

**Annual Financial Report**  
**of the**  
**City of West Haven, Connecticut**  
**For the Year Ended June 30, 2019**

**City of West Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2019**

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# Introductory Section

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## **City of West Haven, Connecticut**

### **Principal Officials June 30, 2019**

#### **Mayor**

Nancy R. Rossi

#### **Treasurer**

Michael P. Last

#### **City Council**

Ronald M. Quagliani, Chairman  
Bridgette J. Hoskie  
Nicholas W. Ruickoldt  
Aaron Charney  
Mitchell L. Gallignano  
Robbin Watt Hamilton  
Peter V. Massaro  
Portia Bias  
Tracy A. Morrissey  
Sean P. Ronan  
Louise Martone  
Richard DePalma  
David C. Forsyth

#### **Administration**

Ann Marie Gradoia  
Frank Gladwin  
Deborah Collins  
Frank Cieplinski  
Abdul Quadir  
Thomas McCarthy  
John Karajanis  
Dorothy Chambrelli  
Jack Crosby

Assessor  
Building Official  
City Clerk  
Director of Finance  
City Engineer  
Public Works Director  
Chief of Police  
Tax Collector  
Director - W.P.C.A.

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## Financial Section

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## **Independent Auditors' Report**

**City Council**  
**City of West Haven, Connecticut**

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut ("City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

**City Council  
City of West Haven, Connecticut**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
March 24, 2020



Finance  
Department

# Office of the Finance Director

City of West Haven  
355 Main Street  
West Haven, Connecticut 06516  
Telephone: 203-937-3510 ° Facsimile: 203-937-3705

## Management's Discussion and Analysis For the Year Ended June 30, 2019

As management of the City of West Haven, Connecticut ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. Please read it in conjunction with the City's financial statements immediately following this section.

### Financial Highlights

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$158,941,782 (*net position*). *Unrestricted net position* was a deficit balance of \$322,929,859.
- The City's total net position increased by \$23,255,820. The increase is due to the following:
  - positive operations of the general fund of \$2,766,945,
  - positive operations of the Allingtown Fire Department fund of \$1,342,433
  - positive operations of the sewer fund of \$1,456,582

The positive operations were offset by:

- deficit operations of the capital improvement fund of \$22,809,514

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation expense of \$41,060,455
  - net principal debt activity of \$16,506,586 and
  - change in OPEB liability of \$(18,249,802)
- As of the close of the current fiscal year, the City's governmental funds reported combined ending deficit fund balance of \$16,732,867, a decrease of \$17,151,036 in comparison with the prior year. The majority of the decrease is due to the deficit operations of the capital improvement fund of \$22,809,514 offset by the positive operations of the general fund of \$2,766,945, primarily due to transfers in of \$1,709,734, Allingtown Fire Department fund of \$1,342,433, and sewer fund of \$1,456,582.
  - The operating results for the major funds of the City were as follows:
    - The general fund has positive operations of \$2,766,945 substantially due to budget savings, net of the Education Department's over expended budget of \$566,400. The City ended the year with an unassigned fund balance of \$1,358,918. This amount is the result of the positive operations noted above and the prior period adjustments related to Education expenditures of \$3,407,192 (Note VI).
    - The Allingtown Fire Department has positive operations of \$1,342,433 eliminating the prior year deficit fund balance, resulting in a fund balance of \$1,223,574. This was due to increased revenues and budget savings.

- The capital improvement fund has deficit operations of \$22,809,514 increasing the deficit fund balance to \$25,799,025. This is due to the use of bond anticipation notes to finance the high school project. Once bonds are issued and the school building grant payments are received, the deficit will be eliminated.
- The sewer fund has positive operating results of \$1,456,582 increasing the fund balance to \$3,214,042.
- The City's long-term debt decreased by \$16,377,993 during the current fiscal year due to scheduled principal payments.

This discussion and analysis is intended to serve as an introduction to the City of West Haven's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. The statement of fiduciary net position is used to present financial information about activities for which the City acts solely as an agent for the benefit of employees and others.

### **Overview of the Basic Financial Statements**

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these accounts 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 City is improving or deteriorating.

The statement of activities presents information showing how the City'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 reported in this statement are 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 the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, public works, human resources and health and welfare, parks and recreation, library, and education.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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 City's near-term financing requirements.

## Management's Discussion and Analysis

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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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, Allingtown Fire Department fund, capital improvement fund, and sewer fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Schedules 3 and 4.

### **Proprietary Funds**

The City maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insured medical insurance benefits, general liability, and workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financials.

### **Fiduciary Funds**

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

### **Notes to Financial Statements**

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

### **Other Information**

The City adopts annual budgets for the General Fund and the Allingtown Fire Department fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

This report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$158,941,782.

## Management's Discussion and Analysis

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, construction in progress, land and building improvements, buildings, machinery, equipment, infrastructure and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City'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.

### **Government-Wide Financial Analysis**

A portion of the City's net position (4.12%) represents resources that are subject to external restrictions on how they may be used.

#### **Summary Statement of Net Position June 30**

	2019	2018 (as restated)
Current and other assets	\$ 42,931,004	\$ 47,398,951
Capital assets (net)	250,962,784	209,912,292
Total assets	293,893,788	257,311,243
Deferred outflows of resources	23,880,324	23,233,969
Current liabilities outstanding	72,947,978	58,644,331
Long-term liabilities outstanding	372,296,430	373,787,541
Total liabilities	445,244,408	432,431,872
Deferred inflows of resources	31,471,486	30,310,942
Net position		
Net investment in capital assets	157,436,719	119,362,746
Restricted	6,551,358	4,557,472
Unrestricted	(322,929,859)	(306,117,820)
Total net position	\$ (158,941,782)	\$ (182,197,602)



**Government-Wide Financial Analysis (continued)**
**Statement of Changes in Net Position  
For the Years Ended June 30**

	2019	2018 (as restated)
Revenues		
Program revenues		
Charges for services	\$ 18,857,820	\$ 18,874,245
Operating grants and contributions	76,788,567	79,059,267
Capital grants and contributions	27,405,117	10,273,017
General revenues:		
Property taxes	105,253,727	102,079,555
Grants and contributions not restricted to specific programs	12,027,245	14,856,008
Income from investments	381,979	198,896
Gain on sale of capital assets	298,807	-
Total revenues	<u>241,013,262</u>	<u>225,340,988</u>
Expenses		
General government	10,694,871	11,565,167
Public safety	35,490,850	32,404,160
Public works	25,885,886	25,371,336
Human resources and health and welfare	3,754,865	3,824,643
Library	1,546,000	1,596,000
Parks and recreation	1,771,034	1,841,119
Education	134,703,644	125,631,324
	<u>3,910,292</u>	<u>4,230,136</u>
Total expenses	<u>217,757,442</u>	<u>206,463,885</u>
Change in net position	23,255,820	18,877,103
Net position - July 1	(182,197,602)	(197,535,622)
Restatements	<u>-</u>	<u>(3,539,083)</u>
Net position - June 30	<u>\$ (158,941,782)</u>	<u>\$ (182,197,602)</u>

Grants and contributions comprise 48.2% of revenues, followed by property taxes 43.7%, charges for services 7.8% and income from investments and gain on sale of capital assets 0.3%.

With respect to expenses, 61.9% of the City's expenses relates to education, followed by 16.3% to public safety, 11.9% to public works, 4.9% to general government, 1.8% to interest expense, 1.7% to human resources and health and welfare, 0.8% to parks and recreation, and 0.7% to library.



**Government-Wide Financial Analysis (continued)**

Significant revenue and expense changes from the prior year are as follows:

- Operating grants and contributions decreased by \$2.3 million due to a decrease in the amount of on-behalf amounts recorded for Connecticut State Teachers' pension and OPEB of approximately \$4.5 million, offset by increases in the following grants received:
  - Excess cost \$456,000
  - Education cost sharing 685,000
  - Emergency aid for displaced students 147,000
  - Child nutrition 670,000
- Capital grants and contributions increased by \$17.1 million primarily due to an increase of approximately \$16.0 million in the school construction grant received.
- Property taxes increased by \$3.2 million due to the increase in the budget and the amount funded with property taxes.
- The decrease of \$2.8 million in grants and contributions not restricted to specific programs is due to a decrease of \$3.0 million in the state municipal restructuring fund grant received.
- The increase of \$3.1 million in public safety expense is due to an increase in OPEB benefits of approximately \$4.4 million, offset by a decrease in pension expense of \$1.3 million.
- The increase of \$9.1 million in education expense is due to an increase in OPEB benefits of approximately \$9.0 million, capital outlay not capitalized of approximately \$1.7 million, compensated absences of approximately \$0.52 million, and Education Grant Fund expenditures of approximately \$1.0 million, offset by a decrease in the amount of on-behalf amounts recorded for Connecticut State Teachers' pension and OPEB of approximately \$4.5 million.

**Financial Analysis of the City's Funds**

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

**Governmental Funds**

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending deficit fund balance of \$16,732,867, a decrease of \$17,151,036 in comparison with the prior year. The unassigned fund balance was a deficit of \$24,440,107. This is due to the use of bond anticipation notes to fund the high school renovation project.

The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending due to the following:

➤ Nonspendable amount for prepaids	\$ 149,832
➤ Restricted due to grant restrictions or legal requirements	6,551,358
➤ Committed	1,006,050

**General Fund.** The general fund is the operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund of \$1,358,918 was unassigned. During the current fiscal year, the fund balance of the City's general fund increased by \$2,766,945. The increase was substantially attributable to revenues lower than the budget by \$2,084,031, expenditure budget was underspent by \$4,106,135, sale of capital assets for \$298,807 and unanticipated transfers in of \$446,034.

The most significant functions that were underspent were general government by \$2,181,626, benefits and insurance by \$1,465,208, and public safety by \$552,946. General government was underspent due to the unallocated line item under budget by \$1,747,728 and contingency under budget by \$377,000. Benefits and insurance was underspent due to pension and hospitalization costs incurred lower were than expected. Public safety was underspent due to open positions and police officers on workers' compensation.

**Allingtown Fire Department.** The Allingtown Fire Department Fund accounts for the activities of the Allingtown Fire Department. The activities of the Fire Department are required to be accounted for separately since the City has two other Fire Departments that are legally separate taxing districts. At the end of the current fiscal year, restricted fund balance of the fund was \$1,223,574. This was the result of positive operations of \$1,342,433 due to revenues in excess of budget of \$668,225 and expenditure savings of \$674,208. Property taxes collections were higher than expected by \$538,701. The expenditure savings were due to lower than expected costs for unfilled positions during the year of \$389,172 and the result of budgeting a fund balance contribution in an effort to eliminate the fund deficit of \$150,000.

**Capital Improvement.** The fund accounts for financial resources to be used for various construction projects. During the year, the fund had expenditures of \$49,709,072. Funding sources primarily include state grants for school improvements and other City projects of \$26,771,532. This net activity decreased the deficit fund balance of \$2,989,511 in the prior year to \$25,799,025. This is a result of the timing of the financing as compared to expenditures for the High School renovation project, as well as the use of bond anticipation notes to finance the project.

**Sewer.** The fund accounts for the City's sewer usage operations. During the year, revenues exceeded expenditures and transfers out by \$1,456,582. This increased the fund balance of \$1,757,460 in the prior year to \$3,214,042. This is due to the continued efforts to manage operating costs.

### **General Fund Budgetary Highlights**

There were no significant budget transfers made during the year. Significant departments that were underspent/overspent during the year were as follows:

- General government was underspent by \$2,181,626 due to the unexpended balance of the unallocated and contingency lines.
- Public safety was underspent by \$552,946 due to under expenditure of officer salaries due to unfilled positions and several officers being out under workers' compensation.
- Benefits and insurance was underspent by \$1,465,208 due to lower than anticipated pension and hospitalization costs.
- Education was overspent by \$566,400 due to certain transportation, electricity and other utility related expenditures being recorded in the proper period at year-end.

### **Allingtown Fire Department Budgetary Highlights**

There were no significant budget transfers made during the year. Significant line items were underspent/overspent during the year were as follows:

- Personnel was underspent by \$466,238 due to unfilled positions.
- Utilities, insurance and equipment was underspent by \$183,272 due to the budgeting for deficit reduction of \$150,000.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The City's investment in capital assets amounts to \$250,962,784 (net of accumulated depreciation). This investment in capital assets is as follows:

<b>Capital Assets (Net of Accumulated Depreciation)</b>		
<b>June 30</b>		
	<b>2019</b>	<b>2018</b>
Land	\$ 16,400,386	\$ 16,400,391
Construction in progress	63,973,673	23,129,735
Land improvements	7,787,303	7,896,539
Buildings and improvements	100,228,022	99,601,558
Machinery and equipment	8,311,615	8,593,356
Vehicles	4,538,702	4,731,480
Infrastructure	49,723,083	49,559,233
<b>Total</b>	<b>\$ 250,962,784</b>	<b>\$ 209,912,292</b>

The capital assets (net of depreciation) increased in the current year by \$41,050,492. The increase is due to capital additions exceeding depreciation expense. In the current year, the City had capital asset additions totaling \$54,001,093. Major capital asset additions consisted of the following:

- Buildings:
  - Carrigan School roof replacement \$ 2,180,000
  - High School pool house energy efficiency 830,000
  - Carrigan School HVAC 400,000
  - Savin Rock School boilers 235,000
  - Bailey School HVAC 234,000
- Infrastructure:
  - Road reconstruction and paving 800,000
  - Sidewalks 343,000
- Construction in progress:
  - High School renovation project 42,591,000
  - Carrigan School upgrades 1,130,000
  - Road reconstruction and paving 1,027,000
  - West Spring Street Culvert Bridge 528,000

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

### **Long-term debt**

At the end of the fiscal year, the City had total long-term debt outstanding of \$100,398,472. All debt is backed by the full faith and credit of the City.

#### **Long-Term Debt June 30**

	2019	2018
General obligation bonds	\$ 62,280,000	\$ 71,480,000
Pension obligation bonds	16,150,000	21,275,000
Clean water notes payable	21,968,472	24,021,465
Total	<u>\$ 100,398,472</u>	<u>\$ 116,776,465</u>

During the current fiscal year, the City's total debt decreased by \$16,377,993 due to scheduled principal payments.

The City maintains a "BBB" credit rating from Standard and Poor's Investor Service.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the City is \$841,689,541, which is significantly in excess of the City's outstanding general obligation debt.

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

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

As of June 2019, the unemployment rate for the City was at 4.3%, which is higher than the State average unemployment rate of 3.9% and a national unemployment rate of 3.7%.

As are all local governments, the City is responding to the COVID-19 (coronavirus) pandemic. It is expected that the pandemic will have an economic impact on the City's 2020 and 2021 budgets, but the extent of impact is currently unknown.

The City is currently under State review for restructuring and is expected to receive additional State funds in the next fiscal year for the continued stabilization of the City's finances.

### **Requests for Information**

This financial report is designed to provide a general overview of the City'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 Finance Director, City of West Haven, 355 Main Street, West Haven, Connecticut 06516.

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## **Basic Financial Statements**

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City of West Haven, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2019

Assets

Current assets	
Cash	\$ 24,825,990
Investments	300,291
Receivables, net	
Property taxes	1,375,773
Sewer use	298,885
Intergovernmental	8,279,409
Loans	98,520
Other	2,349,742
Prepays	149,832
	<hr/>
Total current assets	37,678,442
	<hr/>
Noncurrent assets	
Receivables, net	
Property taxes	2,817,626
Sewer use	779,387
Loans	1,623,953
Other	31,596
	<hr/>
Total receivables, net	5,252,562
	<hr/>
Capital assets, net of accumulated depreciation	
Land	16,400,386
Construction in progress	63,973,673
Land improvements	7,787,303
Buildings and improvements	100,228,022
Machinery and equipment	8,311,615
Vehicles	4,538,702
Infrastructure	49,723,083
	<hr/>
Total capital assets, net of accumulated depreciation	250,962,784
	<hr/>
Total noncurrent assets	256,215,346
	<hr/>
Total assets	293,893,788
	<hr/>

Deferred Outflows of Resources

Deferred charge on refunding	775,584
Pension related	6,299,368
OPEB related	16,805,372
	<hr/>
Total Deferred Outflows of Resources	23,880,324
	<hr/>

(Continued)

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

City of West Haven, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2019

Liabilities

Current liabilities	
Cash overdraft	\$ 19,101
Accounts payable	15,836,114
Accrued payroll	8,278,493
Accrued interest payable	692,479
Retainage payable	2,374,244
Unearned revenue	148,389
Bond anticipation notes	22,000,000
Other liabilities	520,496
Current portion of long-term obligations	
Bonds and notes payable	16,506,308
Capital leases payable	132,558
Compensated absences	2,086,237
Heart and hypertension	258,135
Claims payable	4,095,424
Total current liabilities	<u>72,947,978</u>
Noncurrent liabilities	
Bonds and notes payable and related liabilities	86,277,082
Capital leases payable	55,701
Compensated absences	8,344,951
Heart and hypertension	2,608,656
Claims payable	5,701,879
Other claims	392,000
Net pension liability	42,184,223
OPEB liability	226,731,938
Total noncurrent liabilities	<u>372,296,430</u>
Total liabilities	<u>445,244,408</u>

Deferred Inflows of Resources

Advance collections	5,498,540
Pension related	7,952,531
OPEB related	18,020,415
Total deferred inflows of resources	<u>31,471,486</u>

Net Position

Net investment in capital assets	157,436,719
Restricted	
General government	61,307
Allingtown fire department	1,223,574
Sewer operations	3,064,210
Housing rehabilitation	2,202,267
Unrestricted	(322,929,859)
Total net position	<u>\$ (158,941,782)</u>

(Concluded)

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

## City of West Haven, Connecticut

**Statement of Activities  
Governmental Activities  
For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 10,694,871	\$ 2,779,906	\$ 657,350	\$ -	\$ (7,257,615)
Public safety	35,490,850	2,796,049	348,144	-	(32,346,657)
Public works	25,885,886	12,071,740	79,005	27,405,117	13,669,976
Humans resources and health and welfare	3,754,865	237,135	2,253,726	-	(1,264,004)
Parks and recreation	1,771,034	699,612	12,835	-	(1,058,587)
Library	1,546,000	-	-	-	(1,546,000)
Education	134,703,644	273,378	73,437,507	-	(60,992,759)
Interest	3,910,292	-	-	-	(3,910,292)
Total	<u>\$ 217,757,442</u>	<u>\$ 18,857,820</u>	<u>\$ 76,788,567</u>	<u>\$ 27,405,117</u>	(94,705,938)
General revenues					
Property taxes					105,253,727
Grants and contributions not restricted to specific programs					12,027,245
Income from investments					381,979
Gain on sale of capital assets					<u>298,807</u>
Total general revenues					<u>117,961,758</u>
Change in net position					23,255,820
Net position - July 1, 2018 (restated)					<u>(182,197,602)</u>
Net position - June 30, 2019					<u>\$ (158,941,782)</u>

