	6,850,000	6/16/20	2045	2.50-5.00%	6,665,000	-	195,000	6,470,000	200,000	6,270,000
Improvement	3,214,800	6/16/20	2045	2.37-4.15%	3,117,600	-	100,800	3,016,800	100,800	2,916,000
Improvement	4,900,000	10/31/23	2048	5.00%	-	3,528,000	-	3,528,000	54,000	3,474,000
Total general purpose	37,647,716				24,524,275	3,528,000	1,796,644	26,255,631	1,906,732	24,348,899
Schools:										
Improvement Refunding	1,285,000	7/17/13	2026	2.00-4.00%	491,400	-	67,200	424,200	81,200	343,000
Improvement Refunding	3,468,660	8/5/14	2025	5.00%	835,700	-	407,780	427,920	427,920	-
Improvement Refunding*	238,424	11/17/16	2030	3.00-4.00%	186,225	-	29,176	157,049	28,948	128,101
Improvement Refunding*	420,000	12/27/18	2039	4.25-6.00%	360,000	-	15,000	345,000	15,000	330,000
Improvement / refunding*	865,000	12/13/18	2039	4.25-6.00%	865,000	-	-	865,000	-	865,000
Improvement / refunding*	1,250,200	6/16/20	2045	2.37-4.15%	1,212,400	-	39,200	1,173,200	39,200	1,134,000
Improvement	4,900,000	10/31/23	2048	5.00%	-	1,372,000	-	1,372,000	21,000	1,351,000
Total schools	12,427,284				3,950,725	1,372,000	558,356	4,764,369	613,268	4,151,101
Total bonds	50,075,000				28,475,000	4,900,000	2,355,000	31,020,000	2,520,000	28,500,000

Town of East Haven, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
<u>Notes (direct borrowings):</u>										
Equipment financing notes	\$ 1,321,321	9/15/18	2026	2.30-6.70%	\$ 661,559	\$ -	\$ 188,421	\$ 473,138	\$ 189,927	\$ 283,211
Energy financing notes	7,200,000	7/1/19	2034	2.83%	5,885,000	-	465,000	5,420,000	475,000	4,945,000
Total notes	8,521,321				6,546,559	-	653,421	5,893,138	664,927	5,228,211
Total bonds and notes	58,596,321				35,021,559	4,900,000	3,008,421	36,913,138	3,184,927	33,728,211
Leases payable	726,994				486,648	106,851	147,781	445,718	155,973	289,745
Subscription payable	1,828,850				1,675,153	-	160,614	1,514,539	167,842	1,346,697
Total long-term debt	\$ 61,152,165				37,183,360	5,006,851	3,316,816	38,873,395	3,508,742	35,364,653
Premium					845,921	99,459	86,494	858,886	-	858,886
Total long-term debt and related liabilities					38,029,281	5,106,310	3,403,310	39,732,281	3,508,742	36,223,539
Compensated absences (net change)					6,719,465	569,238	-	7,288,703	1,457,741	5,830,962
Net pension liability					52,866,684	10,012,315	7,386,662	55,492,337	-	55,492,337
OPEB liability					115,312,001	28,405,389	8,054,672	135,662,718	6,045,000	129,617,718
Claims payable					9,592,823	2,916,331	3,269,377	9,239,777	1,655,335	7,584,442
Total long-term liabilities					\$ 222,520,254	\$ 47,009,583	\$ 22,114,021	\$ 247,415,816	\$ 12,666,818	\$ 234,748,998

* Taxable

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

2. The following is a summary of bonds and notes payable principal and interest payments to maturity:

Fiscal Year Ended June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2025	\$ 2,520,000	\$ 1,287,917	\$ 664,927	\$ 166,138
2026	2,195,000	1,179,928	661,661	147,349
2027	2,090,000	1,081,979	616,550	129,095
2028	2,055,000	989,803	520,000	111,785
2029	2,115,000	901,175	535,000	97,069
2030	1,765,000	815,683	545,000	81,929
2031	1,190,000	744,571	565,000	66,505
2032	1,220,000	685,322	580,000	50,516
2033	1,255,000	626,821	595,000	34,102
2034	1,295,000	566,410	610,000	17,263
2035	1,335,000	503,641	-	-
2036	1,380,000	450,188	-	-
2037	1,430,000	394,998	-	-
2038	1,300,000	341,538	-	-
2039	1,350,000	289,598	-	-
2040	800,000	248,685	-	-
2041	830,000	219,285	-	-
2042	860,000	187,610	-	-
2043	895,000	153,503	-	-
2044	930,000	117,980	-	-
2045	970,000	80,939	-	-
2046	290,000	54,750	-	-
2047	300,000	40,000	-	-
2048	315,000	24,625	-	-
2049	335,000	8,375	-	-
Total	<u>\$ 31,020,000</u>	<u>\$ 11,995,324</u>	<u>\$ 5,893,138</u>	<u>\$ 901,751</u>

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

3. Assets pledged as collateral

The Town's outstanding equipment and energy financing notes of \$5,893,138 are secured with collateral of the equipment purchased.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)**4. 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	\$ 181,226,696	\$ 26,255,631	\$ 154,971,065
Schools	362,453,391	4,764,369	357,689,022
Sewers	302,044,493	-	302,044,493
Urban renewal	261,771,894	-	261,771,894
Pension deficit	241,635,594	-	241,635,594

The total overall statutory debt limit for the Town is equal to 7 times the annual receipts for the prior year taxation: \$ 563,816,386

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.

5. Authorized/unissued bonds

The Town had authorized, and unissued bonds as follows:

General purpose	\$ 8,255,275
Schools	<u>2,846,000</u>
Total	<u><u>\$ 11,101,275</u></u>

6. Leases

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance
Town copiers	2022/2023	2-6	2.64%	\$ 69,782	\$ 53,012
Town mailing machines	2022	2-6	2.64%	12,862	5,844
Education copiers	2022	6	2.64%	537,499	300,203
Education computers	2024	4	4.50%	<u>106,851</u>	<u>86,659</u>
Total				<u><u>\$ 726,994</u></u>	<u><u>\$ 445,718</u></u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

Description	Terms
Town copiers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Town mailing machines	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education copiers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education computers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.

