Town of Easton, Connecticut

Financial Report
June 30, 2018

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RSM US LLP

Independent Auditor's Report

To the Board of Finance
Town of Easton, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Town, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter—Adoption of Standards
As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB),* which resulted in the Town restating net position for recognition of the Town's OPEB related activity incurred prior to July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB related schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, which 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.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2019 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.

RSM US LLP

New Haven, Connecticut
January 15, 2019

Town of Easton, Connecticut

Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

Management of the Town of Easton, Connecticut (the Town) offers readers of these financial statements this narrative overview and analysis of the net position and financial activities of the Town for the fiscal year ended June 30, 2018.

This MD&A provides an introduction to the basic financial statements of the Town and an analytical overview of the Town's financial position and activities for the fiscal year ended June 30, 2018.

Financial Highlights

- Effective with the Town's reporting period beginning July 1, 2017, the Town was required to implement GASB Statement No. 75 related to other postemployment benefits (OPEB). This Statement required that the unrestricted net position of the government-wide financial statements as of July 1, 2017 be restated and decreased in the amount of $1,282,622.
- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent year by $76,061,887 (net position). Of this amount, $7,637,934 (unrestricted net position) may be used to meet ongoing obligations.
- The Town's total net position increased by $4,108,579. This is a combination of the Town budgeting for the potential of the State charging us for a portion of the Teacher's Pension Obligation and the continuing paydown of the Town's outstanding long term obligations.
- As of the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of $14,140,705.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was $7,189,734 or 16.0% of total General Fund expenditures and transfers out.
- In the 2018/2019 General Fund budget the Town has assigned $2,768,824 to be used for 2018/2019 appropriations.

Overview of the 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 basic financial statements. This report also contains other supplementary information, in addition to the basic financial statements.

Government-Wide Financial Statements

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

The statement of net position presents information on all of the Town's assets plus deferred outflows of resources after liabilities plus deferred inflows of resources are deducted, with the difference reported as the net position.

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 functions that are principally supported by taxes and intergovernmental revenues. The governmental activities of the Town include general government services, public safety, public works, health and welfare services, education, library operations, and parks and recreation.

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 three categories: governmental funds, proprietary funds, and fiduciary 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.

The Town maintains several individual governmental funds. 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 the General Fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund as required supplementary information to demonstrate compliance with this budget.

Proprietary Funds. The Town maintains one 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 an internal service fund to account for the Board of Education medical insurance benefits. This activity has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

Notes to Basic 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.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's pension and other post-employment (OPEB) benefits and General Fund budgetary information.

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

Government-Wide Financial Analysis

The Town's assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by $76,061,887 as of June 30, 2018.

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

Town of Easton, Connecticut

	Summary Statement of Net Position	
	Governmental Activities	
	June 30, 2018	June 30, 2017*
Current assets	**$ 18,199,188**	$ 15,661,682
Capital assets	**86,889,154**	87,946,406
Total assets	**105,088,342**	103,608,088
Deferred outflows of resources	**1,296,327**	2,302,360
Long-term obligations outstanding	**26,912,106**	30,679,393
Other liabilities	**2,956,872**	3,122,094
Total liabilities	**29,868,978**	33,801,487
Deferred inflows of resources	**453,804**	155,653
Net position		
Net investments in capital assets	**68,225,860**	65,671,262
Restricted	**198,093**	-
Unrestricted	**7,637,934**	6,282,046
Total net position	**$ 76,061,887**	$ 71,953,308

**2017 restated for GASB No.75*

The unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Town of Easton, Connecticut

Summary Schedule of Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues		
Program revenues:		
Charges for services	**$ 2,523,571**	$ 2,231,335
Operating grants and contributions	**2,385,472**	3,248,952
Capital grants and contributions	**-**	40,000
General revenues:		
Property taxes	**42,914,188**	41,675,855
Grants and contributions not restricted to specific purposes	**187,470**	207,713
Investment income	**168,188**	106,090
Total revenues	**48,178,889**	47,509,945
Program expenses		
General government	**2,842,945**	3,015,640
Public safety	**3,298,094**	3,126,102
Public works	**3,019,261**	3,086,184
Health and welfare	**481,600**	674,170
Education	**32,481,638**	32,567,827
Library	**697,875**	774,315
Parks and recreation	**826,266**	890,907
Interest expense	**422,631**	620,690
Total expenses	**44,070,310**	44,755,835
Change in net position	**4,108,579**	2,754,110
Net position		
Beginning, as restated*	**71,953,308**	70,481,820
Restated for GASB No. 75	**-**	(1,282,622)
Ending	**$ 76,061,887**	$ 71,953,308

*See Note 1 for restatement details

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, an unreserved fund balance may serve as a useful measure of a Town's net resources that are available at the end of the fiscal year to meet future needs and obligations incurred.

As of June 30, 2018, the Town's governmental funds had an aggregate ending fund balance of $14,140,705.

The General Fund is the operating fund of the Town. The unassigned fund balance was $7,189,734. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total General Fund expenditures. The unassigned fund balance represents 16.0% of total General Fund expenditures and transfers out, while total General Fund fund balance represents 22.1% of that same amount.

General Fund Budgetary Highlights

The most significant difference between the original budget and the final amended budget included additional appropriations of $15,111 to the Auditors, Senior Center, Emergency Management, Recycling and Region 9 budgets. Additionally, $294,860 was transferred from Police Special Service revenue to cover expenditures.

The following departments had positive budget variances as follows:

- Fringe Benefits in the amount of $582,626 due to increased employee contributions, the election to accept "in lieu of" medical coverage with no significant event changes.
- The Public Works department in the amount of $195,812 due to personnel vacancy, a less severe winter that saved overtime cost and the use of less highway road salt.
- Town Attorney fees in the amount of $23,056 due to legal postponements.
- Board of Education in the amount of $116,002, due to salary savings and less than expected, special education and transportation costs.
- State Teacher Pensions in the amount of $1,298,824, due to the reversal of potential State Pension Liability.

Town of Easton, Connecticut
Capital Assets (Net of Depreciation)

	Governmental Activities	
	2018	2017
Land	**$ 19,859,020**	$ 19,859,020
Construction in progress	**24,430**	24,430
Land improvements	**358,841**	380,586
Buildings	**48,365,014**	49,185,039
Building improvements	**1,128,458**	1,171,128
Machinery and equipment	**765,900**	776,382
Vehicles	**2,778,797**	2,637,591
Infrastructure	**13,608,694**	13,912,230
Total	**$ 86,889,154**	$ 87,946,406

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets as of June 30, 2018 is $86,889,154 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure.

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

- The Town expended approximately $171,000 for the purchase of a dump truck.
- The Town expended approximately $197,000 for the purchase of an ambulance.
- The remaining additions consisted of various equipment and vehicles for Town departments.

Additional information on the Town's capital assets can be found in Note 4 of this report.

Debt. At June 30, 2018, the Town had total debt outstanding of $18,544,000. All of this debt comprises debt backed by the full faith and credit of the Town.

Town of Easton, Connecticut
Outstanding General Obligation/Direct Purchase Bonds

	Governmental Activities	
	2018	2017
Bonds - Town improvements	**$ 6,088,000**	$ 2,529,000
Bonds - School improvements	**12,284,000**	14,232,000
Bonds - Sewer improvements	**172,000**	194,000
Bond anticipation notes	**-**	4,302,000
Total	**$ 18,544,000**	$ 21,257,000

The Town is also obligated for a portion of the Regional School District No. 9 general obligation debt in the net amount of $6,293,775.

The Town issued a direct purchase bond on December 13, 2017 in the amount of $3,994,000. The direct purchase bond incurs interest at 2.28% and matures in 2029.

During the fiscal year, the Town made bond principal payments of $2,713,000 against outstanding debt.

The Town's general obligation debt maintains an "AAA" credit rating from Standard and Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections and the tax relief for elderly freeze grant. The current debt limitation for the Town is $298,090,170 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term and short-term debt can be found in Notes 6 and 7.

Economic Factors and Next Year's Budget and Rates

The following are some factors that were considered in preparing the Town's budget for the 2019 fiscal year:

- The unemployment rate for the Town is currently 3.1%.This compares favorably to the state's average unemployment rate of 3.8% and the national average rate of 3.5%.
- Inflationary trends in the region compare favorably to national indices.
- Town's elected and appointed officials considered Town-wide trends when setting the fiscal year 2019 budget. The Town decided that it was important to continue to support the school system and adopt a budget designed to promote long-term financial stability, conservative budgeting, and while at the same time, providing excellent services to our residents and taxpayers.
- In the 2018/2019 General Fund budget the Town has assigned $2,768,824 to be used for 2018/2019 appropriations.
- At June 30, 2018, the unassigned fund balance in the General Fund was $7,189,734.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chairman, Board of Finance or the Finance Director, Town of Easton, 225 Center Road, Easton, Connecticut 06612.

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Basic Financial Statements

Town of Easton, Connecticut

Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	$ 11,310,432
Investments	4,992,955
Receivables, net	1,895,801
Total current assets	18,199,188
Noncurrent assets:	
Capital assets:	
Capital assets, not being depreciated	19,883,450
Capital assets, being depreciated, net	67,005,704
Total capital assets	86,889,154
Total assets	105,088,342
Deferred Outflows of Resources	
Deferred pension amounts	1,296,327
Total deferred outflows of resources	1,296,327
Liabilities	
Accounts payable and accrued expenses	2,372,290
Due to Regional School District No. 9	540,137
Unearned revenue	44,445
Noncurrent liabilities:	
Due within one year	3,109,516
Due in more than one year	23,802,590
Total liabilities	29,868,978
Deferred Inflows of Resources	
Deferred pension amounts	311,941
Deferred OPEB amounts	141,863
Total deferred inflows of resources	453,804
Net Position	
Net investments in capital assets	68,225,860
Restricted	198,093
Unrestricted	7,637,934
Total net position	$ 76,061,887

See notes to financial statements.

Town of Easton, Connecticut

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:					
General government	$ 2,842,945	$ 703,613	$ 107,900	$ -	$ (2,031,432)
Public safety	3,298,094	602,845	-	-	(2,695,249)
Public works	3,019,261	309,240	154,539	-	(2,555,482)
Health and welfare	481,600	522,286	-	-	40,686
Education	32,481,638	13,345	2,123,033	-	(30,345,260)
Library	697,875	12,655	-	-	(685,220)
Park and recreation	826,266	359,587	-	-	(466,679)
Interest and fiscal charges	422,631	-	-	-	(422,631)
Total governmental activities	$ 44,070,310	$ 2,523,571	$ 2,385,472	$ -	(39,161,267)
		General revenues:			
		Property taxes			42,914,188
		Grants and contributions not restricted to specific programs			187,470
		Investment income			168,188
		Total general revenues			43,269,846
		Change in net position			4,108,579
		Net position - beginning, as restated*			71,953,308
		Net position - ending			$ 76,061,887

See notes to financial statements.
* See Note 1 for restatement.