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



City of West Haven, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Allington Fire Department Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 18,086,003	\$ 1,917,564	\$ -	\$ 4,037,463	\$ 784,960	\$ 24,825,990
Investments	300,291	-	-	-	-	300,291
Receivables, net						
Property taxes	3,845,187	348,212	-	-	-	4,193,399
Sewer use	-	-	-	1,078,272	-	1,078,272
Intergovernmental	3,000,000	-	3,326,230	-	1,953,179	8,279,409
Loans	-	-	-	-	1,722,473	1,722,473
Other	332,051	10,870	291	39,186	274,751	657,149
Due from other funds	2,934,339	-	769,055	-	1,046,783	4,750,177
Prepays	-	-	-	149,832	-	149,832
Total assets	<u>\$ 28,497,871</u>	<u>\$ 2,276,646</u>	<u>\$ 4,095,576</u>	<u>\$ 5,304,753</u>	<u>\$ 5,782,146</u>	<u>\$ 45,956,992</u>
<u>Liabilities</u>						
Accounts payable	\$ 8,484,229	\$ 336,394	\$ 5,470,041	\$ 437,564	\$ 914,963	\$ 15,643,191
Accrued payroll	8,278,493	-	-	-	-	8,278,493
Retainage payable	-	-	2,374,244	-	-	2,374,244
Due to other funds	1,808,211	-	-	-	1,529,800	3,338,011
Unearned revenue	30,314	-	50,316	-	67,759	148,389
Bond anticipation notes	-	-	22,000,000	-	-	22,000,000
Other	501,492	19,004	-	-	-	520,496
Total liabilities	<u>19,102,739</u>	<u>355,398</u>	<u>29,894,601</u>	<u>437,564</u>	<u>2,512,522</u>	<u>52,302,824</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue						
Property taxes	3,490,726	328,349	-	-	-	3,819,075
Sewer use	-	-	-	1,069,420	-	1,069,420
Advance collections	4,545,488	369,325	-	583,727	-	5,498,540
Total deferred inflows of resources	<u>8,036,214</u>	<u>697,674</u>	<u>-</u>	<u>1,653,147</u>	<u>-</u>	<u>10,387,035</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	149,832	-	149,832
Restricted	-	1,223,574	-	3,064,210	2,263,574	6,551,358
Committed	-	-	-	-	1,006,050	1,006,050
Unassigned	1,358,918	-	(25,799,025)	-	-	(24,440,107)
Total fund balances	<u>1,358,918</u>	<u>1,223,574</u>	<u>(25,799,025)</u>	<u>3,214,042</u>	<u>3,269,624</u>	<u>(16,732,867)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,497,871</u>	<u>\$ 2,276,646</u>	<u>\$ 4,095,576</u>	<u>\$ 5,304,753</u>	<u>\$ 5,782,146</u>	<u>\$ 45,956,992</u>

(Continued)

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

**City of West Haven, Connecticut**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2019**

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

Total fund balance (Exhibit C, Page 1) \$ (16,732,867)

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

Beginning capital assets	209,912,292
Current year additions (net of construction in progress)	47,604,824
Depreciation expense	(6,544,369)
Disposal of capital assets	(9,963)

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

Deferred charge on refunding	775,584
Pension related deferred outflows	6,299,368
OPEB related deferred outflows	16,805,372

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

Property tax, loans, charges for services, and sewer assessments receivable accrual basis change	4,888,495
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Internal service funds are used by management to charge the cost of various self-insured risk premiums and workers' compensation to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	(9,697,304)
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(100,398,472)
Premium	(2,384,918)
Capital leases	(188,259)
Compensated absences	(10,431,188)
Heart and hypertension	(2,866,791)
Other claims	(392,000)
Net pension liability	(42,184,223)
OPEB liability	(226,731,938)
Pension related deferred inflows	(7,952,531)
OPEB related deferred inflows	(18,020,415)
Accrued interest payable	(692,479)

Net position (Exhibit A)	\$ (158,941,782)
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(Concluded)

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

## City of West Haven, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General Fund	Allington Fire Department Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 97,509,642	\$ 7,141,781	\$ -	\$ -	\$ 404,500	\$ 105,055,923
Intergovernmental	71,622,880	163,198	26,771,532	79,005	16,800,694	115,437,309
Charges for services	4,458,444	192,740	-	11,813,355	2,262,433	18,726,972
Contributions	437,317	100,000	-	-	5,441	542,758
Income from investments	381,638	-	-	-	341	381,979
Other	220,033	356	17,580	-	2,893	240,862
Total revenues	<u>174,629,954</u>	<u>7,598,075</u>	<u>26,789,112</u>	<u>11,892,360</u>	<u>19,476,302</u>	<u>240,385,803</u>
Expenditures						
Current						
General government	5,686,760	-	57,656	-	490	5,744,906
Public safety	15,206,742	6,174,699	-	-	1,353,912	22,735,353
Public works	10,090,546	-	6,500	6,854,928	594,803	17,546,777
Benefits and insurance	16,167,113	-	-	-	-	16,167,113
Human resources and health and welfare	1,065,621	-	-	-	1,381,144	2,446,765
Parks and recreation	869,606	-	-	-	410,138	1,279,744
Library	1,546,000	-	-	-	-	1,546,000
Education	104,201,305	-	-	-	14,723,478	118,924,783
Capital outlay	-	-	49,338,723	526,603	467,145	50,332,471
Debt service	18,926,611	80,943	306,193	1,797,987	-	21,111,734
Total expenditures	<u>173,760,304</u>	<u>6,255,642</u>	<u>49,709,072</u>	<u>9,179,518</u>	<u>18,931,110</u>	<u>257,835,646</u>
Excess (deficiency) of revenues over expenditures	<u>869,650</u>	<u>1,342,433</u>	<u>(22,919,960)</u>	<u>2,712,842</u>	<u>545,192</u>	<u>(17,449,843)</u>
Other financing sources (uses)						
Sale of capital assets	298,807	-	-	-	-	298,807
Transfers in	1,709,734	-	110,446	-	69,629	1,889,809
Transfers out	(111,246)	-	-	(1,256,260)	(522,303)	(1,889,809)
Net other financing sources (uses)	<u>1,897,295</u>	<u>-</u>	<u>110,446</u>	<u>(1,256,260)</u>	<u>(452,674)</u>	<u>298,807</u>
Net change in fund balances	2,766,945	1,342,433	(22,809,514)	1,456,582	92,518	(17,151,036)
Fund balances - July 1, 2018 (as restated)	<u>(1,408,027)</u>	<u>(118,859)</u>	<u>(2,989,511)</u>	<u>1,757,460</u>	<u>3,177,106</u>	<u>418,169</u>
Fund balances - June 30, 2019	<u>\$ 1,358,918</u>	<u>\$ 1,223,574</u>	<u>\$ (25,799,025)</u>	<u>\$ 3,214,042</u>	<u>\$ 3,269,624</u>	<u>\$ (16,732,867)</u>

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

City of West Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2019**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (17,151,036)</u>
--	------------------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	47,604,824
Depreciation expense	<u>(6,544,369)</u>

Total	<u>41,060,455</u>
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Disposal of capital assets	<u>(9,963)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax, loans, charges for services and sewer assessments - accrual basis change	<u>328,652</u>
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Principal repayments	
General obligation bonds	14,325,000
Notes payable	2,052,993
Capital leases	<u>128,593</u>

Total	<u>16,506,586</u>
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(Continued)

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

City of West Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2019**

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

Change in:	
Compensated absences	\$ (215,854)
Heart and hypertension	481,836
Net pension liability	2,110,068
Net OPEB liability	(18,249,802)
Accrued interest payable	490,109
Amortization of deferred charges	(293,859)
Amortization of premium	550,754
Amortization of deferred outflows of resources	940,214
Amortization of deferred inflows of resources	<u>(3,492,529)</u>
Total	<u>(17,679,063)</u>
Internal Service Funds are used by management to charge costs of various self-insured risk premiums and workers' compensation to individual departments	<u>200,189</u>
Change in net position (Exhibit B)	<u>\$ 23,255,820</u>
	(Concluded)

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

## City of West Haven, Connecticut

Statement of Fund Net Position  
 Proprietary Fund  
 June 30, 2019

	<u>Internal Service Funds</u>
<u>Assets</u>	
Current assets:	
Accounts receivable	\$ 1,724,189
Due from other funds	<u>22,002</u>
Total assets	<u>1,746,191</u>
<u>Liabilities</u>	
Current liabilities:	
Cash overdraft	19,101
Accounts payable	192,923
Claims payable	4,095,424
Due to other funds	<u>1,434,168</u>
Total current liabilities	5,741,616
Noncurrent liabilities:	
Claims payable	<u>5,701,879</u>
Total liabilities	<u>11,443,495</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ (9,697,304)</u></u>

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

**City of West Haven, Connecticut**  
**Statement of Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2019**

	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	<u>\$ 31,804,963</u>
Operating expenses:	
Claims	28,468,876
Administration	1,906,281
Insurance	<u>1,229,617</u>
Total operating expenses	<u>31,604,774</u>
Change in net position	200,189
Net position - July 1, 2018	<u>(9,897,493)</u>
Net position - June 30, 2019	<u><u>\$ (9,697,304)</u></u>

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

## City of West Haven, Connecticut

**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2019**

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Cash received for charges	\$ 31,810,602
Cash paid for claims and other	(28,646,986)
Cash paid for administration	(1,787,942)
Cash paid for insurance	<u>(1,252,097)</u>
Net increase (decrease) in cash	123,577
Cash overdraft - July 1, 2018	<u>(142,678)</u>
Cash overdraft - June 30, 2019	<u>\$ (19,101)</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 200,189
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	14,591
Due from other funds	(8,952)
Increase (decrease) in:	
Accounts payable	(372,462)
Claims payable	(178,110)
Due to other funds	<u>468,321</u>
Net cash from (used in) operating activities	<u>\$ 123,577</u>

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



## City of West Haven, Connecticut

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Pension Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>
<u>Assets</u>		
Cash	\$ -	\$ 404,611
	<u>                    </u>	<u>                    </u>
Investments at fair value		
Mutual funds		
Money market	1,325,289	-
Equity	64,693,439	-
Common stock	32,888,949	-
Exchange traded funds	6,150,518	-
Corporate bonds	5,415,298	-
Real estate funds	226,621	-
Private equity funds	12,493,191	-
Annuities	4,790,496	-
	<u>                    </u>	<u>                    </u>
Total investments	127,983,801	-
	<u>                    </u>	<u>                    </u>
Accounts receivable	197,941	-
	<u>                    </u>	<u>                    </u>
Total assets	128,181,742	404,611
	<u>                    </u>	<u>                    </u>
<u>Net Position</u>		
Restricted for		
Pensions	128,181,742	-
Individuals and organizations	-	404,611
	<u>                    </u>	<u>                    </u>
Total net position	\$ 128,181,742	\$ 404,611
	<u>                    </u>	<u>                    </u>

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

## City of West Haven, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Pension Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>
Additions		
Contributions		
Employer	\$ 4,144,720	\$ -
Plan members	624,946	-
	<u>                    </u>	<u>                    </u>
Total contributions	4,769,666	-
	<u>                    </u>	<u>                    </u>
Activity fees	-	796,382
	<u>                    </u>	<u>                    </u>
Investment income (loss)		
Change in fair value of investments	836,692	-
Interest and dividends	4,764,973	508
	<u>                    </u>	<u>                    </u>
Total investment income (loss)	5,601,665	508
	<u>                    </u>	<u>                    </u>
Less investment expenses	335,910	-
	<u>                    </u>	<u>                    </u>
Net investment income (loss)	5,265,755	508
	<u>                    </u>	<u>                    </u>
Total additions	10,035,421	796,890
	<u>                    </u>	<u>                    </u>
Deductions		
Benefits	9,396,797	-
Refunded employee contributions	176,383	-
Administration	91,353	-
Scholarships	-	1,000
Activities and events	-	772,099
	<u>                    </u>	<u>                    </u>
Total deductions	9,664,533	773,099
	<u>                    </u>	<u>                    </u>
Changes in net position	370,888	23,791
	<u>                    </u>	<u>                    </u>
Net position - July 1, 2018 (as restated)	127,810,854	380,820
	<u>                    </u>	<u>                    </u>
Net position - June 30, 2019	<u><u>\$ 128,181,742</u></u>	<u><u>\$ 404,611</u></u>

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

## City of West Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**History and organization**

The City of West Haven, Connecticut ("City") operates under a Mayor-Council form of government established by a charter and adopted by a referendum of voters on June 27, 1961. The City offers a full range of services authorized by the charter, including public safety, public works, social services, parks and recreation, education, planning, zoning and general administrative services to its residents.

Accounting principles generally accepted in the United States of America 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 City does not report any component units.

As of July 1, 2012, the City Council voted to absorb the Allingtown Fire District into the reporting entity as a department of the City. Since the fire department has a separate tax rate and the City has two other fire departments with separate tax rates that are not part of the City, State statutes require that all costs related to the fire department be charged to the Allingtown Fire Department fund and that City funds cannot be used to support the department's operations.

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

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

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

Separate financial statements are provided for governmental funds, proprietary 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.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

## City of West Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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 City considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, the City considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Property taxes, licenses 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 City.

The City reports the following major governmental funds:

The *General Fund* is the City'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 *Allingtown Fire Department Fund* is used to account for all the financial resources and expenditures of the Allingtown Fire Department. The types of revenues recorded in this fund are taxes, grants, and charges for services.

The *Capital Improvement Fund* is used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities.

The *Sewer Fund* is used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments. In addition, the fund accounts for the operating activity of the sewer operations.

The City reports the following proprietary fund:

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits, general liability, and workers' compensation as allowed by GASB Statement No. 10.

Additionally, the City reports the following fund types:

*Special Revenue Funds* are used to account for and report the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.

*The Capital Project Funds* are used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

The *Pension Trust Funds* account for the activities of the Police Retirement Plan and Allingtown Fire Department Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.

*Custodial Funds* account for monies held on behalf of student groups.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

For cash flow purposes the City considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

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

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

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

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

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

The investment guidelines are as follows:

<u>Asset Class</u>	<u>City</u>	<u>Allingtown Fire Department</u>
Equities	52.50%	28.30%
Fixed income	20.00%	65.65%
Cash	3.50%	2.13%
REITS	5.00%	3.92%
Private equity	10.00%	N/A
Hedge funds	9.00%	N/A

## City of West Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****c. Method used to value investments**

Investments for the City are reported at fair value except as described below. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Certain pension investments are valued using the most recent valuation available from the external fund manager and is based on net asset value. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a readily available market for the securities existed.

**Fair value of investments**

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

*Level 1:* Quoted prices for identical investments in active markets;

*Level 2:* Quoted prices for identical investments in markets that are not active; and

*Level 3:* Unobservable inputs.

**d. Risk policies**

**Interest rate risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit risk** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Concentration of credit risk** – Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The City follows the limitations specified in the Connecticut General Statutes. Generally, the City's deposits cannot be 75% or more of the total capital in any one depository.

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****2. Receivables and payables****a. Interfunds**

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

**b. Property taxes and other receivables**

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 50% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property taxes receivable which have not been collected within 60 days of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue. Loan receivables consist of Community Development Block Grant loans. The City provides the low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

**3. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capitalization thresholds are as follows:

Land	All
Land improvements	\$ 50,000
Buildings	100,000
Building improvements	100,000
Infrastructure	100,000
Machinery and equipment	10,000
Vehicles	10,000



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

	<u>City</u>	<u>Allingtown Fire Department</u>
<u>Assets</u>	<u>Years</u>	<u>Years</u>
Land improvements	40	N/A
Buildings	50-75	39
Building improvements	40	15-20
Vehicles	5-25	5-20
Machinery and equipment	7-50	5-10
Infrastructure	25-100	10-39

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

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

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

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

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****5. Compensated absences**

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

**6. Long-term obligations**

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

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

**7. Fund equity and net position**

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**

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

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

**Nonspendable**

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

**Restricted**

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

**Committed**

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

**Assigned**

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's fund balance policy, the City Council has by resolution authorized the Finance Director to assign fund balance.

**Unassigned**

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

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

**8. Use of Estimates**

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

**9. Reclassifications**

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**II. Stewardship, compliance and accountability****A. Basis of budgeting**

The General Fund and Allingtown Fire Department have legally adopted budgets.

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

Generally, aside from the Capital Improvement Fund, all unencumbered appropriations lapse at year end. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Excess expenditures over appropriations**

During the year, general fund expenditures exceeded appropriations in the Education Department by \$566,400. This is a result of invoices improperly charged to the fiscal year 2020 budget that were reclassified as expenditures as of June 30, 2019.

**C. Capital projects authorizations**

The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
WHHS expansion and renovation	\$ 133,250,000	\$ 59,886,560	\$ 73,363,440

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**III. Detailed notes****A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the City's bank balance was \$25,567,356 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 18,159,773
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>6,219,925</u>
Total amount subject to custodial credit risk	<u>\$ 24,379,698</u>

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

**2. Investments**

- a. The City's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Investment Maturities in Years					
	Fair Value	N/A	Less than One Year	1-5 Years	5-10 Years	Over 10 Years
Mutual Funds						
Money market	\$ 1,325,289	\$ -	\$ 1,325,289	\$ -	\$ -	\$ -
Equity	64,693,439	64,693,439	-	-	-	-
Common stock	32,888,949	32,888,949	-	-	-	-
Exchange traded funds	6,150,518	6,150,518	-	-	-	-
Corporate bonds	5,415,298	-	1,002	826,079	4,407,827	180,390
Real estate funds	226,621	226,621	-	-	-	-
Private equity funds	12,493,191	12,493,191	-	-	-	-
Pooled fixed income	300,291	-	300,291	-	-	-
Annuities	4,790,496	-	-	-	2,194,794	2,595,702
Total	<u>\$ 128,284,092</u>	<u>\$ 116,452,718</u>	<u>\$ 1,626,582</u>	<u>\$ 826,079</u>	<u>\$ 6,602,621</u>	<u>\$ 2,776,092</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

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

		Quoted Market Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs
	Amount	Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Mutual Funds				
Money market	\$ 1,325,289	\$ 1,325,289	\$ -	\$ -
Equity	64,693,439	64,693,439	-	-
Common stock	32,888,949	32,888,949	-	-
Exchange traded funds	6,150,518	6,150,518	-	-
Corporate bonds	5,415,298	-	5,415,298	-
Annuities	4,790,496	-	-	4,790,496
Total investments by fair value level	115,263,989	\$ 105,058,195	\$ 5,415,298	\$ 4,790,496
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Real estate funds	226,621			
Private equity funds	12,493,191			
Total Investments Measured at the NAV	12,719,812			
<u>Other Investments not Subject to Fair Value Measurement</u>				
Pooled fixed income	300,291			
Total Investments	\$ 128,284,092			

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active; and

Level 3: Unobservable inputs

For levels 2 and 3, the fair values are determined based upon quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third-party pricing service for identical or comparable assets.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The City values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is estimated from the most recently available valuation taking into account subsequent calls and distributions. The following table represents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the City’s alternative investments measured at NAV:

Investment Description		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate funds	1	\$ 226,621	\$ -	Quarterly	90 days
Private equity funds	2	<u>12,493,191</u>	<u>323,358</u>	Quarterly	90 days
Total Investments Measured at the NAV		<u>\$ 12,719,812</u>	<u>\$ 323,358</u>		

1. *Real estate funds* - This type includes two real estate funds that invest primarily in U.S. commercial real estate. The funds permit redemptions quarterly with 90 days notice. Distributions from the fund will be received as the underlying investments of the funds are liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan’s ownership interest in partners’ capital.
2. *Private equity funds* - This type includes limited partnership funds. These investments have various redemption frequencies and notice periods. The nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund capital. It is probable that all of the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of the Plan’s ownership interest in partner’s capital. Therefore, the fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

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

<u>Ratings</u>	<u>Money Market Mutual Funds</u>	<u>Corporate Bonds</u>	<u>Pooled Fixed Income</u>	<u>Annuities</u>
AAA	\$ -	\$ 237,538	\$ 300,291	\$ -
AA	-	404,561	-	-
A	-	2,118,428	-	3,569,173
BBB	-	1,343,472	-	-
BB	-	935,648	-	-
B	-	345,007	-	1,221,323
C	-	29,642	-	-
Unrated	<u>1,325,289</u>	<u>1,002</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,325,289</u>	<u>\$ 5,415,298</u>	<u>\$ 300,291</u>	<u>\$ 4,790,496</u>

