

EASTERN HIGHLANDS HEALTH DISTRICT

FINANCIAL STATEMENTS
JUNE 30, 2020

EASTERN HIGHLANDS HEALTH DISTRICT
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Independent Auditors' Report

To the Board of Directors
Eastern Highlands Health District
Mansfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eastern Highlands Health District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Eastern Highlands Health District'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 and each major fund of the Eastern Highlands Health District as of June 30, 2020 and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and OPEB schedule, 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020 on our consideration of the Eastern Highlands Health District'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 Eastern Highlands Health District'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 Eastern Highlands Health District's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
November 9, 2020



Eastern Highlands Health District

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

Management of the Eastern Highlands Health District (the District) offers readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$691,047 (*net position*). Of this amount, \$563,693 (*unrestricted net position*) may be used to meet the District's ongoing obligations to creditors.
- The District's total net position increased by \$37,261. The District had an operational surplus of \$54,243 coming from revenues in excess of budget (\$31,865), less budgeted use of fund balance (\$26,211) which did not occur, and expenditures less than budget (\$57,389) in the General Fund, less a decrease of \$8,800 in Capital Projects from spending prior year revenues. The operational surplus was offset by an increase in the compensated absence liability and Other Post Employment Benefit (OPEB) liability and depreciation in excess of asset additions.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$618,318, an increase of \$54,243 in comparison with the prior year. Of combined fund balances, \$495,338 is *available for spending* at the District's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$495,338 or 64% of total General Fund expenditures and transfers out.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes 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 District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District'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., earned but unused vacation leave).

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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 a District'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 District'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 District maintains three 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, Health Grants Fund and Capital Projects Fund, all of which are considered to be major funds.

The General Fund is the general operating fund of the District and operates under a budget. Annually, the budget is voted upon by District Board Members. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Notes to the 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.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a district's financial position. In the case of District, assets exceeded liabilities by \$691,047 at the close of the most recent fiscal year.

Of the net position, \$127,354 reflects the District's investment in capital assets (e.g., office equipment and vehicles). These assets are not available for future spending.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**EASTERN HIGHLANDS HEALTH DISTRICT
NET POSITION
JUNE 30, 2020 AND 2019**

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Current and other assets | \$ 699,971 | \$ 629,782 |
| Capital assets, net of accumulated depreciation | <u>127,354</u> | <u>131,860</u> |
| Total assets | <u>827,325</u> | <u>761,642</u> |
| | | |
| Deferred outflows of resources | <u>778</u> | <u>180</u> |
| | | |
| Long-term liabilities outstanding | 54,994 | 42,250 |
| Other liabilities | <u>81,653</u> | <u>65,707</u> |
| Total liabilities | <u>136,647</u> | <u>107,957</u> |
| | | |
| Deferred inflows of resources | <u>409</u> | <u>79</u> |
| | | |
| Net Position: | | |
| Investment in capital assets | 127,354 | 131,860 |
| Unrestricted | <u>563,693</u> | <u>521,926</u> |
| | | |
| Total Net Position | <u>\$ 691,047</u> | <u>\$ 653,786</u> |

At the end of the current fiscal year, the District is able to report positive balances in both of the categories of net position.

- **Governmental Activities** - The District's net position increased by \$37,261 during the current fiscal year. The District had an operational surplus of \$54,243 coming from revenues in excess of budget (\$31,865), less budgeted use of fund balance (\$26,211) which did not occur, and expenditures less than budget (\$57,389) less a decrease of \$8,800 in Capital Projects from the expenditure of prior year revenues. Expenditures were less than budget primarily from unanticipated staff vacancies as well as reduced costs in some program expenses due to the pandemic. The operational surplus was offset by the compensated absence liability (\$10,424), the OPEB liability (\$2,052) and depreciation in excess of asset additions (\$4,506).