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

Year Ending June 30	Principal	Interest
2025	\$ 155,973	\$ 13,378
2026	159,608	8,776
2027	123,829	4,055
2028	6,308	255
Totals	<u>\$ 445,718</u>	<u>\$ 26,464</u>

7. Subscription arrangements

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance
Police body camera software	2023	10	4.50%	\$ 1,780,846	\$ 1,484,479
Student social-emotional learning license	2023	4	4.50%	48,004	30,060
Total				<u>\$ 1,828,850</u>	<u>\$ 1,514,539</u>

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

Description	Terms
Police body camera software	The Town has a subscription arrangement for the police body camera software and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Student social-emotional learning license	The Town has a subscription arrangement for a student social-emotional learning license. This arrangement does not include extension or termination terms.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

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

Year Ending June 30	Principal	Interest
2025	\$ 167,842	\$ 68,154
2026	175,395	60,601
2027	183,288	52,708
2028	180,601	44,461
2029	188,728	36,334
2030	197,220	27,841
2031	206,095	18,966
2032	215,370	9,692
Totals	<u>\$ 1,514,539</u>	<u>\$ 318,757</u>

F. Fund balances and restricted net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:					
Library building maintenance	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:					
Capital projects and replacement	-	-	-	44,566	44,566
Road maintenance	-	-	-	298,465	298,465
Library building maintenance	-	-	-	1,963,480	1,963,480
Historical document preservation*	-	-	-	92,593	92,593
Housing rehabilitation programs	-	-	-	398,324	398,324
Cafeteria operations*	-	-	-	718,685	718,685
Education programs	-	-	-	457,531	457,531
School activity programs	-	-	-	3,275	3,275
Total restricted	-	-	-	3,976,919	3,976,919

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Fund balances and restricted net position (continued)

Fund Balance Component	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total
Committed:					
Library operations	\$ -	\$ -	\$ -	\$ 131,342	\$ 131,342
Daycare and preschool programs	-	-	-	1,039	1,039
Public safety programs	-	-	-	147,581	147,581
Open space	-	-	-	29,003	29,003
Emergency medical services	-	-	-	541,094	541,094
Health and welfare programs	-	-	-	114,524	114,524
Culture and recreation programs	-	-	-	9,193	9,193
Education programs	-	23,134	-	24,051	47,185
School activity programs	-	-	-	491,739	491,739
Total committed	-	23,134	-	1,489,566	1,512,700
Assigned:					
Debt service	-	-	-	1,703,364	1,703,364
Total assigned	-	-	-	1,703,364	1,703,364
Unassigned	9,179,172	-	(5,926,021)	-	3,253,151
Total	<u>\$ 9,179,172</u>	<u>\$ 23,134</u>	<u>\$ (5,926,021)</u>	<u>\$ 7,269,849</u>	<u>\$ 10,546,134</u>
*The amount of net position restricted by enabling legislation totaled:					<u>\$ 811,278</u>

G. Deficit equity

The Town had deficit equity balances in the following funds, which will be eliminated by future charges, employee premiums or transfers from the general fund.

Internal service funds:	
Self-insurance fund	\$ 4,359,944

IV. Other information

A. Risk management

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Risk management (continued)

The Town purchases commercial insurance coverage for all the following risks and limits as detailed below:

<u>Stop loss coverage</u>	<u>Limit</u>
General liability	\$ 1,000,000
Workers' compensation	750,000
Town medical insurance	150,000
Education medical insurance	175,000

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

The claims liability reported is based upon accounting principles, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. 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.

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Self-Insurance Fund</u>						
2022-2023	\$ 3,170,736	\$ 719,075	\$ 435,308	\$ 3,454,503	\$ 454,503	\$ 3,000,000
2023-2024	3,454,503	1,617,768	1,586,645	3,485,626	100,000	3,385,626
<u>Workers' Compensation Fund</u>						
2022-2023	8,761,718	(492,355)	2,131,043	6,138,320	1,512,712	4,625,608
2023-2024	6,138,320	1,298,563	1,682,732	5,754,151	1,555,335	4,198,816
<u>Subtotal</u>						
2022-2023	11,932,454	226,720	2,566,351	9,592,823	1,967,215	7,625,608
2023-2024	9,592,823	2,916,331	3,269,377	9,239,777	1,655,335	7,584,442
<u>Town Medical Insurance Fund</u>						
2022-2023	609,461	6,597,945	6,711,920	495,486	495,486	-
2023-2024	495,486	6,661,854	6,673,340	484,000	484,000	-
<u>Education Medical Insurance Fund</u>						
2022-2023	653,000	6,726,499	6,748,936	630,563	630,563	-
2023-2024	630,563	8,375,565	8,047,077	959,051	959,051	-
<u>Total</u>						
2022-2023	13,194,915	13,551,164	16,027,207	10,718,872	3,093,264	7,625,608
2023-2024	\$ 10,718,872	\$ 17,953,750	\$ 17,989,794	\$ 10,682,828	\$ 3,098,386	\$ 7,584,442

Town of East Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****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 certain cases is not presently determinable. The resolution of these matters are not expected to have a material adverse effect on the financial condition of the Town.

The Town has recorded a liability for certain cases where the outcome is a probable loss that can be reasonably estimated.

In May 2024, the court entered a judgment against the Town for \$9,465,832 and awarded the Plaintiffs pre-judgment interest of \$1,225,346. The interest will continue to accrue each month until the judgment is paid, subject to the Town appeal.

The Town has appealed the judgment and continues to pursue other mitigation. Based upon the conditions of the appeal, in July 2024, the Town established a trust account for the litigation escrow of \$13,500,000. The Town retains the interest earned on the escrow balance.