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

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

<u>Investment Type</u>	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject to Custodial Credit Risk</u>
Common Stock	\$ 32,888,949	\$ 500,000	\$ 32,388,949
Corporate Bonds	<u>5,415,298</u>	<u>246,148</u>	<u>5,169,150</u>
Total	<u>\$ 38,304,247</u>	<u>\$ 746,148</u>	<u>\$ 37,558,099</u>



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Receivables**

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

	City Property Taxes				
	Taxes	Interest and Lien Fees	Total		
Current portion	\$ 1,045,601	\$ 222,903	\$ 1,268,504		
Long-term portion	\$ 2,826,996	\$ 1,999,687	\$ 4,826,683		
Less allowance for uncollectibles	(1,150,000)	(1,100,000)	(2,250,000)		
Net Long-term portion	\$ 1,676,996	\$ 899,687	\$ 2,576,683		
	Allingtown Property Taxes				
	Taxes	Interest and Lien Fees	Total		
Current portion	\$ 83,693	\$ 23,576	\$ 107,269		
Long-term portion	\$ 265,027	\$ 210,416	\$ 475,443		
Less allowance for uncollectibles	(140,000)	(94,500)	(234,500)		
Net Long-term portion	\$ 125,027	\$ 115,916	\$ 240,943		
	Sewer Use				
	Use	Interest and Lien Fees	Total	CDBG Loans	Police Private Duty
Current portion	\$ 237,989	\$ 60,896	\$ 298,885	\$ 98,520	\$ 187,234
Long-term portion	\$ 505,727	\$ 446,569	\$ 952,296	\$ 1,773,953	\$ 187,234
Less allowance for uncollectibles	(102,779)	(70,130)	(172,909)	(150,000)	(155,638)
Net Long-term portion	\$ 402,948	\$ 376,439	\$ 779,387	\$ 1,623,953	\$ 31,596

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Capital Improvement	N/A	\$ -	\$ 769,055
Special Revenue Funds	N/A	1,500,171	515,645
Capital Projects Funds	N/A	-	501,509
Medical	N/A	1,434,168	-
Workers' Compensation	N/A	-	22,002
Total General Fund		2,934,339	1,808,211
Capital Improvement Fund			
General Fund	N/A	769,055	-
Other Governmental Funds			
Special Revenue Funds			
Community Development Block Grant	General Fund	-	83,150
Document Preservation	General Fund	61,118	-
Education Grants	Career and Adult Education	29,629	-
Education Grants	General Fund	53,531	-
Miscellaneous Grants	General Fund	-	627,399
Public Safety	General Fund	151,654	-
Health and Welfare	General Fund	84,383	-
Savin Rock	General Fund	111,104	-
School Lunch Program	General Fund	-	753,949
Sports Facilities	General Fund	-	35,673
Career and Adult Education	Education Grants	-	29,629
Career and Adult Education	General Fund	53,855	-
Total Special Revenue Funds		545,274	1,529,800
Capital Project Funds			
Brownfields	General Fund	17,625	-
Capital and Nonrecurring	General Fund	483,884	-
Total Capital Project Funds		501,509	-
Total Other Governmental Funds		1,046,783	1,529,800
Internal Service Funds			
Medical	General Fund	-	1,434,168
Workers' Compensation	General Fund	22,002	-
Total Internal Service Funds		22,002	1,434,168
Total		\$ 4,772,179	\$ 4,772,179

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Interfund accounts (continued)****2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Sewer	N/A	\$ 1,217,060	\$ -
Special Revenue Funds	N/A	492,674	40,000
Capital Improvement	N/A	-	71,246
Total General Fund		<u>1,709,734</u>	<u>111,246</u>
Capital Improvement Fund			
General Fund	N/A	71,246	-
Sewer	N/A	39,200	-
Total Capital Improvement Fund		<u>110,446</u>	<u>-</u>
Sewer Fund			
General Fund	N/A	-	1,217,060
Capital Improvement	N/A	-	39,200
Total Sewer Fund		<u>-</u>	<u>1,256,260</u>
Other Governmental Funds			
Special Revenue Funds			
Education Grants	Career and Adult Education	29,629	-
Public Safety	General Fund	40,000	308,081
Career and Adult Education	Education Grants	-	29,629
Career and Adult Education	General Fund	-	184,593
Total Other Governmental Funds		<u>69,629</u>	<u>522,303</u>
Total		<u>\$ 1,889,809</u>	<u>\$ 1,889,809</u>

Transfers are used to account for the financing by the general fund of various program and activities in other funds. Transfers to the general fund are for sewer debt service payments and public safety.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
City:				
Capital assets, not being depreciated:				
Land	\$ 16,363,488	\$ -	\$ 5	\$ 16,363,483
Construction in progress	23,129,735	47,240,207	6,396,269	63,973,673
Total capital assets, not being depreciated	39,493,223	47,240,207	6,396,274	80,337,156
Capital assets, being depreciated:				
Land improvements	15,969,448	345,121	-	16,314,569
Buildings and improvements	195,495,265	4,115,292		199,610,557
Machinery and equipment	27,099,444	589,789	116,650	27,572,583
Vehicles	8,307,362	75,237	247,507	8,135,092
Infrastructure	95,775,121	1,589,202	-	97,364,323
Total capital assets, being depreciated	342,646,640	6,714,641	364,157	348,997,124
Total capital assets	382,139,863	53,954,848	6,760,431	429,334,280
Less accumulated depreciation for:				
Land improvements	8,072,909	454,357	-	8,527,266
Buildings and improvements	96,281,897	3,467,196	-	99,749,093
Machinery and equipment	18,521,026	858,115	116,650	19,262,491
Vehicles	4,464,591	191,527	237,549	4,418,569
Infrastructure	46,312,475	1,416,631	-	47,729,106
Total accumulated depreciation	173,652,898	6,387,826	354,199	179,686,525
Total capital assets, being depreciated, net	168,993,742	326,815	9,958	169,310,599
Capital assets, net	<u>\$208,486,965</u>	<u>\$47,567,022</u>	<u>\$6,406,232</u>	<u>\$249,647,755</u>

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

General government	\$ 1,290,261
Public safety	719,560
Public works	2,032,250
Health and welfare	283,132
Parks and recreation	188,363
Education	1,874,260
Total depreciation expense	<u>\$ 6,387,826</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Capital assets (continued)**

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Allingtown Fire Department:				
Capital assets, not being depreciated:				
Land	\$ 36,903	\$ -	\$ -	\$ 36,903
Capital assets, being depreciated:				
Buildings and improvements	702,454	-	-	702,454
Machinery and equipment	134,400	-	-	134,400
Fire trucks and vehicles	2,282,277	30,823	-	2,313,100
Infrastructure - hydrants	367,097	-	-	367,097
Fire equipment	949,078	15,422	-	964,500
Total capital assets, being depreciated	4,435,306	46,245	-	4,481,551
Total capital assets	4,472,209	46,245	-	4,518,454
Less accumulated depreciation for:				
Buildings and improvements	314,264	21,632	-	335,896
Machinery and equipment	119,462	1,078	-	120,540
Fire trucks and vehicles	1,393,568	112,775	-	1,506,343
Infrastructure - hydrants	270,510	8,721	-	279,231
Fire equipment	949,078	12,337	-	961,415
Total accumulated depreciation	3,046,882	156,543	-	3,203,425
Total capital assets, being depreciated, net	1,388,424	(110,298)	-	1,278,126
Capital assets, net	<u>\$ 1,425,327</u>	<u>\$ (110,298)</u>	<u>\$ -</u>	<u>\$ 1,315,029</u>

Depreciation expense was charged to the public safety function.

**E. Construction commitments**

The City has the following construction commitments:

West Haven High School expansion and renovation	<u>\$ 56,450,190</u>
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## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**F. Short-term obligations - Bond anticipation notes**

The City uses bond anticipation notes ("BANs") during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

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

Type of Obligation	Issue Date	Maturity Date	Coupon Rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Bond Anticipation Notes							
High School project	4/2/2019	10/2/2019	3.165%	\$ 9,000,000	\$18,508,000	\$18,158,000	\$ 9,350,000
High School project	4/30/2019	10/2/2019	3.165%	-	12,650,000	-	12,650,000
Total Bond Anticipation Notes				<u>\$ 9,000,000</u>	<u>\$31,158,000</u>	<u>\$18,158,000</u>	<u>\$22,000,000</u>

In October 2019, the City issued \$32,500,000 of bond anticipation notes for the High School project at an interest rate of 2.583% maturing in April 2020.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations****1. Summary of changes**

Description	Original amount	Date of issue	Date of maturity	Interest rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current portion	Long-term portion
<b>Bonds:</b>										
General purpose:										
Debt issue	\$ 7,435,994	03/31/10	02/15/25	5.1%	\$ 3,465,391	\$ -	\$ 495,056	\$ 2,970,335	\$ 495,056	\$ 2,475,279
Refunding issue	38,380,000	05/31/12	08/01/26	3.0-5.0%	18,502,000	-	3,460,000	15,042,000	3,192,000	11,850,000
Debt issue	1,225,000	05/31/12	08/01/26	3.0-5.0%	869,000	-	79,000	790,000	83,000	707,000
Debt issue	7,865,000	09/03/14	09/01/34	3.0-5.0%	6,474,000	-	462,000	6,012,000	462,000	5,550,000
Debt issue (deficit)	16,135,000	11/01/17	11/01/27	3.0-5.0%	16,135,000	-	1,615,000	14,520,000	1,615,000	12,905,000
Debt issue	5,815,000	11/01/17	11/01/37	3.0-5.0%	5,815,000	-	-	5,815,000	582,000	5,233,000
Total general purpose:	76,855,994				51,260,391	-	6,111,056	45,149,335	6,429,056	38,720,279
School bonds:										
Debt issue	4,280,006	03/31/10	02/15/25	5.1%	1,994,609	-	284,944	1,709,665	284,944	1,424,721
Refunding issue	7,260,000	05/31/12	08/01/26	3.0-5.0%	11,276,000	-	2,261,000	9,015,000	1,925,000	7,090,000
Debt issue	2,250,000	05/31/12	08/01/26	3.0-5.0%	1,596,000	-	146,000	1,450,000	152,000	1,298,000
Debt issue	1,235,000	09/03/14	09/01/34	3.0-5.0%	1,051,000	-	63,000	988,000	63,000	925,000
Debt issue	600,000	11/01/17	11/01/37	3.0-5.0%	600,000	-	-	600,000	40,000	560,000
Total school bonds:	15,625,006				16,517,609	-	2,754,944	13,762,665	2,464,944	11,297,721
Sewer:										
Refunding issue	1,980,000	05/31/12	08/01/26	3.0-5.0%	482,000	-	334,000	148,000	108,000	40,000
Debt issue	3,220,000	11/01/17	11/01/37	3.0-5.0%	3,220,000	-	-	3,220,000	188,000	3,032,000
Total sewer bonds:	5,200,000				3,702,000	-	334,000	3,368,000	296,000	3,072,000
Pension:										
Pension obligation bond (taxable)	38,715,000	09/03/14	03/15/22	0.985-4.164%	21,275,000	-	5,125,000	16,150,000	5,280,000	10,870,000
Total bonds	136,396,000				92,755,000	-	14,325,000	78,430,000	14,470,000	63,960,000
<b>Notes:</b>										
Sewer:										
CWF 347-C	1,618,947	05/31/00	11/30/19	2.0%	135,887	-	95,522	40,365	40,365	-
CWF 444-C	1,603,000	03/31/01	09/30/20	2.0%	211,945	-	93,018	118,927	94,895	24,032
CWF 348-C	4,407,222	11/30/01	11/30/20	2.0%	624,791	-	254,888	369,903	260,032	109,871
CWF 346-C	801,945	12/31/03	12/31/22	2.0%	207,395	-	44,489	162,906	45,387	117,519
CWF 348-C1	1,728,831	12/31/03	12/31/22	2.0%	447,091	-	95,908	351,183	97,844	253,339
CWF 348-CD1	617,707	09/29/06	11/30/20	2.0%	121,263	-	48,185	73,078	49,158	23,920
CWF 346-CD2	801,055	05/31/07	12/31/22	2.0%	231,319	-	51,405	179,914	51,405	128,509
CWF 549-C	28,250,103	07/01/13	07/01/32	2.0%	20,833,941	-	1,294,058	19,539,883	1,320,178	18,219,705
CWF 549-CD2	1,425,544	06/30/15	07/01/32	2.0%	1,207,833	-	75,520	1,132,313	77,044	1,055,269
Total sewer notes:	41,254,354				24,021,465	-	2,052,993	21,968,472	2,036,308	19,932,164
Total bonds/notes					116,776,465	-	16,377,993	100,398,472	16,506,308	83,892,164
Premium					2,935,672	-	550,754	2,384,918	-	2,384,918
Total bonds, notes and related liabilities					119,712,137	-	16,928,747	102,783,390	16,506,308	86,277,082
Capital leases					161,744	-	52,148	109,596	53,895	55,701
Compensated absences					9,705,514	6,557,443	6,341,835	9,921,122	1,984,224	7,936,898
Heart and hypertension					3,348,627	-	481,836	2,866,791	258,135	2,608,656
Claims payable					7,317,821	2,542,295	2,540,018	7,320,098	2,011,478	5,308,620
Other claims					392,000	-	-	392,000	-	392,000
Net pension liability					21,280,065	15,392,725	17,108,809	19,563,981	-	19,563,981
OPEB liability					183,170,127	22,194,775	6,797,571	198,567,331	-	198,567,331
Total long term liabilities					\$ 345,088,035	\$ 46,687,238	\$ 50,250,964	\$ 341,524,309	\$ 20,814,040	\$ 320,710,269

All long-term liabilities are generally liquidated by the general fund.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

The following is a summary of changes in Allingtown Fire Department long-term obligations during the fiscal year.

Description	Original amount	Date of issue	Date of maturity	Interest rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current portion	Long-term portion
Capital leases					\$ 155,108	\$ -	\$ 76,445	\$ 78,663	\$ 78,663	\$ -
Compensated absences					509,820	122,887	122,641	510,066	102,013	408,053
Claims payable					582,817	68,352	126,824	524,345	131,086	393,259
Net pension liability					23,014,226	2,391,480	2,785,464	22,620,242	-	22,620,242
OPEB liability					25,312,009	3,558,548	705,950	28,164,607	-	28,164,607
Total long term liabilities					\$ 49,573,980	\$ 6,141,267	\$ 3,817,324	\$ 51,897,923	\$ 311,762	\$ 51,586,161

The annual requirements to amortize bonds and notes payable are as follows:

Year Ending June 30,	Bond Principal	Bond Interest	Notes Principal	Notes Interest
2020	\$ 14,470,000	\$ 3,369,952	\$ 2,036,310	\$ 420,552
2021	13,525,000	2,816,014	1,780,781	381,479
2022	13,765,000	2,222,649	1,654,671	347,995
2023	5,805,000	1,652,401	1,584,910	315,031
2024	7,200,000	1,326,339	1,513,492	284,495
2025	7,240,000	964,511	1,544,041	253,946
2026	4,945,000	649,406	1,575,206	222,781
2027	2,975,000	456,513	1,607,001	190,986
2028	2,640,000	324,700	1,639,437	158,550
2029	715,000	247,491	1,672,528	125,459
2030	715,000	217,913	1,706,287	91,700
2031	700,000	187,400	1,740,727	57,260
2032	700,000	156,200	1,775,862	22,124
2033	700,000	125,000	137,219	236
2034	700,000	93,800	-	-
2035	675,000	63,100	-	-
2036	320,000	40,000	-	-
2037	320,000	24,000	-	-
2038	320,000	8,000	-	-
Totals	\$ 78,430,000	\$ 14,945,389	\$ 21,968,472	\$ 2,872,594



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations (continued)****2. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 270,543,067	\$ 45,149,335	\$225,393,732
Schools	541,086,134	35,762,665	505,323,469
Sewers	450,905,111	3,368,000	447,537,111
Urban renewal	390,784,430	-	390,784,430
Pension deficit	360,724,089	16,150,000	344,574,089

The total overall statutory debt limit for the City is equal to seven times annual receipts from the prior year taxation, \$841,689,541.

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.

Debt of the fire districts located within the City is legally considered underlying debt of the City. At year end, the fire districts had no outstanding debt.

**3. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

General purpose	\$ 10,620,035
Schools	133,250,000
Sewers	<u>4,079,000</u>
Total	<u><u>\$ 147,949,035</u></u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations (continued)****4. Capital leases**

The City is committed under leases for vehicles totaling \$218,766 and accumulated depreciation of \$131,140. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

Allingtown Fire Department is committed under leases for vehicles totaling \$371,754 and accumulated depreciation of \$310,100. Depreciation of vehicles under capital leases is included with depreciation expense.

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

**City**

Year Ending June 30,	
2020	\$ 57,567
2021	<u>57,567</u>
Total	115,134
Less amount representing interest	<u>(5,538)</u>
Present value of minimum lease payments	<u><u>\$ 109,596</u></u>

**Allingtown**

Year Ending June 30,	
2020	\$ 80,945
Less amount representing interest	<u>(2,282)</u>
Present value of minimum lease payments	<u><u>\$ 78,663</u></u>

**5. Claims and judgements**

The City is a defendant in various liability claims and lawsuits relating to deaths and personal injuries, civil rights violations, contractual obligations and other matters, which are incidental to performing governmental functions. The City has determined that it is probable that it has a potential liability exist for such claims. The City's liabilities for claims and judgements were based on information available. It is reasonably possible that, as the cases evolve, the resulting estimates will be adjusted significantly in the near term.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

Fund balances are composed of the following:

	General Fund	Allingtown Fire Department Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total
Nonspendable						
Prepays	\$ -	\$ -	\$ -	\$ 149,832	\$ -	\$ 149,832
Restricted						
General government	-	-	-	-	61,307	61,307
Allingtown Fire Department	-	1,223,574	-	-	-	1,223,574
Sewer operations	-	-	-	3,064,210	-	3,064,210
Housing rehabilitation	-	-	-	-	2,202,267	2,202,267
Total Restricted	-	1,223,574	-	3,064,210	2,263,574	6,551,358
Committed						
General government	-	-	-	-	45,668	45,668
Public safety	-	-	-	-	318,999	318,999
Human resources and health and welfare	-	-	-	-	76,243	76,243
Culture and recreation	-	-	-	-	106,823	106,823
Education	-	-	-	-	14,540	14,540
Approved projects	-	-	-	-	443,777	443,777
Total Committed	-	-	-	-	1,006,050	1,006,050
Unassigned	1,358,918	-	(25,799,025)	-	-	(24,440,107)
Total	\$ 1,358,918	\$ 1,223,574	\$ (25,799,025)	\$ 3,214,042	\$ 3,269,624	\$ (16,732,867)

The amount of restricted net position, which was restricted by enabling legislation, totaled \$3,125,517.

**I. Deficit fund balance**

The City had deficit equity balances in the following funds:

Capital Improvement Fund      \$ 25,799,025

The deficit will be eliminated by the issuance of bonds and receipt of school building grants.

Internal Service Funds:

Medical                              \$ 1,852,860  
General Liability                  498,938  
Workers' Compensation          7,345,506

The deficits will be eliminated by future employer premiums.

## City of West Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****IV. Other information****A. Risk management**

The City is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the City obtains commercial insurance for these risks, but has chosen to retain limited risks for worker's compensation claims, general liability claims, heart and hypertension claims, and employee medical and prescriptions claims. The City contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the City's liability for worker's compensation, general liability, heart and hypertension and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The City purchases commercial insurance coverage for all City buildings (flood, fire, and casualty), errors and omissions, general liability umbrella policy with a retention limit of \$250,000 per incident, law enforcement liability insurance policy with a deductible of \$100,000 and per claim limit of \$1,000,000, and worker's compensation excess policy with a retention limit of \$500,000 per incident and employee group medical claims in excess of \$250,000.