Town of Easton, Connecticut

Balance Sheet - Governmental Funds
June 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 8,109,563	$ 3,200,869	$ 11,310,432
Investments	4,048,895	944,060	4,992,955
Receivables:			
Property taxes and accrued interest, net	1,544,225	-	1,544,225
Accounts	216,435	81,563	297,998
Intergovernmental	-	53,578	53,578
Due from other funds	-	120,228	120,228
Total assets	$ 13,919,118	$ 4,400,298	$ 18,319,416
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ 654,559	$ 151,213	$ 805,772
Accrued liabilities	1,143,900	-	1,143,900
Unearned revenue	-	44,445	44,445
Due to Regional School District No.9	540,137	-	540,137
Due to other funds	177,455	-	177,455
Total liabilities	2,516,051	195,658	2,711,709
Deferred inflows of resources:			
Unavailable revenue	1,444,509	22,493	1,467,002
Total deferred inflows of resources	1,444,509	22,493	1,467,002
Fund balances:			
Restricted	-	1,046,495	1,046,495
Committed	-	3,158,714	3,158,714
Assigned	2,768,824	-	2,768,824
Unassigned	7,189,734	(23,062)	7,166,672
Total fund balances	9,958,558	4,182,147	14,140,705
Total liabilities, deferred inflows of resources and fund balances	$ 13,919,118	$ 4,400,298	$ 18,319,416

See notes to financial statements.

Town of Easton, Connecticut

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because of the following:		
Fund balances - total governmental funds	$	14,140,705
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets		126,264,215
Less accumulated depreciation		(39,375,061)
Net capital assets		86,889,154
Deferred pension credit - Pension Plan		(275,695)
Deferred pension credit - MERS		(36,246)
Deferred pension expense - Pension Plan		566,206
Deferred pension expense - MERS		730,121
Deferred other postemployment credit		(141,863)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds:		
Property tax and interest receivables greater than 60 days		1,444,509
Intergovernmental and other receivables		22,493
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		(238,291)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds:		
Bonds and notes payable		(18,544,000)
Net pension liability - Pension Plan		(2,072,582)
Net pension liability - MERS		(1,926,314)
Compensated absences		(585,447)
Capital lease payable		(211,516)
Total OPEB liability		(2,450,991)
Interest payable on bonds and notes		(127,100)
Unamortized bond premium		(632,901)
Heart and hypertension		(488,355)
Net position of governmental activities	$	76,061,887

See notes to financial statements.

Town of Easton, Connecticut

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 42,869,128	$ -	$ 42,869,128
Intergovernmental	2,540,215	374,952	2,915,167
Charges for services	1,699,999	798,529	2,498,528
Investment income	106,145	62,043	168,188
Contributions	-	2,550	2,550
Total revenues	47,215,487	1,238,074	48,453,561
Expenditures:			
Current:			
General government	2,165,682	80,368	2,246,050
Public safety	2,976,820	169,269	3,146,089
Public works	2,097,388	285,372	2,382,760
Health and welfare	370,651	40,169	410,820
Education	29,142,136	256,493	29,398,629
Library	578,806	23,337	602,143
Parks and recreation	401,228	283,468	684,696
Employee benefits	2,742,536		2,742,536
Insurance	796,688	-	796,688
Debt service	3,078,804	3,994,000	7,072,804
Capital outlay	221,956	68,828	290,784
Total expenditures	44,572,695	5,201,304	49,773,999
Revenues over (under) expenditures	2,642,792	(3,963,230)	(1,320,438)
Other financing sources (uses):			
Issuance of debt	-	3,994,000	3,994,000
Transfers in	100,000	467,340	567,340
Transfers out	(467,340)	(100,000)	(567,340)
Total other financing sources (uses)	(367,340)	4,361,340	3,994,000
Change in fund balances	2,275,452	398,110	2,673,562
Fund balances:			
Beginning of year	7,683,106	3,784,037	11,467,143
End of year	$ 9,958,558	$ 4,182,147	$ 14,140,705

See notes to financial statements.

Town of Easton, 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, 2018

Amounts reported for governmental activities in the statement of activities are due to:		
Net change in fund balances - total governmental funds	$	2,673,562
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		461,469
Depreciation expense		(1,518,721)
Total		(1,057,252)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:		
Miscellaneous grant receipts		(51,088)
Increase in property tax receivable - accrual basis change		45,060
Total		(6,028)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of long-term debt and related items are as follows:		
Principal repayments:		
Capital lease payments		56,008
Amortization of bond premium		117,719
Debt proceeds		(3,994,000)
Bond and BAN principal repayments		6,399,000
Total		2,578,727
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:		
Net OPEB expense		(37,833)
Deferred OPEB credit		(141,863)
Heart and hypertension claims		111,882
Compensated absences		224,805
Accrued interest payable		77,446
Net pension liability - Pension Plan		563,666
Net pension liability - MERS		326,040
Deferred pension expense - MERS		(427,568)
Deferred pension credit - MERS		12,541
Deferred pension expense - Pension Plan		(578,465)
Deferred pension credit - Pension Plan		(168,829)
Total		(38,178)
Internal Service Funds are used by management to charge costs of medical insurance benefits to individual departments. The net revenue of the activities of the Internal Service Fund is reported with governmental activities		(42,252)
Change in net position of governmental activities	$	4,108,579

See notes to financial statements.

Town of Easton, Connecticut

Statement of Net Position (Deficit) - Proprietary Fund
June 30, 2018

	Governmental Activities Internal Service Fund
Assets	
Current assets:	
Cash	$ -
Due from other funds	57,227
Total assets	57,227
Liabilities	
Current liabilities:	
Claims payable	238,291
Cash overdraft	57,227
Total liabilities	295,518
Net position (deficit)	
Unrestricted (deficit)	(238,291)
Total net position (deficit)	$ (238,291)

See notes to financial statements.

Town of Easton, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) - Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities
	Internal Service Fund
Operating revenue:	
Premiums	$ 2,996,293
Operating expenses:	
Claims	2,842,888
Administration	196,753
Total operating expenses	3,039,641
Net loss	(43,348)
Nonoperating revenue:	
Investment income	1,096
Change in net position (deficit)	(42,252)
Net position (deficit):	
Beginning	(196,039)
Ending	$ (238,291)

See notes to financial statements.

Town of Easton, Connecticut

Statement of Cash Flows - Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities Internal Service Fund
Cash flows from operating activities:	
Premiums received	$ 3,039,066
Claim payments	(2,843,409)
Administrative payments	(196,753)
Net cash used in operating activities	(1,096)
Cash flows from investing activities:	
Income on investments	1,096
Net decrease in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (43,348)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease (increase) in:	
Claims payable	47,934
Cash overdraft	(48,455)
Decrease in:	
Due from other funds	42,773
Net cash used in operating activities	$ (1,096)

See notes to financial statements.

Town of Easton, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2018

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	$ 2,613,561	$ 1,196,761
Other receivables	12,511	-
Prepaid	80,393	-
Investments, at fair value:		
Mutual funds	16,226,315	-
Total assets	18,932,780	1,196,761
Liability		
Accounts and other payable	-	1,196,761
Net position:		
Net position - restricted for pension benefits	$ 18,932,780	$ -

See notes to financial statements.

Town of Easton, Connecticut

Statement of Changes in Plan Net Position - Pension Trust Fund
For the Year Ended June 30, 2018

	Pension Trust Fund
Additions:	
Contributions:	
Employer	$ 510,000
Plan members	146,965
Total contributions	656,965
Investment income:	
Net appreciation in fair value of investments	454,301
Interest and dividends	956,191
Net investment income	1,410,492
Total net additions	2,067,457
Deductions:	
Benefits	932,012
Total deductions	932,012
Changes in net position	1,135,445
Net position - restricted for pension benefits:	
Beginning of year	17,797,335
End of year	$ 18,932,780

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Town of Easton, Connecticut (the Town), was incorporated in 1845. The Town governs itself by majority vote of the Town Meeting, its legislative body. The executive body is the Board of Selectmen. The Town provides the following services: public safety (police and fire), public works, health and welfare, parks and recreation, education and library.

Accounting principles generally accepted in the United States of America (GAAP), require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, included in the financial statements of the Town.

Basis of presentation: The financial statements of the Town have been prepared in conformity with GAAP as applied to government units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

Accounting standards adopted in the current year: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented on July 1, 2017. This statement revised and established new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. Among other requirements, Statement No. 75 required governments to report a liability on the face of the financial statements for the OPEB that they provide: 1) Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. 2) Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. 3) Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The Town does not have a qualifying trust to pay OPEB benefits.

The effects of the implementation of this statement are as follows: The beginning net position was decreased by $1,282,622, a total OPEB liability of $2,413,158 was added, a net OPEB obligation of $1,130,536 was removed.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Measurement focus, basis of accounting and financial statement presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus, but are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, pension and other post-employment benefits (OPEB) liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

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

Additionally, the Town reports the following fund types:

The ***Internal Service Fund*** accounts for risk financing activities for the medical insurance benefits as allowed by GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

The ***Pension Trust Fund*** accounts for the activities of the Town of Easton Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The ***Agency Fund*** accounts for monies held on behalf of students and amounts held for performance related activities.

Note 1. Summary of Significant Accounting Policies (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 customers for medical insurance benefits. Operating expenses for internal service fund include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Assets, liabilities, deferred inflows of resources and net position:

Deposits and investments:

Cash equivalents: The Town considers all highly liquid investments and those investments with a maturity of three months or less when purchased to be cash equivalents. The Connecticut State Treasurer's Short-Term Investment Fund (STIF) is an investment pool managed by the State of Connecticut Office of the State Treasurer (Treasurer). Investments must be in instruments authorized by Connecticut General Statutes (the Statutes) 3-27c through 3-27e. The cash portfolio adheres to GASB Statement No. 79, *Certain Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost.

Investments: Investments for the Town are reported at fair value.

***Receivables and payables*:**

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).

Property taxes and other receivables: For the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 8-20% of outstanding receivable balances at June 30, 2018, and are calculated based upon prior collections.

For the fund financial statements, property taxes receivable at June 30, 2018, which have not been collected within 60 days of June 30, have been recorded as deferred inflows since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60 day period have been recorded as revenue.

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 year following the due date.

*Allowances for doubtful accounts***:** Accounts and notes receivable, including property taxes receivable, are reported net of allowance for doubtful accounts of $100,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay.

Note 1. Summary of Significant Accounting Policies (Continued)

***Capital assets*:** Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 for equipment, $20,000 for improvements and $100,000 for infrastructure, 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 estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	75
Building improvements	30-50
Land improvements	6-25
Vehicles	4-28
Equipment	4-28
Infrastructure	75

Compensated absences: The Town's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured. All compensated absences are paid by the General Fund.

Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are 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.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to pension/OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner.

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions/OPEB in the government-wide statement of net position. A deferred inflow of resources related to pensions/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

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

Net investments in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: This category consists of restrictions externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: This category includes amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Nonspendable fund balance: This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted fund balance: This category consists of restrictions externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Easton Board of Finance).