V. Pensions and other post-employment benefit plans**A. Connecticut municipal employees' retirement system****1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and firefighters with social security
- Police officers and firefighters without social security

2. Benefit provisions

Normal retirement	
General employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and fire	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

3. Contributions

Employer

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

4. Pension liabilities, deferred outflows of resources and deferred inflows of resources and pension expense

The Town reported the following relative to the plan:

Measurement date	June 30, 2023
Valuation date	June 30, 2023
Proportionate share of the collective net pension liability	\$ 55,492,337

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

	General employees with social security sub plan	Police officers and firefighters without social security sub plan
Town percentage of total plan participating employers payroll based upon 2023 expected payroll	6.354870%	6.736835%
Increase (decrease) from prior year	0.100606%	0.163762%

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

The Town reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 6,637,241	\$ 343,867	\$ 6,293,374
Changes in assumptions	5,467,830	-	5,467,830
Changes in proportional share	1,541,951	1,380,013	161,938
Net difference between projected and actual earnings on pension plan investments	4,134,600	-	4,134,600
Contributions subsequent to measurement date	<u>5,402,668</u>	<u>-</u>	<u>5,402,668</u>
Total	<u>\$ 23,184,290</u>	<u>\$ 1,723,880</u>	21,460,410
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year:			<u>(5,402,668)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 16,057,742</u>
<u>Pension Expense</u>			
The plan recognized pension expense of:			<u>\$ 5,738,598</u>

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years. Changes in proportional share and differences between expected and actual results are amortized over the average remaining service period of active and inactive employees which was 5.26 years.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

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

Year Ending June 30,	
2025	\$ 4,463,254
2026	3,520,402
2027	6,459,862
2028	1,203,180
2029	411,044
Total	<u>\$16,057,742</u>

5. Actuarial assumptions

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

Valuation date	June 30, 2023
Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-9.50%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%.
Mortality rates	<p><u>Employees:</u> Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB.</p> <p><u>Police and Fire:</u> RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB.</p> <p><u>Disabled:</u> For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.</p>

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2022.

Long-term expected rate of return

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.20%
Real estate	10.00%	6.30%
Infrastructure and natural resources	<u>7.00%</u>	7.70%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportional share of the collective net pension liability of MERS, calculated using the discount rate, as well as what the collective 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>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>7.00%</u>	<u>\$ 78,258,220</u>	<u>\$ 55,492,337</u>	<u>\$ 22,113,760</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)**8. Plan fiduciary net position**

The net pension liability, pension expense and deferred outflows and inflows of resources presented in this report have been determined based on CMERS' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts. CMERS is included in the State of Connecticut's ACFR as a pension trust fund.

9. Future plan changes

On June 7, 2023, House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans, was passed by the Connecticut Legislature

The following is a summarization of future changes in benefit provisions.

- A five-year phase-out of the Cost-Of-Living-Adjustment (COLA) floor from the existing 2.5% to 0%, which reduces the floor by 0.5% each year for future retirees, beginning July 1, 2025, reducing to 0% on July 1, 2029.
- Subject to the COLA floors outlined above, for years in which inflation (as measured by the CPI-W) increases by 2% or less, the MERS COLA will track inflation directly. For those years in which inflation increases by 2% or more, the COLA will be 60% of the inflation rate up to 6.0%, and 75% of the inflation rate in excess of 6.0% with a maximum COLA of 7.5%.

Beginning July 1, 2025, the benefit formula multiplier will increase to 2.2% (1.7% for social security covered eligible participants) based on the following eligibility:

- General Employees: Beginning for service at age 60 with at least 30 years of service.
- Police and Fire: Beginning for service at age 55 with at least 27 years of service.

Beginning July 1, 2025, a Deferred Retirement Option Plan (DROP), capped at five years of participation in the program, will be offered based on the following eligibility:

- General Employees: at age 60 with 30 years of service OR at age 62 with five (5) years of service.
- Police and Fire: at age 55 with 25 years of service; at age 57 with five (5) years of service; or at any age with 30 years of service.
- Upon entering DROP, the member contribution rate is reduced to half. After 24 months of DROP participation, the member contribution rate is reduced to 0%.
- Beginning annually at the 2nd anniversary of the member's DROP entry, the DROP account is credited with interest at a not to exceed 4%. Interest is also credited at the 3rd, 4th, and 5th anniversary date of DROP entry.
- Pension amount will not increase with annual COLAs while participating in DROP. Once member exits DROP, future COLAs will be determined based on the provisions in effect at the time the member entered the DROP.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system

1. Plan description

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

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system (continued)

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

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

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

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>89,378,948</u>
Total	<u>\$ 89,378,948</u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 8,293,111</u>

The collective net pension liability was measured as of June 30, 2023, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2023. The Town has no proportionate share of the collective net pension liability.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system (continued)

5. Actuarial assumptions

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

Valuation date	June 30, 2023
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 are as follows:

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
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%
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, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

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 Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.30%
Infrastructure and natural resources	<u>7.00%</u>	7.70%
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 collective net pension liability to changes in the discount rate

The Town's proportionate share of the collective 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

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”)**1. Plan description****a. Plan administration**

The Town administers two single-employer, post-retirement healthcare plans for the Town and the Board of Education. The Town and Board of Education plans provide medical, prescription drug, dental and vision benefits for eligible retirees and their spouses. Certain groups within the Town are also offered life insurance. The plans are not accounted for in a trust and therefore do not issue standalone financial reports.

b. Plan membership

The membership in the Plan as of the date indicated is comprised of the following:

<u>Valuation date: July 1, 2023</u>	<u>Town</u>	<u>Education</u>
Inactive plan members or beneficiaries currently receiving benefit payments	281	174
Active plan members	<u>145</u>	<u>281</u>
Total	<u><u>426</u></u>	<u><u>455</u></u>

2. Benefit provisions

The Town plan provides for medical, prescription drug, dental and vision benefits for all eligible Town Dispatcher, Fire, Police, Public Service, Supervisor and Town Hall retirees and their spouses. The Board of Education plan provides for medical, prescription drug, dental and vision benefits for all Board of Education Teacher, Administrator, Mid-Management, Custodian, Nurse, Cafeteria and Secretary retirees and their spouses. Life insurance is offered for certain groups with the Town. Public Service, Supervisor and Town Hall retirees do not have surviving spouse coverage. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

3. Contributions**Employer contributions**

The Town and Board of Education are currently funding the plan on a pay as you go basis.

