

**CITY OF WEST  
HAVEN,  
CONNECTICUT**

**FINANCIAL STATEMENTS  
JUNE 30, 2020**

**CITY OF WEST HAVEN, CONNECTICUT**  
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**JUNE 30, 2020**

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# City of West Haven, Connecticut

## Principal Officials

June 30, 2020

### Mayor

Nancy R. Rossi

### Treasurer

Michael P. Last

### City Council

Ronald M. Quagliani, Chairman

Bridgette J. Hoskie

William X. Conlon

Elizabeth Johnston

Mitchell L. Galignano

Robbin Watt Hamilton

Peter V. Massaro

Treneé McGee

Chrystal Fanelli

Robert Bruneau

Barry Lee Cohen

Gary Donovan

Colleen O'Connor

### Administration

Ann Marie Gradoia

Frank Gladwin

Patricia C. Horvath

Frank Cieplinski

Abdul Quadir

Thomas McCarthy

Joseph Perno

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.

## **Independent Auditors' Report**

To the Members of the 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, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of West Haven, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut, as of June 30, 2020 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 OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Haven, Connecticut's basic financial statements. The introductory section, combining and individual major and nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020 on our consideration of the City of West Haven, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of West Haven, Connecticut'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 of West Haven, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 30, 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, 2020

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, 2020. 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 \$131,853,788 (net position). Unrestricted net position was a deficit balance of \$300,677,024.
- ◆ The City's total net position increased by \$27,087,994. The increase is due to positive operations (surplus) in these major funds; general fund of \$2,216,753, Allingtown Fire Department fund of \$766,466 and the sewer fund of \$1,690,390. The positive operations were offset by temporary deficit operations of the capital improvement fund of \$12,059,326 driven primarily by the High School project. The capital improvement fund will operate in a deficit until the high school project is permanently financed.
- ◆ Conversion to accrual basis on Exhibit IV:
  - Capital outlay net of depreciation expense of \$26,357,396
  - Net principal debt activity of \$16,637,886
  - Change in total OPEB liability of \$(109,563,236)
  - Change in net pension liabilities of \$(10,241,573)
- ◆ At the close of the current fiscal year, the city's governmental funds reported combined ending deficit fund balance of \$23,476,390, an increase in the deficit of \$6,743,523 in comparison with the prior year. The majority of the decrease is due to the deficit operations of the capital improvement fund of \$12,059,326 offset by the positive operations of the general fund of \$2,216,753, due to net transfers in of \$932,631 and an operational surplus of \$1,627,631, Allingtown Fire Department fund of \$766,446, and sewer fund of \$1,690,390.
- ◆ The operating results for the major funds of the City were as follows:
  - The general fund has positive operations of \$2,216,753 substantially due to budget savings in both the City and Education Department. The City ended the year with an unassigned fund balance of \$3,575,671.



- The Allingtown Fire Department has positive operations of \$766,446 resulting in a fund balance of \$1,990,020. This was due to increased revenues and budget savings.
- The capital improvement fund has deficit operations of \$12,059,326 increasing the deficit fund balance to \$37,858,351. 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 \$1,690,390 increasing the fund balance to \$4,904,432.
- The City's long-term debt (bonds and clean water serial notes) decreased by \$16,505,328 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 (Exhibits III and IV)**

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.

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.

**Proprietary Funds (Exhibits V, VI, and VII)**

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 (Exhibits VIII and IX)**

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.

## Management's Discussion and Analysis

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 \$131,853,788.

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 (7.06%) represents resources that are subject to external restrictions on how they may be used.

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 42,800,064	\$ 42,931,004
Capital assets, net of accumulated depreciation	277,320,185	250,962,784
Total assets	<u>320,120,249</u>	<u>293,893,788</u>
Deferred outflow of resources	<u>126,013,421</u>	<u>23,880,324</u>
Current liabilities	55,016,877	72,947,978
Long-term liabilities outstanding	496,108,984	372,296,430
Total liabilities	<u>551,125,861</u>	<u>445,244,408</u>
Deferred inflow of resources	<u>26,861,597</u>	<u>31,471,486</u>
Net Position:		
Net investments in capital assets	159,518,899	157,436,719
Restricted	9,304,337	6,551,358
Unrestricted	<u>(300,677,024)</u>	<u>(322,929,859)</u>
Total Net Position	<u>\$ (131,853,788)</u>	<u>\$ (158,941,782)</u>

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

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 17,723,151	\$ 18,857,820
Operating grants and contributions	80,729,008	76,788,567
Capital grants and contributions	22,100,714	27,405,117
General revenues:		
Property taxes	107,670,568	105,253,727
Grants not restricted to specific programs	10,143,646	12,027,245
Income on investments	349,478	381,979
Other general revenues	225,571	298,807
Total revenues	<u>238,942,136</u>	<u>241,013,262</u>
<b>Expenses:</b>		
General government	9,957,315	10,694,871
Public safety	43,468,810	35,490,850
Public works	25,830,193	25,885,886
Health and Welfare	2,622,275	3,754,865
Library	966,240	1,546,000
Parks and recreation	1,421,000	1,771,034
Education	121,573,391	134,703,644
Interest on long-term debt	6,014,918	3,910,292
Total expenses	<u>211,854,142</u>	<u>217,757,442</u>
Change in net position	27,087,994	23,255,820
Net Position at Beginning of Year	<u>(158,941,782)</u>	<u>(182,197,602)</u>
Net Position at End of Year	<u>\$ (131,853,788)</u>	<u>\$ (158,941,782)</u>

Grants and contributions comprise 47.3% of revenues, followed by property taxes 45.1%, charges for services 7.4% and income from investments and gain on sale of capital assets 0.2%.

With respect to expenses, 57.4% of the City's expenses relates to education, followed by 20.5% to public safety, 12.2% to public works, 4.7% to general government, 2.8% to interest expense, 1.2% to human resources and health and welfare, 0.7% to parks and recreation, and 0.5% to library.

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

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

- Operating grants and contributions increased by \$3.9 million due to Education Grants.
- Capital grants and contributions decreased by \$5.3 million primarily due to a reduction of approximately \$4.5 million in school construction grants received.
- Property taxes increased by \$2.4 million due to the increase in the budget and the amount funded with property taxes.
- The decrease of \$1.8 million in grants and contributions not restricted to specific programs is due to a decrease of \$1.9 million in the state municipal restructuring fund grant received.
- The allocation of certain revenues and expenses across functions has been realigned in the current period. This has resulted in a \$7.9 million increase in public safety expense, and the \$13.1 million decrease in education expense.

**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 \$23,476,390, an increase of \$6,743,523 in comparison with the prior year due to the High School project. The unassigned fund balance in the Capital Improvement Fund was a deficit of \$37,858,351. This is due to the use of bond anticipation notes to fund the high school renovation project.

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

▪ Non-spendable amount for prepaid	\$ 496,372
▪ Restricted due to grant restrictions or legal requirements	9,347,203
▪ Committed	1,571,567
▪ Assigned	27,720

**General Fund (Exhibits RSI-1 and RSI-2)**

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 was \$3,575,671 with \$3,201,411 of that balance unassigned. During the current fiscal year, the fund balance of the City's general fund increased by \$2,216,753. The increase was substantially attributable to revenues lower than the budget by \$1,351,522 and that the expenditure budget was underspent by \$3,568,275.

The most significant functions that were underspent were general government by \$965,621, benefits and insurance by \$1,537,293, and public works by \$262,788. General government was underspent primarily due to the unallocated line item under budget by \$99,210 and contingency under budget by \$521,442. Benefits and insurance was underspent due to pension and hospitalization costs incurred were lower than expected. Public works was underspent due to open positions lower fuel costs.

**Allingtown Fire Department (Exhibits RSI-3 and RSI-4)**

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 \$1,990,020. This was the result of positive operations of \$766,422 due to revenues in excess of budget of \$344,520 and expenditure savings of \$426,678. Property taxes collections were higher than expected by \$95,124. The expenditure savings were due to lower than expected costs for unfilled positions during the year of \$161,135 and lower health care costs of \$283,785.

**Capital Improvement**

The fund accounts for financial resources to be used for various construction projects. During the year, the fund had expenditures of \$34,160,040. Funding sources primarily include state grants for school improvements and other City projects of \$22,100,714. This net activity increased the deficit fund balance of \$25,799,025 in the prior year to \$37,858,351. 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. The City is planning on issuing General Obligation bonds in the next three years to cover the cost of the High School project.

**Sewer**

The fund accounts for the City's sewer usage operations. During the year, revenues exceeded expenditures and transfers out by \$1,690,390. This increased the fund balance of \$3,214,042 in the prior year to \$4,904,432. This is due to the continued efforts to manage operating costs.

**Capital Assets**

The City's investment in capital assets amounts to \$277,320,185 (net of accumulated depreciation). This investment in capital assets is as follows:

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 16,400,391	\$ 16,400,391
Construction in progress	94,694,641	63,973,673
Land improvements	7,951,654	7,787,303
Buildings and improvements	96,849,328	100,228,022
Machinery and equipment	7,488,041	8,311,615
Vehicles	4,326,646	4,538,702
Infrastructure	49,609,484	49,723,083
<b>Total</b>	<b>\$ 277,320,185</b>	<b>\$ 250,962,789</b>

The capital assets (net of depreciation) increased in the current year by \$26,357,396. The increase is due to capital additions exceeding depreciation expense. In the current year, the City had capital asset additions totaling \$32,831,371. Major capital asset additions consisted of the following:

- Infrastructure:
  - Sidewalks \$ 334,916
- Construction in progress:
  - High School renovation project 30,059,527
  - Beach St Reconstruction 402,923
  - Vet's Field Turf Replacement 352,090

**Long-term debt**

At the end of the fiscal year, the City had total long-term debt outstanding of \$83,893,144. All debt is backed by the full faith and credit of the City.

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 53,090,000	\$ 62,280,000
Pension obligation bonds	10,870,000	16,150,000
Clean water notes payable	19,933,144	21,968,472
<b>Total</b>	<b>\$ 83,893,144</b>	<b>\$ 100,398,472</b>

During the current fiscal year, the City's bonds and clean water serial notes decreased by \$16,505,328 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 \$880,336,436, 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 7.

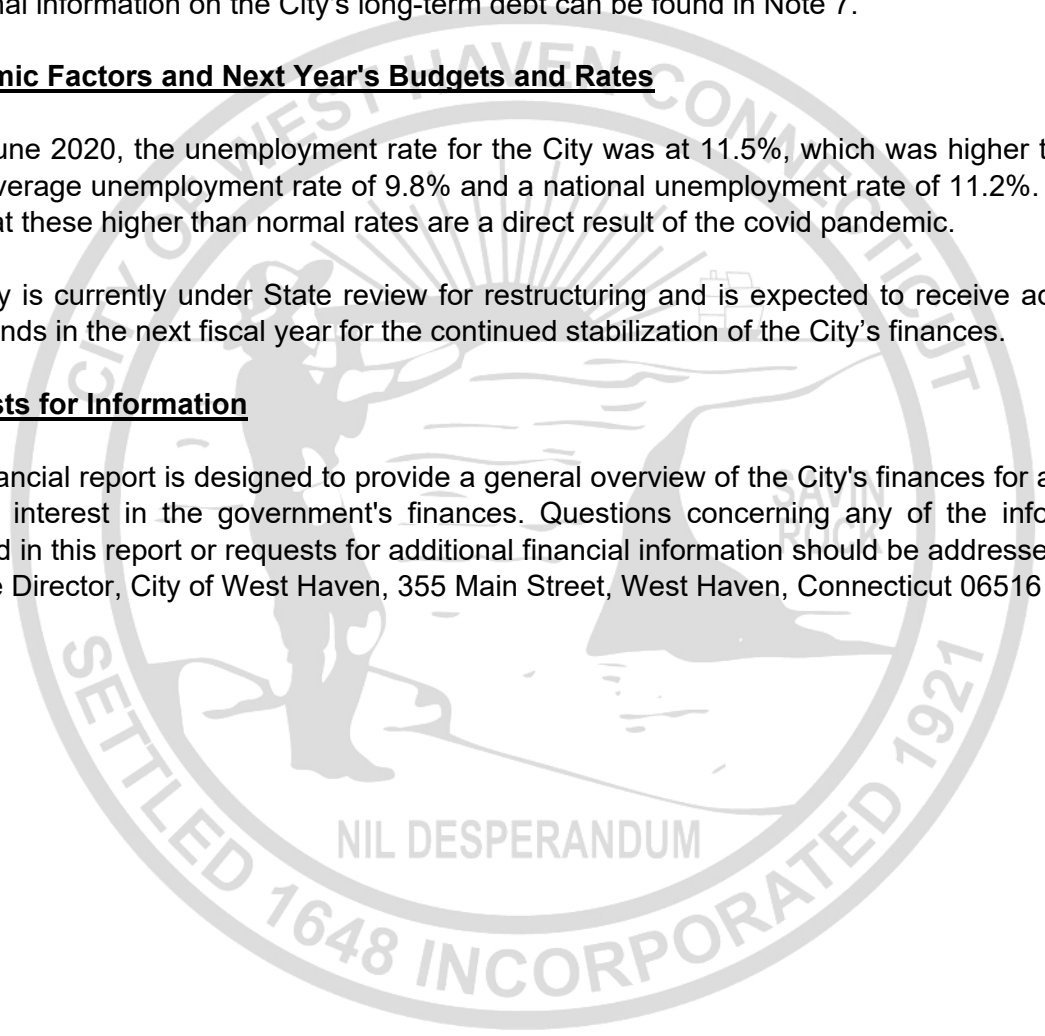
### **Economic Factors and Next Year's Budgets and Rates**

As of June 2020, the unemployment rate for the City was at 11.5%, which was higher than the State average unemployment rate of 9.8% and a national unemployment rate of 11.2%. Please note that these higher than normal rates are a direct result of the covid pandemic.