**EASTERN HIGHLANDS HEALTH DISTRICT
CHANGE IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

| | <u>2020</u> | <u>2019</u> |
|------------------------------------|-------------------|-------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 270,758 | \$ 298,887 |
| Operating grants and contributions | 244,897 | 223,378 |
| General revenues: | | |
| Assessment to member towns | 437,599 | 429,258 |
| Miscellaneous | | 1,910 |
| Total revenues | <u>953,254</u> | <u>953,433</u> |
| Expenses: | | |
| Health services | <u>915,993</u> | <u>887,931</u> |
| Change in net position | 37,261 | 65,502 |
| Net position - July 1 | <u>653,786</u> | <u>588,284</u> |
| Net Position - June 30 | <u>\$ 691,047</u> | <u>\$ 653,786</u> |

- Charges for services decreased from the prior year by \$28,129, due to the loss of a wellness contract with Mansfield (\$40,946) offset by fluctuations in demand, partially from the impact of the pandemic, for the following services: increases in health inspection (\$6,691), soil testing (\$8,530), B100a reviews (\$4,245), plan reviews (\$3,265) and decreases in septic and well permits (\$4,287), food protection (\$4,243) and food plan review (\$1,809).
- Operating grants and contributions increased by a net of \$21,519, primarily due to the following:
 - Decrease in the Preventive Health Block grant for \$10,386
 - Increase for the receipt of the Hospital Preparedness Program grant for \$13,500
 - Increase for the receipt of the COVID-19 Crisis Response grant for \$17,291
- Assessment to member towns showed an increase of \$8,341.

Health services expenditures increased by \$28,062, primarily due to an increase in professional technical services and the impact of COVID-19 activities.

Financial Analysis of the District's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$618,318, an increase of \$54,243 in comparison with the prior year. Of the ending fund balances, \$495,338 constitutes unassigned fund balance, which is available for spending at the District's discretion.

The General Fund is the operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$495,338.

The fund balance of the District's General Fund increased by \$63,043 during the current fiscal year. The key factors in this increase are revenues in excess of budget by \$31,865, primarily in charge for services and intergovernmental revenue, expenditures less than budget by \$57,389 primarily for salaries and benefits due to unfilled vacancies and the budgeted but not necessary use of fund balance of \$26,211.

The Capital Projects Fund has a total fund balance of \$122,980, all of which is restricted for capital projects. There was capital outlay of \$11,800 for technology for the fiscal year. There were no disposals for the year.

General Fund Budgetary Highlights

During the year, expenditures were less than budgetary estimates by \$57,389. The key factors are a reduction in salary and benefit costs of \$67,770 primarily due to unfilled vacancies. This was offset by the increased need for professional technical services of \$15,421. In addition, there were savings in multiple service and supply accounts, including: vehicle repairs and maintenance (\$1,081), liability insurance (\$1,930) and office equipment (\$2,745).

Capital Assets

Capital Assets - The District's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$127,354 (net of accumulated depreciation). This investment in capital assets includes office equipment and vehicles. Depreciation expense was \$16,306 for the year. There were no asset disposals this year. Technology additions for the year were \$11,800.

**EASTERN HIGHLANDS HEALTH DISTRICT CAPITAL ASSETS
(NET OF DEPRECIATION)**

| | <u>2020</u> | <u>2019</u> |
|------------------|-------------------|-------------------|
| Office equipment | \$ 90,421 | \$ 87,604 |
| Vehicles | <u>36,933</u> | <u>44,256</u> |
| Total | <u>\$ 127,354</u> | <u>\$ 131,860</u> |

Economic Factors and Next Year's Budgets and Rates

The facilities and offices of the District are located east of Hartford, Connecticut. The District is one of 20 local health districts in the state of Connecticut. Established on June 6, 1997, it now serves the towns of Andover, Ashford, Bolton, Chaplin, Columbia, Coventry, Scotland, Tolland, Willington and Mansfield, with a total district population of 82,082. The main District office is located in the town of Mansfield.

The budget for fiscal year 2021 was passed by its Board of Directors on January 16, 2020 for \$883,540. We anticipate being able to operate according to the Board's Adopted Budget for fiscal year 20/21 despite the impact of COVID-19.

Requests for Information

This financial report is designed to provide a general overview of the District'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 Charmaine Bradshaw-Hill, Director of Finance, Town of Mansfield, 4 South Eagleville Road, Mansfield, CT 06268.