Employee contributions

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”) (continued)

4. Actuarial methods and significant assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Discount rate	3.65%
Salary increases	3.50%
Healthcare cost trend rates: Medical	7.00% decreasing to 4.50% ultimate rate
Prescription drug - medicare	10.70% decreasing to 4.50% ultimate rate
Dental, administrative costs	3.00%
Mortality rates	
Healthy participants other than Teachers, Police and Fire participants	Based on PubG.H-2010 mortality table projected generationally with Scale MP-2021
Healthy Police and Fire participants	Based on PubS.H-2010 mortality table projected generationally with Scale MP-2021
Disabled retirees other than Teachers	Based on the PubNS.H-2010 mortality table projected generationally with Scale MP-2021
Healthy Teachers	Based on the PubT-2010 table projected with Scale MP-2019
Disabled Teachers	Based on the PubNS-2010 table projected with Scale MP-2019

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

5. Changes from prior year

a. Changes in assumptions

The Town and Board of Education’s OPEB liability changed due to the following changes in valuation assumptions:

Assumption	From	To
Discount rate	3.54%	3.65%
Health care cost trend rates: Prescription drug - medicare	6.00% decreasing to 4.50%	10.70% decreasing to 4.50%

b. Changes in benefit terms

There were no changes in benefit terms.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”) (continued)**6. Changes in the OPEB liability**

<u>Valuation date July 1, 2023</u>	<u>Town</u>	<u>Education</u>	<u>Total</u>
Balance at July 1, 2023	\$ 87,343,072	\$ 27,968,929	\$ 115,312,001
Service cost	3,132,533	207,022	3,339,555
Interest	3,129,604	964,608	4,094,212
Differences between expected and actual experience	4,231,767	4,490,516	8,722,283
Changes in assumptions	12,249,339	(2,010,412)	10,238,927
Benefit payments	<u>(4,173,700)</u>	<u>(1,870,560)</u>	<u>(6,044,260)</u>
Net change	<u>18,569,543</u>	<u>1,781,174</u>	<u>20,350,717</u>
Balance at June 30, 2024	<u>\$ 105,912,615</u>	<u>\$ 29,750,103</u>	<u>\$ 135,662,718</u>

7. Sensitivity of the OPEB liability to changes in the discount rate

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

<u>Plan</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town	<u>3.65%</u>	<u>\$ 126,814,594</u>	<u>\$ 105,912,615</u>	<u>\$ 89,893,044</u>
Education	<u>3.65%</u>	<u>\$ 32,685,079</u>	<u>\$ 29,750,103</u>	<u>\$ 27,223,605</u>

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

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

<u>Plan</u>	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town	7.00% decreasing to <u>4.50%</u>	<u>\$ 88,314,883</u>	<u>\$ 105,912,615</u>	<u>\$ 129,576,271</u>
Education	7.00% decreasing to <u>4.50%</u>	<u>\$ 27,341,729</u>	<u>\$ 29,750,103</u>	<u>\$ 32,545,462</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”) (continued)

9. OPEB expense and deferred outflows/inflows of resources related to OPEB

The Town and Education plans reported deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

<u>Town</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 8,406,123	\$ 113,659	\$ 8,292,464
Changes in assumptions	<u>12,466,051</u>	<u>10,715,389</u>	<u>1,750,662</u>
Total	<u>\$ 20,872,174</u>	<u>\$10,829,048</u>	<u>\$ 10,043,126</u>
<u>OPEB Expense</u>			
The plan recognized OPEB expense of:			<u>\$ 12,305,019</u>

<u>Education</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 3,909,290	\$ 53,302	\$ 3,855,988
Changes in assumptions	<u>2,349,147</u>	<u>4,982,264</u>	<u>(2,633,117)</u>
Total	<u>\$ 6,258,437</u>	<u>\$ 5,035,566</u>	<u>\$ 1,222,871</u>
<u>OPEB Expense</u>			
The plan recognized OPEB expense of:			<u>\$ 1,546,068</u>

Experience losses (gain) and changes in assumptions are amortized over the average remaining service period of actives and inactives, which were as follows:

	<u>Years</u>
Town	5.45
Education	7.16

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”) (continued)

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

Year ending June 30,	Town	Education
2025	\$ 4,078,326	\$ 537,747
2026	2,418,214	714,303
2027	536,703	97,338
2028	1,649,057	(218,935)
2029	1,360,826	(218,935)
Thereafter	-	311,353
Total	<u>\$10,043,126</u>	<u>\$ 1,222,871</u>

D. Connecticut state teachers’ retirement board retiree health insurance plan

1. Plan description

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

2. Benefit provisions

The Plan provides for retiree health insurance benefits to retired teachers and administrators of public schools. 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	5 years of credited service
Vesting - service	10 years of service

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

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 health care benefits offered. 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.

The subsidy amounts are set by State statutes as follows:

Members that are not currently participating in Medicare Parts A & B	A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost
Members who has attained the normal retirement age to participate in Medicare but is not eligible for Part A of Medicare without cost	A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan

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

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

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

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

Employer (school districts)

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

Employees/retirees

Employees: Each active member is required to contribute 1.25% of their pensionable wages

Retirees: Retirees are required to pay for 1/3 of the plan cost through monthly premiums

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

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

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>8,373,580</u>
Total	<u>\$ 8,373,580</u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 112,853</u>

The collective net OPEB liability was measured as of June 30, 2023, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Town has no proportionate share of the collective net OPEB liability.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

5. Actuarial assumptions

The collective total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	3.00%
Discount rate	3.64%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2028

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 3.53% to 3.64% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents (treasuries). The expected 10-year geometric rate of return is 0.77%. The long-term real rate of return as of June 30, 2023 was 3.25%.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.64%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

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

The Town’s proportionate share of the collective 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

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan’s fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut’s ACFR as a OPEB trust fund.

E. Total OPEB plans

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Town	\$105,912,615	\$ 20,872,174	\$ 10,829,048	\$ 12,305,019
Education	<u>29,750,103</u>	<u>6,258,437</u>	<u>5,035,566</u>	<u>1,546,068</u>
Total	<u>\$135,662,718</u>	<u>\$ 27,130,611</u>	<u>\$ 15,864,614</u>	<u>\$ 13,851,087</u>