Assigned fund balance: For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

See Note 2 for additional information regarding fair value.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Pension accounting:

Pension trust fund: The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The Town does not issue separate stand-alone financial statements for this Plan.

Total other post-employment benefit obligations (OPEB):

Total OPEB liability: The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability). The Town has accumulated no assets to fund the OPEB liability and therefore does not have a fiduciary fund to pay OPEB benefits. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The total OPEB liability is reported in the statement of net position. The Town does not issue separate stand-alone financial statements for this program.

Note 2. Cash, Cash Equivalents and Investments

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

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

Note 2. Cash, Cash Equivalents and Investments (Continued)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of STIF. This investment pool is under the control of the Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and is regulated under the Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis.

Deposits:

Deposit custodial credit risk: Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. The Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

Based on the criteria described in GASB Statement No. 40*, Deposits and Investment Risk Disclosures*, $6,600,920 of the Town's bank balance of $7,600,920 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 6,294,513
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	306,407
	$ 6,600,920

Cash equivalents: At June 30, 2018, the Town's cash equivalents amounted to $7,861,330. The following table provides a summary of the Town's cash equivalents.

	Standard and Poor's
State Short-Term Investment Fund (STIF)	AAA/m

Investments: As of June 30, 2018, the Town had the following investments:

			Investment Maturities (in Years)		
Investment Type	Credit Rating	Fair Value	Less than 1 Year	1-10 Years	Over 10 Years
Interest-bearing investments:					
U.S. government:					
Agency bonds	AAA	$ 4,048,894	$ -	$ 1,755,174	$ 2,293,720
Other investments:					
Equities		456,524			
Mutual funds		16,713,852			
Total investments		$ 21,219,270			

Note 2. Cash, Cash Equivalents and Investments (Continued)

Interest rate risk: The Town limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit risk-investments: As indicated above, the Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as the Statutes.

Concentration of credit risk: The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial credit risk: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2018, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2018:

		Fair Value Measurements Using		
	June 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Equities	$ 456,524	$ 456,524	$ -	$ -
Mutual funds	16,713,852	16,713,852	-	-
Debt securities:				
U.S. Treasury	4,048,894	-	4,048,894	-
Total investments by fair value level	$ 17,170,376	$ 17,170,376	$ -	$ -

Mutual funds and debt and equity securities: Mutual funds and debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities.

Note 3. Receivables

Receivables as of the year-end for the Town's individual major fund and nonmajor, internal service, and fiduciary funds in the aggregate are as follows:

	General	Nonmajor and Other Funds	Total
Receivables:			
Interest	$ 361,857	$ -	$ 361,857
Taxes	1,282,368	-	1,282,368
Accounts	216,435	81,563	297,998
Intergovernmental	-	53,578	53,578
Gross receivables	1,860,660	135,141	1,995,801
Less allowance for uncollectible	(100,000)	-	(100,000)
Net total receivables	$ 1,760,660	$ 135,141	$ 1,895,801

Governmental funds report deferred inflow in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At the end of the current fiscal year, the various components of deferred inflows of resources relating to unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable Revenues	Unearned Revenues
Delinquent property taxes and interest receivable	$ 1,444,509	$ -
Unavailable intergovernmental revenue	22,493	
Unearned intergovernmental revenue	-	44,445
Total deferred inflow/unearned revenue for governmental funds	$ 1,467,002	$ 44,445

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 19,859,020	$ -	$ -	$ 19,859,020
Construction in progress	24,430	-	-	24,430
Total capital assets, not being depreciated	19,883,450	-	-	19,883,450
Capital assets, being depreciated:				
Land improvements	659,818	-	-	659,818
Buildings	69,711,763	-	-	69,711,763
Building improvements	1,509,057	-	-	1,509,057
Machinery and equipment	1,988,158	33,633	-	2,021,791
Vehicles	6,581,832	427,836	-	7,009,668
Infrastructure	25,468,668	-	-	25,468,668
Total capital assets, being depreciated	105,919,296	461,469	-	106,380,765
Less accumulated depreciation for:				
Land improvements	(279,232)	(21,745)	-	(300,977)
Buildings	(20,526,724)	(820,025)	-	(21,346,749)
Building improvements	(337,929)	(42,670)	-	(380,599)
Machinery and equipment	(1,211,776)	(44,115)	-	(1,255,891)
Vehicles	(3,944,241)	(286,630)	-	(4,230,871)
Infrastructure	(11,556,438)	(303,536)	-	(11,859,974)
Total accumulated depreciation	(37,856,340)	(1,518,721)	-	(39,375,061)
Total capital assets, being depreciated, net	68,062,956	(1,057,252)	-	67,005,704
Governmental activities capital assets, net	$ 87,946,406	$ (1,057,252)	$ -	$ 86,889,154

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

Governmental activities:	
General government	$ 186,192
Public safety	125,083
Public works	407,964
Education	780,617
Library	18,865
Total depreciation expense - governmental activities	$ 1,518,721

Note 5. Interfund Accounts

At June 30, 2018, the amounts due to and from other funds were as follows:

Receivable Fund	Payable Fund	Amount
Internal Service Fund	General Fund	$ 57,227
Non-Major Governmental	General Fund	120,228
		$ 177,455

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

Interfund transfers:

	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
Transfers out:			
General Fund	$ 100,000	$ 467,340	$ 567,340
Nonmajor governmental	(467,340)	(100,000)	(567,340)
Total transfers out	$ (367,340)	$ 367,340	$ -

All transfers represent routine recurring transactions to move resources from one fund to another.

Note 6. Bond Anticipation Notes

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

	Balance July 1, 2017	Issuances	Repayments	Balance June 30, 2018
Bond Anticipation Notes:				
Land acquisition	$ 4,302,000	$ -	$ 4,302,000	$ -
Total	$ 4,302,000	$ -	$ 4,302,000	$ -

On December 14, 2016, the Town issued $4,302,000 of bond anticipation notes (BAN's). The BAN's which were issued for land acquisition incurred interest at 2.0%, and matured on December 13, 2017. At which time, the Town paid down $308,000 of principle and permanently financed $3,994,000 with direct purchase bonds. See Note 7.

Note 7. Long-Term Obligations

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate (%)	Balance July 1, 2017*	Additions	Deductions	Balance Outstanding June 30, 2018	Current Portion
Bonds:									
General purpose:									
Improvement bond	$ 1,424,000	07/15/10	07/15/25	1.0-3.75	$ 855,000	$ -	$ 95,000	$ 760,000	$ 95,000
Bond anticipation notes	$ 3,994,000	12/14/16	12/13/17		3,994,000	-	3,994,000	-	-
2017 Direct Purchase	$ 3,994,000	12/13/17	12/15/29	2.88	-	3,994,000		3,994,000	333,000
Refunding bond (2001 issue)	3,739,500	05/28/09	10/15/21	3.0-5.0	1,674,000	-	340,000	1,334,000	340,000
Total general purpose					6,523,000	3,994,000	4,429,000	6,088,000	768,000
Schools:									
Refunding bond (2001 issue)	5,765,500	05/28/09	10/15/21	3.0-5.0	2,576,000	-	525,000	2,051,000	520,000
Improvement bond	925,000	07/15/10	07/15/25	1.0-3.375	546,000	-	63,000	483,000	63,000
Refunding bond	8,485,000	06/01/11	06/01/25	2.0-5.0	5,125,000	-	650,000	4,475,000	650,000
Refunding bond (2005 issue)	6,810,000	02/09/12	11/01/25	2.0-4.0	4,655,000	-	550,000	4,105,000	540,000
General Obligation Bond	1,620,000	01/15/15	01/15/25	2.0	1,330,000	-	160,000	1,170,000	165,000
Total schools					14,232,000	-	1,948,000	12,284,000	1,938,000
Sewer:									
Improvement bond	326,000	07/15/10	07/15/25	1.0-3.375	194,000	-	22,000	172,000	22,000
Total bond/notes					20,949,000	3,994,000	6,399,000	18,544,000	2,728,000
Bond premium					750,620	-	117,719	632,901	-
Total bonds and related liabilities					21,699,620	3,994,000	6,516,719	19,176,901	2,728,000
Capital lease					267,524	-	56,008	211,516	211,516
Compensated absences					810,252	59,025	283,830	585,447	130,000
Net pension liability - Pension Plan					2,636,248	-	563,666	2,072,582	-
Net pension liability - MERS					2,252,354	-	326,040	1,926,314	-
Heart and hypertension					600,237	-	111,882	488,355	40,000
Total OPEB liability*					2,413,158	37,833	-	2,450,991	-
Total general long-term obligations					$ 30,679,393	$ 4,090,858	$ 7,858,145	$ 26,912,106	$ 3,109,516

* Restated for GASB No. 75

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

Note 7. Long-Term Obligations (Continued)

The annual debt service requirements of general obligation bonds are as follows:

	Bonds	
	Principal	Interest
Years ending June 30:		
2019	$ 2,728,000	$ 510,178
2020	2,703,000	429,211
2021	2,693,000	339,456
2022	2,673,000	249,114
2023	1,823,000	178,799
2024-2028	5,240,000	296,652
2029-2030	684,000	15,139
Total	$ 18,544,000	$ 2,018,549

In addition to the above recorded amounts, the Town participates with the Town of Redding in providing a high school for students residing in each town. Accordingly, the outstanding debt and related interest expense of Regional School District No. 9 (the District) is shared by Easton and Redding based upon the respective number of students attending from each town. Total outstanding debt of the District at June 30, 2018, which matures through 2026, amounted to $13,535,000. The Town's share of the debt is $6,293,775.

Capital leases: The Town has entered into leases for the purchase of school buses. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the leases and the present value of the future minimum lease payments reflected at June 30, 2018:

	Amount
Year ending June 30:	
2019	$ 220,673
Less amount representing interest	(9,157)
Present value of future minimum lease payment	$ 211,516

Heart and hypertension: The Town has recognized an estimated liability for possible future heart and hypertension claims by members of the police and fire departments based on current actuarial valuation.

Note 7. Long-Term Obligations (Continued)

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	$ 95,814,698	$ 6,088,000	$ 89,726,698
Schools	191,629,395	18,577,775	173,051,620
Sewers	159,691,163	172,000	159,519,163
Urban renewal	138,399,008	-	138,399,008
Pension deficit	127,752,930	-	127,752,930

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $298,090,170 or seven times the base for debt limitation computation.

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.

Authorized/unissued bonds: The Town has no authorized/unissued bonds as June 30, 2018.

Note 8. Fund Balance (Deficits)

The components of fund balance (deficits) for the governmental funds at June 30, 2018, are as follows:

	General Fund	Nonmajor Governmental Funds	Total
Fund balances:			
Restricted for:			
Grants and capital projects	$ -	$ 1,046,495	$ 1,046,495
	-	1,046,495	1,046,495
Committed to:			
General government	-	1,502,159	1,502,159
Public safety	-	244,704	244,704
Health and welfare	-	131,188	131,188
Library	-	1,085,566	1,085,566
Parks and recreation	-	195,097	195,097
	-	3,158,714	3,158,714
Assigned to:			
Subsequent year's budget	2,768,824	-	2,768,824
	2,768,824	-	2,768,824
Unassigned	7,189,734	(23,062)	7,166,672
Total fund balances (deficits)	$ 9,958,558	$ 4,182,147	$ 14,140,705

Note 8. Fund Balance (Deficits) (Continued)

Deficit fund balance: The following funds had fund balance deficits at June 30, 2018:

Nonmajor funds:		
Senior center	$	(16,601)
Town hall grants		(306)
Senior center leasing buyout		(4,817)
Senior center van		(1,338)

The fund deficits will be eliminated in the future with charges for services and contributions.