**EASTERN HIGHLANDS HEALTH DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Cash and cash equivalents | \$ 673,308 |
| Accounts receivable | 26,663 |
| Capital assets being depreciated (net of accumulated depreciation): | |
| Office equipment | 90,421 |
| Vehicles | 36,933 |
| Total assets | <u>827,325</u> |
| Deferred Inflows of Resources: | |
| Deferred inflows of resources related to OPEB | <u>778</u> |
| Liabilities: | |
| Accounts payable | 506 |
| Accrued liabilities | 34,055 |
| Unearned revenue | 47,092 |
| Noncurrent liabilities: | |
| Compensated absences, due within one year | 7,341 |
| Compensated absences, due in more than one year | 29,365 |
| Total OPEB liability | <u>18,288</u> |
| Total liabilities | <u>136,647</u> |
| Deferred Outflows of Resources: | |
| Deferred outflows of resources related to OPEB | <u>409</u> |
| Net Position: | |
| Investment in capital assets | 127,354 |
| Unrestricted | <u>563,693</u> |
| Total Net Position | <u>\$ 691,047</u> |

The accompanying notes are an integral part of the financial statements

**EASTERN HIGHLANDS HEALTH DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net Revenues (Expenses) and Changes in Net Position</u> |
|-----------------------------------|-------------------|---------------------------------|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Total Governmental Activities</u> |
| Governmental Activities: | | | | |
| Health services | \$ <u>915,993</u> | \$ <u>270,758</u> | \$ <u>244,897</u> | \$ (400,338) |
| General revenues: | | | | |
| Assessment to member towns | | | | <u>437,599</u> |
| Change in Net Position | | | | 37,261 |
| Net Position at Beginning of Year | | | | <u>653,786</u> |
| Net Position at End of Year | | | | \$ <u><u>691,047</u></u> |

The accompanying notes are an integral part of the financial statements

**EASTERN HIGHLANDS HEALTH DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | Major Funds | | | Total Governmental Funds |
|--------------------------------------|--------------------|--------------------------|-----------------------------|---|
| | General | Health Grants | Capital Projects | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 527,136 | \$ 23,192 | \$ 122,980 | \$ 673,308 |
| Receivables: | | | | |
| Accounts | <u>2,257</u> | <u>24,406</u> | | <u>26,663</u> |
| Total Assets | <u>\$ 529,393</u> | <u>\$ 47,598</u> | <u>\$ 122,980</u> | <u>\$ 699,971</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts and other payables | \$ | \$ 506 | \$ | \$ 506 |
| Accrued liabilities | 34,055 | | | 34,055 |
| Unearned revenue | | <u>47,092</u> | | <u>47,092</u> |
| Total liabilities | <u>34,055</u> | <u>47,598</u> | <u>-</u> | <u>81,653</u> |
| Fund Balances: | | | | |
| Restricted for capital projects | | | 122,980 | 122,980 |
| Unassigned | <u>495,338</u> | | | <u>495,338</u> |
| Total fund balances | <u>495,338</u> | <u>-</u> | <u>122,980</u> | <u>618,318</u> |
| Total Liabilities and Fund Balances | <u>\$ 529,393</u> | <u>\$ 47,598</u> | <u>\$ 122,980</u> | <u>\$ 699,971</u> |

(Continued on next page)

**EASTERN HIGHLANDS HEALTH DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position
(Exhibit I) are different because of the following:

| | | |
|--|----|-----------------------|
| Total Fund Balances (Exhibit III, Page 1) | \$ | 618,318 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | |
| Governmental capital assets | \$ | 285,114 |
| Less accumulated depreciation | | <u>(157,760)</u> |
| Net capital assets | | 127,354 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds: | | |
| Deferred outflows of resources related to OPEB | | 778 |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Compensated absences | | (36,706) |
| Deferred inflows of resources related to OPEB | | (409) |
| Total OPEB liability | | <u>(18,288)</u> |
| Net Position of Governmental Activities (Exhibit I) | \$ | <u><u>691,047</u></u> |