Required Supplementary Information

Type	Description
General Fund - Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<hr/>	
<u>Pension Plans</u> Municipal Employees' Retirement System State Teachers' Retirement System	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<hr/>	
<u>Other Post-Employment Benefits Plans</u> Town Plan Education Plan State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in OPEB Liability
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Real estate	\$ 62,838,610	\$ -	\$ 62,838,610	\$ 62,683,067	\$(155,543)
Motor vehicle and personal property	10,891,739	-	10,891,739	9,971,650	(920,089)
Supplemental motor vehicle	1,083,315	-	1,083,315	870,348	(212,967)
Delinquent taxes	820,000	-	820,000	1,360,800	540,800
Suspense collections	20,000	-	20,000	60,416	40,416
Interest, penalties and liens	440,000	-	440,000	750,818	310,818
PILOT water authority	754,340	-	754,340	750,735	(3,605)
PILOT GNHWPCA	63,000	-	63,000	63,000	-
Telecommunication property tax	38,000	-	38,000	66,376	28,376
Total property taxes	76,949,004	-	76,949,004	76,577,210	(371,794)
Intergovernmental:					
Education cost sharing	18,764,125	-	18,764,125	18,809,604	45,479
PILOT state property	462,357	-	462,357	462,357	-
PILOT Pequot funds	82,006	-	82,006	80,006	(2,000)
Tax relief elderly	2,000	-	2,000	1,166	(834)
Veterans' exemption	42,130	-	42,130	38,510	(3,620)
Disability reimbursement	4,500	-	4,500	4,908	408
State of CT department of children	20,442	-	20,442	20,443	1
Other grants	-	-	-	16,157	16,157
Total intergovernmental	19,377,560	-	19,377,560	19,433,151	55,591
Charges for services:					
Zoning board of appeals	10,000	-	10,000	2,288	(7,712)
Zoning fees	11,000	-	11,000	21,131	10,131
Police permits, tags, etc.	55,000	-	55,000	27,923	(27,077)
Fire permits/fees	400	-	400	2,480	2,080
Town clerk fees	580,000	-	580,000	606,426	26,426
Building department permits	275,000	-	275,000	417,455	142,455
Recreation fees	90,000	-	90,000	95,270	5,270
Athletic complex fees	340,000	-	340,000	397,657	57,657
C.A.M. fees	300	-	300	-	(300)
Landfill fees	60,000	-	60,000	21,096	(38,904)
Inland/wetland prints	2,500	-	2,500	796	(1,704)
Police special assignments	1,500,000	-	1,500,000	1,206,879	(293,121)
Farmers market	-	-	-	10	10
Memorial park benches	-	-	-	2,671	2,671
Total charges for services	2,924,200	-	2,924,200	2,802,082	(122,118)
Income from investments	580,000	-	580,000	1,083,257	503,257

(Continued)

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Other:					
Employee benefit cost sharing	\$ 675,000	\$ -	\$ 675,000	\$ 664,886	\$ (10,114)
Workers' compensation reimbursement	185,000	-	185,000	199,444	14,444
Other	40,000	-	40,000	108,248	68,248
Total other	<u>900,000</u>	<u>-</u>	<u>900,000</u>	<u>972,578</u>	<u>72,578</u>
Total revenues	<u>100,730,764</u>	<u>-</u>	<u>100,730,764</u>	<u>100,868,278</u>	<u>137,514</u>
Other financing sources:					
Sale of assets	20,000	-	20,000	15,099	(4,901)
Transfers in	225,000	-	225,000	-	(225,000)
Total other financing sources	<u>245,000</u>	<u>-</u>	<u>245,000</u>	<u>15,099</u>	<u>(229,901)</u>
Total revenues and other financing sources	<u>\$ 100,975,764</u>	<u>\$ -</u>	<u>\$ 100,975,764</u>	<u>\$ 100,883,377</u>	<u>\$ (92,387)</u>

(Concluded)

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town council	\$ 70,800	\$ -	\$ 70,800	\$ 65,596	\$ 5,204
Board of finance	7,700	-	7,700	6,345	1,355
Mayor	186,024	-	186,024	178,219	7,805
Finance	542,708	(10,000)	532,708	528,155	4,553
Purchasing	78,856	-	78,856	68,164	10,692
Tax collector	295,287	-	295,287	240,770	54,517
Assessor	312,442	(14,000)	298,442	216,526	81,916
Personnel, administration and management	264,050	-	264,050	256,945	7,105
Board of assessment appeals	3,600	-	3,600	3,395	1,205
Town clerk	327,270	-	327,270	278,594	48,676
Registrar of voters	151,379	-	151,379	148,487	2,892
Planning and zoning	218,408	2,000	220,408	210,362	10,046
Zoning board of appeals	4,590	(2,000)	2,590	2,370	220
Legal	776,660	5,000	781,660	779,894	1,766
Probate	19,000	-	19,000	15,517	3,483
Civil service	57,389	-	57,389	43,761	13,628
Flood and erosion	550	-	550	-	550
Inland/wetland	3,350	-	3,350	913	2,437
School building committee	1,400	400	1,800	1,800	-
Information technology	161,867	-	161,867	112,085	49,782
Total general government	3,483,330	(18,600)	3,464,730	3,156,898	307,832
Public safety:					
Board of police commissioners	3,525	-	3,525	1,916	1,609
Animal shelter	312,866	-	312,866	284,776	28,090
Police department	7,858,206	250,000	8,108,206	8,031,849	76,357
Board of fire commissioners	14,075	-	14,075	12,053	2,022
Fire department	7,266,499	14,000	7,280,499	7,277,429	3,070
Public safety command center	1,135,562	-	1,135,562	1,113,488	22,074
Emergency operations center	35,000	-	35,000	33,193	1,807
Total public safety	16,625,733	264,000	16,889,733	16,754,704	135,029
Public services and engineering:					
Engineering	67,347	-	67,347	55,072	12,275
Public services	2,626,740	(190,000)	2,436,740	2,248,482	188,258
Total public services and engineering	2,694,087	(190,000)	2,504,087	2,303,554	200,533
Sanitation and maintenance:					
Building department	174,663	-	174,663	171,803	2,860
Sanitation	2,704,177	190,000	2,894,177	2,837,447	56,730
Building maintenance	752,266	-	752,266	730,075	22,191
Total sanitation and maintenance	3,631,106	190,000	3,821,106	3,739,325	81,781