Note 9. Risk Management

The Town is exposed to various risks of loss related to public officials and police liability, Board of Education liability, torts, thefts of, damage to, or destruction of assets, errors or omissions, heart and hypertension claims, injuries to employees or acts of God. Except for medical insurance and heart and hypertension claims, the Town purchases commercial insurance for all risks of loss. The Town established an internal service fund, the medical insurance fund, to account for and finance the retained risk of loss for the Town's medical benefits claims.

The Easton Board of Education, along with the Redding Board of Education and the District, participates in a medical self-insurance plan that accounts for health benefits provided to participants and their families. Recommended monthly deposits are calculated by the plan administrator and claims processor. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The medical claims fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability is based on the requirements of GASB Statements No.'s 10 and 30, 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 includes 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. Amount is reported in the statement of net position as a component of accrued expenses.

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2016-2017	$ 282,177	$ 2,196,428	$ 2,288,248	$ 190,357
2017-2018	190,357	2,891,343	2,843,409	238,291

Note 10. Pension Plans

The Town of Easton Retirement Plan:

Plan description: The Town has a contributory pension plan covering substantially all full-time employees and noncertified Board of Education employees. Uniformed police department employees and fire department employees participate in the Municipal Employees' Retirement System (MERS), administered by the Municipal Employees' Retirement Commission. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Retirement Board. The Town does not contribute to this plan.

Benefits provided:

Effective Date	January 1, 1970, October 1, 1984, July 1, 1995, July 1, 2003	
Anniversary Date	July 1 of each year	
Valuation Date	July 1, 2017	
Enhanced MERS	Denoted by (EM), Enhanced MERS benefits are effective July 1, 2003 for all employee groups with the exception of the Board of Education. Board Custodians were eligible for EM benefits effective July 1, 2005.	
Compensation	Calendar year W-2 compensation	
Participation	Eligibility:	Age: No minimum Service: 1 month
	Entry Date	First day of the month coinciding with or following satisfaction of eligibility
Normal Retirement Benefit	Eligibility	Earlier of 55 years of age with 10 years of service, or 25 years of service at any age. Enhanced MERS – years of service required for retirement is 5.
	Date Payable:	First date of the month coinciding with or following satisfaction of eligibility.
Previous MERS Benefits	Amounts:	Payable from retirement to age 62 – 2% per year of service times highest three year average compensation Payable from age 62 for life - 1.1667% per year of service times Social Security Earnings Base plus 2% per year of service times highest three year average compensation less the Social Security Earnings Base. Social Security Earnings Base equals the average of the highest ten years of the lesser of compensation or the annual Social Security Taxable Wage Base.

Note 10. Pension Plans (Continued)

Previous MERS Benefits	Amounts:	A maximum benefit of 100% of pay less Social Security PIA benefits and a minimum benefit of $1,000 per year for Normal Retirement applies
Previous MERS Benefits	COLA:	Benefits for retirees will increase at a rate determined annually by the State of Connecticut. Must be age 65 and have retired under Plan II.
Enhanced MERS Benefits	Amount:	Payable from retirement to age 62 – 2% per year of service time's highest three year average compensation. Payable from 62 for life – 1.5% per year of service times lesser of average compensation or the Yearly Breakpoint plus 2% per year of service times final three year average compensation less the "Yearly Breakpoint". A maximum benefit of 100% of pay less Social Security PIA benefits and a minimum benefit of $1,000 per year for Normal retirement applies.
Accrued Benefit		Normal Retirement Benefit based on service to date of determination.
Disability Benefits		A participant who is disabled and has completed ten (10) years of service is eligible for an immediate disability benefit equal to his accrued benefit. In no instance will a participant's benefit be more than 100% of his compensation in effect prior to his disability, reduced by any Workers Compensation and/or Social Security Disability benefits. If a disability is determined to have occurred in the course of the participant's employment, the ten year service requirement is waived.

Note 10. Pension Plans (Continued)

Employee Contributions	Members will contribute 2.25% of compensation up to the Taxable Wage Base, and 5% of compensation above the Taxable Wage Base. Enhanced MERS participants will contribute an amount based on their collectively bargained or contractual agreements. We list the different rates in Section IIIB of this report. The remainder of EM participants contribute per the original MERS rates shown above.
Contribution and Interest Account	Members are always 100% vested in their contribution and interest account. Interest accumulates at 5% compounded annually, with partial year interest credited in the year of termination.

Classes of employees covered: As of July 1, 2017, the plan's membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	77
Inactive plan members entitled to benefits but not yet receiving them	15
Inactive plan members entitled to refunds of contributions only	9
Active members	66
Total	167

Contributions: The contribution requirements of plan members and the Town are established according to the Pension Trust Agreement and the Pension and Employee Benefit Commission (PEBC). The PEBC Members serve as plan trustees, as well as hiring the plan actuary. The Town's contribution to the plan is actuarially determined on an annual basis using the frozen initial liability cost method. Employees are required to contribute to the plan in varying amounts ranging from 2.25% for Board of Education employees to 6.58% for Highway Management employees.

Net pension liability: The Town's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2017, calculated based on the discount rate and actuarial assumptions below and then was projected forward to the measurement date June 30, 2018. There have been no significant changes between the valuation date and the fiscal year-end.

Valuation date	July 1, 2017
Measurement date	June 30, 2018
Inflation	2.0%
Salary projection	3.0%, average including inflation
Mortality	RP-2014 projection with MP-2015 generationally
Actuarial valuation method	Entry Age Normal
Investments	Fair Value

Note 10. Pension Plans (Continued)

Investments: The pension plan's policy in regard to the allocation is established and may be amended by the Town Retirement Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2018:

Assumed rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plant's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2017, and the final investment return assumption, are summarized in the following table:

Asset Class	Pension Funds Allocation %	Long-Term Expected Real Return	Weighted
U.S. large cap blend	30.00%	4.75%	1.43%
U.S. small/mid cap blend	8.50%	5.50%	0.47%
International equities	14.50%	5.25%	0.76%
Emerging markets equity	6.50%	6.00%	0.39%
Real estate	1.50%	5.00%	0.08%
Fixed Income - government	16.00%	1.75%	0.28%
Fixed Income - corporate	7.00%	2.25%	0.16%
Alternatives	5.00%	5.25%	0.26%
Cash and cash equivalents	11.00%	0.50%	0.06%
	100.00%		
Total weighted average real return			3.89%
Long-term inflation expectation			3.00%
Long-term expected normal return			6.89%

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability: The components of the net pension liability of the Town at June 30, 2018, were as follows:

Total pension liability	$ 21,005,362
Plan fiduciary net position	18,932,780
Net pension liability	$ 2,072,582
Plan fiduciary net position as a percentage of the total pension liability	90.13%

Note 10. Pension Plans (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Net pension liability of the Town: The components of the net pension liability of the Town at June 30, 2018, were as follows:

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	$ 20,433,583	$ 17,797,335	$ 2,636,248
Changes for the year:			
Service cost	390,937	-	390,937
Interest	1,396,582	-	1,396,582
Differences between expected and actual experience	(283,728)	-	(283,728)
Contributions - employer	-	510,000	(510,000)
Contributions - member	-	146,965	(146,965)
Net investment income (including investment expenses)	-	1,420,567	(1,420,567)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(932,012)	(932,012)	-
Administrative expense	-	(10,075)	10,075
Net changes	571,779	1,135,445	(563,666)
Balances at June 30, 2018	$ 21,005,362	$ 18,932,780	$ 2,072,582

Sensitivity analysis: The following table presents the net pension liability(asset) of the Town, calculated using the discount rate of 7.00%, as well as what the Town's net pension liability(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability(asset)	$ 4,571,060	$ 2,072,582	$ (22,045)

Note 10. Pension Plans (Continued)

For the year ended June 30, 2018, the Town recognized pension expense of $544,672. As of June 30, 2018, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 275,695
Changes of assumptions	197,666	-
Net difference between projected and actual earnings on pension plan investments	368,540	-
Total	$ 566,206	$ 275,695

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

Years ending June 30:	
2019	$ 380,667
2020	140,305
2021	(195,600)
2022	(34,861)
2023	-
Thereafter	-

Defined contribution plan: Effective July 1, 2012, new hires can no longer participate in the Town's defined benefit plan; the Town established a 457 (b), 457 (f), 409A defined contribution plan. To be eligible to participate, employees must be at least 21 years old. The Town contributed $53,101 to the plan.

Municipal Employees' Retirement System:

Plan description: Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan administered by the State of Connecticut Employees' Retirement System (CMERS). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. CMERS issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, CT 06106.

Benefit provisions: Plan provisions are set by the Statutes. CMERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

Average final compensation: Average of the three highest paid years of service.

Normal form of benefit: Life annuity.

Note 10. Pension Plans (Continued)

Year's breakpoint: With respect to the calendar year in which a member terminates service, $10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of $100.

Service retirement allowance:

Condition for allowance: Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

Amount of allowance: For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. 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. If any member covered by Social Security retires before age 62, his/her benefit until he/she reaches age 62 or receives a Social Security disability award is computed as if he/she were not under Social Security.

Disability retirement allowance:

Condition for allowance: 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the Municipality.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability.

Service connected disability:

Condition for allowance: Totally and permanently disabled from engaging in any gainful employment in the service of the Municipality provided such disability has arisen out of and in the course of his/her employment with the Municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including Worker's Compensation benefits) of 50% of compensation at the time of the disability.

Vesting retirement allowance:

Condition for allowance: 5 years of continuous or 15 years of active aggregate service.

Amount of allowance: Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Note 10. Pension Plans (Continued)

Death benefit:

Condition for benefit: Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

Amount of benefit: Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Return of deductions: Upon the withdrawal of a member the amount of his accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

Optional benefits: Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of his retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

Cost-of-living adjustment: For those retired prior to January 1, 2002: (i) The benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

Contributions by members: For members not covered by Social Security: 5% of compensation. For members covered by the Social Security: 2-1/4% of compensation up to the Social Security taxable wage base plus 5% of compensation, if any, in excess of such base.

By municipalities: 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 CMERS not met by member contributions.

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

Valuation date	6/30/2016
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years

Note 10. Pension Plans (Continued)

Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Social Security Wage Base * Includes inflation at 3.25%	3.50%
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2017 – June 30, 2012.