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





**CITY OF WEST HAVEN, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 29,227,318
Receivables, net	13,076,374
Other assets	496,372
Capital assets, nondepreciable	111,095,032
Capital assets, net of accumulated depreciation	166,225,153
<b>Total assets</b>	<b>320,120,249</b>
<b>Deferred Outflows of Resources:</b>	
Deferred charge on refunding	481,724
Deferred outflows related to pensions	11,282,000
Deferred outflows related to OPEB	114,249,697
<b>Total deferred outflows of resources</b>	<b>126,013,421</b>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	22,261,154
Bond anticipation notes	32,500,000
Unearned revenue	255,723
Noncurrent liabilities:	
Due within one year	21,069,370
Due in more than one year	475,039,614
<b>Total liabilities</b>	<b>551,125,861</b>
<b>Deferred Inflows of Resources:</b>	
Advance property tax collections	6,834,350
Deferred inflows related to pensions	4,356,172
Deferred inflows related to OPEB	15,671,075
<b>Total deferred inflows of resources</b>	<b>26,861,597</b>
<b>Net Position:</b>	
Net investment in capital assets	159,518,899
Restricted:	
General government	80,135
Allingtown fire department	1,990,020
Sewer operations	4,754,600
Housing rehabilitation	2,479,582
Unrestricted	(300,677,024)
<b>Total Net Position</b>	<b>\$ (131,853,788)</b>

The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 9,957,315	\$ 913,317	\$	\$	\$ (9,043,998)
Public safety	43,468,810	2,466,353	376,851		(40,625,606)
Public works	25,830,193	13,661,767	2,025,561	696,070	(9,446,795)
Health and Welfare	2,622,275	42,330	265,283		(2,314,662)
Library	1,421,000				(1,421,000)
Parks and Recreation	966,240	488,518	40,819		(436,903)
Education	121,573,391	150,866	78,020,494	21,404,644	(21,997,387)
Interest on long term debt	6,014,918				(6,014,918)
<b>Total</b>	<u>211,854,142</u>	<u>17,723,151</u>	<u>80,729,008</u>	<u>22,100,714</u>	<u>(91,301,269)</u>
General revenues:					
Property taxes					107,670,568
Grants and contributions not restricted to specific programs					10,143,646
Unrestricted investment earnings					349,478
Miscellaneous					225,571
Total general revenues and transfers					<u>118,389,263</u>
Change in net position					27,087,994
Net Position at Beginning of Year					<u>(158,941,782)</u>
Net Position at End of Year					<u>\$ (131,853,788)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<u>General Fund</u>	<u>Allingtown Fire Department Fund</u>	<u>Capital Improvement Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 19,639,738	\$ 2,593,126	\$	\$ 6,043,161	\$ 951,293	\$ 29,227,318
Receivables, net	7,827,814	543,592	825	1,108,367	3,532,840	13,013,438
Due from other funds	3,030,281				1,814,751	4,845,032
Prepaid items	<u>346,540</u>			<u>149,832</u>		<u>496,372</u>
Total Assets	<u>\$ 30,844,373</u>	<u>\$ 3,136,718</u>	<u>\$ 825</u>	<u>\$ 7,301,360</u>	<u>\$ 6,298,884</u>	<u>\$ 47,582,160</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 14,947,723	\$ 262,758	\$ 3,788,736	\$ 604,039	\$ 982,683	\$ 20,585,939
Due to other funds	2,428,055	64,848	1,569,756	70,098	1,325,579	5,458,336
Unearned revenue	176,255		684		78,784	255,723
Bond anticipation notes			32,500,000			32,500,000
Total liabilities	<u>17,552,033</u>	<u>327,606</u>	<u>37,859,176</u>	<u>674,137</u>	<u>2,387,046</u>	<u>58,799,998</u>
Deferred inflows of resources:						
Unavailable revenue - property	3,913,448	414,834				4,328,282
Unavailable revenue - other receivable				1,095,920		1,095,920
Advance property tax collections	5,803,221	404,258		626,871		6,834,350
Total deferred inflows of resources	<u>9,716,669</u>	<u>819,092</u>	<u>-</u>	<u>1,722,791</u>	<u>-</u>	<u>12,258,552</u>
Fund balances:						
Nonspendable	346,540			149,832		496,372
Restricted		1,990,020		4,754,600	2,602,583	9,347,203
Committed					1,571,567	1,571,567
Assigned	27,720					27,720
Unassigned	3,201,411		(37,858,351)		(262,312)	(34,919,252)
Total fund balances	<u>3,575,671</u>	<u>1,990,020</u>	<u>(37,858,351)</u>	<u>4,904,432</u>	<u>3,911,838</u>	<u>(23,476,390)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,844,373</u>	<u>\$ 3,136,718</u>	<u>\$ 825</u>	<u>\$ 7,301,360</u>	<u>\$ 6,298,884</u>	<u>\$ 47,582,160</u>

(Continued on next page)

**CITY OF WEST HAVEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

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

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

Fund balances - total governmental funds (Exhibit III)	\$	(23,476,390)
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	466,618,856	
Less accumulated depreciation		(189,298,671)	
Net capital assets			277,320,185

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

Property tax and interest receivables greater than 60 days	4,328,282
Sewer use fee receivable	1,095,920
Deferred outflows related to pensions	11,282,000
Deferred outflows related to OPEB	114,249,697

Internal service funds are used by management to charge the costs of  
risk management to individual funds. The assets and liabilities of  
the internal service funds are reported with governmental activities  
in the statement of net position.

(9,169,160)

Long-term liabilities and deferred inflows of resources are not due and payable  
in the current period, and, therefore, are not reported in the funds:

Bonds payable	(63,960,000)
Premium on bonds	(1,834,165)
Deferred charge on refunding	481,724
Accrued interest payable	(1,098,975)
Capital leases	(55,701)
Clean water fund notes	(19,933,144)
Compensated absences	(7,960,585)
Heart and hypertension	(3,074,850)
Net OPEB liability - City Plan	(308,130,567)
Net OPEB liability - Allingtown Fire Department Plan	(29,465,016)
Net pension liability - West Haven Police Department Plan	(28,963,454)
Net pension liability - Allingtown Fire Department Plan	(23,462,342)
Deferred inflows related to pensions	(4,356,172)
Deferred inflows related to OPEB	(15,671,075)

Net Position of Governmental Activities (Exhibit I)	\$	<u>(131,853,788)</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Allingtown Fire Department Fund</u>	<u>Capital Improvement Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 99,858,280	\$ 7,303,081	\$	\$	\$	\$ 107,161,361
Intergovernmental revenues	69,625,590	181,685	22,100,714		14,228,200	106,136,189
Charges for services	3,676,119	181,146		12,105,532	1,734,707	17,697,504
Contributions	444,561	100,000				544,561
Income from investments	348,190				1,288	349,478
Other	216,699	6,375			287,798	510,872
Total revenues	<u>174,169,439</u>	<u>7,772,287</u>	<u>22,100,714</u>	<u>12,105,532</u>	<u>16,251,993</u>	<u>232,399,965</u>
Expenditures:						
Current:						
General government	5,628,028					5,628,028
Public safety	15,545,783	6,924,897			1,079,948	23,550,628
Public works	10,307,368			6,809,075	695,778	17,812,221
Health and welfare	1,072,935				826,547	1,899,482
Parks and recreation	759,459				13,112	772,571
Library	1,421,000					1,421,000
Education	103,023,483				13,109,128	116,132,611
Benefits and insurance	16,284,924					16,284,924
Capital outlay			34,121,540	698,505	405,719	35,225,764
Debt service	18,498,828	80,944	38,500	1,797,987		20,416,259
Total expenditures	<u>172,541,808</u>	<u>7,005,841</u>	<u>34,160,040</u>	<u>9,305,567</u>	<u>16,130,232</u>	<u>239,143,488</u>
Excess (deficiency) of revenues over expenditures	<u>1,627,631</u>	<u>766,446</u>	<u>(12,059,326)</u>	<u>2,799,965</u>	<u>121,761</u>	<u>(6,743,523)</u>
Other Financing Sources (Uses):						
Transfers in from other funds	1,284,122				695,000	1,979,122
Transfers out to other funds	(695,000)			(1,109,575)	(174,547)	(1,979,122)
Total other financing sources (uses)	<u>589,122</u>	<u>-</u>	<u>-</u>	<u>(1,109,575)</u>	<u>520,453</u>	<u>-</u>
Net Change in Fund Balances	2,216,753	766,446	(12,059,326)	1,690,390	642,214	(6,743,523)
Fund Balances at Beginning of Year	<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>
Fund Balances at End of Year	<u>\$ 3,575,671</u>	<u>\$ 1,990,020</u>	<u>\$ (37,858,351)</u>	<u>\$ 4,904,432</u>	<u>\$ 3,911,838</u>	<u>\$ (23,476,390)</u>

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**CITY OF WEST HAVEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (6,743,523)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	32,831,371
Depreciation expense	(6,441,826)
Loss on disposition of capital assets	(32,149)

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

Property taxes collected after 60 days	509,207
Change in sewer use fee receivable	26,500
Change in deferred amount on refundings	(293,860)
Change in deferred outflows related to pensions	4,982,632
Change in deferred outflows related to OPEB	97,444,325

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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments	14,470,000
Capital lease principal payments	132,558
Clean water fund notes principal payments	2,035,328

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.

Amortization of premium	550,753
Accrued interest	(406,491)
Change in compensated absences	2,470,603
Change in heart and hypertension	(208,059)
Change in claims and judgements	392,000
Change in net OPEB liability - City Plan	(109,563,236)
Change in net OPEB liability - Allingtown Fire Department Plan	(1,300,409)
Change in net pension liability - Police Department Plan	(9,399,473)
Change in net pension liability - Allingtown Fire Department Plan	(842,100)
Change in deferred inflows related to pensions	3,596,359
Change in deferred inflows related to OPEB	2,349,340

The net expense of the internal service funds is reported with governmental activities.	<u>528,144</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 27,087,994</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
STATEMENT OF NET POSITION - PROPRIETARY FUND  
JUNE 30, 2020**

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	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Assets:	
Current assets:	
Receivables, net	\$ 62,936
Due from other funds	613,304
Total assets	<u>676,240</u>
Liabilities:	
Current liabilities:	
Accounts payable	576,240
Claims payable	3,317,312
Total current liabilities	<u>3,893,552</u>
Noncurrent liabilities:	
Claims payable	<u>5,951,848</u>
Total liabilities	<u>9,845,400</u>
Net Position:	
Unrestricted	<u>(9,169,160)</u>
Total Net Position	<u>\$ (9,169,160)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Operating Revenues:	
Charges for services	\$ <u>31,197,554</u>
Operating Expenses:	
Claims	26,254,264
Administration	213,189
Insurance	<u>4,201,957</u>
Total operating expenses	<u>30,669,410</u>
Change in Net Position	528,144
Net Position at Beginning of Year	<u>(9,697,304)</u>
Net Position at End of Year	<u>\$ (9,169,160)</u>

The accompanying notes are an integral part of the financial statements



**CITY OF WEST HAVEN, CONNECTICUT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received for charges	\$ 32,858,807
Cash paid for claims and other	(26,782,407)
Cash paid for administration	(1,855,342)
Cash paid for insurance	(4,201,957)
Net cash provided by (used in) operating activities	<u>19,101</u>
Net Increase (Decrease) in Cash and Cash Equivalents	19,101
Cash and Cash Equivalents at Beginning of Year	<u>(19,101)</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Income (loss) from operations	\$ 528,144
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	1,661,253
(Increase) decrease in due from other funds	(591,301)
Increase (decrease) in due to other funds	(1,434,168)
Increase (decrease) in accounts payable	383,316
Increase (decrease) in claims payable	<u>(528,143)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 19,101</u>

The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 21,861,053	\$ 404,611
Investments, at fair value:		
Mutual funds	44,861,715	
Common stock	25,712,961	
Corporate bonds	13,450,717	
Private equity funds	11,995,459	
Annuities	5,382,316	
Total investments	<u>101,403,168</u>	<u>-</u>
Total assets	<u>123,264,221</u>	<u>404,611</u>
Liabilities:		
Due to student groups and other	<u>                    </u>	404,611
Total liabilities	<u>-</u>	<u>\$ 404,611</u>
Net Position:		
Restricted for Pension Benefits	<u>\$ 123,264,221</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
	<u>                    </u>	<u>                    </u>
Additions:		
Contributions:		
Employer	\$ 4,454,054	\$
Plan members	572,510	
Other revenues		796,382
Total contributions and other revenues	<u>5,026,564</u>	<u>796,382</u>
Investment income:		
Net decrease in fair value of investments	(1,799,201)	
Interest and dividends	<u>1,791,657</u>	<u>508</u>
Total investment income (loss)	(7,544)	508
Less investment expenses:		
Investment management fees	<u>388,263</u>	
Net investment income (loss)	<u>(395,807)</u>	<u>508</u>
Total additions	<u>4,630,757</u>	<u>796,890</u>
Deductions:		
Benefits	9,534,123	
Administrative expense	14,155	
Other		773,099
Total deductions	<u>9,548,278</u>	<u>773,099</u>
Change in Net Position	(4,917,521)	23,791
Net Position at Beginning of Year	<u>128,181,742</u>	<u>380,820</u>
Net Position at End of Year	<u>\$ 123,264,221</u>	<u>\$ 404,611</u>

The accompanying notes are an integral part of the financial statements

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The 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 Allington Fire District into the reporting entity as a department of the City. State statutes require that all costs related to the fire department be charged to the Allington Fire Department fund and that City funds cannot be used to support the department's operations.