The City records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated in the government-wide statements.

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Risk management (continued)**

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>General Liability</u>						
2017-2018	\$ 369,148	\$ 814,073	\$ 579,702	\$ 603,519	\$ 91,000	\$ 512,519
2018-2019	603,519	698,521	803,102	498,938	299,363	199,575
<u>Workers' Compensation</u>						
2017-2018	7,851,237	1,380,823	1,934,941	7,297,119	1,963,541	5,333,578
2018-2019	7,297,119	1,912,126	1,863,740	7,345,505	1,843,201	5,502,304
<u>Subtotal</u>						
2017-2018	<u>8,220,385</u>	<u>2,194,896</u>	<u>2,514,643</u>	<u>7,900,638</u>	<u>2,054,541</u>	<u>5,846,097</u>
2018-2019	<u>7,900,638</u>	<u>2,610,647</u>	<u>2,666,842</u>	<u>7,844,443</u>	<u>2,142,564</u>	<u>5,701,879</u>
<u>Medical</u>						
2017-2018	2,159,054	26,511,218	26,595,497	2,074,775	2,074,775	-
2018-2019	2,074,775	25,858,229	25,980,144	1,952,860	1,952,860	-
<u>Totals</u>						
2017-2018	<u>10,379,439</u>	<u>28,706,114</u>	<u>29,110,140</u>	<u>9,975,413</u>	<u>4,129,316</u>	<u>5,846,097</u>
2018-2019	<u>\$ 9,975,413</u>	<u>\$28,468,876</u>	<u>\$28,646,986</u>	<u>\$ 9,797,303</u>	<u>\$ 4,095,424</u>	<u>\$ 5,701,879</u>

**B. Commitments and litigation**

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

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

**C. Tax abatements**

The City established an economic development tax incentive program pursuant to Section 12-65b of the Connecticut General Statutes. This program is intended to attract new businesses to the City and encourage the expansion of existing businesses to strengthen the City's tax base.

The economic development tax incentive amount is based upon the total cost of improvements to real property. The form of the adjustment or reduction in the assessed value of that portion of the real property is comprised of the qualifying new construction or expansion. The level of improvements that qualify are determined by individual agreements between the City and the entity and will qualify for a 3 to 7-year phase-in.

There is currently 1 company participating in the economic development tax incentive program. The amount of the tax abatement under this program was approximately \$185,751.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

The City administers two single-employer, contributory, defined benefit pension plans (City of West Haven Police and Allingtown Fire Department). The City benefits and contribution requirements are established by plan documents adopted July 1, 2010, by approval of the City Council. Allingtown Fire Department benefits and contribution requirements are established by plan documents adopted July 1, 1998, by approval of the Board of Fire Commissioners. Both plans are considered to be part of the City's reporting entity and are included in the financial report as a pension trust fund. The plans do not issue separate standalone financial reports. Both plans are closed to new participants.

The Police Pension Plan and Allingtown Fire Department Pension Plan are separately administered by their own respective pension board. The Mayor, Finance Director and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typically meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The joint pension board which is comprised of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

**b. Plan membership**

As of July 1, 2018 for the Police and July 1, 2017 for Allingtown Fire Department the memberships in the Plans are comprised of the following:

	<u>Police</u>	<u>Allingtown</u>
Active members	75	15
Terminated employees entitled to benefits	3	-
Retirees, disabled employees, and beneficiaries receiving benefits	<u>147</u>	<u>33</u>
Total	<u><u>225</u></u>	<u><u>48</u></u>

**2. Benefit provisions****Police**

Police officers hired prior to November 1, 2009 are eligible for a normal pension after attaining age 65 or 20 years of service in the department, whichever is earlier. The retirement benefit will be equal to 2.25% of their basic annual salary at retirement for each year of service up through 20 years of service plus an additional 3% of their salary for each year in excess of 20 years up to a maximum of 75% of such annual salary. Vesting of benefits occurs when a participant has accumulated a minimum of 10 years of active service. The Plan provides for disability and death benefits in addition to retirement benefits.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)****Allingtown Fire Department**

Each employee may enter the plan on their date of employment. Benefit provisions provide for vesting after fifteen years of service and are collectible after twenty years from initial date of appointment. The plan provides retirement benefits for substantially all full time employees of the Department.

Under a plan dated July 1, 1998 and ratified by the Board of Fire Commissioners on May 7, 2000, the benefit provisions were separated into three groups based upon hire date.

Effective July 1, 2013, the plan closed to new entrants.

**3. Contributions****Police**

Police officers are required to contribute 9.5% of their earnings for the current year. The employees' contribution was \$522,344.

The City is required to contribute the amount determined by the actuary, considering the member contributions.

The average active member contribution rate was 9.5% of annual base compensation, and the City's average contribution rate was 30.27% of annual payroll.

**Allingtown Fire Department**

Employees are required to contribute 9.5% of their earnings for the current fiscal year if hired before July 1, 1998 and 11.5% if hired after June 30, 1998. The employees' contribution was \$102,602.

The Allingtown Fire Department is required to contribute the amount determined by the actuary, considering the member contributions.

The average active member contribution rate was 9.5% of annual base compensation, and the City's average contribution rate was 168.52% of annual payroll.

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

The Plan trustees have developed and approved an investment policy which specifies investment target allocations.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)****Valuation of Investments**

Investments are stated at fair value, based on quoted market prices, except as disclosed below.

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

**b. Concentrations**

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

**c. 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 (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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized as follows:

<u>Police</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3.50%	0.51%
High Yield Bonds	20.00%	5.05%
Large Caps	12.50%	3.37%
Equity Market	10.00%	3.57%
Small Caps	5.00%	3.86%
Mid Caps	10.00%	3.52%
Global Equity	15.00%	3.86%
Real estate (REITS)	5.00%	3.27%
Private Equity	10.00%	5.08%
Hedge Funds - Multistrategy	9.00%	3.13%
Total	<u>100.00%</u>	



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)**

The portfolio nominal mean return including inflation is 6.70%.

Allingtown Fire Department

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	4.12%	0.35%
Long Credit Bonds	62.61%	3.57%
Large Caps	30.19%	3.13%
Real estate (REITS)	<u>3.08%</u>	<u>3.27%</u>
Total	<u><u>100.00%</u></u>	

The portfolio nominal mean return including inflation is 6.44%.

- d. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.95% for the police plan and 8.22% for the Allingtown plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**5. Net Pension Liability**

The components of the net pension liability were as follows:

	<u>Police</u>	<u>Allingtown</u>
Total pension liability	\$ 139,639,599	\$ 30,726,366
Plan fiduciary net position	<u>120,075,618</u>	<u>8,106,124</u>
Net pension liability	<u><u>\$ 19,563,981</u></u>	<u><u>\$ 22,620,242</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>85.99%</u></u>	<u><u>26.38%</u></u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)****6. Actuarial methods and significant assumptions**

	<u>Police</u>	<u>Allingtown Fire Department</u>
Valuation date	July 1, 2018	July 1, 2017
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value
Inflation	2.75%	2.75%
Salary increases	3.50%	3.50%
Cost of living adjustments	3.00% for members hired before 7/1/1993	1.75% for retirements on or before 11/27/13. 2.75% for retirements after 11/27/13.
Mortality rates	RP-2000 Mortality Tables with blue collar adjustment for healthy annuitants and non annuitants projected to 2020 per scale AA.	RP-2000 Mortality Tables with blue collar adjustment for healthy annuitants and non annuitants projected to 2020 per scale AA.

In 2002, the City issued pension obligation bonds to fund the City's Police pension liabilities. State statutes related to the pension obligation bonds require that the Plan maintain the funded level that it had immediately following the issuance of the bonds (100% for the West Haven Police Pension Plan). The Plan's funded level is the ratio of the Plan's assets to the Plan's liability. If benefit improvements, actuarial losses or investments losses cause the funded level to drop below 100%, the State requires that the City take action in order to restore the funded level back to 100% over a short period of time. This has been interpreted for actuarial valuation purposes to be 5-year period. Currently, the Plan's funded ratio is currently below 100% and therefore, the shortfall will be amortized over a 5-year period. The shortfall is primarily due to large investment losses suffered by the plan during fiscal year 2009.

**7. Changes from prior year****a. Changes in assumptions**Police

The amortization method and period changed from level percent open for 5 years at January 1, 2016 to level percent closed for 13 years at July 1, 2018. The investment rate of return was reduced from 7.375% to 7.125%.

Allingtown Fire Department

There were no changes in assumptions.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)****b. Changes in benefit terms**

There were no changes in benefit terms for the Police and Allingtown Fire Department plans.

**8. Discount rate**

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

	<u>Police</u>	<u>Allingtown Fire Department</u>
Discount Rate	7.125%	6.75%

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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)****9. Changes in the Net Pension Liability**

The City's net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The changes in net pension liability were as follows:

Police Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2018	<u>\$ 141,828,540</u>	<u>\$ 120,548,475</u>	<u>\$ 21,280,065</u>
Service cost	1,259,486	-	1,259,486
Interest	10,276,337	-	10,276,337
Differences between expected and actual experience	(9,950,205)	-	(9,950,205)
Changes of assumption	3,856,902	-	3,856,902
Contributions - employer	-	1,994,500	(1,994,500)
Contributions - member	-	522,344	(522,344)
Net investment income	-	4,655,627	(4,655,627)
Benefit payments, including refunds of member contributions	(7,631,461)	(7,631,461)	-
Administration	-	(13,867)	13,867
Net change	<u>(2,188,941)</u>	<u>(472,857)</u>	<u>(1,716,084)</u>
Balance at June 30, 2019	<u><u>\$ 139,639,599</u></u>	<u><u>\$ 120,075,618</u></u>	<u><u>\$ 19,563,981</u></u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)**

The Allingtown's net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The changes in net pension liability were as follows:

Allingtown Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2018	\$ 30,276,605	\$ 7,262,379	\$ 23,014,226
Service cost	386,203	-	386,203
Interest	2,005,277	-	2,005,277
Contributions - employer	-	2,150,220	(2,150,220)
Contributions - member	-	102,602	(102,602)
Net investment income	-	610,128	(610,128)
Benefit payments, including refunds of member contributions	(1,941,719)	(1,941,719)	-
Administration	-	(77,486)	77,486
Net change	449,761	843,745	(393,984)
Balance at June 30, 2019	\$ 30,726,366	\$ 8,106,124	\$ 22,620,242

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

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

	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
<u>Police Plan</u>			
Net pension liability	\$ 36,957,261	\$ 19,563,981	\$ 5,140,673
<u>Allingtown Plan</u>			
Net pension liability	\$ 26,676,690	\$ 22,620,242	\$ 19,288,342

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

The City recognized pension expense of \$2,635,257 for the Police Plan and \$2,214,861 for the Allingtown Plan.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,743,166)
Changes in assumptions	2,722,519	(58,944)
Net difference between projected and actual earnings on pension plan investments	<u>3,308,955</u>	<u>-</u>
Total	<u>\$ 6,031,474</u>	<u>\$ (7,802,110)</u>
Net amount of deferred inflows and outflows		<u>\$ (1,770,636)</u>
Allingtown Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 195,749	\$ (60,589)
Changes in assumptions	72,145	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(89,832)</u>
Total	<u>\$ 267,894</u>	<u>\$ (150,421)</u>
Net amount of deferred inflows and outflows		<u>\$ 117,473</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plans (continued)**

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which was 3.76 years for the Police Plan and 3.83 years for the Allintown Plan.

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

Year Ending June 30,	Police Plan	Allintown Plan
2020	\$ (516,653)	\$ 203,862
2021	(1,936,748)	(27,797)
2022	(127,051)	(36,158)
2023	<u>809,816</u>	<u>(22,434)</u>
Total	<u>\$ (1,770,636)</u>	<u>\$ 117,473</u>

**B. Defined contribution retirement savings plan**

City employees are eligible to participate in a defined contribution retirement savings plan administered by the City. The benefits and contribution requirements are established by approval of the City Council. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Plan is not reported as a fiduciary fund by the City as it does not meet the reporting criterion.

The Plan requires the City to contribute an amount equal to 5% of the employee's annual salary. The City contributions for each employee (and interest allocated to the employee's account) are vested as follows:

<u>Years of Credited Service</u>	<u>Vesting Percentage</u>
Under 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Voluntary contributions of up to 25% of compensation for all participating years of service may be made by employees. These contributions may be withdrawn at any time, although earned interest will not be paid until such time as benefits are otherwise payable to the employee.

## City of West Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**

**B. Defined contribution retirement savings plan (continued)**

Upon termination of employment, for any reason other than death or retirement, an employee shall be entitled to a deferred vested benefit based upon the number of years of credit service completed. Payment of benefits is deferred until the later of the employee's normal retirement date, the seventh anniversary of the Plan year in which participation commenced or the date of termination. The unvested accrued benefit of the employee is forfeited and allocated to each participant.

During the year, the employer contributions were \$1,481,101 and employee contributions totaled \$2,539,999.

**C. Connecticut State Teachers' Retirement System****1. Plan description**

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

**2. Benefit provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

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

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

**Disability Retirement:** Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.

**Pre-Retirement Death Benefit:** The Plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Connecticut State Teachers' Retirement System (continued)****3. Contributions****State of Connecticut**

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

**Employer (School Districts)**

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

**Employees**

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

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

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

City's proportionate share of the net pension liability	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the City	<u>137,668,256</u>
Total	<u><u>\$ 137,668,256</u></u>

The 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 June 30, 2018. The City has no proportionate share of the net pension liability.

During the year, the City recognized pension expense and revenue of \$13,305,331 for on-behalf amounts for the benefits provided by the State.

**City of West Haven, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Connecticut State Teachers' Retirement System (continued)**

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Connecticut State Teachers' Retirement System (continued)**

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

**6. Discount rate**

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

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan****1. Plan description****a. Plan administration**

The City currently provides to certain former employees Other Post-Employment Benefits (OPEB). The plan provides medical, dental and life insurance benefits for eligible retirees and their spouses. The plan is currently being funded on a pay as you go basis. The plan does not issue a standalone financial report.

The Allingtown Fire Department currently provides to certain former employees Other Post-Employment Benefits (OPEB). The plan provides health and life insurance benefits for eligible retirees and their spouses. The plan is currently being funded on a pay as you go basis. The plan does not issue a standalone financial report.

**b. Employees Covered by Benefit Terms**

As of July 1, 2017, for the City plan and the Allingtown Fire Department plan, the following employees are covered by the benefit terms:

	<u>City</u>	<u>Allingtown</u>
Active members	935	20
Retirees, disabled employees, and beneficiaries receiving benefits	<u>630</u>	<u>52</u>
Total	<u><u>1,565</u></u>	<u><u>72</u></u>

**2. Benefit provisions**

The City's plan provides for medical, dental and life insurance benefits for all eligible City and Board of Education retirees and their spouses. Benefits are established by contract and may be amended by union negotiations.

The Allingtown Fire Department's plan provides for health and life insurance benefits for all eligible Department retirees and their spouses. Benefits are established by contract and may be amended by union negotiations.

**3. Contributions****a. Employer Contributions**

The City's recommended contributions are actuarially determined on an annual basis using the entry age normal method. Contributions are established by contract and may be amended by union negotiations. The City's plan contribution was \$6,797,571.

The Allingtown Fire Department's recommended contributions are actuarially determined on annual basis using the projected unit credit method. Contributions are established and may be amended by the Department. The Department's plan contribution was \$705,950.

City of West Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

**D. Other Post-Employment Benefit Plan (continued)**

**b. Employee contributions**

There are no employee contributions to the plan.

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

**4. OPEB Liability**

The City's total OPEB liability of \$198,567,331 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

The Allingtown Fire Department's total OPEB liability of \$28,164,607 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

**5. Actuarial methods and significant assumptions**

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

	City	Allingtown Fire Department
Actuarial cost method	Entry age normal	Entry age normal
Salary increases including inflation	Graded by service	3.50%
Inflation	2.75%	2.75%
Healthcare cost trend rates	5.57%, reducing to a final of 4.40% over 68 years	6.70%, reducing to a final of 4.60% over 83 years

The discount rate was based on the Bond Buyer municipal bond 20 year bond municipal index as of the measurement date.

**Police**

Mortality rates were based on the RP-2000 Mortality Table with blue collar adjustment for Healthy Annuitants and Non-Annuitants projected to 2020 per scale AA.

**Teachers and Administrators**

Mortality rates were based on the RP-2000 Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)****All Others**

Mortality rates were based on the RP-2000 Mortality Table, set forward one year for males and set back one year for females.

**Allingtown Fire Department**

Mortality rates were based on the RP-2000 Mortality Table with blue collar adjustments and generational projection per scale AA.

**6. Changes from prior year****a. Changes in assumptions**

The City and Allingtown Fire Department plans had the following changes in assumptions:

- The discount rate decreased from 3.87% to 3.50%.

**b. Changes in benefit terms**

There were no changes in benefit terms for the City and Allingtown Fire Department plans.

**7. Discount rate**

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

	<u>City</u>	<u>Allingtown Fire Department</u>
Discount Rate	3.50%	3.50%

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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of West Haven, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)**

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

<u>City</u>	
Total OPEB liability - July 1, 2018	<u>\$ 183,170,127</u>
Service cost	5,120,818
Interest	7,156,576
Changes in assumptions	9,917,381
Benefit payments, including refunds of member contributions	<u>(6,797,571)</u>
Net change	<u>15,397,204</u>
Total OPEB liability - June 30, 2019	<u><u>\$ 198,567,331</u></u>
<u>Allingtown</u>	
Total OPEB liability - July 1, 2018	<u>\$ 25,312,009</u>
Service cost	824,372
Interest	997,948
Changes in assumptions	1,736,228
Benefit payments, including refunds of member contributions	<u>(705,950)</u>
Net change	<u>2,852,598</u>
Total OPEB liability - June 30, 2019	<u><u>\$ 28,164,607</u></u>

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

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

<u>Total OPEB Liability</u>	<u>1% Decrease 2.50%</u>	<u>Discount Rate 3.50%</u>	<u>1% Increase 4.50%</u>
City	<u>\$229,638,545</u>	<u>\$198,567,331</u>	<u>\$173,407,833</u>
Allingtown	<u>\$ 33,792,654</u>	<u>\$ 28,164,607</u>	<u>\$ 23,820,162</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)****10. Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate**

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

<u>Total OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
City	<u>\$ 168,780,289</u>	<u>\$ 198,567,331</u>	<u>\$ 236,275,367</u>
Allingtown	<u>\$ 23,048,008</u>	<u>\$ 28,164,607</u>	<u>\$ 34,892,582</u>

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

For the fiscal year, the City recognized OPEB expense of \$13,217,926 and Allingtown Fire Department recognized \$736,576. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u><b>City</b></u> <u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,503,201	\$ -
Changes in assumptions	-	(17,297,520)
Total	<u>\$ 15,503,201</u>	<u>\$ (17,297,520)</u>
Net amount of deferred inflows and outflows		<u>\$ (1,794,319)</u>
 <u><b>Allingtown</b></u> <u>Description of Outflows/Inflows</u>	 <u>Deferred Outflows of Resources</u>	 <u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (14,716)
Changes in assumptions	1,302,171	(708,179)
Total	<u>\$ 1,302,171</u>	<u>\$ (722,895)</u>
Net amount of deferred inflows and outflows		<u>\$ 579,276</u>



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)**

Differences between expected and actual experience and changes in assumptions are recognized over the average remaining service life for all active and inactive members, which was an average of 6.7 years for the City and an average of 4.2 years for the Allingtown Fire Department.