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Health and welfare:					
Public health	\$ 379,206	\$ -	\$ 379,206	\$ 370,300	\$ 8,906
Social services	105,921	-	105,921	99,027	6,894
Counseling and community services	135,922	-	135,922	135,922	-
Housing authority	300	(200)	100	78	22
Urban renewal	3,375	831	4,206	4,175	31
Total health and welfare	<u>624,724</u>	<u>631</u>	<u>625,355</u>	<u>609,502</u>	<u>15,853</u>
Culture and recreation:					
Recreation	536,161	-	536,161	468,792	67,369
Ice rink	445,071	-	445,071	369,465	75,606
Senior center	281,532	-	281,532	273,239	8,293
Library	918,534	-	918,534	885,038	33,496
Community services	149,897	(2,060)	147,837	126,028	21,809
Total culture and recreation	<u>2,331,195</u>	<u>(2,060)</u>	<u>2,329,135</u>	<u>2,122,562</u>	<u>206,573</u>
Employee benefits and insurance:					
Employee benefits	13,337,000	-	13,337,000	13,124,300	212,700
Insurance	3,191,400	540,000	3,731,400	3,729,856	1,544
Total employee benefits and insurance	<u>16,528,400</u>	<u>540,000</u>	<u>17,068,400</u>	<u>16,854,156</u>	<u>214,244</u>
Education	<u>49,044,271</u>	<u>-</u>	<u>49,044,271</u>	<u>49,359,825</u>	<u>(315,554)</u>
General services	<u>1,980,700</u>	<u>(533,971)</u>	<u>1,446,729</u>	<u>1,281,780</u>	<u>164,949</u>
Debt service:					
Principal	2,820,000	-	2,820,000	2,820,000	-
Interest	1,212,218	(250,000)	962,218	962,218	-
Total debt service	<u>4,032,218</u>	<u>(250,000)</u>	<u>3,782,218</u>	<u>3,782,218</u>	<u>-</u>
Total expenditures	<u>\$ 100,975,764</u>	<u>\$ -</u>	<u>\$ 100,975,764</u>	<u>\$ 99,964,524</u>	<u>\$ 1,011,240</u>

(Concluded)

Town of East Haven, Connecticut
Notes to Required Supplementary Information
Budgets and Budgetary Accounting
For the Year Ended June 30, 2024

The General Fund has a legally adopted annual budget. The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements in accordance with the Town Charter. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

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

This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

- The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$100,868,278	\$ 99,964,524
State Teachers' pension on behalf amount	8,293,111	8,293,111
State Teachers' OPEB on behalf amount	<u>112,853</u>	<u>112,853</u>
GAAP Basis - Exhibit D	<u>\$ 109,274,242</u>	<u>\$ 108,370,488</u>

Prior to March 4, the Mayor submits to the Board of Finance a proposed operating budget for the year commencing the following July 1. The Board of Finance returns the budget to the Mayor with its recommendations by March 23. On or before March 31, the Mayor submits the budget to the Town Council, which calls a public hearing. By April 28, the Town Council votes to adopt the budget. The budget is adopted on a basis consistent with generally accepted accounting principles.

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

The Director of Finance may make transfers within a department of amounts not to exceed \$2,500 in any one account in any one year. The Board of Finance is authorized to transfer budgeted amounts within and between departments for amounts up to \$25,000. The Town Council, upon recommendation of the Board of Finance, approves transfers in excess of \$25,000 but not to exceed \$50,000. Transfers in excess of \$50,000 may be authorized only by ordinance. Additional appropriations may be made by ordinance of the Town Council.

The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.

Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Town Council during the course of the year.

There were no additional appropriations during the year.

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None	
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2021	June 30, 2020	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	Entry age	Entry age	Entry age	
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	
Remaining amortization period	18 years	18 years	19 years	19 years	21 years	21 years	23 years	23 years	25 years	25 years	
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%	
Salary increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	
Cost-of-living adjustments	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65, 3.25% afterwards	
Social security wage base	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%	
Mortality rate	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	General Employees: RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	General Employees: RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	General Employees: RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

Town of East Haven, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement System
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Schedule of Proportionate Share of the Collective Net Pension Liability									
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	89,378,948	94,357,790	72,024,891	90,939,546	83,740,282	64,568,622	74,004,319	78,075,123	58,217,951	53,810,829
Total	\$ 89,378,948	\$ 94,357,790	\$ 72,024,891	\$ 90,939,546	\$ 83,740,282	\$ 64,568,622	\$ 74,004,319	\$ 78,075,123	\$ 58,217,951	\$ 53,810,829
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the collective total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
Schedule of Contributions										
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System

Schedule of Contributions
Last Ten Years

	2014	2013	2012	2011	2010	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012	June 30, 2012

Actuarial methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period (equivalent single period)	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years	23.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-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%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of East Haven, Connecticut

Required Supplementary Information

Schedule of Changes in OPEB Liability
Other Post-Employment Benefit (OPEB) Plans
Last Seven Years (2)

	2024	2023	2022	2021	2020	2019	2018
			<u>Town Plan</u>				
OPEB liability:							
Service cost	\$ 3,132,533	\$ 4,173,874	\$ 3,176,864	\$ 2,578,351	\$ 1,475,596	\$ 1,652,879	\$ 2,715,495
Interest	3,129,604	2,241,409	1,981,588	2,810,460	2,471,687	2,326,716	2,471,758
Change of benefit terms	-	-	605,345	-	-	-	-
Differences between expected and actual experience	4,231,767	-	11,493,767	-	(2,218,424)	-	11,771,199
Changes in assumptions	12,249,339	(16,652,789)	(403,297)	6,739,058	16,400,900	(2,576,018)	(10,188,458)
Benefit payments	(4,173,700)	(4,007,581)	(3,488,635)	(3,223,953)	(2,406,876)	(2,294,079)	(2,193,267)
Net change in total OPEB liability	18,569,543	(14,245,087)	13,365,632	8,903,916	15,722,883	(890,502)	4,576,727
OPEB liability - July 1	87,343,072	101,588,159	88,222,527	79,318,611	63,595,728	64,486,230	59,909,503
OPEB liability - June 30 (1)	<u>\$ 105,912,615</u>	<u>\$ 87,343,072</u>	<u>\$ 101,588,159</u>	<u>\$ 88,222,527</u>	<u>\$ 79,318,611</u>	<u>\$ 63,595,728</u>	<u>\$ 64,486,230</u>
			<u>Education Plan</u>				
OPEB liability:							
Service cost	\$ 207,022	\$ 272,598	\$ 471,953	\$ 345,379	\$ 171,969	\$ 198,053	\$ 440,264
Interest	964,608	696,629	682,436	956,022	1,149,729	1,120,214	1,520,774
Differences between expected and actual experience	4,490,516	-	(109,804)	-	322,681	-	(7,302,204)
Changes in assumptions	(2,010,412)	(4,047,679)	2,331,332	3,878,602	(2,357,248)	(916,308)	(8,048,304)
Benefit payments	(1,870,560)	(1,852,854)	(1,756,803)	(1,722,016)	(2,001,556)	(1,914,465)	(2,361,365)
Net change in OPEB liability	1,781,174	(4,931,306)	1,619,114	3,457,987	(2,714,425)	(1,512,506)	(15,750,835)
OPEB liability - July 1	27,968,929	32,900,235	31,281,121	27,823,134	30,537,559	32,050,065	47,800,900
OPEB liability - June 30 (1)	<u>\$ 29,750,103</u>	<u>\$ 27,968,929</u>	<u>\$ 32,900,235</u>	<u>\$ 31,281,121</u>	<u>\$ 27,823,134</u>	<u>\$ 30,537,559</u>	<u>\$ 32,050,065</u>

Notes:

(1) There are no assets that are being accumulated in a trust that meets the criteria in GASB Statement No. 75 to pay benefits.