During the fiscal year ended June 30, 2018, the City was designated a Tier III municipality by the State of Connecticut in accordance with CGS 7-576c which includes oversight by the State of Connecticut Municipal Accountability Review Board (MARB). See Note 12 for more detailed information.

**B. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

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

Separate financial statements are provided for governmental funds and 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.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

Property taxes, charges for services, 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.

The City reports the following major governmental fund:

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

The *Allintown Fire Department Fund* is used to account for all the financial resources and expenditures of the Allintown 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.

Additionally, the City reports the following fund types:

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

The *Pension Trust Funds* account for the activities of the City's defined benefit pension and OPEB plans, which accumulates resources for pension benefit payments to qualified employees upon retirement.

*Custodial Funds* account for monies held as a custodian for outside groups and agencies.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City functions because the 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 property taxes.

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

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

**D. Deposits and Investments**

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

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the City are reported at fair value.

**E. Receivables and Payables**

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade receivables are shown net of an allowance for uncollectibles.

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 due 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.

**F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**G. 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 estimated fair market value at the date of donation.

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

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

Capitalization thresholds are as follows:

<u>Assets</u>	<u>Years</u>
Land	All
Land improvements	\$50,000
Building and building improvements	\$100,000
Infrastructure	\$100,000
Machinery and equipment	\$10,000
Licensed vehicles	\$10,000

Depreciation has been calculated on each class of depreciable property using the straight-line method, over the following estimated useful lives:

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

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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pension and OPEB results from differences between expected and actual pension investment earnings, differences between expected and actual experience and change in proportionate share of the total pension liability. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections and deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from changes in the City's proportionate share in liability. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from taxes and grants receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available

**I. Compensated Absences**

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 government 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.

Vested sick leave and accumulated vacation leave of the City's proprietary fund is recorded as an expense and liability within the fund, as the benefits accrue to employees.

**J. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**K. Other Post-Employment Benefit (OPEB) Liability**

Total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability). The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.



**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**L. Long-Term Obligations**

In the government-wide financial statements in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount.

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.

**M. Fund Equity**

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

**Net Investment in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Restricted**

Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City currently has no assets under restriction.

**Unrestricted**

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Council).

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the City Charter.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Unassigned Fund Balance**

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

**N. Accounting Estimates**

The preparation of 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The General fund and Allingtown Fire Department have legally adopted budgets. The budgets must be approved by the Municipal Accountability Review Board before final adoption. This budget, at the department level, becomes the legal level of control. Each year an updated Municipal Recovery Plan must be submitted to the MARB for approval and such annual budget must be in conformity with the Plan.

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 following departments:

Transfer out - Capital improvement fund	\$	605,000
Disposal of solid waste		304,087
Public safety administration		142,723
Town and City Clerk		51,596
Bureau of engineering		42,649
City council		21,199
Public safety support		18,033
Department of human resources		12,888
Emergency reporting system (ERS)		10,265
Department of tax collections		10,108
Labor relations and personnel		1,019
Emergency management		776
Probate court		323

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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During the year, the Allingtown Fire Department Fund expenditures exceeded appropriations in the following departments:

Workers' compensation insurance	\$	171,634
Emergency reporting system and telephone		43,364
Building maintenance		19,741
Financial services		2,000

**C. Deficit Fund Equity and Accumulated Deficits**

The following funds have a deficit fund balance/net position at June 30, 2020:

Governmental Funds:		
Major Funds:		
Capital Improvement Fund *	\$	37,858,351
Nonmajor Funds:		
School Lunch Program **		262,312
Internal Service Funds:		
Medical ***	\$	1,233,361
General Liability ***		440,732
Workers' Compensation ***		7,495,067

\* Deficit fund balance will be funded by the issuance of bonds to permanently finance capital expenditures incurred in approved capital projects.

\*\* Deficit is the result of decreased charges for services and intergovernmental revenues due to the COVID-19 pandemic. Deficit fund balance will be funded in the future with additional charges for services.

\*\*\* Deficit fund balance will be funded by maintaining consistent levels of employer premiums along with continued implementation of risk reduction programs designed to reduce program costs.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut.

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$20,504,502 of the City’s bank balance of \$21,913,183 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 18,354,051
Uninsured and Collateral held by the pledging bank's trust department, not in the City's name	<u>2,150,451</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 20,504,502</u></u>

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2020, the City’s cash equivalents amounted to \$28,653,105. The following table provides a summary of the City’s cash equivalents as rated by nationally recognized statistical rating organizations.

	<b><u>Standard &amp; Poor's</u></b>
State Short-Term Investment Fund (STIF)	AAAm
Raymond James Bank Deposit Program 0.02% - Selected Sweep Option	Not Rated
Cambridge Advisors Cash	Not Rated
MML Investors Cash	Not Rated

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Investments**

As of June 30, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1 Year</u>	<u>1-10 Years</u>	<u>Over 10 Years</u>
Corporate bonds	\$ 13,450,715	\$ 4,660,000	\$ 8,751,072	\$ 39,643
Annuities	5,382,316	64,367	2,867,390	2,450,559
	18,833,031	<u>\$ 4,724,367</u>	<u>\$ 11,618,462</u>	<u>\$ 2,490,202</u>
Other Investments:				
Mutual Funds	44,861,715			
Common Stock	25,712,963			
Alternative Investments	<u>11,995,459</u>			
Total Investments	<u>\$ 101,403,168</u>			

**Interest Rate Risk**

The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The City investment policy states that assets shall be invested in a manner consistent with generally accepted fiduciary standards. Assets are to be diversified in order to minimize the impact of large losses in individual investments. Investments held by the City are mutual fund type investments, which are not rated.

**Concentration of Credit Risk**

The City's investment policy does not limit an investment in any one issuer in excess of five percent of the City's total investments.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2020:

	June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Corporate Bonds	\$ 13,450,715	\$	\$ 13,450,715	\$
Annuities	5,382,316			5,382,316
Mutual Funds	44,861,715	44,861,715		
Common Stock	25,712,963	25,712,963		
Total Investments by fair value level	89,407,709	\$ 70,574,678	\$ 13,450,715	\$ 5,382,316
Investments Measured at Net Asset Value (NAV):				
Alternative Investments	11,995,459			
Total Investments	\$ 101,403,168			

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 year ending at other than 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	\$ 226,621	\$	Quarterly	90 Days
Private equity funds	12,493,191	323,358	Quarterly	90 Days
Total Investments Measured at NAV	\$ 12,719,812	\$ 323,358		

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**4. RECEIVABLES**

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

	<u>General</u>	<u>Allingtown Fire Department Fund</u>	<u>Capital Improvement Fund</u>	<u>Sewer Fund</u>	<u>Aggregate Remaining Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 4,622,048	\$ 452,975	\$	\$	\$	\$ 5,075,023
Accrued interest on taxes	2,424,469	282,748				2,707,217
Intergovernmental	3,015,000				1,603,882	4,618,882
Accounts	396,297	100,869	825	80	451,505	949,576
Sewer use fee				1,213,287		1,213,287
Housing loans					1,812,147	1,812,147
Gross receivables	<u>10,457,814</u>	<u>836,592</u>	<u>825</u>	<u>1,213,367</u>	<u>3,867,534</u>	<u>16,376,132</u>
Less allowance for uncollectibles:						
Taxes	(2,630,000)	(293,000)				(2,923,000)
Accounts					(126,758)	(126,758)
Sewer use fee				(105,000)		(105,000)
Housing loans					(145,000)	(145,000)
	<u>(2,630,000)</u>	<u>(293,000)</u>	<u>-</u>	<u>(105,000)</u>	<u>(271,758)</u>	<u>(3,299,758)</u>
Net Total Receivables	<u>\$ 7,827,814</u>	<u>\$ 543,592</u>	<u>\$ 825</u>	<u>\$ 1,108,367</u>	<u>\$ 3,595,776</u>	<u>\$ 13,076,374</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>City:</b>					
Capital assets not being depreciated:					
Land	\$ 16,363,488	\$	\$	\$	\$ 16,363,488
Construction in progress	63,973,673	32,676,256		(1,955,288)	94,694,641
Total capital assets not being depreciated	<u>80,337,161</u>	<u>32,676,256</u>	<u>-</u>	<u>(1,955,288)</u>	<u>111,058,129</u>
Capital assets being depreciated:					
Land improvements	16,314,569			623,776	16,938,345
Buildings and improvements	199,610,557				199,610,557
Machinery and equipment	27,572,583				27,572,583
Vehicles	8,135,092	144,873	64,014		8,215,951
Infrastructure	97,364,323			1,331,512	98,695,835
Total capital assets being depreciated	<u>348,997,124</u>	<u>144,873</u>	<u>64,014</u>	<u>1,955,288</u>	<u>351,033,271</u>
Less accumulated depreciation for:					
Land improvements	8,527,266	459,425			8,986,691
Buildings and improvements	99,749,093	3,357,062			103,106,155
Machinery and equipment	19,262,491	845,425			20,107,916
Vehicles	4,418,569	203,520	31,865		4,590,224
Infrastructure	47,729,106	1,436,390			49,165,496
Total accumulated depreciation	<u>179,686,525</u>	<u>6,301,822</u>	<u>31,865</u>	<u>-</u>	<u>185,956,482</u>
Total capital assets being depreciated, net	<u>169,310,599</u>	<u>(6,156,949)</u>	<u>32,149</u>	<u>1,955,288</u>	<u>165,076,789</u>
City Capital Assets, Net	<u>\$ 249,647,760</u>	<u>\$ 26,519,307</u>	<u>\$ 32,149</u>	<u>\$ -</u>	<u>\$ 276,134,918</u>
<b>Allingtown Fire Department:</b>					
Capital assets not being depreciated:					
Land	\$ 36,903	\$	\$	\$	\$ 36,903
Total capital assets not being depreciated	<u>36,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,903</u>
Capital assets being depreciated:					
Building and improvements	702,454				702,454
Machinery and equipment	134,400		1,240		133,160
Fire trucks and vehicles	2,313,100				2,313,100
Infrastructure - hydrants	367,097				367,097
Fire equipment	964,500	10,242			974,742
Total capital assets being depreciated	<u>4,481,551</u>	<u>10,242</u>	<u>1,240</u>	<u>-</u>	<u>4,490,553</u>
Less accumulated depreciation for:					
Building and improvements	335,896	21,632			357,528
Machinery and equipment	120,540	728	1,240		120,028
Fire trucks and vehicles	1,506,343	105,838			1,612,181
Infrastructure - hydrants	279,231	8,721			287,952
Fire equipment	961,415	3,085			964,500
Total accumulated depreciation	<u>3,203,425</u>	<u>140,004</u>	<u>1,240</u>	<u>-</u>	<u>3,342,189</u>
Total capital assets being depreciated, net	<u>1,278,126</u>	<u>(129,762)</u>	<u>-</u>	<u>-</u>	<u>1,148,364</u>
Allingtown Capital Assets, Net	<u>\$ 1,315,029</u>	<u>\$ (129,762)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,185,267</u>



**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Total Government Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 16,400,391	\$	\$	\$	\$ 16,400,391
Construction in progress	<u>63,973,673</u>	<u>32,676,256</u>		<u>(1,955,288)</u>	<u>94,694,641</u>
Total capital assets not being depreciated	<u>80,374,064</u>	<u>32,676,256</u>	<u>-</u>	<u>(1,955,288)</u>	<u>111,095,032</u>
Capital assets being depreciated:					
Land improvements	16,314,569			623,776	16,938,345
Buildings and improvements	200,313,011				200,313,011
Machinery and equipment	28,671,483	10,242	1,240		28,680,485
Vehicles	10,448,192	144,873	64,014		10,529,051
Infrastructure	<u>97,731,420</u>			<u>1,331,512</u>	<u>99,062,932</u>
Total capital assets being depreciated	<u>353,478,675</u>	<u>155,115</u>	<u>65,254</u>	<u>1,955,288</u>	<u>355,523,824</u>
Less accumulated depreciation for:					
Land improvements	8,527,266	459,425			8,986,691
Buildings and improvements	100,084,989	3,378,694			103,463,683
Machinery and equipment	20,344,446	849,238	1,240		21,192,444
Vehicles	5,924,912	309,358	31,865		6,202,405
Infrastructure	<u>48,008,337</u>	<u>1,445,111</u>			<u>49,453,448</u>
Total accumulated depreciation	<u>182,889,950</u>	<u>6,441,826</u>	<u>33,105</u>	<u>-</u>	<u>189,298,671</u>
Total capital assets being depreciated, net	<u>170,588,725</u>	<u>(6,286,711)</u>	<u>32,149</u>	<u>1,955,288</u>	<u>166,225,153</u>
Governmental Activities Capital Assets, Net	<u>\$ 250,962,789</u>	<u>\$ 26,389,545</u>	<u>\$ 32,149</u>	<u>\$ -</u>	<u>\$ 277,320,185</u>

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

Governmental activities:	
General government	\$ 1,834,736
Public safety	303,955
Public works	2,240,713
Education	1,840,537
Recreation and culture	<u>221,885</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,441,826</u>