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

Year Ending June 30,	City Plan	Allingtown Plan
2020	\$ (609,059)	\$ 132,851
2021	(609,059)	132,851
2022	(609,059)	313,574
2023	(903,158)	-
2024	936,016	-
Total	<u>\$ (1,794,319)</u>	<u>\$ 579,276</u>

**E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan****1. Plan description**

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

**2. Benefit provisions**

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

- **Normal Retirement:** Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.
- **Early Retirement:** Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.

## City of West Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**

**E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)**

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

**Retiree health care coverage**

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

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

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

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).

**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.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State 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.

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

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

City's proportionate share of the net OPEB liability	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the City	<u>27,520,758</u>
Total	<u><u>\$ 27,520,758</u></u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The City has no proportionate share of the net OPEB liability.

The City recognized OPEB expense and revenue of \$369,153 for on-behalf amounts for the benefits provided by the State.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****5. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care cost trend rate	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.87%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

The actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

**Changes in assumptions and inputs**

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

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate was increased from 3.56% to 3.87% based upon the increase in the municipal bond index.

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Long-term expected rate of return**

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

**Affordable Care Act (ACA)**

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

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

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

**F. Plan Statements**

**Pension Trust Funds**  
**Combining Statement of Fiduciary Net Position**

	Police	Allingtown Fire Department	Total
<u>Assets</u>			
Investments at fair value			
Mutual funds			
Money market	\$ 1,076,955	\$ 248,334	\$ 1,325,289
Equity	64,487,789	205,650	64,693,439
Common stock	32,643,803	245,146	32,888,949
Exchange traded funds	3,959,584	2,190,934	6,150,518
Corporate bonds	5,414,296	1,002	5,415,298
Real estate funds	-	226,621	226,621
Private equity funds	12,493,191	-	12,493,191
Annuities	-	4,790,496	4,790,496
Total investments	120,075,618	7,908,183	127,983,801
Accounts receivable	-	197,941	197,941
Total assets	120,075,618	8,106,124	128,181,742
<u>Net Position</u>			
Restricted for pension benefits	<u>\$ 120,075,618</u>	<u>\$ 8,106,124</u>	<u>\$ 128,181,742</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**F. Plan Statements (continued)**

**Pension Trust Funds**  
**Combining Statement of Changes in Fiduciary Net Position**

	Police	Allingtown Fire Department	Total
Additions			
Contributions			
Employer	\$ 1,994,500	\$ 2,150,220	\$ 4,144,720
Plan members	522,344	102,602	624,946
Total contributions	2,516,844	2,252,822	4,769,666
Investment income (loss)			
Change in fair value of investments	488,709	347,983	836,692
Interest and dividends	4,447,541	317,432	4,764,973
Total investment income (loss)	4,936,250	665,415	5,601,665
Less investment expenses	280,623	55,287	335,910
Net investment income (loss)	4,655,627	610,128	5,265,755
Total additions	7,172,471	2,862,950	10,035,421
Deductions			
Benefits	7,631,461	1,765,336	9,396,797
Refunded employee contributions	-	176,383	176,383
Administration	13,867	77,486	91,353
Total deductions	7,645,328	2,019,205	9,664,533
Changes in net position	(472,857)	843,745	370,888
Net position - July 1, 2018	120,548,475	7,262,379	127,810,854
Net position - June 30, 2019	\$ 120,075,618	\$ 8,106,124	\$ 128,181,742

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**VI. Prior period adjustment and fund reclassification**

Beginning equity balances were restated as follows:

	Governmental Activities	General Fund*	Other Governmental Funds	Private- Purpose Trust Funds	Custodial Funds
Net position/fund balance as previously reported at June 30, 2018	\$ (178,658,519)	\$ 2,181,149	\$ 3,127,013	\$ 68,127	\$ 312,693
Reclassification of fund balances	-	-	-	(68,127)	68,127
To adjust fund balance related to Miscellaneous Grants fund	-	(50,093)	50,093	-	-
To adjust accounts payable balance related to prior periods	(3,407,192)	(3,407,192)	-	-	-
To adjust withholding account balances	(131,891)	(131,891)	-	-	-
Net position as restated at July 1, 2018	<u>\$ (182,197,602)</u>	<u>\$ (1,408,027)</u>	<u>\$ 3,177,106</u>	<u>\$ -</u>	<u>\$ 380,820</u>

\* Restated for both GAAP and budgetary basis statements/RSI.

**VII. Subsequent Events**

Subsequent to year-end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility. As a result, the City's economically sensitive revenues (i.e. interest earnings, certain fees, and state and federal aid) may be negatively impacted. Collection rates on property taxes might decrease or be delayed as unemployment rates are expected to increase.

In addition, expenditures for health related functions and pension contributions (due to stock market declines) are expected to increase. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact on the City's financial position.

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## **Required Supplementary Information**

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## City of West Haven, Connecticut

## Required Supplementary Information

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 97,580,080	\$ -	\$ 97,580,080	\$ 97,509,642	\$ (70,438)
Intergovernmental	60,727,631	-	60,727,631	57,948,396	(2,779,235)
Charges for services	4,044,139	-	4,044,139	4,458,444	414,305
Contributions	422,651	-	422,651	437,317	14,666
Income from investments	55,000	-	55,000	381,638	326,638
Other	210,000	-	210,000	220,033	10,033
Total revenues	163,039,501	-	163,039,501	160,955,470	(2,084,031)
Expenditures:					
Current					
General government	7,893,386	(25,000)	7,868,386	5,686,760	2,181,626
Public safety	15,759,688	-	15,759,688	15,206,742	552,946
Public works	10,268,332	(71,246)	10,197,086	10,090,546	106,540
Benefits and insurance	17,632,321	-	17,632,321	16,167,113	1,465,208
Human resources and health and welfare	1,124,952	-	1,124,952	1,065,621	59,331
Parks and recreation	889,252	-	889,252	869,606	19,646
Library	1,521,000	25,000	1,546,000	1,546,000	-
Education	89,960,421	-	89,960,421	90,526,821	(566,400)
Debt service	19,213,849	-	19,213,849	18,926,611	287,238
Total expenditures	164,263,201	(71,246)	164,191,955	160,085,820	4,106,135
Excess (deficiency) of revenues over expenditures	(1,223,700)	71,246	(1,152,454)	869,650	2,022,104
Other financing sources (uses):					
Sale of capital assets	-	-	-	298,807	298,807
Transfers in	1,263,700	-	1,263,700	1,709,734	446,034
Transfers out	(40,000)	(71,246)	(111,246)	(111,246)	-
Net other financing sources (uses)	1,223,700	(71,246)	1,152,454	1,897,295	744,841
Net change in fund balance	\$ -	\$ -	\$ -	2,766,945	\$ 2,766,945
Fund balance - July 1, 2018 (as restated)				(1,408,027)	
Fund balance - June 30, 2019				\$ 1,358,918	

**Reconciliation to Exhibit D**

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 160,955,470	\$ 160,085,820
State Teachers' pension on behalf amount	13,305,331	13,305,331
State Teachers' OPEB on behalf amount	369,153	369,153
GAAP Basis - Exhibit D	\$ 174,629,954	\$ 173,760,304

**City of West Haven, Connecticut**

**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current levy	\$ 94,460,706	\$ -	\$ 94,460,706	\$ 94,096,972	\$ (363,734)
Motor vehicle supplement	1,200,000	-	1,200,000	1,435,859	235,859
Prior year levies	400,000	-	400,000	413,937	13,937
Suspense taxes	100,000	-	100,000	128,427	28,427
Interest and lien fees	765,000	-	765,000	890,468	125,468
Telephone access line	117,044	-	117,044	93,832	(23,212)
Non-current personal property tax audits	100,000	-	100,000	-	(100,000)
PILOT- SCCRWA NH water grant	296,330	-	296,330	301,396	5,066
PILOT- housing authority	141,000	-	141,000	148,751	7,751
Total property taxes	97,580,080	-	97,580,080	97,509,642	(70,438)
Intergovernmental:					
Education cost sharing	45,140,487	-	45,140,487	45,238,618	98,131
Health/welfare services - Parochial school	60,000	-	60,000	66,528	6,528
PILOT - State colleges & hospitals	5,527,988	-	5,527,988	5,527,988	-
Property tax relief manufacturing	147,516	-	147,516	147,516	-
Property tax relief - elderly	-	-	-	4,000	4,000
Mashantucket Pequot	807,097	-	807,097	807,097	-
Property tax relief- totally disabled	5,370	-	5,370	5,111	(259)
PILOT - State owned property	181,198	-	181,198	181,198	-
Property tax relief - Veterans reimbursement	118,373	-	118,373	130,003	11,630
Town aid road	617,602	-	617,602	616,005	(1,597)
State miscellaneous grants	122,000	-	122,000	120,535	(1,465)
Federal miscellaneous grants	-	-	-	1,927	1,927
Motor vehicle tax allocation	-	-	-	78,676	78,676
Municipal restructuring funds	8,000,000	-	8,000,000	5,000,000	(3,000,000)
Shell fish taxes and rents	-	-	-	23,194	23,194
Total intergovernmental	60,727,631	-	60,727,631	57,948,396	(2,779,235)
Charges for services:					
Animal licenses	13,000	-	13,000	15,912	2,912
Marriage licenses	3,000	-	3,000	4,962	1,962
Sporting licenses	200	-	200	271	71
Building permits	1,225,000	-	1,225,000	1,367,973	142,973
Electrical permits	160,000	-	160,000	203,904	43,904
Excavation permits	7,000	-	7,000	10,370	3,370
Plumbing & heating permits	210,000	-	210,000	79,881	(130,119)
Zoning permits	87,000	-	87,000	147,778	60,778
Alcoholic beverage licenses	150	-	150	1,520	1,370
Police licenses & protection permits	20,000	-	20,000	25,480	5,480
City clerk fees collected	7,100	-	7,100	5,860	(1,240)
Dog pound releases	2,000	-	2,000	2,032	32
Health licenses & restaurant permits	80,000	-	80,000	95,465	15,465

(Continued)

**City of West Haven, Connecticut**  
**Required Supplementary Information**

**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services (continued):					
Parking tags	\$ 125,000	\$ -	\$ 125,000	\$ 223,175	\$ 98,175
Fines & penalties	25,000	-	25,000	63,772	38,772
Rents from city facilities	25,000	-	25,000	21,876	(3,124)
Record legal instruments fee	625,000	-	625,000	732,096	107,096
Police charges- public safety	15,000	-	15,000	10,186	(4,814)
Sundry other miscellaneous	150	-	150	-	(150)
Miscellaneous public works/sewer-orange	37,059	-	37,059	38,854	1,795
Miscellaneous general government- all other	90,000	-	90,000	34,758	(55,242)
Miscellaneous parks & recreation	340,000	-	340,000	351,629	11,629
Public works	2,000	-	2,000	14,539	12,539
Health fees	-	-	-	25	25
Parking meter revenue	20,000	-	20,000	82,227	62,227
Sewer collection fee	48,397	-	48,397	55,166	6,769
Insurance reimbursement	20,000	-	20,000	43,912	23,912
Quigley / Yale parking	40,000	-	40,000	43,603	3,603
Fire District share of ERS	804,083	-	804,083	762,240	(41,843)
Organic recycling/compost	13,000	-	13,000	18,978	5,978
Total charges for services	4,044,139	-	4,044,139	4,458,444	414,305
Contributions (Yale)	422,651	-	422,651	437,317	14,666
Income from investment	55,000	-	55,000	381,638	326,638
Other	210,000	-	210,000	220,033	10,033
Total revenues	163,039,501	-	163,039,501	160,955,470	(2,084,031)
Other financing sources:					
Sale of capital assets	-	-	-	298,807	298,807
Transfers in:					
Career and adult education fund	-	-	-	184,593	184,593
Public safety fund	200,000	-	200,000	308,081	108,081
Sewer fund	1,063,700	-	1,063,700	1,217,060	153,360
Total other financing sources	1,263,700	-	1,263,700	2,008,541	744,841
Total revenues and other financing sources	\$ 164,303,201	\$ -	\$ 164,303,201	\$ 162,964,011	\$ (1,339,190)

(Concluded)

**City of West Haven, Connecticut**

**Required Supplementary Information**

**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
City council	\$ 88,982	\$ -	\$ 88,982	\$ 87,994	\$ 988
Mayor's office	317,111	-	317,111	293,690	23,421
Corporate counsel	450,868	-	450,868	432,483	18,385
Labor relations & personnel	170,585	-	170,585	166,253	4,332
Communications	315,336	-	315,336	223,873	91,463
Town & City Clerk	298,198	-	298,198	307,112	(8,914)
Registrar of voters	140,525	-	140,525	144,858	(4,333)
Probate court	8,020	-	8,020	7,167	853
Planning & development	383,595	-	383,595	403,535	(19,940)
Grants administration	66,971	-	66,971	66,351	620
Building department	511,819	-	511,819	431,212	80,607
Treasurer	7,600	-	7,600	7,600	-
Finance/Comptroller	830,391	-	830,391	931,751	(101,360)
Purchasing department	142,180	-	142,180	148,722	(6,542)
Information and technology/ data processing	506,213	-	506,213	593,814	(87,601)
Central services	225,190	-	225,190	191,109	34,081
Department of assessment	445,557	-	445,557	442,066	3,491
Board of assessment appeals	5,600	-	5,600	3,179	2,421
Department of tax collections	431,604	-	431,604	406,678	24,926
Unallocated	2,145,041	-	2,145,041	397,313	1,747,728
Contingency	402,000	(25,000)	377,000	-	377,000
Total general government	7,893,386	(25,000)	7,868,386	5,686,760	2,181,626
Public safety:					
Emergency Reporting System (ERS)	1,838,583	-	1,838,583	1,784,609	53,974
Public safety administration	1,006,030	-	1,006,030	1,136,181	(130,151)
Public safety operations	11,756,778	-	11,756,778	11,113,111	643,667
Public safety support	860,733	-	860,733	901,392	(40,659)
Animal control	283,366	-	283,366	262,449	20,917
Emergency management	14,198	-	14,198	9,000	5,198
Total public safety	15,759,688	-	15,759,688	15,206,742	552,946
Public works:					
Administration	597,958	-	597,958	466,757	131,201
Bureau of engineering	189,311	(71,246)	118,065	118,103	(38)
Central garage	1,280,901	-	1,280,901	1,058,560	222,341
Compost site	36,000	-	36,000	33,016	2,984
Disposal of solid waste	2,908,900	-	2,908,900	3,162,343	(253,443)
Grounds & building maintenance	1,221,681	-	1,221,681	1,257,354	(35,673)
Highways & park maintenance	4,033,581	-	4,033,581	3,994,413	39,168
Total public works	10,268,332	(71,246)	10,197,086	10,090,546	106,540
Benefits and insurance:					
City insurance	825,977	-	825,977	906,371	(80,394)
Pensions & hospitalizations	16,761,500	-	16,761,500	15,218,563	1,542,937
C-Med programs	44,844	-	44,844	42,179	2,665
Total benefits and insurance	17,632,321	-	17,632,321	16,167,113	1,465,208

(Continued)

**City of West Haven, Connecticut**

**Required Supplementary Information**

**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Human resources and health and welfare:					
Department of human resources	\$ 282,237	\$ -	\$ 282,237	\$ 254,433	\$ 27,804
Department of elderly services	487,745	-	487,745	508,148	(20,403)
Health department	354,970	-	354,970	303,040	51,930
Total human resources and health and welfare	<u>1,124,952</u>	<u>-</u>	<u>1,124,952</u>	<u>1,065,621</u>	<u>59,331</u>
Parks and recreation	<u>889,252</u>	<u>-</u>	<u>889,252</u>	<u>869,606</u>	<u>19,646</u>
Library	<u>1,521,000</u>	<u>25,000</u>	<u>1,546,000</u>	<u>1,546,000</u>	<u>-</u>
Board of Education	<u>89,960,421</u>	<u>-</u>	<u>89,960,421</u>	<u>90,526,821</u>	<u>(566,400)</u>
Debt service	<u>19,213,849</u>	<u>-</u>	<u>19,213,849</u>	<u>18,926,611</u>	<u>287,238</u>
Total expenditures	<u>164,263,201</u>	<u>(71,246)</u>	<u>164,191,955</u>	<u>160,085,820</u>	<u>4,106,135</u>
Other financing uses:					
Transfers out:					
Public safety fund	40,000	-	40,000	40,000	-
Capital improvement fund	-	71,246	71,246	71,246	-
Total other financing uses	<u>40,000</u>	<u>71,246</u>	<u>111,246</u>	<u>111,246</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 164,303,201</u>	<u>\$ -</u>	<u>\$ 164,303,201</u>	<u>\$ 160,197,066</u>	<u>\$ 4,106,135</u>

(Concluded)

**City of West Haven, Connecticut**  
**Required Supplementary Information**  
**Allingtown Fire Department Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 6,603,080	\$ -	\$ 6,603,080	\$ 7,141,781	\$ 538,701
Intergovernmental	120,170	-	120,170	163,198	43,028
Charges for services	99,600	-	99,600	192,740	93,140
Contributions	100,000	-	100,000	100,000	-
Other	7,000	-	7,000	356	(6,644)
Total revenues	6,929,850	-	6,929,850	7,598,075	668,225
Expenditures:					
Current					
Personnel	5,929,386	-	5,929,386	5,463,148	466,238
Maintenance	65,000	10,000	75,000	76,031	(1,031)
Administration	46,500	-	46,500	44,194	2,306
Utilities, insurance, and equipment	797,964	(10,000)	787,964	591,326	196,638
Capital outlay	10,000	-	10,000	-	10,000
Debt service	81,000	-	81,000	80,943	57
Total expenditures	6,929,850	-	6,929,850	6,255,642	674,208
Net change in fund balance	\$ -	\$ -	\$ -	1,342,433	\$ 1,342,433
Fund balance - July 1, 2018				(118,859)	
Fund balance - June 30, 2019				\$ 1,223,574	

## City of West Haven, Connecticut

## Required Supplementary Information

**Allingtown Fire Department Fund  
Schedule of Revenues  
Budget and Actual  
For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current property taxes	\$ 6,448,846	\$ -	\$ 6,448,846	\$ 6,890,225	\$ 441,379
Prior year property taxes	100,000	-	100,000	125,878	25,878
Interest and lien fees	-	-	-	69,553	69,553
PILOT - Regional Water Authority	54,234	-	54,234	56,125	1,891
Total property taxes	6,603,080	-	6,603,080	7,141,781	538,701
Intergovernmental:					
Motor vehicle tax allocation	120,170	-	120,170	120,170	-
State miscellaneous grants	-	-	-	43,028	43,028
Total intergovernmental	120,170	-	120,170	163,198	43,028
Charges for services:					
Bundle billing	10,000	-	10,000	40,853	30,853
Police/ Fire outside services	15,000	-	15,000	12,195	(2,805)
Fire department transportation fees	8,000	-	8,000	-	(8,000)
Other fees	66,600	-	66,600	139,692	73,092
Total charges for services	99,600	-	99,600	192,740	93,140
Contributions:					
University of New Haven and Yale donations	100,000	-	100,000	100,000	-
Other:					
Insurance recovery	7,000	-	7,000	356	(6,644)
Total revenues	<u>\$ 6,929,850</u>	<u>\$ -</u>	<u>\$ 6,929,850</u>	<u>\$ 7,598,075</u>	<u>\$ 668,225</u>



## City of West Haven, Connecticut

## Required Supplementary Information

**Allingtown Fire Department Fund  
Schedule of Expenditures  
Budget and Actual  
For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Personnel:					
Salaries	\$ 1,902,170	\$ -	\$ 1,902,170	\$ 1,512,998	\$ 389,172
Overtime and vacation pay	450,000	-	450,000	450,219	(219)
Uniforms	16,000	-	16,000	9,017	6,983
Life insurance	14,000	-	14,000	9,534	4,466
Pension contribution	2,022,216	-	2,022,216	2,041,196	(18,980)
Heart and Hypertension	70,000	-	70,000	1,118	68,882
Workers' compensation insurance	150,000	-	150,000	151,145	(1,145)
Insurance	1,140,000	-	1,140,000	1,237,876	(97,876)
Education incentive (EMT-Certification)	105,000	-	105,000	-	105,000
Social security and medicare (FICA)	60,000	-	60,000	50,045	9,955
Total personnel	5,929,386	-	5,929,386	5,463,148	466,238
Maintenance:					
Building maintenance	10,000	-	10,000	9,708	292
Equipment purchase/maintenance	27,000	10,000	37,000	54,180	(17,180)
Tools	12,000	-	12,000	11,005	995
Radio	4,000	-	4,000	1,138	2,862
Hydrants	12,000	-	12,000	-	12,000
Total maintenance	65,000	10,000	75,000	76,031	(1,031)
Administration:					
Training	25,000	-	25,000	8,318	16,682
Business	9,000	-	9,000	8,676	324
Financial services	12,500	-	12,500	27,200	(14,700)
Total administration	46,500	-	46,500	44,194	2,306
Utilities, insurance and equipment:					
Heating	11,000	-	11,000	11,519	(519)
Electricity	19,000	-	19,000	16,035	2,965
Water	172,400	-	172,400	167,260	5,140
Telephone	13,000	-	13,000	5,156	7,844
Emergency reporting system and telephone	268,742	-	268,742	253,570	15,172
Medical testing and equipment	30,000	-	30,000	23,342	6,658
Office supplies	6,000	-	6,000	5,949	51
Gasoline and diesel	18,000	-	18,000	12,744	5,256
General liability insurance	41,522	-	41,522	39,738	1,784
Personal computers	18,300	-	18,300	16,223	2,077
Contingency	50,000	(10,000)	40,000	-	40,000
Deficit reduction	150,000	-	150,000	-	150,000
Professional services	-	-	-	39,790	(39,790)
Total utilities, insurance and equipment	797,964	(10,000)	787,964	591,326	196,638
Capital outlay	10,000	-	10,000	-	10,000
Debt service	81,000	-	81,000	80,943	57
Total expenditures	\$ 6,929,850	\$ -	\$ 6,929,850	\$ 6,255,642	\$ 674,208

**City of West Haven, Connecticut****Notes to Required Supplementary Information  
For the Year Ended June 30, 2019****Budgets and Budgetary Accounting**

The City adheres to the following procedures in establishing the budgetary data included in the General Fund and Allingtown Fire Department financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

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

1. The City does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the City's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.