The accompanying notes are an integral part of the financial statements

**EASTERN HIGHLANDS HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Major Funds</u> | | | <u>Total Governmental Funds</u> |
|---|--------------------|--------------------------|-----------------------------|---|
| | <u>General</u> | <u>Health Grants</u> | <u>Capital Projects</u> | |
| Revenues: | | | | |
| Member town contributions | \$ 437,599 | \$ 9,381 | \$ | \$ 446,980 |
| Intergovernmental | 144,330 | 101,087 | | 245,417 |
| Septic permits | 49,133 | | | 49,133 |
| Well permits | 10,680 | | | 10,680 |
| B100a building permit review | 33,690 | | | 33,690 |
| Soil testing service | 49,490 | | | 49,490 |
| Engineered plan review | 32,860 | | | 32,860 |
| Food protection service | 79,718 | | | 79,718 |
| Group home/daycare inspection | 1,430 | | | 1,430 |
| Subdivision review | 1,375 | | | 1,375 |
| Food plan review | 2,481 | | | 2,481 |
| Total revenues | <u>842,786</u> | <u>110,468</u> | <u>-</u> | <u>953,254</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Payroll and benefits | 662,631 | 63,056 | | 725,687 |
| Other purchased services | 80,002 | 40,051 | | 120,053 |
| Liability insurance | 13,870 | | | 13,870 |
| Supplies and services | 8,092 | 3,595 | | 11,687 |
| Repairs and maintenance | 2,197 | | | 2,197 |
| Other | 9,951 | 3,766 | | 13,717 |
| Capital outlay | | | 11,800 | 11,800 |
| Total expenditures | <u>776,743</u> | <u>110,468</u> | <u>11,800</u> | <u>899,011</u> |
| Excess of Revenues over Expenditures | <u>66,043</u> | <u>-</u> | <u>(11,800)</u> | <u>54,243</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | 3,000 | 3,000 |
| Transfers out | <u>(3,000)</u> | | | <u>(3,000)</u> |
| Total other financing sources (uses) | <u>(3,000)</u> | <u>-</u> | <u>3,000</u> | <u>-</u> |
| Net Change in Fund Balances | 63,043 | - | (8,800) | 54,243 |
| Fund Balances at Beginning of Year | <u>432,295</u> | <u>-</u> | <u>131,780</u> | <u>564,075</u> |
| Fund Balances at End of Year | <u>\$ 495,338</u> | <u>\$ -</u> | <u>\$ 122,980</u> | <u>\$ 618,318</u> |

(Continued on next page)

**EASTERN HIGHLANDS HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

| | |
|---|-----------|
| Net change in fund balances - total governmental funds (Exhibit IV) | \$ 54,243 |
|---|-----------|

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

| | |
|----------------------|----------|
| Capital outlay | 11,800 |
| Depreciation expense | (16,306) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | |
|--|-----|
| Change in deferred outflows of resources related to OPEB | 598 |
|--|-----|

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

| | |
|---|----------------|
| Compensated absences | (10,424) |
| Change in deferred inflows of resources related to OPEB | (330) |
| Change in total OPEB liability | <u>(2,320)</u> |

| | |
|--|------------------|
| Change in Net Position of Governmental Activities (Exhibit II) | <u>\$ 37,261</u> |
|--|------------------|

The accompanying notes are an integral part of the financial statements

**EASTERN HIGHLANDS HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--------------------------------|----------------------------|-------------------------|----------------|---|
| Revenues: | | | | |
| Member town contributions | \$ 437,590 | \$ 437,590 | \$ 437,599 | \$ 9 |
| Intergovernmental | 119,990 | 119,990 | 134,429 | 14,439 |
| Septic permits | 52,840 | 52,840 | 49,133 | (3,707) |
| Well permits | 13,890 | 13,890 | 10,680 | (3,210) |
| B100a building permit review | 29,680 | 29,680 | 33,690 | 4,010 |
| Soil testing service | 35,610 | 35,610 | 49,490 | 13,880 |
| Engineered plan review | 30,700 | 30,700 | 32,860 | 2,160 |
| Food protection service | 74,900 | 74,900 | 79,718 | 4,818 |
| Group home/daycare inspection | 1,380 | 1,380 | 1,430 | 50 |
| Subdivision review | 1,050 | 1,050 | 1,375 | 325 |
| Food plan review | 2,440 | 2,440 | 2,481 | 41 |
| Other health services | 3,301 | 3,301 | 9,151 | 5,850 |
| Other miscellaneous | 6,800 | 6,800 | | (6,800) |
| Total revenues | <u>810,171</u> | <u>810,171</u> | <u>842,036</u> | <u>31,865</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Regular salaries - nonunion | 544,722 | 544,722 | 485,715 | (59,007) |
| Social Security | 36,320 | 36,320 | 31,615 | (4,705) |
| Workers' compensation | 10,160 | 10,160 | 8,743 | (1,417) |
| Medicare | 8,500 | 8,500 | 7,478 | (1,022) |
| ICMA | 31,260 | 31,260 | 28,610 | (2,650) |
| Life insurance | 2,250 | 2,250 | 1,705 | (545) |
| Medical insurance | 98,130 | 98,130 | 98,130 | - |
| Long-term disability Insurance | 650 | 650 | 635 | (15) |
| RHS contribution | 2,260 | 2,260 | 2,239 | (21) |
| Dues and subscriptions | 2,000 | 2,000 | 2,055 | 55 |
| Training | 3,500 | 3,500 | 313 | (3,187) |
| Mileage reimbursement | 600 | 600 | 5,344 | 4,744 |
| Professional and technical | 7,120 | 7,120 | 22,541 | 15,421 |
| Legal | 2,000 | 2,000 | 4,192 | 2,192 |
| Audit expense | 6,900 | 6,900 | 6,800 | (100) |
| Vehicle repair and maintenance | 3,200 | 3,200 | 2,119 | (1,081) |
| General liability | 15,800 | 15,800 | 13,870 | (1,930) |
| Advertising | 1,000 | 1,000 | 428 | (572) |
| Printing and binding | 1,000 | 1,000 | 970 | (30) |