**Construction Commitments**

The City has the following construction commitments as of June 30, 2020 is presented below:

West Haven High School expansion and renovation	<u>\$ 46,750,809</u>
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**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Allingtown Fire Department	\$ 64,848
	Capital Improvement Fund	1,569,756
	Sewer Fund	70,098
	Nonmajor Governmental Funds	1,325,579
Nonmajor Governmental Funds	General Fund	1,814,751
Internal Service Funds	General Fund	<u>613,304</u>
Total		<u>\$ 5,458,336</u>

Interfund transfers:

	<u>Transfers Out</u>			<u>Total Transfers In</u>
	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor and Other Funds</u>	
Transfers In:				
General Fund	\$	\$ 1,109,575	\$ 174,547	\$ 1,284,122
Nonmajor Governmental Funds	<u>695,000</u>			<u>695,000</u>
Total Transfers Out	<u>\$ 695,000</u>	<u>\$ 1,109,575</u>	<u>\$ 174,547</u>	<u>\$ 1,979,122</u>

The above transfers represent normal budgetary and other recurring transfers.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>City:</b>					
Bonds payable:					
General obligation bonds	\$ 78,430,000	\$	\$ 14,470,000	\$ 63,960,000	\$ 13,525,000
Premium	2,384,918		550,753	1,834,165	
Total bonds payable	<u>80,814,918</u>	-	<u>15,020,753</u>	<u>65,794,165</u>	<u>13,525,000</u>
Other long-term liabilities:					
Clean water fund serial notes	21,968,472		2,035,328	19,933,144	1,777,635
Capital leases	109,596		53,895	55,701	55,701
Compensated absences	9,921,122	543,286	2,984,224	7,480,184	1,984,224
Heart and hypertension	2,866,791	208,059		3,074,850	307,485
Claims payable	9,797,303	3,158,940	3,964,338	8,991,905	3,247,998
Other claims	392,000		392,000		
Net pension liability	19,563,981	9,399,473		28,963,454	
OPEB liability	<u>198,567,331</u>	<u>109,563,236</u>		<u>308,130,567</u>	
Total City					
Long-Term Liabilities	<u>\$ 344,001,514</u>	<u>\$ 122,872,994</u>	<u>\$ 24,450,538</u>	<u>\$ 442,423,970</u>	<u>\$ 20,898,043</u>
<b>Allingtown Fire Department:</b>					
Capital leases	\$ 78,663	\$	\$ 78,663	-	\$
Compensated absences	510,066	72,348	102,013	480,401	102,013
Claims payable	524,345		247,090	277,255	69,314
Net pension liability	22,620,242	842,100		23,462,342	
OPEB liability	<u>28,164,607</u>	<u>1,300,409</u>		<u>29,465,016</u>	
Total Allingtown Fire Department					
Long term liabilities	<u>\$ 51,897,923</u>	<u>\$ 2,214,857</u>	<u>\$ 427,766</u>	<u>\$ 53,685,014</u>	<u>\$ 171,327</u>
<b>Total Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$ 78,430,000	\$	\$ 14,470,000	\$ 63,960,000	\$ 13,525,000
Premium	2,384,918		550,753	1,834,165	
Total bonds payable	<u>80,814,918</u>	-	<u>15,020,753</u>	<u>65,794,165</u>	<u>13,525,000</u>
Other long-term liabilities:					
Clean water fund serial notes	21,968,472		2,035,328	19,933,144	1,777,635
Capital leases	188,259		132,558	55,701	55,701
Compensated absences	10,431,188	615,634	3,086,237	7,960,585	2,086,237
Heart and hypertension	2,866,791	208,059		3,074,850	307,485
Claims payable	10,321,648	3,158,940	4,211,428	9,269,160	3,317,312
Other claims	392,000		392,000		
Net pension liability	42,184,223	10,241,573		52,425,796	
OPEB liability	<u>226,731,938</u>	<u>110,863,645</u>		<u>337,595,583</u>	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 395,899,437</u>	<u>\$ 125,087,851</u>	<u>\$ 24,878,304</u>	<u>\$ 496,108,984</u>	<u>\$ 21,069,370</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Bonds Payable**

A summary of general obligation bonds and notes outstanding for governmental funds at June 30, 2020 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2020</u>
General purpose:					
Debt issue	3/31/2010	2/15/2025	5.1 %	\$ 7,435,994	\$ 2,475,280
Refunding issue	5/31/2012	8/1/2026	3.0-5.0	38,380,000	11,850,000
Debt issue	5/31/2012	8/1/2026	3.0-5.0	1,225,000	707,000
Debt issue	9/3/2014	9/1/1934	3.0-5.0	7,865,000	5,550,000
Debt issue	11/1/2017	11/1/2027	3.0-5.0	16,135,000	12,905,000
Debt issue	11/1/2017	11/1/2037	3.0-5.0	5,815,000	5,233,000
Total general purpose					<u>38,720,280</u>
School bonds:					
Debt issue	3/31/2010	2/15/2025	5.1	4,280,006	1,424,720
Refunding issue	5/31/2012	8/1/2026	3.0-5.0	7,260,000	7,090,000
Debt issue	5/31/2012	8/1/2026	3.0-5.0	2,250,000	1,298,000
Debt issue	9/3/2014	9/1/1934	3.0-5.0	1,235,000	925,000
Debt issue	11/1/2017	11/1/1937	3.0-5.0	600,000	560,000
Total school bonds:					<u>11,297,720</u>
Sewer bonds:					
Refunding issue	5/31/2012	8/1/2026	3.0-5.0	1,980,000	40,000
Debt issue	11/1/2017	11/1/1937	3.0-5.0	3,220,000	3,032,000
Total sewer bonds					<u>3,072,000</u>
Pension:					
Pension obligation bond	9/3/2014	3/15/2022	.985-4.164	38,715,000	10,870,000
Sewer:					
CWF 444-C	3/31/2001	9/30/2020	2.0	1,603,000	24,021
CWF 348-C	11/30/2001	11/30/2020	2.0	4,407,222	109,890
CWF 346-C	12/31/2003	12/31/2022	2.0	801,945	117,515
CWF 348-C1	12/31/2003	12/31/2022	2.0	1,728,831	253,338
CWF 348-CD1	9/29/2006	11/30/2020	2.0	617,707	20,774
CWF 348-CD2	5/31/2007	12/31/2022	2.0	801,055	128,512
CWF 549-C	7/1/2013	7/1/1932	2.0	28,250,103	18,223,824
CWF 549-CD2	6/30/2015	7/1/1932	2.0	1,425,544	1,055,270
Total sewer notes					<u>19,933,144</u>
Total bonds/notes					<u>\$ 83,893,144</u>

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

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

The annual requirements to amortize bonds payable and clean water fund notes for governmental and proprietary funds as of June 30, 2020 are as follows:

Year Ending June 30,	General Obligation Bonds			Clean Water Funds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 13,525,000	\$ 2,816,014	\$ 16,341,014	\$ 1,777,635	\$ 381,479	\$ 2,159,114
2022	13,765,000	2,222,649	15,987,649	1,654,671	347,995	2,002,666
2023	5,805,000	1,652,401	7,457,401	1,584,910	315,031	1,899,941
2024	7,200,000	1,326,339	8,526,339	1,513,492	284,495	1,797,987
2025	7,240,000	964,511	8,204,511	1,544,041	253,946	1,797,987
2026-2030	11,990,000	1,896,022	13,886,022	8,200,458	789,475	8,989,933
2031-2035	3,475,000	625,500	4,100,500	3,657,937	79,619	3,737,556
2036-2038	960,000	72,000	1,032,000			
	<u>\$ 63,960,000</u>	<u>\$ 11,575,436</u>	<u>\$ 75,535,436</u>	<u>\$ 19,933,144</u>	<u>\$ 2,452,040</u>	<u>\$ 22,385,184</u>

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

	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 282,965,283	\$ 70,330,190	\$ 212,635,093
Schools	565,930,566	102,759,661	463,170,905
Sewers	471,608,805	7,674,710	463,934,095
Urban renewal	408,727,631		408,727,631
Pension deficit	377,287,044	10,870,000	366,417,044

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, \$880,336,436.

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.

The City has debt authorized and unissued bonds as of June 30, 2020 as follows:

<u>Description</u>	<u>Amount of Total Debt Authorized</u>	<u>Indebtedness</u>	<u>Authorized But Unissued Debt</u>
General Purpose	\$ 70,330,190	\$ 38,720,280	\$ 31,609,910
Schools	90,431,050	11,297,720	79,133,330
Sewers	7,674,710	3,072,000	4,602,710
Total	<u>\$ 168,435,950</u>	<u>\$ 53,090,000</u>	<u>\$ 115,345,950</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Capital Leases**

The City is committed under leases for vehicles totaling \$218,766 and accumulated depreciation of \$175,013. 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.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

<u>Year Ending June 30,</u>	<u>City</u>
2021	\$ 57,567
Total lease payments	<u>57,567</u>
Less amount representing interest	<u>1,866</u>
Present Value of Minimum Lease Payments	<u>\$ 55,701</u>

**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.

The following is a schedule of bond anticipation note activity for the fiscal year ended June 30, 2020:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
High School project	4/2/2019	10/2/2019	3.165 %	\$ 9,350,000	\$	\$ 9,350,000	\$
High School project	4/30/2019	10/2/2019	3.165	12,650,000	\$	12,650,000	\$
High School project	10/2/2019	4/2/2020	2.583	\$	32,500,000	32,500,000	\$
High School project	4/2/2020	10/2/2020	2.583	\$	<u>32,500,000</u>	\$	<u>32,500,000</u>
Total Bond Anticipation Notes				<u>\$ 22,000,000</u>	<u>\$ 65,000,000</u>	<u>\$ 54,500,000</u>	<u>\$ 32,500,000</u>

**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**

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**8. 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 with require that a liability for estimated claims incurred by 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.

Changes in the balances of claims liabilities during the fiscal years ended June 30, 2020 and 2019, are as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Fiscal Year Liability</b>
<b>General Liability</b>				
2018-2019	\$ 603,519	\$ 698,521	\$ 803,102	\$ 498,938
2019-2020	498,938	292,638	350,844	440,732
<b>Workers' Compensation</b>				
2018-2019	7,297,119	1,912,126	1,863,740	7,345,505
2019-2020	7,345,505	2,313,896	2,164,335	7,495,066
<b>Medical</b>				
2018-2019	2,074,775	25,858,229	25,980,144	1,952,860
2019-2020	1,952,860	23,119,587	23,739,085	1,333,362
<b>Totals</b>				
2018-2019	9,975,413	28,468,876	28,646,986	9,797,303
2019-2020	9,797,303	25,726,121	26,254,264	9,269,160

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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The claim reserves reported are based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

**9. DEFINED BENEFIT PENSION PLANS**

**A. City of West Haven Police and Allingtown Fire Department Pension Plans**

**Plan Description and Benefits Provided**

The City is the administrator of 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 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 serves 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.

**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.

**Allingtown Fire Department**

Each employee may enter the plan on their date of employment. Benefit provisions provide for vesting after 15 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.



**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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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 Fire Department</u>
Active members	75	12
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>45</u></u>

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments**

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**Funding Policy**

**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.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Investments**

**Investment Policy**

The Plan trustees have developed and approved an investment policy which specifies investment target allocations. 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. The following was the Trustees' adopted asset allocation policy as of June 30, 2020:

**Police**

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
US High Yield Bonds	20.00 %	4.34 %	3.86 %
Global Equity	15.00	5.41	4.11
US Large Caps	12.50	4.46	3.33
US Equity Market	10.00	4.73	3.52
US Mid Caps	10.00	4.84	3.38
Private Equity	10.00	9.55	5.68
Hedge Funds - Multistrategy	9.00	3.40	3.03
US Small Caps	5.00	5.79	3.91
US REITs	5.00	5.08	3.42
US Cash	3.50	0.88	0.87
Total Allocation	100.00 %		
Assumed Inflation - Mean		2.75	2.75
Assumed Inflation - Standard Deviation		1.65	1.65
Portfolio Real Mean Return		5.03	4.11
Portfolio Nominal Mean Return		7.79	6.95
Portfolio Standard Deviation			13.60
Long-Term Expected Rate of Return			7.125 %

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Allingtown Fire Department**

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Long Credit Bonds	59.10 %	4.19 %	3.83 %
US Large Caps	32.60	4.46	3.33
US REITs	2.80	5.08	3.42
US Cash	<u>5.50</u>	0.88	0.87
Total Allocation	<u>100.00 %</u>		
Assumed Inflation - Mean		2.75	2.75
Assumed Inflation - Standard Deviation		1.65	1.65
Portfolio Real Mean Return		4.12	3.78
Portfolio Nominal Mean Return		6.88	6.61
Portfolio Standard Deviation			7.68
Long-Term Expected Rate of Return			6.75 %

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (.76%) for the police plan and 5.79% for the Allingtown plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the City**

The components of the net pension liability of the City at June 30, 2020, were as follows:

	<u>Police</u>	<u>Allingtown Fire Department</u>
Total pension liability	\$ 143,010,785	\$ 32,679,232
Fund fiduciary net position	<u>114,047,331</u>	<u>9,216,890.00</u>
Net Pension Liability	<u>\$ 28,963,454</u>	<u>\$ 23,462,342</u>
Fund fiduciary net position as a percentage of the total pension liability	79.75%	28.20%

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Actuarial Assumptions**

	<u>Police</u>	<u>Allington Fire Department</u>
Valuation date	July 1, 2018	July 1, 2019
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.	PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale

In 2002, the City issued pension obligation bonds to fund the City’s Police pension liabilities. State statues 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 improvement, 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 a 5-year period. Currently, the Plan’s funded ratio is below 100% and therefore, the shortfall will be amortized over a 5-year period.