The long-term expected rate of return: the long-term expected rate of return on pension plan investments was determined using a lognormal 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 most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the CMERS.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	0.4%
	100.00%	

Note 10. Pension Plans (Continued)

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

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the System, calculated using the discount rate of 8.00%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate ($ thousands):

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net pension liability	$ 3,355,017	$ 1,926,314	$ 736,344

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2018, the Town reported a liability of $1,926,314 for its proportionate share of the net pension liability related to its participation in CMERS. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, which was projected to forward to the measurement date of June 30, 2017, which is the date the net pension liability is calculated. Town's proportion of the net pension liability was based on its share of contributions to the CMERS for fiscal year 2017 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2017, the Town's proportion was 4.81%. There was no change in the proportion from the prior year.

For the year ended June 30, 2018, the Town recognized pension expense of $524,494. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

$416,851 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2017/2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 139,899	$ -
Change in proportionate share	39,245	36,246
Cumulative investment earnings	134,126	-
Town contributions subsequent to the measurement date	416,851	-
Total	$ 730,121	$ 36,246

Note 10. Pension Plans (Continued)

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

Years ending June 30:	
2019	$ 92,597
2020	175,895
2021	81,626
2022	(73,094)
2023	-
Thereafter	-

State of Connecticut Teachers' Retirement System:

All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the 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.

Description of system: Eligible employees within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such the Town does not have a liability.

The System is considered 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 at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Statutes. Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town does not have any liability for teacher pensions.

Note 10. Pension Plans (Continued)

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary).

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of $1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in Statutes Sections 10-1831 and 10-183z.

Participants are required to contribute 6.0% of their annual salary rate to the System as required by Statutes Section 10-183b (7). The estimated covered payroll for the Town is $7,138,000.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study. The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions:

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

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

Note 10. Pension Plans (Continued)

The long-term expected rate of return on pension 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by GASB No. 68, *Accounting and Financial Reporting for Pensions* and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The June 30, 2016 actuarial valuation was projected forward to June 30, 2017 (measurement date) to calculate the net pension liability. The portion of the net pension liability that was associated with the Town was $22,520,802 and 100% of the collective net pension liability is allocated to the State.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the Town's proportionate share of the net pension liability is $-0- and therefore, the change in the discount rate would only impact the State of Connecticut.

Note 10. Pension Plans (Continued)

Since the prior valuation, the State adopted new assumptions based on the 2015 Experience Study. The changes in assumptions are summarized below:

Economic Assumptions

1. Reduce the inflation assumption from 3.00% to 2.75%.
2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
4. Slightly modify the merit portion of the salary scale.
5. Reduce the payroll growth assumption from 3.75% to 3.25%.

Demographic Assumptions

6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females.
8. Increase rates of withdrawal.
9. Decrease rates of disability for males.

The Town recognized the total pension revenue and expense of $1,688,206 for on-behalf payments for pension benefits paid directly to the System by the State of Connecticut.

Note 11. Other Post-Employment Benefits

Plan description and benefits provided:

Plan administration: The general administration and management of the Town. The plan does not issue separate financial statements.

Town: In addition to the pension benefits, all Town employees retiring under the Town of Easton Retirement Plan are provided post-employment benefits. The level of these benefits is determined by contract for all union employees and by a Town ordinance for all non- represented employees. Per contracts and ordinances, the Town pays the full cost of these benefits. Benefits provided are as follows:

Non-union employees and highway/public works employees:

Eligibility for Medical, Dental and Life Coverage	Retirement on or after attaining age 55 with 5 years of service or after 25 years of service.
Retiree/Spouse Cost of Medical Coverage	Retiree pays full cost of insurance; spouse can continue coverage after retiree's death.

Note 11. Other Post-Employment Benefits (Continued)

Plan of Coverage	Various fully insured medical plans. Medicare supplemental plan coverage on or after age 65.
Retiree/Spouse Cost of Dental Coverage	Retiree pays full cost of insurance.
Life Insurance Benefit	Fully paid for by retiree.

Police and fire:

Eligibility for Medical, Dental and Life Coverage	Retirement on or after attaining age 55 with 5 years of service or after 25 years of service.
Retiree/Spouse Cost of Medical Coverage	Retiree pays full cost of insurance; spouse can continue coverage after retiree's death.
Plan of Coverage	Various fully insured medical plans. Medicare supplemental plan coverage on or after age 65.
Retiree/Spouse Cost of Dental Coverage	Retiree pays full cost of insurance.
Life Insurance Benefit	Fully paid for by retiree.

Board of Education: The Board of Education provides certain post-retirement benefits to retirees through negotiated contracts. Eligibility for benefits is as follows:

Teachers:

Eligibility for Medical, Dental and Life Coverage	Retirement under State of Connecticut Teachers Retirement Plan (age 50 with 30 years, age 55 with 25 years or 60 with 10 years).
Retiree/Spouse Cost of Medical Coverage	Retiree pays full cost of insurance (COBRA rates) spouse can continue coverage after retiree's death.
Plan of Coverage	Self-insured medical plan. Medicare supplement plan coverage on or after age 65 if eligible for Medicare.
Retiree/Spouse Cost of Dental Coverage	Retiree pays full cost of insurance.
Life Insurance Benefit	None.

Other Board of Education employees:

Eligibility for Medical, Dental and Life Coverage	Eligible for COBRA only. Custodians can participate in the Medicare Supplement Plan on or after age 65, at their own cost.

Note 11. Other Post-Employment Benefits (Continued)

Membership: Membership in the plan consisted of the following at July 1, 2016:

	Town of Easton Retiree Medical Benefit Plan
Number of retirees and eligible surviving spouses	10
Number of active participants	179
Total	189

Description of actuarial assumptions and methods: The following is a summary of certain significant actuarial assumptions and other PERS information:

	Town of Easton Retiree Medical Benefit Plan
Actuarial valuation date	July 1, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	3.87%, including inflation of 2.6%
Projected salary increases	N/A

Retirement: Age 55 with 5 years of service or 25 years of service.

Mortality: RP-2014 Adjusted to 2006 Blue Collar Table projected to valuation date with Scale MP-2016.

Mortality Improvement: Projected to date of decrement using Scale MP-2016 (generational).

Trend rates: 7.5% for 2016 decreasing 0.5% per year to an ultimate rate of 4.5% for 2022 and later.

Inflation rate: 2.6%

Note 11. Other Post-Employment Benefits (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 3.87% from the Bond Buyer GO 20 –Bond Municipal Index effective as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed the Town will cover payments for current active and inactive employees on a pay-as-you-go basis.

Total OPEB liability of the Town: The Town's total OPEB liability of $2,450,991 was measured as of June 30, 2018, as determined by an actuarial valuation as of July 1, 2016, which was projected forward to June 30, 2018. The Town has not accumulated any assets in a fiduciary trust for payment of benefits.

Changes in the total OPEB Liability:

	Changes in the Total OPEB Liability Increase (Decrease) Total OPEB Liability (a)
Changes in the total OPEB liability:	
Balances at June 30, 2017	$ 2,413,158
Changes for the year:	
Service cost	117,031
Interest	90,392
Differences between expected and actual experience	(76,116)
Changes of assumptions	(82,840)
Benefit payments	(10,634)
Net changes	37,833
Balances at June 30, 2018	$ 2,450,991

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

Health Care Cost Trend Rates:

	1% Decrease (6.50% decreasing 3.50%)	Current (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 4.50%)
Total OPEB liability as of June 30, 2018	$ 2,097,048	$ 2,450,991	$ 2,883,477

Sensitivity of estimates used in calculating the total OPEB liability: The following presents the total OPEB liability, calculated using the discount rate of as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB liability as of June 30, 2018	$ 2,751,432	$ 2,450,991	$ 2,189,756

Note 11. Other Post-Employment Benefits (Continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2018, the Town recognized OPEB expense of $180,090. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	$ -	$ (67,931)	$ (67,931)
Changes of assumptions	-	(73,932)	(73,932)
	$ -	$ (141,863)	$ (141,863)

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

Years ending June 30:	
2019	$ (17,093)
2020	(17,093)
2021	(17,093)
2022	(17,093)
2023	(17,093)
Thereafter	(56,398)
	$ (141,863)

Connecticut State Teachers' Retirement System- Retiree Health Insurance Plan

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

Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Note 11. Other Post-Employment Benefits (Continued)

Benefit provisions: There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.
Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to $110 per month for a retired member plus an additional $110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of $220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least $220 per month towards coverage under a local school district plan.

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

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

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

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

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

Eligibility: Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan.

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

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

Early retirement: 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.

Note 11. Other Post-Employment Benefits (Continued)

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
Termination of employment: 10 or more years of Credited Service.

Contributions:

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

Employer (School Districts)

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

Employees

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

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the TRB net OPEB liability	$ -
State's proportionate share of the TRB net OPEB liability associated with the Town	5,796,596
	$ 5,796,596

Note 11. Other Post-Employment Benefits (Continued)

The net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the measurement date of June 30, 2017. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018 the Town recognized OPEB expense and revenue of $268,644 in on-behalf amounts for the benefits provided by the State.

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

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.02%).

Discount rate: The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be deplete in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the net OPEB liability to changes in the health care cost trend rate and the discount rate: The Town's proportionate share of the net OPEB liability is $-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

Note 11. Other Post-Employment Benefits (Continued)

Other information: Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

Note 12. Contingent Liabilities

There are various lawsuits and claims pending against the Town, the ultimate effect of which, if any, cannot presently be determined; however, the ultimate resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

State and Federal grants received by the Town are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. The amount of expenditures which may be disallowed, if any, cannot be determined at this time; however, the Town's management believes any such disallowance will be immaterial.

Note 13. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 83, *Certain Asset Retirement Obligations,* is effective for reporting periods beginning after June 15, 2018. The statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the statement. The Town is aware of this statement and will assess its impact to ensure timely implementation.

GASB Statement No. 84, *Fiduciary Activities,* is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town is aware of this statement and will assess its impact to ensure timely implementation.