(2) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Covered-employee payroll information is not available.

Town of East Haven, Connecticut
Required Supplementary Information

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

	2024	2023	2022	2021	2020	2019	2018
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>							
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	8,373,580	8,263,578	7,846,980	13,563,637	13,059,768	12,907,700	19,047,874
Total	\$ 8,373,580	\$ 8,263,578	\$ 7,846,980	\$ 13,563,637	\$ 13,059,768	\$ 12,907,700	\$ 19,047,874
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the collective total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Schedule of Contributions

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

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

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

(3) 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 East Haven, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	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-1

Form of Opinion of Bond Counsel –Series A Bonds

May __, 2026

Town of East Haven
250 Main Street
East Haven, CT 06512

We have acted as Bond Counsel to the Town of East Haven, Connecticut (the “Town”) in connection with the issuance by the Town of its \$ _____ General Obligation Bonds, Issue of 2026, Series A (the “Bonds”) dated May __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Compliance Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds 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 Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds 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 Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, 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.

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excludable 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 and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

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 Bonds.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix B-2

Form of Opinion of Bond Counsel – Series B Bonds

May __, 2026

Town of East Haven
250 Main Street
East Haven, CT 06512

We have acted as Bond Counsel to the Town of East Haven, Connecticut (the “Town”) in connection with the issuance of its \$ _____ General Obligation Bonds (Federally Taxable), Issue of 2026, Series B (the “Bonds”) dated May __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents of the Town as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds 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.

In our opinion, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986.

We are further of the opinion that, under existing statutes, interest on the Bonds is excludable 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 and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

Town of East Haven, Connecticut

May __, 2026

Page 2 of 2

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 Bonds.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C-1

Form of Continuing Disclosure Agreement – Series A Bonds

**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

**In Connection With The Issuance and Sale of
\$ _____ General Obligation Bonds, Issue of 2026, Series A**

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of May __, 2026, by the Town of East Haven, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bonds, Issue of 2026, Series A dated May __, 2026 (the “Bonds”).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Continuing Disclosure Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated May __, 2026, prepared in connection with the issuance of the Bonds.

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

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

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

“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. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer (commencing with the information and data for the fiscal year ending June 30, 2026):

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

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

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the long-term debt through maturity on outstanding long-term bonded indebtedness;
- (E) a calculation of the total net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins;
- (I) the funding status of the Issuer's pension benefit obligations; and
- (J) the funding status of the Issuer's OPEB obligation.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

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

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i)** principal and interest payment delinquencies;
- (ii)** unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii)** unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv)** substitution of credit or liquidity providers, or their failure to perform;
- (v)** adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vi)** tender offers;
- (vii)** bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii)** Bond defeasances;
- (ix)** rating changes; and
- (x)** default, event of acceleration, termination event, modification of terms, or other similar events under the terms of financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i)** non-payment related defaults;
- (ii)** modifications to rights of Bond holders;
- (iii)** Bond calls;
- (iv)** release, substitution, or sale of property securing repayment of the Bonds;
- (v)** consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term “financial obligation” means 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” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement on or before the date set forth in Section 3 hereof.

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

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

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the 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 Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Town of East Haven, 250 Main Street, East Haven, Connecticut 06516, Attn: Mayor. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 11. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 12. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF EAST HAVEN, CONNECTICUT

By: _____
Joseph A. Carfora
Mayor

By: _____
Barbara-Ann K. Brannigan
Director of Finance

Appendix C-2

Form of Continuing Disclosure Agreement – Series B Bonds

**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

**In Connection With The Issuance and Sale of
\$ _____ General Obligation Bonds (Federally Taxable), Issue of 2026, Series B**

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of May __, 2026, by the Town of East Haven, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bonds (Federally Taxable), Issue of 2026, Series B dated May __, 2026 (the “Bonds”).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Continuing Disclosure Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated May __, 2026, prepared in connection with the issuance of the Bonds.

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

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

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

“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. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer (commencing with the information and data for the fiscal year ending June 30, 2026):

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

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

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the long-term debt through maturity on outstanding long-term bonded indebtedness;
- (E) a calculation of the total net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins;
- (I) the funding status of the Issuer's pension benefit obligations; and
- (J) the funding status of the Issuer's OPEB obligation.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

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

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i)** principal and interest payment delinquencies;
- (ii)** unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii)** unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv)** substitution of credit or liquidity providers, or their failure to perform;
- (v)** adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vi)** tender offers;
- (vii)** bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii)** Bond defeasances;
- (ix)** rating changes; and
- (x)** default, event of acceleration, termination event, modification of terms, or other similar events under the terms of financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i)** non-payment related defaults;
- (ii)** modifications to rights of Bond holders;
- (iii)** Bond calls;
- (iv)** release, substitution, or sale of property securing repayment of the Bonds;
- (v)** consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term “financial obligation” means 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” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement on or before the date set forth in Section 3 hereof.

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

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

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the 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 Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Town of East Haven, 250 Main Street, East Haven, Connecticut 06516, Attn: Mayor. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 11. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 12. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF EAST HAVEN, CONNECTICUT

By: _____
Joseph A. Carfora
Mayor

By: _____
Barbara-Ann K. Brannigan
Director of Finance

Appendix D-1

Notice of Sale – Series A Bonds

NOTICE OF SALE

**TOWN OF EAST HAVEN, CONNECTICUT
\$2,600,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026, SERIES A
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS *solely* via **PARITY**® will be received by the TOWN OF EAST HAVEN, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on WEDNESDAY,

MAY 6, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$2,600,000 General Obligation Bonds, Issue of 2026, Series A, dated May 20, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on July 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2028	140,000	2037	145,000
2029	140,000	2038	145,000
2030	145,000	2039	145,000
2031	145,000	2040	145,000
2032	145,000	2041	145,000
2033	145,000	2042	145,000
2034	145,000	2043	145,000
2035	145,000	2044	145,000
2036	145,000	2045	145,000

The Bonds will bear interest commencing January 15, 2027 and semiannually thereafter on January 15 and July 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before July 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after July 15, 2034, either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
July 15, 2034 and thereafter	100.0%

Nature of Obligation

The Bonds 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 Bonds when due. Unless paid from other sources, the Bonds 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.