**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 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.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Changes in the Net Pension Liability**

The City's net pension liability for the West Haven Police pension plan was measured at June 30, 2020, 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:

	<b>Police</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 139,639,599	\$ 120,075,618	\$ 19,563,981
Changes for the year:			
Service cost	1,392,240		1,392,240
Interest on total pension liability	9,775,544		9,775,544
Employer contributions		2,203,317	(2,203,317)
Member contributions		473,136	(473,136)
Net investment income		(894,112)	894,112
Benefit payments, including refund to employee contributions	(7,796,598)	(7,796,598)	-
Administrative expenses		(14,030)	14,030
Net changes	<u>3,371,186</u>	<u>(6,028,287)</u>	<u>9,399,473</u>
Balances as of June 30, 2020	\$ <u>143,010,785</u>	\$ <u>114,047,331</u>	\$ <u>28,963,454</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

The City's net pension liability for the Allingtown Fire Department pension plan was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The changes in net pension liability were as follows:

<b>Allingtown Fire Department</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 30,726,366	\$ 8,106,124	\$ 22,620,242
Changes for the year:			
Service cost	285,870		285,870
Interest on total pension liability	2,035,642		2,035,642
Change in benefit terms			-
Differences between expected and actual experience	(360,338)		(360,338)
Changes in assumptions	1,729,217		1,729,217
Employer contributions		2,250,737	(2,250,737)
Member contributions		99,374	(99,374)
Net investment income (loss)		498,305	(498,305)
Benefit payments, including refund to employee contributions	(1,737,525)	(1,737,525)	-
Administrative expenses		(125)	125
Net changes	<u>1,952,866</u>	<u>1,110,766</u>	<u>842,100</u>
Balances as of June 30, 2020	\$ <u>32,679,232</u>	\$ <u>9,216,890</u>	\$ <u>23,462,342</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the discount rate of 7.125%, 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:

	<b>Police</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
	<b>6.125%</b>	<b>7.125%</b>	<b>8.125%</b>
Net Pension Liability	\$ 46,503,421	\$ 28,963,454	\$ 14,395,697

	<b>Allingtown Fire Department</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
	<b>5.750%</b>	<b>6.750%</b>	<b>7.750%</b>
Net Pension Liability	\$ 27,909,201	\$ 23,462,342	\$ 19,850,780

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the City recognized pension expense for the police plan and Allingtown Fire Department plan of \$3,676,805 and \$2,442,833, respectively. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Police</b>	<b>Allingtown Fire Department</b>	<b>Total</b>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$	\$ 17,796	\$ 17,796
Changes of assumptions	1,588,136	1,008,710	2,596,846
Net difference between projected and actual earning on pension plan investments	8,667,358		8,667,358
Total	\$ 10,255,494	\$ 1,026,506	\$ 11,282,000

	<b>Police</b>	<b>Allingtown Fire Department</b>	<b>Total</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 4,097,143	\$ 210,197	\$ 4,307,340
Net difference between projected and actual earning on pension plan investments		48,832	48,832
Total	\$ 4,097,143	\$ 259,029	\$ 4,356,172

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

<u>Year Ending June 30,</u>	<u>Police</u>	<u>Allingtown Fire Department</u>	<u>Total</u>
2021	\$ (83,664)	\$ 556,407	\$ 472,743
2022	1,726,033	205,827	1,931,860
2023	2,662,900	(8,596)	2,654,304
2024	1,853,082	13,839	1,866,921
	<u>\$ 6,158,351</u>	<u>\$ 767,477</u>	<u>\$ 6,925,828</u>

**B. Connecticut’s Teachers Retirement System - Pension**

**Plan Description**

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

**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 with reduced benefit amounts.

**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.

**Contributions**

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 approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.



**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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*Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, 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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$13,514,875 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, 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 amount 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's proportionate share of the net pension liability associated with the City		<u>178,544,596</u>
Total	\$	<u><u>178,544,596</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the City recognized pension expense and revenue of \$21,928,319 in Exhibit II.

**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	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>		<u>Target Allocation</u>		<u>Standard Deviation</u>	
Public Equity - US Equity	8.10	%	20.00	%	17.00	%
Public Equity - International Developed Equity	8.50		11.00		19.00	
Public Equity - Emerging Markets Equity	10.40		9.00		24.00	
Fixed Income - Core Fixed Income	4.60		16.00		7.00	
Fixed Income - Inflation Linked Bonds	3.60		5.00		7.00	
Fixed Income - High Yield	6.50		6.00		11.00	
Fixed Income - Emerging Market Debt	5.20		5.00		11.00	
Private Equity	9.80		10.00		23.00	
Real Estate	7.00		10.00		15.00	
Alternative Investments - Real Assets	8.20		4.00		17.00	
Alternative Investments - Hedge Funds	5.40		3.00		7.00	
Liquidity Fund	2.90		<u>1.00</u>		1.00	
Total			<u>100.00</u>	%		

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Discount Rate**

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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The 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.

**Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

**C. Plan Financial Statements**

	<b>Pension Trust Funds</b>		
	<b>Police Plan</b>	<b>Allingtown Fire Department Plan</b>	<b>Total</b>
Assets:			
Cash and cash equivalents	\$ 21,275,776	\$ 585,277	\$ 21,861,053
Investments, at fair value:			
Mutual funds	44,627,280	234,435	44,861,715
Common stock	23,219,879	2,493,082	25,712,961
Corporate bonds	13,450,717		13,450,717
Alternative Investments	11,473,679	521,780	11,995,459
Annuities		5,382,316	5,382,316
Total investments	<u>92,771,555</u>	<u>8,631,613</u>	<u>101,403,168</u>
Total assets	<u>114,047,331</u>	<u>9,216,890</u>	<u>123,264,221</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 114,047,331</u>	<u>\$ 9,216,890</u>	<u>\$ 123,264,221</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

	<b>Pension Trust Funds</b>		
	<b>Police</b>	<b>Allingtown</b>	<b>Total</b>
	<b>Plan</b>	<b>Fire Department</b> <b>Plan</b>	
Additions: Contributions: Employer Plan members Total contributions and other revenue  Investment income(loss): Change in fair value of investments Interest and dividends Total investment earnings Less investment expenses: Investment management fees Net investment income  Total additions	\$ 2,203,317 473,136 <u>2,676,453</u>  (2,167,879) 1,597,569 <u>(570,310)</u>  323,802 <u>(894,112)</u>  1,782,341	\$ 2,250,737 99,374 <u>2,350,111</u>  368,678 194,088 <u>562,766</u>  64,461 <u>498,305</u>  2,848,416	\$ 4,454,054 572,510 <u>5,026,564</u>  (1,799,201) 1,791,657 <u>(7,544)</u>  388,263 <u>(395,807)</u>  4,630,757
Deductions: Benefits Administration Total deductions  Change in net position  Net Position at Beginning of Year  Net Position at End of Year	7,796,598 14,030 <u>7,810,628</u>  (6,028,287)  120,075,618	1,737,525 125 <u>1,737,650</u>  1,110,766  8,106,124	9,534,123 14,155 <u>9,548,278</u>  (4,917,521)  128,181,742
	\$ <u>114,047,331</u>	\$ <u>9,216,890</u>	\$ <u>123,264,221</u>

**D. 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.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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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:

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.

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.

**10. OTHER POSTEMPLOYMENT BENEFITS**

**A. City and Allingtown Fire Department Other Postemployment Benefit Plans**

**Plan Description**

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.

At July 1, 2019, plan membership consisted of the following:

	<u>City</u>	<u>Allingtown</u>	<u>Total</u>
Active Employees	1,084	21	1,105
Retired, disables employees and beneficiaries receiving benefits	<u>596</u>	<u>57</u>	<u>653</u>
	<u>1,680</u>	<u>78</u>	<u>1,758</u>

The City’s police plan provides for medical, dental and life insurance benefits for all eligible 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.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Funding Policy**

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 \$7,045,915.

The Allingtown Fire Department’s recommend 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 \$762,820.

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.

**Total OPEB Liability of the City**

The City’s total OPEB liability of \$308,130,567 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

The Allingtown Fire Department’s total OPEB liability of \$29,465,016 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

**Actuarial Assumptions**

The total OPEB liability at June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>City</u>	<u>Allingtown Fire Department</u>
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	State Partnership: 5.70% reducing to a final of 4.10% over 55 years All others: 5.20% reducing to a final of 4.30% over 51 years	Pre Medicare: 6.40% reducing to a final of 4.30% over 61 years Post Medicare: 4.90% reducing to a final of 4.30% over 53 years
Mortality rates	PubS-2010 Mortality Table with generational projections of future improvements per the MP-2019 scale	PubS-2010 Mortality Table with generational projections of future improvements per the MP-2019 scale

The plan has not had a formal actuarial experience study performed.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21% for both plans. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. 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.

**Changes in the Total OPEB Liability**

<b>City</b>	<u><b>Increase (Decrease)</b></u> <u><b>Total OPEB</b></u> <u><b>Liability</b></u> <u><b>(a)</b></u>
Balances as of July 1, 2019	\$ <u>198,567,331</u>
Changes for the year:	
Service cost	7,360,854
Interest on total OPEB liability	7,085,244
Change in benefit terms	(1,191,970)
Differences between expected and actual experience	44,337,855
Changes in assumptions	59,017,168
Benefit payments	<u>(7,045,915)</u>
Net changes	<u>109,563,236</u>
Balances as of June 30, 2020	\$ <u><u>308,130,567</u></u>
	<u><b>Increase (Decrease)</b></u> <u><b>Total OPEB</b></u> <u><b>Liability</b></u> <u><b>(a)</b></u>
<b>Allingtown</b>	
Balances as of July 1, 2019	\$ <u>28,164,607</u>
Changes for the year:	
Service cost	775,734
Interest on total OPEB liability	999,677
Differences between expected and actual experience	(4,782,737)
Changes in assumptions	5,070,555
Benefit payments	<u>(762,820)</u>
Net changes	<u>1,300,409</u>
Balances as of June 30, 2020	\$ <u><u>29,465,016</u></u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<u>1% Decrease</u> <u>1.21%</u>	<u>Current Discount</u> <u>Rate</u> <u>2.21%</u>	<u>1% Increase</u> <u>3.21%</u>
Net OPEB Liability - City	\$ <u>366,474,029</u>	\$ <u>308,130,567</u>	\$ <u>262,410,213</u>
	<u>1% Decrease</u> <u>1.21%</u>	<u>Current Discount</u> <u>Rate</u> <u>2.21%</u>	<u>1% Increase</u> <u>3.21%</u>
Net OPEB Liability - Allingtown	\$ <u>33,792,654</u>	\$ <u>29,465,016</u>	\$ <u>23,820,162</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability - City	\$ <u>256,761,720</u>	\$ <u>308,130,567</u>	\$ <u>375,360,070</u>
	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability - Allingtown	\$ <u>23,048,008</u>	\$ <u>29,465,016</u>	\$ <u>34,892,582</u>



**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$27,445,304 and Allingtown Fire Department recognized \$1,965,826. The City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>City</b>		
Differences between expected and actual experience	\$ 51,056,076	\$
Changes of assumptions	<u>58,269,063</u>	<u>11,423,196</u>
Total - City	<u>\$ 109,325,139</u>	<u>\$ 11,423,196</u>
<b>Allingtown</b>		
Differences between expected and actual experience	\$	\$ 3,834,774
Changes of assumptions	<u>4,924,558</u>	<u>413,105</u>
Total - Allingtown	<u>\$ 4,924,558</u>	<u>\$ 4,247,879</u>
Total	<u>\$ 114,249,697</u>	<u>\$ 15,671,075</u>

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

<u>Year Ending June 30,</u>	<u>City Plan</u>	<u>Allingtown Plan</u>
2021	\$ 14,191,176	\$ 190,415
2022	14,191,176	371,138
2023	14,979,391	57,564
2024	16,818,562	57,562
2025	13,870,479	
Thereafter	<u>23,851,159</u>	
Total	<u>\$ 97,901,943</u>	<u>\$ 676,679</u>

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**B. State Teachers Retirement Plan**

**Plan Description**

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

Chapter 167a 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).

**Benefit Provisions**

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who 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, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 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 who 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 Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**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 Supplement Plans, as long as they do not remarry.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Eligibility**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$369,373 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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*Employees/Retirees*

The cost of providing plan benefits is financed on a pay-as-you-go bases as followed: active teachers pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020, 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 amount 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 was as follows:

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>27,845,037</u>
Total	<u>\$ 27,845,037</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the City recognized OPEB expense and revenue of \$(2,037,604) in Exhibit II.