GASB Statement No. 87, *Leases,* establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

Note 13. Pronouncements Issued, Not Yet Effective (Continued)

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* defines debt purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash, or other assets in lieu of cash, to settle a fixed amount established at the date of obligation. The statement requires additional information related to debt to be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and specified terms in debt agreements related to significant events of default and the resulting financial consequences. The statement also requires disclosure be provided for direct borrowings and direct placements of debt separate from other forms of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

Required Supplementary Information - *unaudited*

Required Supplementary Information - Unaudited
Schedule of Contributions/Investment Rate of Returns - Town of Easton Retirement Plan
Last Five Fiscal Years

Measurement Period Ended June 30,	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 496,700	$ 471,819	$ 409,886	$ 345,204	$ 388,304
Contributions in relation to the actuarially determined contribution	510,000	484,000	424,000	574,570	620,000
Contribution deficiency (excess)	$ (13,300)	$ (12,181)	$ (14,114)	$ (229,366)	$ (231,696)
Covered payroll	$ 3,324,386	$ 3,572,486	$ 4,000,902	$ 4,177,769	$ 4,168,189
Contributions as a percentage of covered-employee payroll	15.34%	13.55%	10.60%	13.75%	14.87%

Schedule of Investment Returns	**2018**	**2017**	**2016**	**2015**	**2014**
Annual money-weighted rate of return, net if investment income	8.11%	11.87%	-2.61%	0.34%	16.82%

Notes to schedule

Actuarial Methods Assumptions

Actuarial cost method:	Entry Age normal
Asset valuation method:	5-year smoothed market
Salary increases:	3% per annum
Investment rate of return:	7% per annum
Retirement age:	Age 65 for all active member except High Department workers, both Union and Non-union.
Mortality:	MP-2014/projected. with RP-2015 generationally.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in the Town of Easton Retirement Plan Net Pension Liability and Related Ratios
Last Five Fiscal Years

	2018	2017	2016	2015	2014
Changes in Net Pension Liability					
Total Pension Liability					
Service cost	$ 390,937	$ 433,945	$ 455,050	$ 464,998	$ 465,210
Interest on total pension liability	1,396,582	1,355,274	1,289,862	1,207,931	1,125,998
Difference between expected/actual experience	(283,728)	145,733	29,938	(462,451)	(197,279)
Effect of assumption changes or inputs	-	-	-	574,172	501,471
Benefit payments	(932,012)	(872,377)	(720,851)	(723,795)	(724,931)
Net change in total pension liability	571,779	1,062,575	1,053,999	1,060,855	1,170,469
Total Pension Liability, beginning	20,433,583	19,371,008	18,317,009	17,256,154	16,085,685
Total pension liability, ending (a)	21,005,362	20,433,583	19,371,008	18,317,009	17,256,154
Fiduciary Net Position					
Employer contributions	510,000	484,000	424,000	574,570	620,000
Member contributions	146,965	161,500	191,745	171,338	186,906
Investment income net of investment expenses	1,420,567	1,869,399	(424,967)	(30,700)	2,396,966
Benefit payments	(932,012)	(872,377)	(720,851)	(723,795)	(724,931)
Administrative expenses	(10,075)	(10,250)	(10,300)	(10,225)	(10,200)
Net change in plan fiduciary net position	1,135,445	1,632,272	(540,373)	(18,812)	2,468,741
Fiduciary net position, beginning	17,797,335	16,165,063	16,705,436	16,724,248	14,255,507
Fiduciary net position, ending (b)	18,932,780	17,797,335	16,165,063	16,705,436	16,724,248
Net pension liability, ending = (a) - (b)	$ 2,072,582	$ 2,636,248	$ 3,205,945	$ 1,611,573	$ 531,906
Fiduciary net position as a % of total pension liability	90.13%	87.10%	83.45%	91.20%	96.92%
Covered payroll	$ 3,324,386	$ 3,572,486	$ 4,000,902	$ 4,177,769	$ 4,226,506
Net pension liability as a % of covered payroll	62.34%	73.79%	80.13%	38.57%	12.59%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of Contributions - Connecticut Municipal Employees' Retirement System - Police and Firefighters
Last Five Fiscal Years

Measurement Period Ended June 30,	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 416,851	$ 375,000	$ 377,554	$ 355,305	$ 350,951
Contributions in relation to the actuarially determined contribution	416,851	375,000	377,554	355,305	350,951
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	2,231,033	2,231,033	1,370,454	1,370,454	1,370,454
Contributions as a percentage of covered-employee payroll	18.68%	16.81%	27.55%	25.93%	25.61%

Valuation date: June 30, 2016
Measurement date: June 30, 2017

Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Single equivalent amortization period	27 years
Asset valuation method	5 years smoothed market (20% write up)
Investment rate of return	8%, net of investment related expense
Changes in assumptions:	In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability -
Connecticut Municipal Employees' Retirement System - Police and Firefighters
Last Four Fiscal Years

	2018	2017	2016	2015
Town's proportion of the net pension liability	4.816%	4.816%	5.035%	5.035%
Town's proportionate share of the net pension liability	$ 1,926,314	$ 2,252,354	$ 1,540,446	$ 1,217,299
Town's covered-employee payroll	$ 2,231,033	$ 2,231,033	$ 1,370,454	$ 1,370,454
Town's proportionate share of the net pension liability as a percentage of its covered payroll	86.34%	100.96%	112.40%	88.82%
Plan fiduciary net position as a percentage of the total pension liability	90.13%	88.29%	92.72%	90.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers' Retirement System
Last Four Fiscal Years

	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%
Town's proportionate share of the net pension liability	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the Town	$ 22,520,802	$ 23,599,618	$ 20,880,564	$ 19,299,853
Total	$ 22,520,802	$ 23,599,618	$ 20,880,564	$ 19,299,853
Town's covered-employee payroll	$ 7,138,000	$ 8,000,000	$ 7,792,000	$ 7,542,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%
System fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers' Retirement Board Health Insurance Plan
Last Fiscal Year

		2018
Town's proportion of the net OPEB liability		0.0%
Town's proportionate share of the net OPEB liability	$	-
State's proportionate share of the net OPEB liability associated with the Town	$	5,796,596
Total	$	5,796,596
Covered payroll	$	7,138,289
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll		0.0%
System fiduciary net position as a percentage of the total OPEB liability		1.79%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in the Town of Easton Total OPEB Liability and Related Ratios
Last Fiscal Year*

		2018
Changes in Total OPEB Liability		
Total OPEB Liability		
Service cost	$	117,031
Interest on total OPEB liability		90,392
Difference between expected/actual experience		(76,116)
Effect of assumption changes or inputs		(82,840)
Benefit payments		(10,634)
Net change in total OPEB liability		37,833
Total OPEB Liability, beginning		2,413,158
Total OPEB liability, ending (a)	$	2,450,991
Covered payroll	$	11,550,807
Total OPEB liability as a % of covered payroll		21.22%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present the information for those years on which information is available.

Required Supplementary Information - Unaudited
Schedule of Revenues and Other Financing Sources - Budget and Actual
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Property taxes:				
Property taxes, current and prior	$ 41,931,488	$ 41,931,488	$ 42,524,697	$ 593,209
Interest and lien fees	295,000	295,000	329,562	34,562
Telephone access	18,296	18,296	14,869	(3,427)
Total property taxes	42,244,784	42,244,784	42,869,128	624,344
Intergovernmental:				
Educational assistance:				
Special education and education cost share	267,560	267,560	167,775	(99,785)
Total educational assistance	267,560	267,560	167,775	(99,785)
Town assistance:				
Town aid roads	228,008	228,008	228,120	112
Property tax relief	-	-	-	-
State owned property	314	314	-	
Mashantucket Pequot grant	10,434	10,434	10,434	-
Civil preparedness	223,430	223,430	-	(223,430)
Property tax relief (veterans)	-	-	6,853	6,853
Miscellaneous	39,985	39,985	170,183	130,198
Total town assistance grants	502,171	502,171	415,590	(86,581)
Total intergovernmental	769,731	769,731	583,365	(186,366)
Investment income	135,000	135,000	106,145	(28,855)
Charges for services:				
Town clerk	200,000	200,000	279,004	79,004
Building department	110,000	110,000	167,547	57,547
660 Morehouse Road	417,950	417,950	487,591	69,641
Health department	20,000	20,000	27,295	7,295
Planning and zoning	17,000	17,000	16,767	(233)
Conservation commission	10,000	10,000	3,909	(6,091)
Police department	250,000	544,860	480,148	(64,712)
First Selectman	110,000	110,000	188,180	78,180

(Continued)

Required Supplementary Information - Unaudited
Schedule of Revenues and Other Financing Sources - Budget and Actual (Continued)
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Budgetary	Variance With
	Original	Final	Basis	Final Budget
Charges for services (Continued):				
Fire marshal	$ 240	$ 240	$ 180	$ (60)
Parks and recreation	24,541	24,541	11,355	(13,186)
Region 9 tuition	7,700	7,700	-	(7,700)
BOE tuition	9,200	9,200	13,345	4,145
Recycling bins	16,000	16,000	6,650	(9,350)
Highway department	2,500	2,500	1,600	(900)
Other	75,000	75,000	116,428	41,428
Total charges for services	1,270,131	1,564,991	1,799,999	235,008
Total revenues	44,419,646	44,714,506	45,358,637	644,131
Other financing sources:				
Fund balance reserved for FY 17-18	500,000	500,000	-	(500,000)
Total other financing sources	500,000	500,000	-	(500,000)
Total revenues and other financing sources	$ 44,919,646	$ 45,214,506	45,358,637	$ 144,131
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement/Health System for Town teachers are not budgeted			1,956,850	
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - General Fund			$ 47,315,487	

Required Supplementary Information - Unaudited
Schedule of Expenditures and Other Financing Uses - Budget and Actual
General Fund
For the Year Ended June 30, 2018

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget
General government:					
Town clerk	$ 172,957	$ 1,366	$ 174,323	$ 167,353	$ 6,970
First Selectman	157,917	646	158,563	155,190	3,373
Probate court	3,657	-	3,657	-	3,657
Registrar of voters	53,078	-	53,078	50,863	2,215
Board of finance	6,300	-	6,300	2,176	4,124
Auditors	41,150	3,250	44,400	44,400	-
Treasurer	229,159	21,772	250,931	239,192	11,739
Assessor	130,621	28,680	159,301	144,720	14,581
Board of assessment appeals	925	-	925	479	446
Tax collector	96,056	-	96,056	91,134	4,922
Town attorney	140,000	-	140,000	116,944	23,056
Planning and zoning commission	130,834	685	131,519	116,399	15,120
Zoning board of appeals	8,016	130	8,146	7,392	754
Building department	96,554	3,356	99,910	86,222	13,688
Technology computer	25,027	-	25,027	20,008	5,019
Town hall	122,133	460	122,593	113,365	9,228
Communication dispatchers	247,100	5,557	252,657	248,865	3,792
Commission for the elderly	61,451	-	61,451	56,299	5,152
Senior center	206,115	1,734	207,849	207,846	3
SSS building	331,992	-	331,992	295,963	36,029
Cemetery	1,220	-	1,220	378	842
Total general government	2,262,262	67,636	2,329,898	2,165,188	164,710
Public safety:					
Police department	1,727,222	346,182	2,073,404	2,050,111	23,293
Fire department	938,027	(70,000)	868,027	851,099	16,928
Fire marshal	31,681	-	31,681	16,813	14,868
Emergency management	14,210	362	14,572	14,572	-
Firehouse rent	43,510	-	43,510	43,510	-
Conservation commission	39,138	853	39,991	25,621	14,370
Total public safety	2,793,788	277,397	3,071,185	3,001,726	69,459
Public works:					
Recycling	153,874	9,018	162,892	162,892	-
Highway department	2,272,303	19,163	2,291,466	2,095,654	195,812
Street lights	1,472	-	1,472	1,154	318
Engineering and professional services	26,980	-	26,980	26,688	292
Total public works	2,454,629	28,181	2,482,810	2,286,388	196,422
Health and welfare:					
Health director	78,842	1,181	80,023	79,978	45
EMS commission	312,816	2,782	315,598	294,424	21,174
Welfare	4,577	-	4,577	4,299	278
Total health and welfare	396,235	3,963	400,198	378,701	21,497