(Continued on next page)

**EASTERN HIGHLANDS HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---|
| Postage | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ - |
| Copier maintenance fees | 1,000 | 1,000 | 78 | (922) |
| Other purchased services | 11,340 | 11,340 | 14,049 | 2,709 |
| Voice communications | 3,800 | 3,800 | 3,250 | (550) |
| Instructional supplies | 800 | 800 | | (800) |
| Books and periodicals | 200 | 200 | 199 | (1) |
| Supplies | 2,000 | 2,000 | 1,548 | (452) |
| Gasoline | 2,600 | 2,600 | 1,558 | (1,042) |
| COVID-19 expenses | | | 194 | 194 |
| Office equipment | 3,000 | 3,000 | 255 | (2,745) |
| Equipment - other | 600 | 600 | 690 | 90 |
| Administrative overhead | 29,170 | 29,170 | 29,170 | - |
| Total expenditures | <u>833,382</u> | <u>833,382</u> | <u>775,993</u> | <u>(57,389)</u> |
| Excess of Revenues over (under) Expenditures | <u>(23,211)</u> | <u>(23,211)</u> | <u>66,043</u> | <u>89,254</u> |
| Other Financing Sources (Uses): | | | | |
| Appropriation of fund balance | 26,211 | 26,211 | | (26,211) |
| Transfers out | (3,000) | (3,000) | (3,000) | - |
| Total other financing sources (uses) | <u>23,211</u> | <u>23,211</u> | <u>(3,000)</u> | <u>(26,211)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | 63,043 | <u>\$ 63,043</u> |
| Fund Balances at Beginning of Year | | | <u>432,295</u> | |
| Fund Balances at End of Year | | | <u>\$ 495,338</u> | |

The accompanying notes are an integral part of the financial statements

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Eastern Highlands Health District (the District) was formed in June 1997 as a cooperative effort to create a regional, full-time professional health department and consists of the following member towns in the state of Connecticut: Andover, Ashford, Bolton, Chaplin, Columbia, Coventry, Mansfield, Scotland, Tolland and Willington. The Board of Directors of the District consists of appointed representatives from each member town. The District provides a wide range of public health services for its member towns. The services are funded by local assessments, federal and state grants and direct charges for specific services.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by member town assessments and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Member town assessments and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Member town assessments, expenditure reimbursement type grants, certain intergovernmental revenues and transfers associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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.

The *Health Grants Fund* accounts for the grants activity of the District. The major source of revenue for this fund is governmental grants.

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases. The major source of revenue for this fund is transfers from the General Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

When both restricted and unrestricted resources are available for use, it is the District'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.

C. Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

D. Receivables

Intergovernmental receivables are considered to be fully collectible, and no allowance has been recorded.

E. Capital Assets

Capital assets, which include property, plant and equipment, 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 \$1,000 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 fair market 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.

**EASTERN HIGHLANDS HEALTH DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020**

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

| <u>Assets</u> | <u>Years</u> |
|------------------|--------------|
| Office equipment | 5-10 |
| Vehicles | 6-10 |

F. Compensated Absences

A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Sick time does not vest.

G. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position.

H. Total Other Postemployment Benefits Other than Pensions (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. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer’s prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

I. 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 District reports deferred outflows related to OPEB in the government-wide statement of net position. A deferred outflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 District reports a deferred inflow of resources related to OPEB in the government-wide statement of net position. A deferred inflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner.