**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	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

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

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

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

**Other Information**

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

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**11. FUND BALANCE CLASSIFICATIONS**

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>Allingtown Fire Department Fund</u>	<u>Capital Improvement Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:						
Prepaid Items	\$ 346,540	\$ _____	\$ _____	\$ 149,832	\$ _____	\$ 496,372
Restricted for:						
General Government					80,135	80,135
Allingtown Fire Department		1,990,020				1,990,020
Sewer operations				4,754,600		4,754,600
Housing rehabilitation					2,479,582	2,479,582
Public works					42,866	42,866
Total restricted	<u>-</u>	<u>1,990,020</u>	<u>-</u>	<u>4,754,600</u>	<u>2,602,583</u>	<u>9,347,203</u>
Committed to:						
Public safety					370,732	370,732
Public works					17,625	17,625
Health and welfare					37,458	37,458
Parks and recreation					436,612	436,612
Education					33,707	33,707
Capital projects					675,433	675,433
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,571,567</u>	<u>1,571,567</u>
Assigned to:						
General Government	<u>27,720</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>27,720</u>
Unassigned	<u>3,201,411</u>	<u>_____</u>	<u>(37,858,351)</u>	<u>_____</u>	<u>(262,312)</u>	<u>(34,919,252)</u>
Total Fund Balances	<u>\$ 3,575,671</u>	<u>\$ 1,990,020</u>	<u>\$ (37,858,351)</u>	<u>\$ 4,904,432</u>	<u>\$ 3,911,838</u>	<u>\$ (23,476,390)</u>

Major encumbrances include \$46,750,809 in the Capital Improvement Fund for the West Haven High School expansion and renovation.

**CITY OF WEST HAVEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**12. MUNICIPAL OVERSIGHT**

In December 2017, the City of West Haven notified of their designation as a Tier III municipality under the State of Connecticut Municipal Accountability Review Board (MARB). As a Tier III municipality under MARB oversight, the City is provided access to additional tools to achieve long term fiscal sustainability in exchange for significant accountability and oversight. The City was approved as a Tier III municipality in November 2018. Under MARB oversight, the City is required to submit and present at a public meeting monthly financial reports to ensure the City is operating with fiscal diligence in conformity with the annual budget and broader financial plan. The City's General Fund recommended budget must be reviewed by the MARB on an annual basis and the revenue assumptions must be approved by the MARB. Any union tentative agreements must also be reviewed by the MARB. The City is also eligible to receive Municipal Restructuring Funds from the State of Connecticut's Office of Policy and Management.

A memorandum of agreement between the State of Connecticut's Office of Policy and Management and the City of West Haven for the year ending June 30, 2020 includes up to \$4,115,000 of Restructuring Funds in the budget approved by the MARB on August 1, 2019 to achieve balanced or positive budgetary operations, in addition to the City providing an updated Five-Year Recovery plan for FY 2021-2025, submission of FY21 proposed budget, and other various reports and corrective action plans to be reviewed by the MARB and a subcommittee. Based on current year results, the City was determined to be awarded \$3,115,000 of the Municipal Restructuring Funds for the year ended June 30, 2020. The City will resubmit an updated Municipal Recovery Plan annually in concert with the Mayor's Recommended General Fund Budget

**13. TAX ABATEMENTS**

The City established an economic development tax incentive program pursuant to Section 12-265b 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 one company participating in the economic development tax incentive program. The amount of the tax abatement under this program was approximately \$120,906.

**14. CONTINGENT LIABILITIES**

The City is a party to various legal proceedings which involve claims against the City. In those cases where a loss is probable and measurable, a liability has been recorded. It is the opinion of City management and the City attorney that the ultimate resolution of remaining litigation will not have a material effect on the financial position of the City.

**15. SUBSEQUENT EVENTS**

On September 22, 2020, the City issued \$19,73,000 in general obligation bonds (Issue of 2020) with interest rates varying from 3.00% to 4.00% and a maturity date of March 15, 2040. In addition, the City issued \$19,500,000 of bond anticipation notes, also dated September 22, 2020, maturing September 30, 2021. The bond anticipation notes carry an interest rate of 2.00%.

**16. CORONAVIRUS (COVID-19)**

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The City derives a significant portion of its revenues from property taxes. While the City has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the City's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.



**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Additional Appropriations and Transfers	Final		
General Property Tax:					
Current levy	\$ 96,375,557	\$	\$ 96,375,557	\$ 96,404,214	\$ 28,657
Motor vehicle supplement	1,236,000		1,236,000	1,487,146	251,146
Prior year levies	412,000		412,000	383,695	(28,305)
Suspense taxes	100,000		100,000	156,483	56,483
Interest and lien fees	792,150		792,150	902,976	110,826
Telephone access line	120,555		120,555	77,191	(43,364)
Non-current personal property tax audits	300,000		300,000		(300,000)
PILOT - SCCRWA NH water grant	305,220		305,220	302,062	(3,158)
PILOT - housing authority	145,230		145,230	144,513	(717)
Total general property tax	<u>99,786,712</u>	<u>-</u>	<u>99,786,712</u>	<u>99,858,280</u>	<u>71,568</u>
Intergovernmental:					
Education cost sharing	45,140,487		45,140,487	44,989,601	(150,886)
Health/welfare services - Parochial school	60,000		60,000	67,266	7,266
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				2,000	2,000
Mashantucket Pequot	807,097		807,097	807,097	-
Property tax relief - totally disabled	5,370		5,370	4,608	(762)
PILOT - State owned property	181,198		181,198	181,198	-
Property tax relief - Veterans reimbursement	118,373		118,373	130,803	12,430
Town aid road	616,005		616,005	617,268	1,263
State miscellaneous grants	122,000		122,000	121,258	(742)
FEMA				29,739	29,739
Municipal restructuring funds	4,115,542		4,115,542	3,115,000	(1,000,542)
Total Intergovernmental	<u>56,841,576</u>	<u>-</u>	<u>56,841,576</u>	<u>55,741,342</u>	<u>(1,100,234)</u>
Charges of services:					
Animal licenses	13,390		13,390	8,599	(4,791)
Marriage licenses	3,090		3,090	3,692	602
Sporting licenses	206		206	21	(185)
Building permits	1,200,000		1,200,000	970,344	(229,656)
Electrical permits	160,000		160,000	155,646	(4,354)
Excavation permits	7,210		7,210	9,820	2,610
Plumbing & heating permits	200,000		200,000	97,035	(102,965)
Zoning permits	95,000		95,000	103,778	8,778
Alcoholic beverage licenses	155		155	1,134	979
Police licenses & protection permits	20,600		20,600	25,410	4,810
City clerk fees collected	7,313		7,313	5,726	(1,587)
Dog pound releases	2,060		2,060		(2,060)
Health licenses & restaurant permits	82,400		82,400	42,330	(40,070)
Parking tags	175,000		175,000	191,372	16,372
Fines & penalties	25,750		25,750	51,832	26,082
Rents for city facilities	31,250		31,250	24,920	(6,330)
Record legal instruments fee	656,250		656,250	718,683	62,433
Police charges - public safety	15,450		15,450	18,436	2,986
Sundry other miscellaneous	155		155		(155)

(Continued on next page)

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Additional Appropriations and Transfers	Final		
Charges for services (continued):					
Miscellaneous public works/sewer-orange	\$ 37,059	\$	\$ 37,059	\$ 33,795	\$ (3,264)
Miscellaneous general government - all other	92,700		92,700	52,117	(40,583)
Miscellaneous parks & recreation	340,000		340,000	166,936	(173,064)
Public works	2,060		2,060	2,469	409
Parking meter revenue	30,000		30,000	73,618	43,618
Sewer collection fee	51,301		51,301	55,166	3,865
Insurance reimbursement	20,600		20,600	32,252	11,652
Quigley/Yale parking	41,200		41,200	43,603	2,403
Fire District share of ERS	857,822		857,822	766,392	(91,430)
Organic recycling/compost	13,000		13,000	20,993	7,993
Total charges for services	<u>4,181,021</u>	<u>-</u>	<u>4,181,021</u>	<u>3,676,119</u>	<u>(504,902)</u>
Contributions (Yale)	<u>422,651</u>		<u>422,651</u>	<u>444,561</u>	<u>21,910</u>
Income from investments	<u>70,000</u>		<u>70,000</u>	<u>348,190</u>	<u>278,190</u>
Other	<u>210,000</u>		<u>210,000</u>	<u>204,699</u>	<u>(5,301)</u>
Total revenues	<u>161,511,960</u>	<u>-</u>	<u>161,511,960</u>	<u>160,273,191</u>	<u>(1,238,769)</u>
Other Financing Sources:					
Sale of capital assets				12,000	12,000
Transfers in:					
Public safety fund	250,000		250,000	174,547	(75,453)
Sewer fund	1,158,875		1,158,875	1,109,575	(49,300)
Total other financing sources	<u>1,408,875</u>	<u>-</u>	<u>1,408,875</u>	<u>1,296,122</u>	<u>(112,753)</u>
Total revenues and other financing sources	<u>\$ 162,920,835</u>	<u>\$ -</u>	<u>\$ 162,920,835</u>	<u>161,569,313</u>	<u>\$ (1,351,522)</u>
Budgetary revenues are different than GAAP revenues because:					
State of Connecticut on-behalf pension contributions to the State Teachers' Retirement System for City teachers are not budgeted				13,514,875	
State of Connecticut on-behalf OPEB contributions to the State Teachers' Retirement System for City teachers are not budgeted				<u>369,373</u>	
Total revenues and other financing sources as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV)				<u>\$ 175,453,561</u>	

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Additional Appropriation and Transfers	Final		
<b>General Government:</b>					
City council	\$ 162,672	\$	\$ 162,672	\$ 183,871	\$ (21,199)
Mayor's office	317,111		317,111	308,157	8,954
Corporate counsel	466,368		466,368	444,982	21,386
Labor relations and personnel	170,585		170,585	171,604	(1,019)
Communications	320,000		320,000	308,548	11,452
Town and City Clerk	266,278	2,500	268,778	320,374	(51,596)
Registers of voters	137,002		137,002	121,169	15,833
Probate court	8,020		8,020	8,343	(323)
Planning and development	383,645		383,645	344,415	39,230
Grants administration	66,971	(5,000)	61,971	48,923	13,048
Building department	518,319		518,319	391,988	126,331
Treasurer	7,600		7,600	7,600	-
Finance/Comptroller	991,117	(26,500)	964,617	906,751	57,866
Purchasing department	143,253		143,253	126,370	16,883
Information and technology/data processing	531,862		531,862	472,345	59,517
Central services	219,071		219,071	168,170	50,901
Department of assessment	442,288		442,288	436,602	5,686
Board of assessment appeals	5,600		5,600	3,473	2,127
Department of tax collections	429,004		429,004	439,112	(10,108)
Unallocated	(885,226)	1,284,667	399,441	300,231	99,210
Contingency	676,766	(40,324)	636,442	115,000	521,442
Total general government	5,378,306	1,215,343	6,593,649	5,628,028	965,621
<b>Public Safety:</b>					
Emergency reporting system (ERS)	1,906,271	(90,000)	1,816,271	1,826,536	(10,265)
Public safety administration	829,832	85,890	915,722	1,058,445	(142,723)
Public safety operations	11,806,118	(85,890)	11,720,228	11,547,313	172,915
Public safety support	855,585		855,585	873,618	(18,033)
Animal control	283,566		283,566	224,897	58,669
Emergency management	14,198		14,198	14,974	(776)
Total public safety	15,695,570	(90,000)	15,605,570	15,545,783	59,787
<b>Public Works:</b>					
Administration	604,341		604,341	465,721	138,620
Bureau of engineering	339,311	(63,553)	275,758	318,407	(42,649)
Central garage	1,323,141		1,323,141	1,072,390	250,751
Compost site	46,001		46,001	26,489	19,512
Disposal of solid waste	3,169,900		3,169,900	3,473,987	(304,087)
Grounds and building maintenance	1,243,881	(36,447)	1,207,434	1,045,764	161,670
Highways and park maintenance	4,038,581	(95,000)	3,943,581	3,904,610	38,971
Total public works	10,765,156	(195,000)	10,570,156	10,307,368	262,788
<b>Benefits and insurance</b>					
City insurance	800,977		800,977	759,221	41,756
Pensions and hospitalizations	17,999,404	(1,020,343)	16,979,061	15,486,615	1,492,446
C-Med programs	42,179		42,179	39,088	3,091
Total benefits and insurance	18,842,560	(1,020,343)	17,822,217	16,284,924	1,537,293

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**CITY OF WEST HAVEN, CONNECTICUT  
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
 BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Additional Appropriation and Transfers	Final		
Human resources and health and welfare:					
Department of human resources	\$ 279,237	\$	\$ 279,237	\$ 292,125	\$ (12,888)
Department of elderly services	441,772		441,772	441,673	99
Health department	344,438		344,438	339,137	5,301
Total human resources and health and welfare	1,065,447	-	1,065,447	1,072,935	(7,488)
Parks and recreation	878,548		878,548	759,459	119,089
Library	1,421,000		1,421,000	1,421,000	-
Board of education	89,960,421		89,960,421	89,139,235	821,186
Debt service	18,873,827		18,873,827	18,498,828	374,999
Total expenditures	162,880,835	(90,000)	162,790,835	158,657,560	4,133,275
Other financing uses:					
Transfer out:					
Public safety fund	40,000		40,000		40,000
Capital improvement fund		90,000	90,000	695,000	(605,000)
Total other financing uses	40,000	90,000	130,000	695,000	(565,000)
Total expenditures and other financing uses	\$ 162,920,835	\$ -	\$ 162,920,835	159,352,560	\$ 3,568,275
Budgetary expenditures are different than GAAP expenditures because:					
State of Connecticut on-behalf pension contributions to the State Teachers' Retirement System for City teachers are not budgeted				13,514,875	
State of Connecticut on-behalf OPEB contributions to the State Teachers' Retirement System for City teachers are not budgeted				369,373	
Total expenditures and other financing uses				\$ 173,236,808	