(Continued)

Required Supplementary Information - Unaudited
Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)
General Fund
For the Year Ended June 30, 2018

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget
Education:					
Easton Board of Education:					
General instruction	$ 7,643,001	$ 372,870	$ 8,015,871	$ 7,890,602	$ 125,269
Kindergarten	8,129	1,856	9,985	9,254	731
Humanities	37,613	(1,022)	36,591	32,956	3,635
Integrated language arts	26,366	1,270	27,636	26,026	1,610
Curriculum	67,190	-	67,190	33,365	33,825
Science/math technology	42,925	342	43,267	34,674	8,593
Physical education/health	4,983	-	4,983	4,817	166
Student Activity Co-curricular	47,413	-	47,413	49,063	(1,650)
Special services	24,355	(6,000)	18,355	7,000	11,355
Special education	3,459,046	1,550	3,460,596	3,635,930	(175,334)
Guidance	2,851	115	2,966	2,585	381
Health services	206,345	2,131	208,476	200,790	7,686
Psychological services	17,895	6,975	24,870	36,665	(11,795)
Speech services	14,460	(2,525)	11,935	8,443	3,492
Educational media services	92,134	-	92,134	83,163	8,971
Technology plan	289,861	-	289,861	255,580	34,281
Board of education	68,340	-	68,340	79,814	(11,474)
Central administration	547,946	-	547,946	547,946	-
Magnet School	18,000	-	18,000	6,000	12,000
School administration	1,056,916	(314)	1,056,602	1,046,232	10,370
Operation/maint. physical plant	1,340,587	22,752	1,363,339	1,332,007	31,332
Student transportation	820,615	-	820,615	798,890	21,725
Food service	887	-	887	54	833
Total Easton Board of Education	15,837,858	400,000	16,237,858	16,121,856	116,002
Regional School District No. 9	11,061,949	1,481	11,063,430	11,063,430	-
State teacher pensions	1,298,824	-	1,298,824	-	1,298,824
Total education	28,198,631	401,481	28,600,112	27,185,286	1,414,826
Library	581,964	28,349	610,313	578,806	31,507
Parks and recreation:					
Parks and recreation commission	402,713	2,592	405,305	390,976	14,329
Tree warden	12,092	-	12,092	10,252	1,840
Total parks and recreation	414,805	2,592	417,397	401,228	16,169
Employee benefits:					
Pensions	1,009,140	-	1,009,140	1,008,060	1,080
Fringe benefits	1,864,124	-	1,864,124	1,281,498	582,626
Social Security and Medicare	480,000	-	480,000	452,978	27,022
Total employee benefits	3,353,264	-	3,353,264	2,742,536	610,728
Insurance	797,000	-	797,000	796,688	312
Other - contingency	225,000	(169,628)	55,372	494	54,878

(Continued)

Required Supplementary Information - Unaudited
Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)
General Fund
For the Year Ended June 30, 2018

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget
Debt service:					
Principal retirement	$ 2,713,000	$ -	$ 2,713,000	$ 2,713,000	$ -
Interest payments	581,975	52,614	634,589	633,054	1,535
Fiscal agent fees	57,750	-	57,750	40,750	17,000
Total debt service	3,352,725	52,614	3,405,339	3,386,804	18,535
Total expenditures	44,830,303	692,585	45,522,888	42,923,845	2,599,043
Other financing uses:					
Transfers out:					
Dog fund	89,343	-	89,343	89,340	3
Capital nonrecurring	-	70,000	70,000	70,000	-
Total other financing uses	89,343	70,000	159,343	159,340	3
Total expenditures and other financing uses	$ 44,919,646	$ 762,585	$ 45,682,231	43,083,185	$ 2,599,046
Budgetary expenditures are different than GAAP expenditures because:					
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement/Health System for Town teachers are not budgeted				1,956,850	
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - General Fund				$ 45,040,035	

Note 1. Stewardship, Compliance and Accountability

Budgets and budgetary accounting: The Town adheres to the following procedures in establishing the budgetary data included in the financial statements of the General Fund, the only fund with a legally adopted annual budget. On or before the first Thursday in April, the Board of Finance submits to a Town Meeting, at which taxpayer comments are obtained, a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

- The budget is recommended by the Board of Finance at a Town Meeting and, if accepted, is adopted prior to July 1.

- The Board of Finance is authorized to transfer budgeted amounts within and between departments and to approve the first additional appropriation for a department, not to exceed $20,000, in any one year. Additional appropriations after the first or in excess of $20,000 must be approved by vote of a Town Meeting. During the year, the Board of Finance or Town Meeting approved six additional appropriations from fund balance. $400,000 for the Board of Education, $3,250 for Auditors, $1,000 for Senior Center, $362 for Emergency Management, $9,018 for Recycling and $1,481 for the Regional BOE.

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

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

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Meeting approval.

- Generally, all unencumbered appropriations lapse at year end, except for those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

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Combining and Individual
Fund Financial Statements and Other Schedules

General Fund

Town of Easton, Connecticut **Exhibit A-1**

Balance Sheet
General Fund
June 30, 2018

Assets		
Cash and cash equivalents	$	8,109,563
Investments		4,048,895
Property taxes receivable, net of allowance for uncollectible amounts		1,544,225
Accounts receivable		216,435
Total assets	$	13,919,118
Liabilities, Deferred Inflow of Resources and Fund Balances		
Liabilities:		
Accounts payable	$	654,559
Accrued liabilities		1,143,900
Due to Regional School District No. 9		540,137
Due to other funds		177,455
Total liabilities		2,516,051
Deferred inflows of resources - unavailable revenue		1,444,509
Fund balances:		
Assigned for subsequent year's budget		2,768,824
Unassigned		7,189,734
Total fund balance		9,958,558
Total liabilities, deferred inflows of resources and fund balances	$	13,919,118

Town of Easton, Connecticut **Exhibit A-2**

Report of Tax Collector
General Fund
For the Year Ended June 30, 2018

Grand List Year	Uncollected Taxes/Levy July 1, 2017	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Change in Overpayment Balances	Uncollected Taxes June 30, 2018
			Additions	Deletions			Taxes	Liens and Interest	Total		
2016	$ -	$ 42,641,418	$ 37,528	$ 110,422	$ -	$ 42,568,524	$ 42,056,214	$ 118,560	$ 42,174,774	$ 18,132	$ 530,442
2015	582,649	-	1,558	12,114	-	572,093	244,841	68,724	313,565	(16,368)	310,884
2014	323,281	-	-	4,221	2,053	317,007	142,470	52,836	195,306	84	174,621
2013	196,485	-	-	5,861	778	189,846	72,783	36,147	108,930	60	117,123
2012	106,826	-	-	460	-	106,366	25,864	17,955	43,819	88	80,590
2011	52,457	-	-	369	-	52,088	23,527	16,037	39,564	-	28,561
2010	19,280	-	-	118	-	19,162	12,187	12,855	25,042	-	6,975
2009	20,342	-	-	115	-	20,227	6,424	9,437	15,861	57	13,860
2008	15,788	-	-	-	-	15,788	-	-	-	-	15,788
2007	715	-	-	-	-	715	-	-	-	1	716
2006	696	-	-	-	-	696	-	-	-	-	696
2005	560	-	-	-	-	560	-	-	-	-	560
2004	531	-	175	175	-	531	-	-	-	-	531
2003	533	-	-	-	-	533	-	-	-	-	533
2002	488	-	-	-	-	488	-	-	-	-	488
Total	$ 1,320,631	$ 42,641,418	$ 39,261	$ 133,855	$ 2,831	$ 43,864,624	$ 42,584,310	$ 332,551	$ 42,916,861	$ 2,054	$ 1,282,368

Property taxes receivable considered available:	
June 30, 2017	(171,784)
June 30, 2018	107,435
Property tax revenues	$ 42,519,961

Nonmajor Governmental Funds

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Town of Easton, Connecticut

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds			
	Education Grants	Easton Day	Police Donations	Police Grants
Assets				
Cash	$ 22,840	$ 4,559	$ 8,170	$ 101,779
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	9,133	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 31,973	$ 4,559	$ 8,170	$ 101,779
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	$ 19,895	$ -	$ -	$ -
Bond anticipation notes	-	-	-	-
Unearned revenue	-	-	-	
Total liabilities	19,895	-	-	-
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficits):				
Restricted	12,078	-	8,170	101,779
Committed	-	4,559	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	12,078	4,559	8,170	101,779
Total liabilities and fund balances (deficits)	$ 31,973	$ 4,559	$ 8,170	$ 101,779

Exhibit B-1

Special Revenue Funds								
Senior Center	Agriculture Land Preservation	Cemetery Fund	Dog Fund	D.A.R.E.	Parks and Recreation Activity Fund	Solid Waste Program	Library
$ -	$ 67,816	$ 18,643	$ 194,490	$ 53,900	$ 136,402	$ 47,883	$ 152,009
-	-	-	-	-	-	-	933,557
-	-	-	510	24	-	65,567	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ 67,816	$ 18,643	$ 195,000	$ 53,924	$ 136,402	$ 113,450	$ 1,085,566
$ 16,601	$ -	$ -	$ 4,220	$ -	$ 408	$ 74,937	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,601	-	-	4,220	-	408	74,937	-
-	-	-	-	-	-	22,493	-
-	-	-	-	-	-	22,493	-
-	-	-	-	-	-	-	-
-	67,816	18,643	190,780	53,924	135,994	16,020	1,085,566
(16,601)	-	-	-	-	-	-	-
(16,601)	67,816	18,643	190,780	53,924	135,994	16,020	1,085,566
$ -	$ 67,816	$ 18,643	$ 195,000	$ 53,924	$ 136,402	$ 113,450	$ 1,085,566

(Continued)

Town of Easton, Connecticut

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds			
	Open Space	EMS Special Services	Police Asset	Records Preservation
Assets				
Cash	$ 890,377	$ 102,363	$ 37,798	$ 28,028
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 890,377	$ 102,363	$ 37,798	$ 28,028
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	$ -	$ 15,341	$ -	$ -
Bond anticipation notes	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	15,341	-	-
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficits):				
Restricted	-	-	37,798	-
Committed	890,377	87,022	-	28,028
Unassigned	-	-	-	-
Total fund balances (deficits)	890,377	87,022	37,798	28,028
Total liabilities and fund balances (deficits)	$ 890,377	$ 102,363	$ 37,798	$ 28,028

Exhibit B-1

Special Revenue Funds						
Paine Barn Fund	Social Service	Town Hall Grants	Senior Center Leasing Buyout	Miscellaneous Grants	Town Clerk Community Fee	Land Acquisition
$ 1,514	$ 44,166	$ -	$ -	$ 38,268	$ 27,527	$ -
-	-	-	-	-	-	10,503
-	-	-	-	-		-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 1,514	$ 44,166	$ -	$ -	$ 38,268	$ 27,527	$ 10,503
$ -	$ -	$ 306	$ 4,817	$ -	$ 300	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	306	4,817	-	300	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	38,268	-	-
1,514	44,166	-	-	-	27,227	10,503
-	-	(306)	(4,817)	-	-	-
1,514	44,166	(306)	(4,817)	38,268	27,227	10,503
$ 1,514	$ 44,166	$ -	$ -	$ 38,268	$ 27,527	$ 10,503