By Charter, the Mayor's recommended budget for the fiscal year beginning July 1 is presented to the City Council no later than the third Thursday in March, with Council action mandated on or before the first Thursday in May.

After adoption of the original budget, budget transfer amounts less than \$1,500 within departments require the approval of both the Mayor and the Director of Finance. Budget transfer amounts exceeding \$1,500 require the approval of the City Council.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is the department level for the general fund and the fund level for the Allingtown Fire Department.

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

The Board of Education, which is not a separate legal entity but a function of the City, is authorized under State law to make any transfers required within their budget at their discretion.

The City Council can approve additional appropriations on recommendation of the Mayor and certification from the Director of Finance that there is available fund balance.

There were no additional appropriations made during the year.

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

**Police Pension Plan**  
**Last Six Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Schedule of Changes in Net Pension Liability and Related Ratios</u></b>						
Total pension liability						
Service cost	\$ 1,259,486	\$ 1,557,421	\$ 1,456,995	\$ 1,734,676	\$ 1,615,531	\$ 1,627,000
Interest	10,276,337	9,998,157	9,985,109	9,687,559	9,377,636	9,147,000
Differences between expected and actual experience	(9,950,205)	-	(3,803,033)	-	(1,106,768)	-
Changes in assumptions	3,856,902	-	(311,559)	-	-	-
Benefit payments, including refunds of member contributions	<u>(7,631,461)</u>	<u>(7,345,028)</u>	<u>(7,160,318)</u>	<u>(7,064,026)</u>	<u>(6,758,653)</u>	<u>(6,311,000)</u>
Net change in total pension liability	(2,188,941)	4,210,550	167,194	4,358,209	3,127,746	4,463,000
Total pension liability - July 1	<u>141,828,540</u>	<u>137,617,990</u>	<u>137,450,796</u>	<u>133,092,587</u>	<u>129,964,841</u>	<u>125,501,841</u>
Total pension liability - June 30 (a)	<u>\$ 139,639,599</u>	<u>\$ 141,828,540</u>	<u>\$ 137,617,990</u>	<u>\$ 137,450,796</u>	<u>\$ 133,092,587</u>	<u>\$ 129,964,841</u>
Plan fiduciary net position						
Contributions - employer	\$ 1,994,500	\$ 2,091,000	\$ 1,850,000	\$ 1,850,000	\$ 1,274,950	\$ 1,157,000
Contributions - member	522,344	566,567	580,520	571,774	590,403	583,213
Net investment income (loss)	4,655,627	9,468,710	11,560,855	(2,589,880)	2,067,404	14,029,000
Benefit payments, including refunds of member contributions	(7,631,461)	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,310,695)
Administration	<u>(13,867)</u>	<u>(16,843)</u>	<u>(23,123)</u>	<u>(14,646)</u>	<u>(26,720)</u>	<u>(25,000)</u>
Net change in plan fiduciary net position	(472,857)	4,764,406	6,807,934	(7,246,778)	(2,852,616)	9,433,518
Plan fiduciary net position - July 1	<u>120,548,475</u>	<u>115,784,069</u>	<u>108,976,135</u>	<u>116,222,913</u>	<u>119,075,529</u>	<u>109,642,011</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 120,075,618</u>	<u>\$ 120,548,475</u>	<u>\$ 115,784,069</u>	<u>\$ 108,976,135</u>	<u>\$ 116,222,913</u>	<u>\$ 119,075,529</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 19,563,981</u>	<u>\$ 21,280,065</u>	<u>\$ 21,833,921</u>	<u>\$ 28,474,661</u>	<u>\$ 16,869,674</u>	<u>\$ 10,889,312</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>85.99%</u>	<u>85.00%</u>	<u>84.13%</u>	<u>79.28%</u>	<u>87.32%</u>	<u>91.62%</u>
Covered payroll	<u>\$ 5,765,537</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>
Net pension liability as a percentage of covered payroll	<u>339.33%</u>	<u>323.00%</u>	<u>331.40%</u>	<u>397.67%</u>	<u>235.59%</u>	<u>151.41%</u>
<b><u>Schedule of Investment Returns</u></b>						
Annual money weighted rate of return, net of investment expense	<u>3.95%</u>	<u>8.60%</u>	<u>10.64%</u>	<u>(1.87%)</u>	<u>1.43%</u>	<u>13.13%</u>

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

City of West Haven, Connecticut  
Required Supplementary Information

Police Pension Plan  
Schedule of Contributions  
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contributions	\$ 1,994,500	\$ 1,927,100	\$ 1,861,931	\$ 1,848,528	\$ 2,342,798	\$ 3,312,178	\$ 3,141,846	\$ 3,141,846	\$ 3,950,896	\$ 1,157,342
Contributions in relation to the actuarially determined contribution	1,994,500	2,091,000	1,850,000	1,850,000	1,274,950	1,157,000	1,285,750	979,292	1,050,000	1,157,342
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 163,900</u>	<u>\$ (11,931)</u>	<u>\$ 1,472</u>	<u>\$ (1,067,848)</u>	<u>\$ (2,155,178)</u>	<u>\$ (1,856,096)</u>	<u>\$ (2,162,554)</u>	<u>\$ (2,900,896)</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,765,537</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>	<u>\$ 7,008,211</u>	<u>\$ 7,008,211</u>	<u>\$ 7,074,123</u>	<u>\$ 7,812,621</u>
Contributions as a percentage of covered payroll	<u>34.59%</u>	<u>31.74%</u>	<u>28.08%</u>	<u>25.84%</u>	<u>17.81%</u>	<u>16.09%</u>	<u>18.35%</u>	<u>13.97%</u>	<u>14.84%</u>	<u>14.81%</u>

## City of West Haven, Connecticut

## Notes to Required Supplementary Information

**Police Pension Plan  
Schedule of Contributions  
Last Six Years (1)**

	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	January 1, 2016	January 1, 2016	January 1, 2014	January 1, 2014	January 1, 2013
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	3.50%
Salary Increases	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return	7.125%	7.375%	7.375%	7.375%	7.375%	7.375%
Mortality Rate	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuityants projected to 2020 per Scale AA.	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuityants projected to 2020 per Scale AA.	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuityants projected to 2020 per Scale AA.	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuityants projected to 2020 per Scale AA.	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuityants projected to 2020 per Scale AA.	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuityants projected to 2020 per Scale AA.

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

## City of West Haven, Connecticut

## Required Supplementary Information

Allington Fire Department Pension Plan  
Last Six Years (1)

	2019	2018	2017	2016	2015	2014
<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>						
Total pension liability						
Service cost	\$ 386,203	\$ 373,143	\$ 524,520	\$ 491,354	\$ 462,468	\$ 430,000
Interest	2,005,277	1,936,364	1,894,119	1,832,169	1,838,710	1,768,000
Differences between expected and actual experience	-	551,655	-	(1,272,361)	-	1,009,000
Effect of plan changes	-	-	-	1,419,497	-	-
Changes in assumptions	-	-	-	1,515,081	-	-
Benefit payments, including refunds of member contributions	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Net change in total pension liability	449,761	1,093,438	899,497	2,624,445	934,656	1,986,000
Total pension liability - July 1	30,276,605	29,183,167	28,283,670	25,659,225	24,724,569	22,738,569
Total pension liability - June 30 (a)	<u>\$ 30,726,366</u>	<u>\$ 30,276,605</u>	<u>\$ 29,183,167</u>	<u>\$ 28,283,670</u>	<u>\$ 25,659,225</u>	<u>\$ 24,724,569</u>
Plan fiduciary net position						
Contributions - employer	\$ 2,150,220	\$ 1,894,851	\$ 1,691,815	\$ 1,559,866	\$ 1,571,325	\$ 1,495,000
Contributions - member	102,602	121,477	145,266	164,437	161,935	153,000
Net investment income (loss)	610,128	515,517	454,693	71,139	(89,385)	252,000
Benefit payments, including refunds of member contributions	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Administration	(77,486)	(35)	(9,551)	(28,895)	(100)	(6,000)
Net change in plan fiduciary net position	843,745	764,086	763,081	405,252	277,253	673,000
Plan fiduciary net position - July 1	7,262,379	6,498,293	5,735,212	5,329,960	5,052,707	4,379,707
Plan fiduciary net position - June 30 (b)	<u>\$ 8,106,124</u>	<u>\$ 7,262,379</u>	<u>\$ 6,498,293</u>	<u>\$ 5,735,212</u>	<u>\$ 5,329,960</u>	<u>\$ 5,052,707</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 22,620,242</u>	<u>\$ 23,014,226</u>	<u>\$ 22,684,874</u>	<u>\$ 22,548,458</u>	<u>\$ 20,329,265</u>	<u>\$ 19,671,862</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>26.38%</u>	<u>23.99%</u>	<u>22.27%</u>	<u>20.28%</u>	<u>20.77%</u>	<u>20.44%</u>
Covered payroll	<u>\$ 1,275,933</u>	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>
Net pension liability as a percentage of covered payroll	<u>1772.84%</u>	<u>1362.11%</u>	<u>1342.61%</u>	<u>1343.66%</u>	<u>1211.42%</u>	<u>1195.28%</u>
<b>Schedule of Investment Returns</b>						
Annual money weighted rate of return, net of investment expense	<u>8.22%</u>	<u>7.77%</u>	<u>7.53%</u>	<u>1.29%</u>	<u>-1.70%</u>	<u>-5.47%</u>

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

## City of West Haven, Connecticut

## Required Supplementary Information

Allingtown Fire Department Pension Plan  
Schedule of Contributions  
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contributions	\$ 2,174,625	\$ 2,080,270	\$ 2,009,923	\$ 1,597,526	\$ 1,536,083	\$ 1,519,425	\$ 1,460,986	\$ 1,404,794	\$ 1,274,304	\$ 1,225,293
Contributions in relation to the actuarially determined contribution	2,150,220	1,894,851	1,691,815	1,559,866	1,571,325	1,495,339	1,516,586	1,492,075	1,430,341	1,343,174
Contribution excess (deficiency)	<u>\$ (24,405)</u>	<u>\$ (185,419)</u>	<u>\$ (318,108)</u>	<u>\$ (37,660)</u>	<u>\$ 35,242</u>	<u>\$ (24,086)</u>	<u>\$ 55,600</u>	<u>\$ 87,281</u>	<u>\$ 156,037</u>	<u>\$ 117,881</u>
Covered payroll	<u>\$ 1,275,933</u>	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>	<u>\$ 1,645,791</u>	<u>\$ 1,645,791</u>	<u>\$ 1,341,760</u>	<u>\$ 1,341,760</u>
Contributions as a percentage of covered payroll	<u>168.52%</u>	<u>112.15%</u>	<u>100.13%</u>	<u>92.95%</u>	<u>93.64%</u>	<u>90.86%</u>	<u>92.15%</u>	<u>90.66%</u>	<u>106.60%</u>	<u>100.11%</u>

## City of West Haven, Connecticut

## Notes to Required Supplementary Information

**Allingtown Fire Department Pension Plan  
Schedule of Contributions  
Last Six Years (1)**

	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed	Level percentage, Closed
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	2.75%	2.00%	2.00%
Salary Increases	3.50%	3.50%	3.50%	3.50%	2.00%	2.00%
Investment Rate of Return	6.75%	6.75%	6.75%	6.75%	7.50%	7.50%
Mortality Rate	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.

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



## City of West Haven, Connecticut

## Required Supplementary Information

Connecticut State Teachers' Retirement System  
Last Five Years (3)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>					
City's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net pension liability associated with the City	<u>137,668,256</u>	<u>142,269,191</u>	<u>150,095,086</u>	<u>113,727,170</u>	<u>105,117,977</u>
Total	<u>\$ 137,668,256</u>	<u>\$ 142,269,191</u>	<u>\$ 150,095,086</u>	<u>\$ 113,727,170</u>	<u>\$ 105,117,977</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

**Schedule of Contributions**

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

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

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

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

## City of West Haven, Connecticut

## Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System  
Schedule of Contributions  
Last Five Years (1)

	2019	2018	2017	2016	2015
Changes of Benefit Terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation	8.50%, net of pension plan investment expense, including inflation	8.50%, net of pension plan investment expense, including inflation
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

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

## City of West Haven, Connecticut

## Required Supplementary Information

City Other Post-Employment Benefit (OPEB) Plan  
Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in OPEB Liability</u></b>			
OPEB liability			
Service cost	\$ 5,120,818	\$ 5,336,119	\$ 5,146,556
Interest	7,156,576	5,961,628	5,137,998
Changes of benefit terms	-	(318,736)	-
Differences between expected and actual experience	-	21,704,481	-
Changes in assumptions	9,917,381	(7,576,180)	(17,603,501)
Benefit payments, including refunds of member contributions	<u>(6,797,571)</u>	<u>(6,199,457)</u>	<u>(7,056,148)</u>
Net Change in total OPEB liability	15,397,204	18,907,855	(14,375,095)
OPEB liability - July 1	<u>183,170,127</u>	<u>164,262,272</u>	<u>178,637,367</u>
OPEB liability - June 30 (a)*	<u><u>\$ 198,567,331</u></u>	<u><u>\$ 183,170,127</u></u>	<u><u>\$ 164,262,272</u></u>
Covered payroll	<u><u>\$ 59,634,262</u></u>	<u><u>\$ 59,634,262</u></u>	<u><u>\$ 61,793,967</u></u>
OPEB liability as a percentage of covered payroll	<u><u>332.98%</u></u>	<u><u>307.16%</u></u>	<u><u>265.82%</u></u>

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

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

## City of West Haven, Connecticut

## Required Supplementary Information

**Allingtown Fire Department Other Post-Employment Benefit (OPEB) Plan  
Last Three Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in OPEB Liability</u></b>			
OPEB liability			
Service cost	\$ 824,372	\$ 868,068	\$ 958,243
Interest	997,948	932,668	818,437
Differences between expected and actual experience	-	(26,980)	-
Changes in assumptions	1,736,228	(1,298,327)	(3,655,785)
Benefit payments, including refunds of member contributions	<u>(705,950)</u>	<u>(688,973)</u>	<u>(703,461)</u>
Net Change in Total OPEB liability	2,852,598	(213,544)	(2,582,566)
OPEB liability - July 1	<u>25,312,009</u>	<u>25,525,553</u>	<u>28,108,119</u>
OPEB liability - June 30 (a)*	<u><u>\$ 28,164,607</u></u>	<u><u>\$ 25,312,009</u></u>	<u><u>\$ 25,525,553</u></u>

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

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

(2) Covered payroll information was not available.

## City of West Haven, Connecticut

## Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>		
City's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the collective net OPEB liability	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the City	<u>27,520,758</u>	<u>36,618,483</u>
Total	<u>\$ 27,520,758</u>	<u>\$ 36,618,483</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.49%</u>	<u>1.79%</u>

**Schedule of Contributions**

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

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

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

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

## City of West Haven, Connecticut

## Notes to Required Supplementary Information

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

	2019	2018
Changes of Benefit Terms	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:		
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years
Asset Valuation Method	Fair value	Fair value
Inflation	2.75%	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

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

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## **Supplemental Schedules**

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## **General Fund**

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



## City of West Haven, Connecticut

City  
Report of Tax Collector  
For the Year Ended June 30, 2019

Grand List Year	Uncollected Taxes July 1, 2018	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2002	\$ 59,167	\$ -	\$ -	\$ 59,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003	54,295	-	-	-	-	54,295	-	-	-	54,295
2004	58,361	-	-	-	-	58,361	287	526	813	58,074
2005	57,992	-	-	-	-	57,992	806	2,519	3,325	57,186
2006	58,028	-	385	-	-	58,413	806	1,693	2,499	57,607
2007	58,823	-	227	-	-	59,050	1,007	1,548	2,555	58,043
2008	105,207	-	190	-	-	105,397	1,994	1,403	3,397	103,403
2009	123,076	-	-	-	-	123,076	4,005	10,076	14,081	119,071
2010	90,134	-	-	-	-	90,134	2,503	2,746	5,249	87,631
2011	92,151	-	136	-	-	92,287	3,986	3,247	7,233	88,301
2012	109,128	-	-	168	-	108,960	3,444	2,756	6,200	105,516
2013	184,617	-	-	640	-	183,977	13,677	11,056	24,733	170,300
2014	200,757	-	13,781	5,539	-	208,999	24,702	17,906	42,608	184,297
2015	1,022,008	-	132,127	52,284	766,572	335,279	201,853	121,965	323,818	133,426
2016	<u>1,490,978</u>	<u>-</u>	<u>127,048</u>	<u>146,495</u>	<u>-</u>	<u>1,471,531</u>	<u>477,598</u>	<u>200,122</u>	<u>677,720</u>	<u>993,933</u>
Total Prior Years	3,764,722	-	273,894	264,293	766,572	3,007,751	736,668	377,563	1,114,231	2,271,083
2017	<u>-</u>	<u>97,409,577</u>	<u>191,944</u>	<u>439,750</u>	<u>-</u>	<u>97,161,771</u>	<u>95,560,257</u>	<u>634,593</u>	<u>96,194,850</u>	<u>1,601,514</u>
Total	<u>\$ 3,764,722</u>	<u>\$ 97,409,577</u>	<u>\$ 465,838</u>	<u>\$ 704,043</u>	<u>\$ 766,572</u>	<u>\$ 100,169,522</u>	<u>\$ 96,296,925</u>	<u>\$ 1,012,156</u>	<u>\$ 97,309,081</u>	3,872,597
Interest and liens receivable										2,222,590
Allowance for doubtful accounts										<u>(2,250,000)</u>
Taxes, interest and liens receivable (net)										<u>\$ 3,845,187</u>

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## **Allingtown Fire Department**

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The Allingtown fire department fund is used to account for all activities of the Allingtown Fire Department. The department is funded principally by property taxes, charges for services and fees and grants from other governmental units.