**CITY OF WEST HAVEN, CONNECTICUT  
 ALLINGTOWN FIRE DEPARTMENT FUND  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL - BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Additional Appropriations and Transfers	Final		
Property taxes:					
Current property taxes	\$ 7,031,957	\$	\$ 7,031,957	\$ 7,013,141	\$ (18,816)
Prior year property taxes	120,000		120,000	156,385	36,385
Interest and lien fees				73,726	73,726
PILOT - Regional Water Authority	56,000		56,000	59,829	3,829
Total property taxes	<u>7,207,957</u>	<u>-</u>	<u>7,207,957</u>	<u>7,303,081</u>	<u>95,124</u>
Intergovernmental:					
Motor vehicle tax allocation				160,170	160,170
State miscellaneous grants				21,515	21,515
Total intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,685</u>	<u>181,685</u>
Charges for services:					
Bundle billing	30,000		30,000	14,078	(15,922)
Police/Fire outside services	6,000		6,000	10,555	4,555
Fire department transportation fees				35,785	35,785
Other fees	76,600		76,600	120,728	44,128
Total charges for services	<u>112,600</u>	<u>-</u>	<u>112,600</u>	<u>181,146</u>	<u>68,546</u>
Contributions:					
University of New Haven and Yale donations	100,000		100,000	100,000	
Other:					
Insurance recovery	7,210		7,210	6,375	(835)
Total revenues	<u>\$ 7,427,767</u>	<u>\$ -</u>	<u>\$ 7,427,767</u>	<u>\$ 7,772,287</u>	<u>\$ 344,520</u>

**CITY OF WEST HAVEN, CONNECTICUT  
ALLINGTOWN FIRE DEPARTMENT FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Additional Appropriations and Transfers	Final		
Personnel:					
Salaries	\$ 1,687,170	\$	\$ 1,687,170	\$ 1,627,423	\$ 59,747
Overtime and vacation pay	450,000		450,000	436,008	13,992
Uniforms	16,000		16,000	10,690	5,310
Life insurance	14,000		14,000	11,984	2,016
Pension contribution	2,326,000		2,326,000	2,319,699	6,301
Heart and Hypertension	70,000		70,000	840	69,160
Works' compensation insurance	150,000		150,000	321,634	(171,634)
Insurance	1,653,090		1,653,090	1,369,305	283,785
Education incentive (EMT - Certification)	105,000		105,000		105,000
Social security and Medicare (FICA)	65,000		65,000	57,660	7,340
Total personnel	<u>6,536,260</u>	<u>-</u>	<u>6,536,260</u>	<u>6,155,243</u>	<u>381,017</u>
Maintenance:					
Building maintenance	10,205	15,607	25,812	45,553	(19,741)
Equipment purchase/maintenance	27,552	28,000	55,552	53,722	1,830
Tools	13,000	3,500	16,500	5,723	10,777
Radio	4,000	(2,000)	2,000	777	1,223
Hydrants	12,000		12,000	10,474	1,526
Total maintenance	<u>66,757</u>	<u>45,107</u>	<u>111,864</u>	<u>116,249</u>	<u>(4,385)</u>
Administration:					
Training	25,000	(10,500)	14,500	9,720	4,780
Business	9,000		9,000	8,551	449
Financial services	13,000		13,000	15,000	(2,000)
Total administration	<u>47,000</u>	<u>(10,500)</u>	<u>36,500</u>	<u>33,271</u>	<u>3,229</u>
Utilities, insurance and equipment:					
Heating	11,000	(2,000)	9,000	8,626	374
Electricity	19,000		19,000	15,971	3,029
Water	181,400		181,400	172,544	8,856
Telephone	13,000		13,000	6,713	6,287
Emergency reporting system and telephone	274,239		274,239	317,603	(43,364)
Medical testing and equipment	34,169	9,000	43,169	19,725	23,444
Office supplies	4,000		4,000	3,523	477
Gasoline and diesel	18,000		18,000	13,828	4,172
General liability insurance	43,183		43,183	37,751	5,432
Personal computers	18,511		18,511	15,619	2,892
Contingency	40,000	(36,242)	3,758	2,795	963
Deficit reduction	25,000	(5,365)	19,635	5,436	14,199
Total utilities, insurance and equipment	<u>681,502</u>	<u>(34,607)</u>	<u>646,895</u>	<u>620,134</u>	<u>26,761</u>
Capital outlay	<u>20,000</u>		<u>20,000</u>		<u>20,000</u>
Debt service	<u>81,000</u>		<u>81,000</u>	<u>80,944</u>	<u>56</u>
Total expenditures	<u>\$ 7,432,519</u>	<u>\$ -</u>	<u>\$ 7,432,519</u>	<u>\$ 7,005,841</u>	<u>\$ 426,678</u>

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION PLAN  
LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 1,392,240	\$ 1,259,486	\$ 1,557,421	\$ 1,456,995	\$ 1,734,676	\$ 1,615,531	\$ 1,627,000
Interest	9,775,544	10,276,337	9,998,157	9,985,109	9,687,559	9,377,636	9,147,000
Change in benefit terms							
Differences between expected and actual experience		(9,950,205)		(3,803,033)		(1,106,768)	
Changes of assumptions		3,856,902		(311,559)			
Benefit payments, including refunds of member contributions	(7,796,598)	(7,631,461)	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,311,000)
Net change in total pension liability	3,371,186	(2,188,941)	4,210,550	167,194	4,358,209	3,127,746	4,463,000
Total pension liability - beginning	139,639,599	141,828,540	137,617,990	137,450,796	133,092,587	129,964,841	125,501,841
Total pension liability - ending	<u>143,010,785</u>	<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	2,203,317	1,994,500	2,091,000	1,850,000	1,850,000	1,274,950	1,157,000
Contributions - member	473,136	522,344	566,567	580,520	571,774	590,403	583,213
Net investment income	(894,112)	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	(7,796,598)	(7,631,461)	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,310,695)
Administrative expense	(14,030)	(13,867)	(16,843)	(23,123)	(14,646)	(26,720)	(25,000)
Other							
Net change in plan fiduciary net position	(6,028,287)	(472,857)	4,764,406	6,807,934	(7,246,778)	(2,852,616)	9,433,518
Plan fiduciary net position - beginning	120,075,618	120,548,475	115,784,069	108,976,135	116,222,913	119,075,529	109,642,011
Plan fiduciary net position - ending	<u>114,047,331</u>	<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 - Ending	<u>\$ 28,963,454</u>	<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	79.75%	85.99%	85.00%	84.13%	79.28%	87.32%	91.62%
Covered payroll	\$ 5,765,537	\$ 5,765,537	\$ 6,588,354	\$ 6,588,354	\$ 7,160,460	\$ 7,160,460	\$ 7,191,938
Net pension liability as a percentage of covered payroll	502.35%	339.33%	323.00%	331.40%	397.67%	235.59%	151.41%

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ALLINGTOWN FIRE DEPARTMENT PENSION PLAN  
LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 285,870	\$ 386,203	\$ 373,143	\$ 524,520	\$ 491,354	\$ 462,468	\$ 430,000
Interest	2,035,642	2,005,277	1,936,364	1,894,119	1,832,169	1,838,710	1,768,000
Change in benefit terms					1,419,497		
Differences between expected and actual experience	(360,338)		551,655		(1,272,361)		1,009,000
Changes of assumptions	1,729,217				1,515,081		
Benefit payments, including refunds of member contributions	(1,737,525)	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Net change in total pension liability	1,952,866	449,761	1,093,438	899,497	2,624,445	934,656	1,986,000
Total pension liability - beginning	30,726,366	30,276,605	29,183,167	28,283,670	25,659,225	24,724,569	22,738,569
Total pension liability - ending	<u>32,679,232</u>	<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	2,250,737	2,150,220	1,894,851	1,691,815	1,559,866	1,571,325	1,495,000
Contributions - member	99,374	102,602	121,477	145,266	164,437	161,935	153,000
Net investment income	498,305	610,128	515,517	454,693	71,139	(89,385)	252,000
Benefit payments, including refunds of member contributions	(1,737,525)	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Administrative expense	(125)	(77,486)	(35)	(9,551)	(28,895)	(100)	(6,000)
Net change in plan fiduciary net position	1,110,766	843,745	764,086	763,081	405,252	277,253	673,000
Plan fiduciary net position - beginning	8,106,124	7,262,379	6,498,293	5,735,212	5,329,960	5,052,707	4,379,707
Plan fiduciary net position - ending	<u>9,216,890</u>	<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 - Ending	<u>\$ 23,462,342</u>	<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	28.20%	26.38%	23.99%	22.27%	20.28%	20.77%	20.44%
Covered payroll	\$ 1,275,933	\$ 1,275,933	\$ 1,689,604	\$ 1,689,604	\$ 1,678,136	\$ 1,678,136	\$ 1,645,791
Net pension liability as a percentage of covered payroll	1838.84%	1772.84%	1362.11%	1342.61%	1343.66%	1211.42%	1195.28%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule:

Assumption Changes:

**2020**

Mortality: PubS-201 Mortality Table with generational projection per the MP Ultimate scale; Prior Valuation: RP-2000 Combined Health Mortality with blue collar adjustments and generational projections per Scale AA



**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 2,203,317	\$ 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
Contributions in relation to the actuarially determined contribution	<u>2,203,317</u>	<u>1,994,500</u>	<u>2,091,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,274,950</u>	<u>1,157,000</u>	<u>1,285,750</u>	<u>979,292</u>	<u>1,050,000</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <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>
Covered payroll	\$ 5,765,537	\$ 5,765,537	\$ 6,588,354	\$ 6,588,354	\$ 7,160,460	\$ 7,160,460	\$ 7,191,938	\$ 7,008,211	\$ 7,008,211	\$ 7,074,123
Contributions as a percentage of covered payroll	38.22%	34.59%	31.74%	28.08%	25.84%	17.81%	16.09%	18.35%	13.97%	14.84%

Valuation date: July 1, 2018

Measurement date: June 30, 2020

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit, Level percentage, Closed
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.125%
Mortality	RP-2000 Mortality Table (with blue collar adjustments) for Healthy Annuitants and Non-Annuitants projected to 2020 per Scale AA

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ALLINGTOWN FIRE DEPARTMENT PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 2,250,737	\$ 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
Contributions in relation to the actuarially determined contribution	<u>2,250,737</u>	<u>2,150,220</u>	<u>1,894,851</u>	<u>1,691,815</u>	<u>1,559,866</u>	<u>1,571,325</u>	<u>1,495,339</u>	<u>1,516,586</u>	<u>1,492,075</u>	<u>1,430,341</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <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>
Covered payroll	\$ 1,275,933	\$ 1,275,933	\$ 1,689,604	\$ 1,689,604	\$ 1,678,136	\$ 1,678,136	\$ 1,645,791	\$ 1,645,791	\$ 1,645,791	\$ 1,341,760
Contributions as a percentage of covered payroll	176.40%	168.52%	112.15%	100.13%	92.95%	93.64%	90.86%	92.15%	90.66%	106.60%

Valuation date: July 1, 2019  
 Measurement date: June 30, 2020  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:  
 Actuarial cost method: Entry Age Normal, Level percentage, Closed  
 Asset valuation method: 5-year smoothed market  
 Inflation: 2.75%  
 Salary increases: 3.50%  
 Investment rate of return: 6.75%  
 Mortality: PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale

**CITY OF WEST HAVEN, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 PENSION PLANS  
 LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense							
Police Pension Plan	-0.76%	3.95%	8.60%	10.64%	-1.87%	1.43%	13.13%
Allingtown Fire Department Pension Plan	5.79%	8.22%	7.77%	7.53%	1.29%	-1.70%	-5.47%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST SIX FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	-
State's proportionate share of the net pension liability associated with the City	<u>178,544,596</u>	<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>\$ 178,544,596</u>	<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	\$ 10,170,053	\$ (1)	\$ (1)	\$ (1)	\$ (1)	(1)
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**Plan Information**

Changes in benefit terms	<p>HB 7424 made the following provision changes:</p> <ul style="list-style-type: none"> <li>- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.</li> <li>- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.</li> </ul>
Changes of assumptions	<p>HB 7424 made the following assumption changes:</p> <ul style="list-style-type: none"> <li>- Reduce the inflation assumption from 2.75% to 2.50%.</li> <li>- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.</li> <li>- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.</li> <li>- Phase in to a level dollar amortization method for the June 30, 2024 valuation.</li> </ul>
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary Increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