Bank Qualification

The Bonds SHALL 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 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“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 Bonds 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, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. 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 Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable

by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the last business day of December and June in each year.

Proposals

Each bid must be for the entire \$2,600,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. 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 cancel or 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 cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, 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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY**®. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: munis@spglobal.com or parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**® is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY**®, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds 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 Bonds on the terms described in this Notice. **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®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® 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.**

Disclaimer. Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** 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 or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice 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®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds 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 Bonds the purchaser 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 Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond 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 Bonds.

The Bonds 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 May 20, 2026 (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 Bonds 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 Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B-1 to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as 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 Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

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 (the “Code”), relating to the exclusion of interest on the Bonds 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 Bonds 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 Bonds, 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 Marie V. Phelan, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4337, E-mail: mphelan@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.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 Bonds, 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 Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, 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 Bonds, 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 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 Bonds) will apply to the initial sale of the Bonds (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 who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), 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. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

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 Bonds (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 Bonds 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. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds 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 of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. 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 Bonds 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 Bonds 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 Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds 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 Bonds 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 Bonds 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 Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated April 28, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com> and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.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 Bonds or by the seventh (7th) business day after the day bids on the Bonds 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 Bonds, 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 annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C-1. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF EAST HAVEN, CONNECTICUT

JOSEPH A. CARFORA
Mayor

NOREEN CLOUGH
Treasurer

BARBARA-ANN K. BRANNIGAN
Director of Finance

April 28, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF EAST HAVEN, CONNECTICUT
\$2,600,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026, SERIES A
DATED MAY 20, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF EAST HAVEN, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about May 20, 2026, the Bonds at a price of par (\$2,600,000.00), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of May 6, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “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. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “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 Bonds 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 Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of May 6, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, July 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2028	140,000		
2029	140,000		
2030	145,000		
2031	145,000		
2032	145,000		
2033	145,000		
2034	145,000		
2035	145,000		
2036	145,000		
2037	145,000		
2038	145,000		
2039	145,000		
2040	145,000		
2041	145,000		
2042	145,000		
2043	145,000		
2044	145,000		
2045	145,000		

Schedule B to Issue Price Certificate

Appendix D-2

Notice of Sale – Series B Bonds

NOTICE OF SALE

TOWN OF EAST HAVEN, CONNECTICUT
\$17,400,000 GENERAL OBLIGATION BONDS (FEDERALLY TAXABLE),
ISSUE OF 2026, SERIES B
BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF EAST HAVEN, CONNECTICUT (the “Issuer”), until 12:00 P.M. (E.T.) on WEDNESDAY,

MAY 6, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$17,400,000 General Obligation Bonds (Federally Taxable), Issue of 2026, Series B, dated May 20, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on July 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2028	965,000	2037	965,000
2029	965,000	2038	965,000
2030	965,000	2039	965,000
2031	965,000	2040	970,000
2032	965,000	2041	970,000
2033	965,000	2042	970,000
2034	965,000	2043	970,000
2035	965,000	2044	970,000
2036	965,000	2045	970,000

The Bonds will bear interest commencing January 15, 2027 and semiannually thereafter on July 15 and January 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before July 15, 2036 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2037 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after July 15, 2036, either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
July 15, 2036 and thereafter	100.0%

Nature of Obligation

The Bonds 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 Bonds when due. Unless paid from other sources, the Bonds 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.

Bank Qualification

The Bonds 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 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“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 Bonds 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, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. 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 Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the

registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the last business day of December and June in each year.

Proposals

Each bid must be for the entire \$17,400,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. 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 cancel or 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 cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, 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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY**®. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: munis@spglobal.com or parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**® is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY**®, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds 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 Bonds on the terms described in this Notice. **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®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® 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.**

Disclaimer. Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** 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 or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice 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®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds 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 Bonds the purchaser 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 Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond 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 Bonds.

The Bonds 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 May 20, 2026 (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 Bonds 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 Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B-2 to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as 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 Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

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 (the “Code”), relating to the exclusion of interest on the Bonds 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 Bonds 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 Bonds, 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 Marie V. Phelan, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4337, E-mail: mphelan@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.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 Bonds, 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 Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, 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 Bonds, 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 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 Bonds) will apply to the initial sale of the Bonds (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 who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), 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. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

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 Bonds (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 Bonds 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. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds 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 of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. 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 Bonds 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 Bonds 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 Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds 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 Bonds 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 Bonds 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 Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated April 28, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com> and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.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 Bonds or by the seventh (7th) business day after the day bids on the Bonds 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 Bonds, 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 annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C-2. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF EAST HAVEN, CONNECTICUT

JOSEPH A. CARFORA
Mayor

NOREEN CLOUGH
Treasurer

BARBARA-ANN K. BRANNIGAN
Director of Finance

April 28, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF EAST HAVEN, CONNECTICUT
\$17,400,000 GENERAL OBLIGATION BONDS (FEDERALLY TAXABLE), ISSUE OF 2026,
SERIES B
DATED MAY 20, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF EAST HAVEN, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about May 20, 2026, the Bonds at a price of par (\$17,400,000.00), plus an aggregate net premium of \$_____ and less an underwriter’s discount of \$_____, resulting in an aggregate net purchase price of \$_____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of May 6, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “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. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “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 Bonds 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 Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of May 6, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, July 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2028	965,000		
2029	965,000		
2030	965,000		
2031	965,000		
2032	965,000		
2033	965,000		
2034	965,000		
2035	965,000		
2036	965,000		
2037	965,000		
2038	965,000		
2039	965,000		
2040	970,000		
2041	970,000		
2042	970,000		
2043	970,000		
2044	970,000		
2045	970,000		

Schedule B to Issue Price Certificate

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