## City of West Haven, Connecticut

**Allingtown Fire Department  
Report of Tax Collector  
For the Year Ended June 30, 2019**

Grand List Year	Uncollected Taxes July 1, 2018	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2002	\$ 4,954	\$ -	\$ -	\$ 4,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003	4,805	-	-	-	-	4,805	-	-	-	4,805
2004	4,837	-	-	-	-	4,837	69	42	111	4,768
2005	5,152	-	-	-	-	5,152	173	535	708	4,979
2006	5,411	-	-	-	-	5,411	174	358	532	5,237
2007	5,511	-	-	-	-	5,511	173	327	500	5,338
2008	18,775	-	-	-	-	18,775	209	358	567	18,566
2009	19,287	-	-	-	-	19,287	218	333	551	19,069
2010	9,764	-	-	-	-	9,764	224	496	720	9,540
2011	11,051	-	-	-	-	11,051	499	587	1,086	10,552
2012	14,885	-	-	45	-	14,840	500	485	985	14,340
2013	24,074	-	-	177	-	23,897	1,626	1,469	3,095	22,271
2014	26,648	-	643	955	-	26,336	1,846	1,654	3,500	24,490
2015	36,235	-	27,529	197	22,963	40,604	19,529	8,144	27,673	21,075
2016	<u>57,467</u>	<u>-</u>	<u>25,378</u>	<u>376</u>	<u>-</u>	<u>82,469</u>	<u>29,019</u>	<u>5,579</u>	<u>34,598</u>	<u>53,450</u>
Total Prior Years	248,856	-	53,550	6,704	22,963	272,739	54,259	20,367	74,626	218,480
2017	<u>-</u>	<u>6,534,624</u>	<u>563,978</u>	<u>22,094</u>	<u>-</u>	<u>7,076,508</u>	<u>6,946,268</u>	<u>36,730</u>	<u>6,982,998</u>	<u>130,240</u>
Total	<u>\$ 248,856</u>	<u>\$ 6,534,624</u>	<u>\$ 617,528</u>	<u>\$ 28,798</u>	<u>\$ 22,963</u>	<u>\$ 7,349,247</u>	<u>\$ 7,000,527</u>	<u>\$ 57,097</u>	<u>\$ 7,057,624</u>	348,720
Interest and liens receivable										233,992
Allowance for doubtful accounts										<u>(234,500)</u>
Taxes, interest and liens receivable (net)										<u>\$ 348,212</u>

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## Other Governmental Funds

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### **Special Revenue Funds**

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

### **Capital Project Funds**

Capital project funds are used to account for the acquisition and construction of major capital assets.

City of West Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2019

	Special Revenue Funds						
	Community Development Block Grant	Document Preservation	Education Grants	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
<u>Assets</u>							
Cash	\$ 783,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net							
Intergovernmental	-	-	109,687	742,247	-	-	-
Loans	1,722,473	-	-	-	-	-	-
Other	-	274	-	-	218,830	-	-
Due from other funds	-	61,118	83,160	-	151,654	84,383	111,104
Total assets	<u>\$ 2,506,173</u>	<u>\$ 61,392</u>	<u>\$ 192,847</u>	<u>\$ 742,247</u>	<u>\$ 370,484</u>	<u>\$ 84,383</u>	<u>\$ 111,104</u>
<u>Liabilities</u>							
Accounts payable	\$ 220,756	\$ 85	\$ 192,847	\$ 41,031	\$ 11,875	\$ 8,140	\$ 4,281
Due to other funds	83,150	-	-	627,399	-	-	-
Unearned revenue	-	-	-	28,149	39,610	-	-
Total liabilities	<u>303,906</u>	<u>85</u>	<u>192,847</u>	<u>696,579</u>	<u>51,485</u>	<u>8,140</u>	<u>4,281</u>
<u>Fund Balances</u>							
Restricted	2,202,267	61,307	-	-	-	-	-
Committed	-	-	-	45,668	318,999	76,243	106,823
Total fund balances	<u>2,202,267</u>	<u>61,307</u>	<u>-</u>	<u>45,668</u>	<u>318,999</u>	<u>76,243</u>	<u>106,823</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,506,173</u>	<u>\$ 61,392</u>	<u>\$ 192,847</u>	<u>\$ 742,247</u>	<u>\$ 370,484</u>	<u>\$ 84,383</u>	<u>\$ 111,104</u>

(Continued)

City of West Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2019

	Special Revenue Funds				Capital Project Funds			
	School Lunch Program	Sports Facilities	Career and Adult Education	Total Special Revenue Funds	Brownfields	Capital and Nonrecurring	Total Capital Project Funds	Total Other Governmental Funds
<u>Assets</u>								
Cash	\$ 1,260	\$ -	\$ -	\$ 784,960	\$ -	\$ -	\$ -	\$ 784,960
Receivables, net								
Intergovernmental	1,101,141	-	104	1,953,179	-	-	-	1,953,179
Loans	-	-	-	1,722,473	-	-	-	1,722,473
Other	15,994	36,266	3,387	274,751	-	-	-	274,751
Due from other funds	-	-	53,855	545,274	17,625	483,884	501,509	1,046,783
Total assets	<u>\$ 1,118,395</u>	<u>\$ 36,266</u>	<u>\$ 57,346</u>	<u>\$ 5,280,637</u>	<u>\$ 17,625</u>	<u>\$ 483,884</u>	<u>\$ 501,509</u>	<u>\$ 5,782,146</u>
<u>Liabilities</u>								
Accounts payable	\$ 364,446	\$ 593	\$ 13,177	\$ 857,231	\$ -	\$ 57,732	\$ 57,732	\$ 914,963
Due to other funds	753,949	35,673	29,629	1,529,800	-	-	-	1,529,800
Unearned revenue	-	-	-	67,759	-	-	-	67,759
Total liabilities	<u>1,118,395</u>	<u>36,266</u>	<u>42,806</u>	<u>2,454,790</u>	<u>-</u>	<u>57,732</u>	<u>57,732</u>	<u>2,512,522</u>
<u>Fund Balances</u>								
Restricted	-	-	-	2,263,574	-	-	-	2,263,574
Committed	-	-	14,540	562,273	17,625	426,152	443,777	1,006,050
Total fund balances	<u>-</u>	<u>-</u>	<u>14,540</u>	<u>2,825,847</u>	<u>17,625</u>	<u>426,152</u>	<u>443,777</u>	<u>3,269,624</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,118,395</u>	<u>\$ 36,266</u>	<u>\$ 57,346</u>	<u>\$ 5,280,637</u>	<u>\$ 17,625</u>	<u>\$ 483,884</u>	<u>\$ 501,509</u>	<u>\$ 5,782,146</u>

(Concluded)

City of West Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2019

Special Revenue Funds

	Community Development Block Grant	Document Preservation	Education Grants	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	582,481	-	11,188,587	858,348	84,590	812,897	7,394
Charges for services	50,426	17,370	6,200	-	1,482,057	91,219	12,706
Contributions	-	-	-	-	-	-	5,441
Income from investments	341	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	633,248	17,370	11,194,787	858,348	1,566,647	904,116	25,541
Expenditures							
Current							
General government	-	490	-	-	-	-	-
Public safety	-	-	-	139,107	1,214,805	-	-
Public works	-	-	-	594,803	-	-	-
Human resources and health and welfare	452,829	-	-	8,248	-	920,067	-
Parks and recreation	-	-	-	26,511	-	-	48,350
Education	-	-	11,194,787	-	-	-	-
Capital outlay	273,301	-	-	-	-	-	-
Total expenditures	726,130	490	11,194,787	768,669	1,214,805	920,067	48,350
Excess (deficiency) of revenues over expenditures	(92,882)	16,880	-	89,679	351,842	(15,951)	(22,809)
Other financing sources (uses)							
Transfers in	-	-	29,629	-	40,000	-	-
Transfers out	-	-	-	-	(308,081)	-	-
Net other financing sources (uses)	-	-	29,629	-	(268,081)	-	-
Net change in fund balances	(92,882)	16,880	29,629	89,679	83,761	(15,951)	(22,809)
Fund balances - July 1, 2018 (as restated)	2,295,149	44,427	(29,629)	(44,011)	235,238	92,194	129,632
Fund balances - June 30, 2019	\$ 2,202,267	\$ 61,307	\$ -	\$ 45,668	\$ 318,999	\$ 76,243	\$ 106,823

(Continued)

City of West Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue Funds				Capital Project Funds			Total Other Governmental Funds
	School Lunch Program	Sports Facilities	Career and Adult Education	Total Special Revenue Funds	Brownfields	Capital and Nonrecurring	Total Capital Project Funds	
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,500	\$ 404,500	\$ 404,500
Intergovernmental	3,197,568	-	68,829	16,800,694	-	-	-	16,800,694
Charges for services	194,921	335,277	72,257	2,262,433	-	-	-	2,262,433
Contributions	-	-	-	5,441	-	-	-	5,441
Income from investments	-	-	-	341	-	-	-	341
Other	-	-	2,893	2,893	-	-	-	2,893
Total revenues	3,392,489	335,277	143,979	19,071,802	-	404,500	404,500	19,476,302
Expenditures								
Current								
General government	-	-	-	490	-	-	-	490
Public safety	-	-	-	1,353,912	-	-	-	1,353,912
Public works	-	-	-	594,803	-	-	-	594,803
Human resources and health and welfare	-	-	-	1,381,144	-	-	-	1,381,144
Parks and recreation	-	335,277	-	410,138	-	-	-	410,138
Education	3,392,489	-	136,202	14,723,478	-	-	-	14,723,478
Capital outlay	-	-	-	273,301	-	193,844	193,844	467,145
Total expenditures	3,392,489	335,277	136,202	18,737,266	-	193,844	193,844	18,931,110
Excess (deficiency) of revenues over expenditures	-	-	7,777	334,536	-	210,656	210,656	545,192
Other financing sources (uses)								
Transfers in	-	-	-	69,629	-	-	-	69,629
Transfers out	-	-	(214,222)	(522,303)	-	-	-	(522,303)
Net other financing sources (uses)	-	-	(214,222)	(452,674)	-	-	-	(452,674)
Net change in fund balances	-	-	(206,445)	(118,138)	-	210,656	210,656	92,518
Fund balances - July 1, 2018 (as restated)	-	-	220,985	2,943,985	17,625	215,496	233,121	3,177,106
Fund balances - June 30, 2019	\$ -	\$ -	\$ 14,540	\$ 2,825,847	\$ 17,625	\$ 426,152	\$ 443,777	\$ 3,269,624

(Concluded)



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## Internal Service Funds

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

### **Medical Fund**

To account for self-insured medical benefits for employees.

### **General Liability Fund**

To account for self-insured liability, auto, and property claims.

### **Workers' Compensation Fund**

To account for the resources used to pay workers' compensation claims.

**City of West Haven, Connecticut**  
**Internal Service Funds**  
**Combining Statement of Fund Net Position**  
**June 30, 2019**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<u>Assets</u>				
Current assets				
Accounts receivable	\$ 1,724,189	\$ -	\$ -	\$ 1,724,189
Due from other funds	<u>-</u>	<u>-</u>	<u>22,002</u>	<u>22,002</u>
Total assets	<u>1,724,189</u>	<u>-</u>	<u>22,002</u>	<u>1,746,191</u>
<u>Liabilities</u>				
Current liabilities				
Cash overdraft	19,101	-	-	19,101
Accounts payable	170,920	-	22,003	192,923
Claims payable	1,952,860	299,363	1,843,201	4,095,424
Due to other funds	<u>1,434,168</u>	<u>-</u>	<u>-</u>	<u>1,434,168</u>
Total current liabilities	3,577,049	299,363	1,865,204	5,741,616
Noncurrent liability				
Claims payable	<u>-</u>	<u>199,575</u>	<u>5,502,304</u>	<u>5,701,879</u>
Total liabilities	<u>3,577,049</u>	<u>498,938</u>	<u>7,367,508</u>	<u>11,443,495</u>
<u>Net Position</u>				
Unrestricted	<u>\$ (1,852,860)</u>	<u>\$ (498,938)</u>	<u>\$ (7,345,506)</u>	<u>\$ (9,697,304)</u>

## City of West Haven, Connecticut

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2019**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues				
Charges for services	<u>\$ 27,679,237</u>	<u>\$ 1,739,352</u>	<u>\$ 2,386,374</u>	<u>\$ 31,804,963</u>
Operating expenses				
Claims	25,858,229	698,521	1,912,126	28,468,876
Administration	1,699,093	-	207,188	1,906,281
Insurance	<u>-</u>	<u>914,170</u>	<u>315,447</u>	<u>1,229,617</u>
Total operating expenses	<u>27,557,322</u>	<u>1,612,691</u>	<u>2,434,761</u>	<u>31,604,774</u>
Change in net position	121,915	126,661	(48,387)	200,189
Total net position - July 1, 2018	<u>(1,974,775)</u>	<u>(625,599)</u>	<u>(7,297,119)</u>	<u>(9,897,493)</u>
Total net position - June 30, 2019	<u><u>\$ (1,852,860)</u></u>	<u><u>\$ (498,938)</u></u>	<u><u>\$ (7,345,506)</u></u>	<u><u>\$ (9,697,304)</u></u>

## City of West Haven, Connecticut

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	Medical	General Liability	Workers' Compensation	Total
Cash flows from operating activities:				
Cash received for charges	\$ 27,693,428	\$ 1,739,752	\$ 2,377,422	\$ 31,810,602
Cash paid for claims and other	(25,980,144)	(803,102)	(1,863,740)	(28,646,986)
Cash paid for administration	(1,589,707)	-	(198,235)	(1,787,942)
Cash paid for insurance	-	(936,650)	(315,447)	(1,252,097)
	<u>123,577</u>	<u>-</u>	<u>-</u>	<u>123,577</u>
Net increase (decrease) in cash				
	123,577	-	-	123,577
Cash overdraft - July 1, 2018	<u>(142,678)</u>	<u>-</u>	<u>-</u>	<u>(142,678)</u>
Cash overdraft - June 30, 2019	<u>\$ (19,101)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,101)</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:				
Operating income (loss)	\$ 121,915	\$ 126,661	\$ (48,387)	\$ 200,189
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	14,191	400	-	14,591
Due from other funds	-	-	(8,952)	(8,952)
Increase (decrease) in:				
Accounts payable	(381,415)	-	8,953	(372,462)
Claims payable	(121,915)	(104,581)	48,386	(178,110)
Due to other funds	490,801	(22,480)	-	468,321
	<u>123,577</u>	<u>-</u>	<u>-</u>	<u>123,577</u>
Net cash from (used in) operating activities	<u>\$ 123,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,577</u>

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## **Trend Information**

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Table 1

## City of West Haven, Connecticut

**Net Position by Component  
Last Ten Years  
(Unaudited)**

June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
		(as restated)								
Net investment in capital assets	\$ 157,436,719	\$ 119,362,746	\$ 113,820,843	\$ 110,165,292	\$ 103,786,476	\$ 93,015,386	\$ 83,270,506	\$ 69,375,594	\$ 61,266,156	\$ 57,222,245
Restricted	6,551,358	4,557,472	1,008,845	1,450,430	199,656	143,257	240,190	164,562	233,921	602,822
Unrestricted	<u>(322,929,859)</u>	<u>(304,748,526)</u>	<u>(312,365,310)</u>	<u>(323,319,157)</u>	<u>(153,446,871)</u>	<u>(82,442,903)</u>	<u>(64,127,305)</u>	<u>(53,593,398)</u>	<u>(42,546,305)</u>	<u>(22,031,405)</u>
Total net position	<u>\$ (158,941,782)</u>	<u>\$ (180,828,308)</u>	<u>\$ (197,535,622)</u>	<u>\$ (211,703,435)</u>	<u>\$ (49,460,739)</u>	<u>\$ 10,715,740</u>	<u>\$ 19,383,391</u>	<u>\$ 15,946,758</u>	<u>\$ 18,953,772</u>	<u>\$ 35,793,662</u>

Table 2

## City of West Haven, Connecticut

Changes in Net Position  
Last Ten Years  
(Unaudited)

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
General government	\$ 10,694,871	\$ 11,565,167	\$ 9,351,824	\$ 7,774,273	\$ 7,477,278	\$ 7,987,973	\$ 9,896,396	\$ 9,581,831	\$ 10,517,508	\$ 10,156,411
Public safety	35,490,850	32,404,160	30,531,663	32,061,576	34,474,682	34,391,960	37,158,465	32,589,270	33,535,109	13,660,389
Public works	25,885,886	25,371,336	21,665,363	23,875,064	25,086,632	21,635,683	18,615,619	22,120,936	20,127,111	18,660,033
Human resources and health and welfare	3,754,865	3,824,643	3,694,157	2,549,216	2,768,874	2,540,066	2,478,153	2,699,044	3,045,950	3,591,450
Parks and recreation	1,771,034	1,841,119	2,310,370	2,186,667	1,968,356	1,959,279	2,090,380	2,006,774	2,090,228	2,088,704
Library	1,546,000	1,596,000	1,596,000	1,778,657	1,798,324	1,867,189	1,603,717	1,603,717	1,603,717	1,978,359
Education	134,703,644	125,631,324	120,668,671	122,678,656	120,520,940	123,106,721	106,168,675	104,924,164	105,779,731	114,733,755
Interest	3,910,292	4,230,136	3,295,938	4,719,812	3,525,526	7,392,322	6,358,021	6,941,602	6,835,336	7,328,303
Total expenses	217,757,442	206,463,885	193,113,986	197,623,921	197,620,612	200,881,193	184,369,426	182,467,338	183,534,690	172,197,404
Program revenues										
Charges for services										
General government	2,779,906	2,749,383	2,018,005	830,937	742,464	655,798	551,292	585,478	506,594	1,075,493
Public safety	2,796,049	2,557,729	2,723,298	2,500,890	2,089,617	2,130,821	2,022,764	1,545,500	1,452,708	1,331,757
Public works	12,071,740	11,933,542	9,489,397	13,468,371	13,164,265	13,470,649	10,431,335	9,290,665	8,078,109	6,989,208
Human resources and health and welfare	237,135	171,249	191,118	335,370	334,002	289,573	223,963	220,959	1,005,016	184,970
Parks and recreation	699,612	793,148	914,321	904,347	958,168	950,469	1,060,204	911,020	905,706	901,411
Education	273,378	669,194	796,945	766,938	917,518	1,020,331	1,097,692	1,141,089	978,600	451,161
Operating grants and contributions	76,788,567	79,059,267	78,204,022	69,612,238	70,338,355	68,763,572	64,923,248	63,074,004	61,057,889	65,595,454
Capital grants and contributions	27,405,117	10,273,017	4,397,033	6,670,007	6,224,629	3,365,792	5,134,306	5,518,859	10,290,716	4,406,669
Total program revenues	123,051,504	108,206,529	98,734,139	95,089,098	94,769,018	90,647,005	85,444,804	82,287,574	84,275,338	80,936,123
Net expenses	(94,705,938)	(98,257,356)	(94,379,847)	(102,534,823)	(102,851,594)	(110,234,188)	(98,924,622)	(100,179,764)	(99,259,352)	(91,261,281)
General revenues and other changes in net position										
Property taxes	105,253,727	100,126,868	100,126,868	95,079,278	92,973,074	93,549,828	94,905,686	89,791,210	84,350,418	80,619,411
Grants and contributions not restricted to specific programs	12,027,245	8,192,236	8,192,236	7,553,442	7,593,745	7,369,539	8,820,355	6,513,841	5,680,141	5,428,729
Income from investments	381,979	11,508	11,508	6,718	7,766	8,491	12,968	19,877	29,048	58,032
Gain on sale of capital assets	298,807	298,807	-	-	-	-	451,999	-	-	-
Transfers	-	-	-	-	1,448,500	59,274	-	-	-	-
Other	-	217,048	217,048	1,043,784	278,459	579,405	247,020	847,822	579,440	-
Total general revenues	117,961,758	108,846,467	108,547,660	103,683,222	102,301,544	101,566,537	104,438,028	97,172,750	90,639,047	86,106,172
Change in net position	\$ 23,255,820	\$ 10,589,111	\$ 14,167,813	\$ 1,148,399	\$ (550,050)	\$ (8,667,651)	\$ 5,513,406	\$ (3,007,014)	\$ (8,620,305)	\$ (5,155,109)