J. Interfund Transfers

Transfers are for regularly recurring operational transfers that are appropriated in the General Fund and paid to other funds during the year.

K. Fund Equity and Net Position

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

Net Investment in Capital Assets

This category presents the net position that reflects the value of capital assets, net of accumulated depreciation.

Unrestricted Net Position

This category presents the net position of the District that is not restricted.

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

Nonspendable Fund Balance

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

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Eastern Highlands Health District Board of Directors).

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose by the Director of Health.

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.

L. 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. Actual results could differ from those estimates.

M. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through November 9, 2020, the date that the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The District 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.

Annually, the budget is voted upon by District Board members.

The District Board may amend the budget. A public hearing is required if the per capita costs to the member towns increase as a result of the amendment. With the exception of payroll, Social Security, workers' compensation, Medicare, retirement, health insurance and life insurance, the Director of Health may make necessary line item transfers in the operating portion of the budget without Board approval, provided the total operating portion of the budget does not increase. Transfers greater than \$5,000 shall be reported to the Finance committee. Changes in payroll, Social Security, workers' compensation, Medicare, retirement, health insurance and life insurance line items shall be approved by the Finance Committee. There were no additional appropriations this year.

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

Legal level of control (the level at which expenditures may not legally exceed appropriations) is at the total budget level.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit V) as expenditures in the current year. Generally, all unencumbered appropriations lapse after a year, except those of the Capital Projects Fund. Encumbered appropriations are carried forward to the ensuing fiscal year, and as of June 30, 2020, the District did not have outstanding encumbrances.

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

3. DETAILED NOTES ON ALL FUNDS

A. Deposits

At June 30, 2020, the carrying amount of the District's deposits was \$673,308 and is part of the Town of Mansfield, Connecticut's pooled cash account. The District does not have a deposit policy for custodial credit risk. Separate risk classification is not available.

B. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets being depreciated: | | | | |
| Office equipment | \$ 138,791 | \$ 11,800 | \$ | \$ 150,591 |
| Vehicles | 134,523 | | | 134,523 |
| Total capital assets being depreciated | <u>273,314</u> | <u>11,800</u> | <u>-</u> | <u>285,114</u> |
| Less accumulated depreciation for: | | | | |
| Office equipment | 51,187 | 8,983 | | 60,170 |
| Vehicles | 90,267 | 7,323 | | 97,590 |
| Total accumulated depreciation | <u>141,454</u> | <u>16,306</u> | <u>-</u> | <u>157,760</u> |
| Total capital assets being depreciated, net | <u>131,860</u> | <u>(4,506)</u> | <u>-</u> | <u>127,354</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 131,860</u> | <u>\$ (4,506)</u> | <u>\$ -</u> | <u>\$ 127,354</u> |

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

| | |
|--------------------------|------------------|
| Governmental activities: | |
| Health Services | \$ <u>16,306</u> |

C. Interfund Transfers

Transfers are used to transfer budgeted resources to other funds to finance various projects. For the year ended June 30, 2020, the District transferred \$3,000 from the General Fund to the Capital Projects Fund.

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

D. Long-Term Debt

Long-term liability activity for the year ended June 30, 2020 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Total OPEB Liability | \$ 15,968 | \$ 2,320 | \$ | \$ 18,288 | \$ |
| Compensated Absences | <u>26,282</u> | <u>34,814</u> | <u>24,390</u> | <u>36,706</u> | <u>7,341</u> |
| Total governmental activities: | | | | | |
| Long-Term Liabilities | <u>\$ 42,250</u> | <u>\$ 37,134</u> | <u>\$ 24,390</u> | <u>\$ 54,994</u> | <u>\$ 7,341</u> |

4. OTHER POST EMPLOYMENT BENEFITS PLAN

Plan Description

The District administers one single-employer, post-retirement healthcare plan (the Plan). The Plan provides medical benefits to eligible retirees and their spouses. The Plan is administered by the District. Plan provisions are determined by District Policy.

The District currently pays for post employment health care benefits on a pay-as-you-go basis. As of June 30, 2020, the District has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

Benefit Provided

The District plan provides for medical and dental benefits for all eligible retirees. Benefit provisions are set by District policy, and require employees to complete 25 years of aggregate service; or attainment of age 55 with 10 years of continuous service or 15 years of aggregate service.