(Continued)

Town of Easton, Connecticut **Exhibit B-1**

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds			Capital Project Funds		
	Senior Center Van	9/11 Memorial Fund	Field Usage Fund	Bonded Capital Projects	Capital Nonrecurring Projects	Nonmajor Governmental Funds
Assets						
Cash	$ -	$ 1,053	$ 59,103	$ 725,123	$ 437,058	$ 3,200,869
Investments	-	-	-	-	-	944,060
Accounts receivable	12,411	-	-	3,051	-	81,563
Due from other governments	-	-	-	-	44,445	53,578
Due from other funds	-	-	-	120,228	-	120,228
Total assets	$ 12,411	$ 1,053	$ 59,103	$ 848,402	$ 481,503	$ 4,400,298
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	$ 13,749	$ -	$ -	$ -	$ 639	$ 151,213
Bond anticipation notes	-	-	-	-	-	-
Unearned revenue	-	-	-		44,445	44,445
Total liabilities	13,749	-	-	-	45,084	195,658
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	22,493
Total deferred inflows of resources	-	-	-	-	-	22,493
Fund balances (deficits):						
Restricted	-	-	-	848,402	-	1,046,495
Committed	-	1,053	59,103	-	436,419	3,158,714
Unassigned	(1,338)	-	-	-	-	(23,062)
Total fund balances (deficits)	(1,338)	1,053	59,103	848,402	436,419	4,182,147
Total liabilities and fund balances (deficits)	$ 12,411	$ 1,053	$ 59,103	$ 848,402	$ 481,503	$ 4,400,298

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Town of Easton, Connecticut

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

	Special Revenue Funds			
	Education Grants	Easton Day	Police Donations	Police Grants
Revenues:				
Intergovernmental	$ 267,052	$ -	$ -	$ -
Charges for services	-	-	950	-
Investment income	-	-	-	-
Contributions	-	-	-	-
Total revenues	267,052	-	950	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	530	48,955
Public works	-	-	-	-
Health and welfare	-	-	-	-
Education	256,493	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	256,493	-	530	48,955
Excess (deficiency) of revenues over expenditures	10,559	-	420	(48,955)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances (deficits)	10,559	-	420	(48,955)
Fund balances (deficits), beginning of year	1,519	4,559	7,750	150,734
Fund balances (deficits), end of year	$ 12,078	$ 4,559	$ 8,170	$ 101,779

Exhibit B-2

Special Revenue Funds							
Senior Center	Agriculture Land Preservation	Cemetery Fund	Dog Fund	D.A.R.E.	Parks and Recreation Activity Fund	Solid Waste Program	Library
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13,914	-	-	14,100	8,482	278,747	249,147	12,655
-	661	286	-	-	-	-	48,882
-	-	-	2,550	-	-	-	-
13,914	661	286	16,650	8,482	278,747	249,147	61,537
16,915	-	-	-	-	-	-	-
-	-	-	106,259	11,092	-	-	-
-	-	-	-	-	-	285,372	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	23,337
-	-	-	-	-	249,744	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,915	-	-	106,259	11,092	249,744	285,372	23,337
(3,001)	661	286	(89,609)	(2,610)	29,003	(36,225)	38,200
-	-	-	-	-	-	-	-
-	-	-	89,340	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	89,340	-	-	-	-
(3,001)	661	286	(269)	(2,610)	29,003	(36,225)	38,200
(13,600)	67,155	18,357	191,049	56,534	106,991	52,245	1,047,366
$ (16,601)	$ 67,816	$ 18,643	$ 190,780	$ 53,924	$ 135,994	$ 16,020	$ 1,085,566

(Continued)

Town of Easton, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds			
	Open Space	EMS Special Services	Police Asset	Records Preservation
Revenues:				
Intergovernmental	$ 39,426	$ -	$ -	$ -
Charges for services	-	97,385	-	8,147
Investment income	8,250	-	573	-
Contributions	-	-	-	-
Total revenues	47,676	97,385	573	8,147
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	2,433	-
Public works	-	-	-	-
Health and welfare	-	38,313	-	-
Education	-	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	38,313	2,433	-
Excess (deficiency) of revenues over expenditures	47,676	59,072	(1,860)	8,147
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(100,000)	-	-
Total other financing sources (uses)	-	(100,000)	-	-
Net change in fund balances (deficits)	47,676	(40,928)	(1,860)	8,147
Fund balances (deficits), beginning of year	842,701	127,950	39,658	19,881
Fund balances (deficits), end of year	$ 890,377	$ 87,022	$ 37,798	$ 28,028

Exhibit B-2

Special Revenue Funds						
Paine Barn Fund	Social Service	Town Hall Grants	Senior Center Leasing Buyout	Miscellaneous Grants	Town Clerk Community Fee	Land Acquisition
$ -	$ -	$ 10,250	$ -	$ -	$ -	$ -
-	7,400	-	-	-	2,117	-
-	613	-	-	-	-	798
-	-	-	-	-	-	-
-	8,013	10,250	-	-	2,117	798
-	-	9,283	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,856	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,856	9,283	-	-	-	-
-	6,157	967	-	-	2,117	798
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,157	967	-	-	2,117	798
1,514	38,009	(1,273)	(4,817)	38,268	25,110	9,705
$ 1,514	$ 44,166	$ (306)	$ (4,817)	$ 38,268	$ 27,227	$ 10,503

(Continued)

Town of Easton, Connecticut **Exhibit B-2**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds			Capital Project Funds		
	Senior Center Van	9/11 Memorial Fund	Field Usage Fund	Bonded Projects Fund	Capital Nonrecurring Projects	Nonmajor Governmental Funds
Revenues:						
Intergovernmental	$ 58,224	$ -	$ -	$ -	$ -	$ 374,952
Charges for services	-	-	69,485	36,000	-	798,529
Investment income	-	-	-	-	1,980	62,043
Contributions	-	-	-	-	-	2,550
Total revenues	58,224	-	69,485	36,000	1,980	1,238,074
Expenditures:						
Current:						
General government	54,170	-	-	-	-	80,368
Public safety	-	-	-	-	-	169,269
Public works	-	-	-	-	-	285,372
Health and welfare	-	-	-	-	-	40,169
Education	-	-	-	-	-	256,493
Library	-	-	-	-	-	23,337
Parks and recreation	-	-	33,724	-	-	283,468
Debt service	-	-	-	3,994,000	-	3,994,000
Capital outlay	-	-	-	300	68,528	68,828
Total expenditures	54,170	-	33,724	3,994,300	68,528	5,201,304
Excess (deficiency) of revenues over expenditures	4,054	-	35,761	(3,958,300)	(66,548)	(3,963,230)
Other financing sources (uses):						
Issuance of debt	-	-	-	3,994,000	-	3,994,000
Transfers in	-	-	-	308,000	70,000	467,340
Transfers out	-	-	-	-	-	(100,000)
Total other financing sources (uses)	-	-	-	4,302,000	70,000	4,361,340
Net change in fund balances (deficits)	4,054	-	35,761	343,700	3,452	398,110
Fund balances (deficits), beginning of year	(5,392)	1,053	23,342	504,702	432,967	3,784,037
Fund balances (deficits), end of year	$ (1,338)	$ 1,053	$ 59,103	$ 848,402	$ 436,419	$ 4,182,147

Fiduciary Funds

Town of Easton, Connecticut **Exhibit C-1**

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash:				
Performance and road bonds	$ 1,168,013	$ 32,250	$ 65,901	$ 1,134,362
Student activity	67,236	65,380	70,217	62,399
Total assets	$ 1,235,249	$ 97,630	$ 136,118	$ 1,196,761
Liabilities				
Accounts payable:				
Performance and road bonds	$ 1,168,013	$ 32,250	$ 65,901	$ 1,134,362
Student activity	67,236	65,380	70,217	62,399
Total liabilities	$ 1,235,249	$ 97,630	$ 136,118	$ 1,196,761

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Other Schedules

Town of Easton, Connecticut **Exhibit D-1**

Schedule of Debt Limitation
June 30, 2018

Total tax collections	
For the year ended June 30, 2018:	
Town of Easton	$ 42,584,310
Reimbursement for revenue loss:	
Tax relief for elderly freeze	-
Base for debt limitation computation	$ 42,584,310

	General Purpose	Schools	Sewer & Water	Urban Renewal	Unfunded Pension Benefit Obligation
Debt limitation:					
2-1/4 times base	$ 95,814,698	$ -	$ -	$ -	$ -
4-1/2 times base	-	191,629,395	-	-	-
3-3/4 times base	-	-	159,691,163	-	-
3-1/4 times base	-	-	-	138,399,008	-
3 times base	-	-	-	-	127,752,930
Total debt limitation	95,814,698	191,629,395	159,691,163	138,399,008	127,752,930
Indebtedness:					
Bonds payable	6,088,000	12,284,000	172,000	-	-
Authorized, unissued debt	-	-	-	-	-
Easton portion of Regional School District No. 9 BANs	-	6,293,775	-	-	-
Net indebtedness	6,088,000	18,577,775	172,000	-	-
Debt limitation in excess of indebtedness	$ 89,726,698	$ 173,051,620	$ 159,519,163	$ 138,399,008	$ 127,752,930

In no event shall total indebtedness exceed $298,090,170 or seven times the base for debt limitation computation.

Town of Easton, Connecticut **Exhibit E-1**

Capital Projects Authorizations
June 30, 2018

Capital Project Fund	Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2018
Capital nonrecurring:				
Wells Hill bridge	$ 779,324	$ 68,527	$ 748,368	$ 30,956
Town improvement trust fund	51,071	-	41,966	9,105
Fire truck	1,537,420	-	1,116,063	421,357
Senior Center van	163,160	-	148,604	14,556
Fire code work	14,925	-	14,730	195
Subdivision funds	107,812	-	-	107,812
Planning and zoning town plans	56,250	-	47,599	8,651
Town garage	122,285	-	110,981	11,304
EMS defibrillator	65,355	-	64,260	1,095
Revaluation	543,165	-	519,939	23,226
Morehouse Road Little League Fields	105,000	-	99,695	5,305
Fire hydrants	5,266	-	4,250	1,016
Garage	26,822	-	25,368	1,454
Highway Trucks	298,700	-	283,981	14,719
Staples renovation fire suppression	455,000	-	382,051	72,949
Town financials	4,800	-	3,814	986
Animal shelter	593,150	-	592,620	530
Town hall vault	5,000	-	4,942	58
660 Morehouse Rd. lead paint	159,700	-	155,905	3,795
Morehouse Rd. repair and permanent	347,357	-	330,489	16,868
Fire radios - LOCIP	42,419	-	41,795	624
	$ 5,483,981	$ 68,527	$ 4,737,420	$ 746,561