Table 3

## City of West Haven, Connecticut

Fund Balances, Governmental Funds  
Last Ten Years  
(Unaudited)

June 30

	2019	2018 (as restated)	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 152,351	\$ 6,116,001	\$ 1,760,849	\$ 5,537,319	\$ 3,935,324	\$ 993,567	\$ 3,028,175
Unassigned	1,358,918	11,360	(18,138,674)	(16,888,415)	(16,313,098)	(10,254,844)	(13,313,968)	(14,471,990)	(11,544,797)	(13,768,153)
Total general fund	1,358,918	11,360	(16,915,100)	(16,736,064)	(10,197,097)	(8,493,995)	(7,776,649)	(10,536,666)	(10,551,230)	(10,739,978)
All other governmental funds										
Nonspendable	149,832	1,787,973	-	149,832	2,079,171	-	-	-	-	-
Restricted	6,551,358	2,769,499	1,008,845	1,450,430	199,656	200,587	240,190	164,562	233,921	602,822
Committed	1,006,050	450,734	1,387,873	-	-	402,098	474,174	222,133	4,146	4,146
Unassigned	(25,799,025)	(3,232,103)	(866,460)	(2,661,727)	(9,734,429)	(8,781,547)	(9,274,093)	(31,937,625)	(23,863,693)	(7,910,482)
Total all other governmental funds	(18,091,785)	1,776,103	1,530,258	(1,061,465)	(7,455,602)	(8,178,862)	(8,559,729)	(31,550,930)	(23,625,626)	(7,303,514)
Grand total	<u>\$ (16,732,867)</u>	<u>\$ 1,787,463</u>	<u>\$ (15,384,842)</u>	<u>\$ (17,797,529)</u>	<u>\$ (17,652,699)</u>	<u>\$ (16,672,857)</u>	<u>\$ (16,336,378)</u>	<u>\$ (42,087,596)</u>	<u>\$ (34,176,856)</u>	<u>\$ (18,043,492)</u>



Table 4

## City of West Haven, Connecticut

**Changes in Fund Balances, General Fund (Budgetary Basis)**  
**Last Nine Years**  
**(Unaudited)**

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>									
Property taxes	\$ 97,509,642	\$ 95,880,234	\$ 94,300,417	\$ 90,455,343	\$ 89,195,459	\$ 89,089,508	\$ 88,240,214	\$ 87,710,733	\$ 84,562,342
Intergovernmental	57,948,396	60,551,502	54,442,288	55,457,785	56,342,261	55,506,537	54,158,926	51,035,135	51,405,371
Charges for services	4,458,444	4,459,358	3,586,549	3,589,044	3,925,914	3,365,573	2,949,557	2,633,452	2,205,277
Contributions	437,317	427,290	422,652	413,060	411,127	405,606	405,262	393,232	377,424
Income from investments	381,638	193,375	7,199	3,946	5,244	4,839	11,023	17,772	26,928
Other	220,033	138,275	198,803	630,723	1,139,974	579,405	247,020	843,051	3,579,440
<b>Total revenues</b>	<b>160,955,470</b>	<b>161,650,034</b>	<b>152,957,908</b>	<b>150,549,901</b>	<b>151,019,979</b>	<b>148,951,468</b>	<b>146,012,002</b>	<b>142,633,375</b>	<b>142,156,782</b>
<b>Expenditures</b>									
Current									
General government	5,686,760	6,025,857	5,582,281	5,613,257	5,523,725	5,867,510	6,077,654	5,632,234	5,401,983
Public safety	15,206,742	15,513,579	15,037,051	14,648,759	14,698,060	14,192,501	14,156,458	13,839,888	13,151,420
Public works	10,090,546	10,399,951	10,741,857	10,530,433	10,186,627	10,604,939	10,771,539	9,585,222	10,166,745
Benefits and insurance	16,167,113	17,120,879	16,281,933	16,420,785	15,921,252	13,591,703	12,431,531	13,359,388	12,980,809
Human resources and health and welfare	1,065,621	1,160,864	1,162,719	1,113,962	1,130,451	1,100,338	1,042,884	1,066,460	997,272
Parks and recreation	869,606	885,004	869,743	844,947	869,583	870,443	836,110	843,238	882,112
Library	1,546,000	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000	1,603,717	1,603,717	1,603,717
Education	90,526,821	89,602,256	87,778,458	87,666,923	86,351,705	85,004,012	80,998,243	81,392,602	80,605,782
Debt service	18,926,611	17,401,021	16,731,010	15,817,910	16,927,158	17,573,204	16,961,372	17,773,135	18,530,838
<b>Total expenditures</b>	<b>160,085,820</b>	<b>159,705,411</b>	<b>155,781,052</b>	<b>154,252,976</b>	<b>153,238,562</b>	<b>150,434,650</b>	<b>144,879,508</b>	<b>145,095,884</b>	<b>144,320,678</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>869,650</b>	<b>1,944,623</b>	<b>(2,823,144)</b>	<b>(3,703,075)</b>	<b>(2,218,583)</b>	<b>(1,483,182)</b>	<b>1,132,494</b>	<b>(2,462,509.0)</b>	<b>(2,163,896)</b>
<b>Other financing sources (uses)</b>									
Issuance of debt	-	16,135,000	-	-	-	-	-	-	-
Premium	-	1,040,796	-	-	-	-	-	35,000	-
Sale of capital assets	298,807	199,200	308,450	-	-	-	451,924	4,515	-
Transfers in	1,709,734	1,303,546	1,796,865	1,655,231	1,460,977	2,150,518	2,178,416	2,450,915	2,670,911
Transfers out	(111,246)	(303,342)	(684,781)	(438,291)	(976,000)	(1,204,747)	(980,366)	(200,000)	(318,267)
<b>Net other financing sources (uses)</b>	<b>1,897,295</b>	<b>18,375,200</b>	<b>1,420,534</b>	<b>1,216,940</b>	<b>484,977</b>	<b>945,771</b>	<b>2,630,340</b>	<b>2,290,430</b>	<b>2,352,644</b>
<b>Net change in fund balances</b>	<b>\$ 2,766,945</b>	<b>\$ 20,319,823</b>	<b>\$ (1,402,610)</b>	<b>\$ (2,486,135)</b>	<b>\$ (1,733,606)</b>	<b>\$ (537,411)</b>	<b>\$ 3,762,834</b>	<b>\$ (172,079)</b>	<b>\$ 188,748</b>
<b>Debt service as a percentage of expenditures</b>	<b>11.82%</b>	<b>10.90%</b>	<b>10.74%</b>	<b>10.25%</b>	<b>11.05%</b>	<b>11.68%</b>	<b>11.71%</b>	<b>12.25%</b>	<b>12.84%</b>

Table 5

## City of West Haven, Connecticut

**Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(Unaudited)**

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Property taxes	\$ 105,055,923	\$ 102,157,929	\$ 99,833,820	\$ 95,978,106	\$ 94,212,286	\$ 94,202,314	\$ 93,881,204	\$ 88,736,315	\$ 85,420,340	\$ 84,739,371
Intergovernmental	115,437,309	103,359,452	90,254,995	93,208,317	84,253,028	79,386,506	78,651,759	75,183,807	75,024,583	75,795,597
Charges for services	18,726,972	19,258,590	18,734,961	18,007,328	18,188,324	17,558,937	15,337,866	13,320,135	11,895,703	10,165,167
Contributions	542,758	567,392	113,144	6,718	7,766	8,491	226,150	2,000	15,123	-
Income from investments	381,979	198,896	11,508	178,812	116,280	76,150	12,968	19,877	29,048	58,032
Other	240,862	217,148	642,200	628,784	237,909	579,405	247,020	843,307	3,579,440	1,935,834
<b>Total revenues</b>	<b>240,385,803</b>	<b>225,759,407</b>	<b>209,590,628</b>	<b>208,008,065</b>	<b>197,015,593</b>	<b>191,811,803</b>	<b>188,356,967</b>	<b>178,105,441</b>	<b>175,964,237</b>	<b>172,694,001</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	5,744,906	6,437,489	6,085,057	5,647,074	5,510,058	5,737,466	6,078,850	5,671,255	5,405,726	5,355,904
Public safety	22,735,353	22,668,951	22,508,563	22,317,496	22,153,601	20,666,182	20,922,581	14,666,101	13,819,243	13,610,437
Public works	17,546,777	17,374,271	17,698,206	20,136,638	19,549,895	17,357,922	17,894,033	16,586,561	15,316,633	15,596,919
Benefits and insurance	16,167,113	17,120,879	16,281,933	16,451,288	15,890,748	13,602,831	12,431,531	13,359,388	12,980,809	13,667,488
Human resources and health and welfare	2,446,765	2,872,254	2,636,816	2,076,300	2,253,077	1,946,985	2,105,842	2,435,373	2,486,262	3,149,758
Parks and recreation	1,279,744	1,355,793	1,814,119	1,832,991	1,629,541	1,563,951	1,593,077	1,698,512	1,702,381	1,634,962
Library	1,546,000	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000	1,603,717	1,603,717	1,603,717	1,810,410
Education	118,924,783	121,338,432	117,578,132	118,107,395	107,662,010	105,512,213	101,724,814	99,862,121	98,972,044	100,486,319
Capital outlay	50,332,471	15,215,614	11,500,844	2,389,770	9,989,505	9,474,379	8,936,009	15,014,444	21,279,948	11,041,054
Debt service	21,111,734	19,279,951	18,666,440	17,688,591	25,073,237	20,825,627	18,017,398	18,682,064	18,530,838	17,946,681
<b>Total expenditures</b>	<b>257,835,646</b>	<b>225,259,634</b>	<b>216,366,110</b>	<b>208,243,543</b>	<b>211,341,673</b>	<b>198,317,556</b>	<b>191,307,852</b>	<b>189,579,536</b>	<b>192,097,601</b>	<b>184,299,932</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(17,449,843)</b>	<b>499,773</b>	<b>(6,775,482)</b>	<b>(235,478)</b>	<b>(14,326,080)</b>	<b>(6,505,753)</b>	<b>(2,950,885)</b>	<b>(11,474,095)</b>	<b>(16,133,364)</b>	<b>(11,605,931)</b>
<b>Other financing sources (uses)</b>										
Issuance of refunding debt	-	-	-	-	38,715,000	-	-	47,410,000	-	7,420,000
Payment to refunded bond escrow agent	-	-	-	-	(38,377,921)	(6,392,319)	-	(51,024,942)	-	(7,366,610)
Issuance of debt	-	16,135,000	9,635,000	-	10,945,544	-	28,250,103	3,685,000	-	11,716,000
Capital leases	-	219,311	-	-	615,118	-	-	286,925	-	242,000
Premium	-	1,690,997	-	-	-	-	-	4,523,571	-	-
Sale of capital assets	298,807	199,200	308,450	415,000	1,448,500	-	452,000	4,515	-	-
Transfers in	1,889,809	1,606,888	2,481,646	6,055,392	2,658,337	3,235,880	3,158,782	2,650,915	2,989,178	2,861,923
Transfers out	(1,889,809)	(1,606,888)	(2,481,646)	(6,379,744)	(2,658,337)	(3,176,606)	(3,158,782)	(2,650,915)	(2,989,178)	(2,861,923)
<b>Net other financing sources (uses)</b>	<b>298,807</b>	<b>18,244,508</b>	<b>9,943,450</b>	<b>90,648</b>	<b>13,346,241</b>	<b>(6,333,045)</b>	<b>28,702,103</b>	<b>4,885,069</b>	<b>-</b>	<b>12,011,390</b>
<b>Net change in fund balances</b>	<b>\$ (17,151,036)</b>	<b>\$ 18,744,281</b>	<b>\$ 3,167,968</b>	<b>\$ (144,830)</b>	<b>\$ (9,167,903)</b>	<b>\$ (12,838,798)</b>	<b>\$ 25,751,218</b>	<b>\$ (6,589,026)</b>	<b>\$ (16,133,364)</b>	<b>\$ 405,459</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.04%</b>	<b>9.11%</b>	<b>9.11%</b>	<b>8.59%</b>	<b>12.45%</b>	<b>11.03%</b>	<b>9.88%</b>	<b>10.70%</b>	<b>10.85%</b>	<b>10.36%</b>

**City of West Haven, Connecticut**  
**City**  
**Property Tax Rates, Levies and Collections**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			Current Delinquent Balance
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	
2010	27.96	2008	\$ 84,226,337	\$ 82,862,226	98.38%	\$ 1,260,708	\$ 84,122,934	99.88%	\$ 103,403
2011	27.96	2009	84,116,342	82,892,466	98.55%	1,104,805	83,997,271	99.86%	119,071
2012	31.25	2010	87,970,800	86,085,641	97.86%	1,797,528	87,883,169	99.90%	87,631
2013	31.25	2011	88,111,713	86,410,454	98.07%	1,612,958	88,023,412	99.90%	88,301
2014	31.25	2012	88,395,137	86,723,519	98.11%	1,566,102	88,289,621	99.88%	105,516
2015	31.25	2013	88,651,979	87,340,812	98.52%	1,140,867	88,481,679	99.81%	170,300
2016	31.25	2014	89,720,548	88,555,278	98.70%	980,973	89,536,251	99.79%	184,297
2017	35.26	2015	94,194,456	92,520,326	98.22%	1,540,704	94,061,030	99.86%	133,426
2018	35.26	2016	94,716,054	93,225,076	98.43%	497,045	93,722,121	98.95%	993,933
2019	36.26	2017	97,161,771	95,560,257	98.35%	-	95,560,257	98.35%	1,601,514

Source: Tax Collector

(1) Tax levy is per \$1,000 of the assessed value of taxable property.

**City of West Haven, Connecticut**  
**Allingtown Fire Department**  
**Property Tax Rates, Levies and Collections**  
**Last Seven Years (2)**  
**(Unaudited)**

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			Current Delinquent Balance
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	
2013	8.38	2011	\$ 4,727,093	\$ 4,596,111	97.23%	\$ 120,430	\$ 4,716,541	99.78%	\$ 10,552
2014	8.38	2012	4,526,447	4,393,485	97.06%	118,622	4,512,107	99.68%	14,340
2015	8.63	2013	4,887,391	4,762,781	97.45%	102,339	4,865,120	99.54%	22,271
2016	9.44	2014	5,420,240	5,292,934	97.65%	102,816	5,395,750	99.55%	24,490
2017	11.07	2015	5,175,224	5,120,275	98.94%	33,874	5,154,149	99.59%	21,075
2018	12.52	2016	5,923,717	5,866,250	99.03%	4,017	5,870,267	99.03%	53,450
2019	13.06	2017	7,076,508	6,946,268	98.16%	-	6,946,268	98.16%	130,240

Source: Tax Collector

(1) Tax levy is per \$1,000 of the assessed value of taxable property.

(2) Allingtown Fire Department became part of the City's reporting entity in fiscal year 2013.

Table 7

## City of West Haven, Connecticut

Ratios of Outstanding Debt by Type  
Last Ten Years  
(Unaudited)

Year Ended June 30	General Obligation Bonds	Permanently Financed Bond Anticipation Notes	Pension Bonds	Premium	Notes Payable	Capital Leases	Total	(1) Population	Debt Per Capita
2010	\$ 93,731,000	\$ -	\$ 49,145,000	\$ -	\$ 11,470,330	\$ 157,849	\$ 154,504,179	53,007	\$ 2,915
2011	86,620,000	-	46,120,000	-	9,916,831	78,925	142,735,756	55,662	2,564
2012	80,910,000	-	42,950,000	811,227	8,333,048	186,812	133,191,087	55,477	2,401
2013	74,505,000	-	39,620,000	748,825	34,968,403	143,563	149,985,791	55,404	2,707
2014	67,315,000	6,110,000	36,125,000	3,142,000	31,352,242	289,039	144,333,281	55,046	2,622
2015	67,705,000	-	34,565,000	2,693,143	30,653,196	688,487	136,304,826	56,172	2,427
2016	60,630,000	-	30,865,000	2,244,286	28,420,612	452,007	122,611,905	56,172	2,183
2017	53,230,000	9,635,000	26,270,000	1,795,429	26,156,625	229,399	117,316,453	54,516	2,152
2018	71,480,000	-	21,275,000	2,935,672	24,021,465	161,744	119,873,881	54,843	2,186
2019	62,280,000	-	16,150,000	2,384,918	21,968,472	109,596	102,892,986	54,879	1,875

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Excludes Allingtown Fire Department.

(1) Per Connecticut State Department of Health

**City of West Haven, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

## Tax Base:

Total tax collections (including interest and lien fees) for prior year

City	\$ 95,339,991
Allingtown Fire Department Tax Collections	5,999,996
West Shore Fire District Tax Collections	7,386,094
First Fire District Tax Collections	<u>11,515,282</u>
<b>Total Base</b>	<b><u>\$ 120,241,363</u></b>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 270,543,067	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	541,086,134	-	-	-
3 3/4 times base	-	-	450,905,111	-	-
3 1/4 times base	-	-	-	390,784,430	-
3 times base	-	-	-	-	360,724,089
<b>Total debt limitation</b>	<u>270,543,067</u>	<u>541,086,134</u>	<u>450,905,111</u>	<u>390,784,430</u>	<u>360,724,089</u>
Indebtedness:					
Bonds payable	45,149,335	13,762,665	3,368,000	-	16,150,000
Bond anticipation notes	-	22,000,000	-	-	-
West Shore Fire District	-	-	-	-	-
First Fire Taxation District	-	-	-	-	-
<b>Total indebtedness</b>	<u>45,149,335</u>	<u>35,762,665</u>	<u>3,368,000</u>	<u>-</u>	<u>16,150,000</u>
<b>Debt limitation in excess of outstanding debt</b>	<u><u>\$ 225,393,732</u></u>	<u><u>\$ 505,323,469</u></u>	<u><u>\$ 447,537,111</u></u>	<u><u>\$ 390,784,430</u></u>	<u><u>\$ 344,574,089</u></u>
The total net indebtedness above amounts to:					<u><u>\$ 100,430,000</u></u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u><u>\$ 841,689,541</u></u>