Employees Covered by Benefit Terms

Membership in the Plan consisted of the following at July 1, 2019.

| | |
|------------------|-----------------|
| Active Employees | <u><u>8</u></u> |
|------------------|-----------------|

Total OPEB Liability

The District's total OPEB liability of \$18,288 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|--|---|
| Inflation | 2.60% |
| Salary increases | 3.60%, average, including inflation |
| Discount rate | 2.21% |
| Healthcare cost trend rates | 7.00% in 2018, reducing by 0.5% each year to an ultimate rate of 4.60% per year rate for 2023 and later |
| Retirees' share of benefit-related costs | 100% of projected health insurance premiums for retirees |

The discount rate was based on the 20-year AA municipal bond index.

Mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

The actuarial assumptions used in the July 1, 2019 valuation were based on standard tables modified for certain plan features and input from the plan sponsor.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|--|
| Balances as of July 1, 2019 | \$ <u>15,968</u> |
| Changes for the year: | |
| Service cost | 1,392 |
| Interest on total OPEB liability | 609 |
| Difference between expected and actual experience | (386) |
| Changes in assumptions or other inputs | <u>705</u> |
| Net changes | <u>2,320</u> |
| Balances as of June 30, 2020 | \$ <u><u>18,288</u></u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.51% in 2019 to 2.21% in 2020.

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|--------------------------------------|--------------------|
| Total OPEB Liability | \$ 18,778 | \$ 18,288 | \$ 17,751 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.60%) or 1 percentage point higher (8.00% decreasing to 5.60%) than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|----------------------|--------------------|--|--------------------|
| Total OPEB Liability | \$ 16,750 | \$ 18,288 | \$ 19,982 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,052. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ | \$ 409 |
| Changes of assumptions or other inputs | 778 | |
| Total | <u>\$ 778</u> | <u>\$ 409</u> |

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

Year Ending June 30

| | | |
|------------|----|-----|
| 2021 | \$ | 51 |
| 2022 | | 51 |
| 2023 | | 51 |
| 2024 | | 51 |
| 2025 | | 51 |
| Thereafter | | 114 |

5. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to public officials, torts, injuries to employees or acts of God. The District purchases commercial insurance for all risks of loss, except for medical insurance. 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.

Hospital and medical surgical health coverage for District employees is administered by the Town of Mansfield, Connecticut (the Town), which has been recorded in the Town's records as an internal service fund. The fund's general objectives are to formulate, on behalf of the members, a health insurance program at lower cost of coverage and to develop a systematic method to control health costs.

A third party administers the plan through a contract with the Town for which the fund pays a fee. The fund has purchased \$175,000 of combined medical surgical and major medical individual stop-loss coverage.

**EASTERN HIGHLANDS HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Related Party Transactions

As disclosed in Note 1, the District's Board of Directors consists of appointed representatives from the member towns consisting of Andover, Ashford, Bolton, Chaplin, Columbia, Coventry, Mansfield, Scotland, Tolland and Willington. Revenues received from these member towns are as follows for the year ended June 30, 2020:

| | | |
|------------|----|-----------------------|
| Andover | \$ | 17,604 |
| Ashford | | 23,002 |
| Bolton | | 26,645 |
| Chaplin | | 12,146 |
| Columbia | | 29,366 |
| Coventry | | 67,419 |
| Mansfield | | 140,443 |
| Scotland | | 9,089 |
| Tolland | | 79,793 |
| Willington | | <u>32,092</u> |
| | \$ | <u><u>437,599</u></u> |

No amounts were due to or from the member towns as of June 30, 2020.

C. Contingent Liabilities

The District's management indicates that there are no material or substantial claims, judgments or litigation against the District.

**EASTERN HIGHLANDS HEALTH DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS***

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Total OPEB liability: | | |
| Service cost | \$ 1,392 | \$ 1,278 |
| Interest | 609 | 590 |
| Differences between expected and actual experience | (386) | (90) |
| Changes of assumptions and other inputs | 705 | 204 |
| Net change in total OPEB liability | <u>2,320</u> | <u>1,982</u> |
| Total OPEB liability - beginning | <u>15,968</u> | <u>13,986</u> |
| Total OPEB Liability - Ending | <u>\$ 18,288</u> | <u>\$ 15,968</u> |
| Covered payroll | \$ 606,504 | \$ 585,429 |
| Total OPEB liability as a percentage of covered payroll | 3.02% | 2.73% |

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

The discount rate was changed from 3.51% in 2019 to 2.21% in 2020.