(1) Information not available

**CITY OF WEST HAVEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS**

**LAST FOUR FISCAL YEARS \***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 7,360,854	\$ 5,120,818	\$ 5,336,119	\$ 5,146,556
Interest	7,085,244	7,156,576	5,961,628	5,137,998
Changes in benefit terms	(1,191,970)		(318,736)	
Differences between expected and actual experience	44,337,855		21,704,481	
Changes of assumptions	59,017,168	9,917,381	(7,576,180)	(17,603,501)
Benefit payments, including refunds of member contributions	(7,045,915)	(6,797,571)	(6,199,457)	(7,056,148)
Net change in total OPEB liability	<u>109,563,236</u>	<u>15,397,204</u>	<u>18,907,855</u>	<u>(14,375,095)</u>
Total OPEB liability - beginning	<u>198,567,331</u>	<u>183,170,127</u>	<u>164,262,272</u>	<u>178,637,367</u>
Total OPEB liability - ending	<u>308,130,567</u>	<u>198,567,331</u>	<u>183,170,127</u>	<u>164,262,272</u>
Covered payroll	\$ 78,710,730	\$ 59,634,262	\$ 59,634,262	61,793,967
Net OPEB liability as a percentage of covered payroll	391.47%	332.98%	307.16%	265.82%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF WEST HAVEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN - ALLINGTOWN FIRE DEPARTMENT PLAN**  
**LAST FOUR FISCAL YEARS \***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 775,734	\$ 824,372	\$ 868,068	\$ 958,243
Interest	999,677	997,948	932,668	818,437
Changes in benefit terms				
Differences between expected and actual experience	(4,782,737)		(26,980)	
Changes of assumptions	5,070,555	1,736,228	(1,298,327)	(3,655,785)
Benefit payments, including refunds of member contributions	(762,820)	(705,950)	(688,973)	(703,461)
Net change in total OPEB liability	<u>1,300,409</u>	<u>2,852,598</u>	<u>(213,544)</u>	<u>(2,582,566)</u>
Total OPEB liability - beginning	28,164,607	25,312,009	25,525,553	28,108,119
Total OPEB liability - ending	<u>29,465,016</u>	<u>28,164,607</u>	<u>25,312,009</u>	<u>25,525,553</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF WEST HAVEN, CONNECTICUT**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST THREE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.00%	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	- \$	-
State's proportionate share of the net OPEB liability associated with the City	<u>27,845,037</u>	<u>27,520,758</u>	<u>36,618,483</u>
Total	<u>\$ 27,845,037</u>	<u>\$ 27,520,758</u>	<u>\$ 36,618,483</u>
City's covered payroll	\$ 10,170,053	\$ (1)	\$ (1)
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

(1) Information not available

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

**CITY OF WEST HAVEN, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING - CITY  
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List Year	Taxes Receivable July 1, 2019	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Collections				Taxes Receivable June 30, 2020	
			Additions	Deletions			Taxes	Interest	Liens	Total		
2018	\$	\$ 99,611,077	\$ 88,180	\$ 225,246		\$ 99,474,011	\$ 97,332,822	\$ 418,187	\$ 47,325	\$	\$ 97,798,334	\$ 2,141,189
2017	1,601,514		155,690	138,436		1,618,768	571,763	138,458	114,787		825,008	1,047,005
2016	993,933		103,204	56,675	670,605	369,857	169,674	82,195	32,086		283,955	200,183
2015	133,426		70,107	11,293		192,240	41,053	30,125	48		71,226	151,187
2014	184,297		22,241	3,649		202,889	7,681	8,807	13		16,501	195,208
2013	170,300			590		169,710	7,423	8,461	133		16,017	162,287
2012	105,516		128	179		105,465	954	672	24		1,650	104,511
2011	88,301		493			88,794	796	1,450	24		2,270	87,998
2010	87,631					87,631	440	522	24		986	87,191
2009	114,771					114,771	214	174	24		412	114,557
2008	103,403					103,403	138	147			285	103,265
2007	58,043					58,043					-	58,043
2006	57,607					57,607					-	57,607
2005 and prior	169,555			54,295		115,260	3,443	8,913	48		12,404	111,817
	<u>\$ 3,868,297</u>	<u>\$ 99,611,077</u>	<u>\$ 440,043</u>	<u>\$ 490,363</u>	<u>\$ 670,605</u>	<u>\$ 102,758,449</u>	<u>\$ 98,136,401</u>	<u>\$ 698,111</u>	<u>\$ 194,536</u>	<u>\$</u>	<u>\$ 99,029,048</u>	<u>4,622,048</u>
											Interest and liens receivable	2,424,469
											Allowance for doubtful accounts	(2,630,000)
											Taxes, interest and liens receivable (net)	<u>\$ 4,416,517</u>



CITY OF WEST HAVEN, CONNECTICUT  
 SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING - ALLINGTOWN FIRE DEPARTMENT  
 FOR THE YEAR ENDED JUNE 30, 2020

Grand List Year	Taxes Receivable July 1, 2019	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Collections				Taxes Receivable June 30, 2020	
			Additions	Deletions			Taxes	Interest	Fees	Total		
2018	\$	\$ 7,236,602	\$ 3,371	\$ 16,115	\$	\$ 7,223,858	\$ 7,060,077	\$ 32,609	\$	\$ 7,092,686	\$ 163,781	
2017	130,240		44,448	4,734		169,954	72,440	17,008	144	89,592	97,514	
2016	53,450		22,144	33	34,192	41,369	17,234	7,140		24,374	24,135	
2015	21,075		10,752			31,827	5,137	3,124		8,261	26,690	
2014	24,490		4,382			28,872	719	607		1,326	28,153	
2013	22,271					22,271	1,932	2,081		4,013	20,339	
2012	14,340					14,340				-	14,340	
2011	10,552					10,552				-	10,552	
2010	9,540					9,540				-	9,540	
2009	19,069					19,069				-	19,069	
2008	18,566					18,566				-	18,566	
2007	5,338					5,338				-	5,338	
2006	5,237					5,237				-	5,237	
2005 and prior	14,552			4,805		9,747	26	239		265	9,721	
	<u>\$ 348,720</u>	<u>\$ 7,236,602</u>	<u>\$ 85,097</u>	<u>\$ 25,687</u>	<u>\$ 34,192</u>	<u>\$ 7,610,540</u>	<u>\$ 7,157,565</u>	<u>\$ 62,808</u>	<u>\$ 144</u>	<u>\$ 7,220,517</u>	452,975	
											Interest and fees receivable	282,748
											Allowance for doubtful accounts	(293,000)
											Taxes, interest and fees receivable (net)	<u>\$ 442,723</u>

**CITY OF WEST HAVEN, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<b>Special Revenue Funds</b>					
	<b>Community Development Block Grant</b>	<b>Document Preservation</b>	<b>Education Grants</b>	<b>Miscellaneous Grants</b>	<b>Public Safety</b>	<b>Health and Welfare</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 950,033	\$	\$	\$	\$	\$
Intergovernmental receivable			171,961	1,353,181		
Other receivables, net	1,667,147	1,174			237,636	
Due from other funds		78,961	216,589		214,380	66,987
<b>Total Assets</b>	<b>\$ 2,617,180</b>	<b>\$ 80,135</b>	<b>\$ 388,550</b>	<b>\$ 1,353,181</b>	<b>\$ 452,016</b>	<b>\$ 66,987</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 16,437	\$	\$ 388,550	\$ 131,365	\$ 2,500	\$ 29,529
Due to other funds	121,161			1,178,950		
Unearned revenue					78,784	
<b>Total liabilities</b>	<b>137,598</b>	<b>-</b>	<b>388,550</b>	<b>1,310,315</b>	<b>81,284</b>	<b>29,529</b>
Fund Balances:						
Restricted	2,479,582	80,135		42,866		
Committed					370,732	37,458
Unassigned						
<b>Total fund balances</b>	<b>2,479,582</b>	<b>80,135</b>	<b>-</b>	<b>42,866</b>	<b>370,732</b>	<b>37,458</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,617,180</b>	<b>\$ 80,135</b>	<b>\$ 388,550</b>	<b>\$ 1,353,181</b>	<b>\$ 452,016</b>	<b>\$ 66,987</b>

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CITY OF WEST HAVEN, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Special Revenue Funds				Capital Project Funds		Total
	Savin Rock	School Lunch Program	Sports Facilities	Career and Adult Education	Brownfields	Capital and Nonrecurring	
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 1,260	\$	\$	\$	\$	\$ 951,293
Intergovernmental receivable		78,740					1,603,882
Other receivables, net			19,500	3,501			1,928,958
Due from other funds	139,476		323,977	78,650	17,625	678,106	1,814,751
<b>Total Assets</b>	<b>\$ 139,476</b>	<b>\$ 80,000</b>	<b>\$ 343,477</b>	<b>\$ 82,151</b>	<b>\$ 17,625</b>	<b>\$ 678,106</b>	<b>\$ 6,298,884</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 4,596	\$ 316,844	\$ 41,745	\$ 48,444	\$	\$ 2,673	\$ 982,683
Due to other funds		25,468					1,325,579
Unearned revenue							78,784
<b>Total liabilities</b>	<b>4,596</b>	<b>342,312</b>	<b>41,745</b>	<b>48,444</b>	<b>-</b>	<b>2,673</b>	<b>2,387,046</b>
Fund Balances:							
Restricted							2,602,583
Committed	134,880		301,732	33,707	17,625	675,433	1,571,567
Unassigned		(262,312)					(262,312)
<b>Total fund balances</b>	<b>134,880</b>	<b>(262,312)</b>	<b>301,732</b>	<b>33,707</b>	<b>17,625</b>	<b>675,433</b>	<b>3,911,838</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 139,476</b>	<b>\$ 80,000</b>	<b>\$ 343,477</b>	<b>\$ 82,151</b>	<b>\$ 17,625</b>	<b>\$ 678,106</b>	<b>\$ 6,298,884</b>

**CITY OF WEST HAVEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					
	Community Development Block Grant	Document Preservation	Education Grants	Miscellaneous Grants	Public Safety	Health and Welfare
Revenues:						
Intergovernmental	\$ 716,964	\$	\$ 10,044,257	\$ 690,476	\$ 104,339	\$ 159,554
Charges for services	81,542	18,828			1,161,889	
Investment income	1,288					
Other revenues			172,500	2,500		105,729
Total revenues	<u>799,794</u>	<u>18,828</u>	<u>10,216,757</u>	<u>692,976</u>	<u>1,266,228</u>	<u>265,283</u>
Expenditures:						
Current:						
Public safety					1,079,948	
Public works				695,778		
Health and welfare	522,479					304,068
Parks and recreation						
Education			10,216,757			
Capital outlay						
Total expenditures	<u>522,479</u>	<u>-</u>	<u>10,216,757</u>	<u>695,778</u>	<u>1,079,948</u>	<u>304,068</u>
Excess (Deficiency) of Revenues over Expenditures	<u>277,315</u>	<u>18,828</u>	<u>-</u>	<u>(2,802)</u>	<u>186,280</u>	<u>(38,785)</u>
Other Financing Sources (Uses):						
Transfers in					40,000	
Transfers out					(174,547)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(134,547)</u>	<u>-</u>
Net Change in Fund Balances	277,315	18,828	-	(2,802)	51,733	(38,785)
Fund Balances at Beginning of Year	<u>2,202,267</u>	<u>61,307</u>	<u>-</u>	<u>45,668</u>	<u>318,999</u>	<u>76,243</u>
Fund Balances at End of Year	<u>\$ 2,479,582</u>	<u>\$ 80,135</u>	<u>\$ -</u>	<u>\$ 42,866</u>	<u>\$ 370,732</u>	<u>\$ 37,458</u>

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CITY OF WEST HAVEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds				Capital Project Funds		Total
	Savin Rock	School Lunch Program	Sports Facilities	Career and Adult Education	Brownfields	Capital and Nonrecurring	
Revenues:							
Intergovernmental	\$ 37,984	\$ 2,389,088	\$	\$ 85,538	\$	\$	\$ 14,228,200
Charges for services	350	110,738	321,232	40,128			1,734,707
Investment income							1,288
Other revenues	2,835			4,234			287,798
Total revenues	<u>41,169</u>	<u>2,499,826</u>	<u>321,232</u>	<u>129,900</u>	<u>-</u>	<u>-</u>	<u>16,251,993</u>
Expenditures:							
Current:							
Public safety							1,079,948
Public works							695,778
Health and welfare							826,547
Parks and recreation	13,112						13,112
Education		2,762,138	19,500	110,733			13,109,128
Capital outlay						405,719	405,719
Total expenditures	<u>13,112</u>	<u>2,762,138</u>	<u>19,500</u>	<u>110,733</u>	<u>-</u>	<u>405,719</u>	<u>16,130,232</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,057</u>	<u>(262,312)</u>	<u>301,732</u>	<u>19,167</u>	<u>-</u>	<u>(405,719)</u>	<u>121,761</u>
Other Financing Sources (Uses):							
Transfers in						655,000	695,000
Transfers out							(174,547)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,000</u>	<u>520,453</u>
Net Change in Fund Balances	28,057	(262,312)	301,732	19,167	-	249,281	642,214
Fund Balances at Beginning of Year	<u>106,823</u>	<u>-</u>	<u>-</u>	<u>14,540</u>	<u>17,625</u>	<u>426,152</u>	<u>3,269,624</u>
Fund Balances at End of Year	<u>\$ 134,880</u>	<u>\$ (262,312)</u>	<u>\$ 301,732</u>	<u>\$ 33,707</u>	<u>\$ 17,625</u>	<u>\$ 675,433</u>	<u>\$ 3,911,838</u>

**CITY OF WEST HAVEN, CONNECTICUT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2020**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:				
Current assets:				
Accounts receivable, net	\$ 62,936	\$	\$	\$ 62,936
Due from other funds	534,931	28,925	49,448	613,304
Total assets	<u>597,867</u>	<u>28,925</u>	<u>49,448</u>	<u>676,240</u>
Liabilities:				
Current liabilities:				
Accounts payable	497,866	28,925	49,449	576,240
Claims payable	1,333,362	110,183	1,873,767	3,317,312
Total current liabilities	<u>1,831,228</u>	<u>139,108</u>	<u>1,923,216</u>	<u>3,893,552</u>
Noncurrent liabilities:				
Claims payable		330,549	5,621,299	5,951,848
Total liabilities	<u>1,831,228</u>	<u>469,657</u>	<u>7,544,515</u>	<u>9,845,400</u>
Net Position:				
Unrestricted	<u>\$ (1,233,361)</u>	<u>\$ (440,732)</u>	<u>\$ (7,495,067)</u>	<u>\$ (9,169,160)</u>

**CITY OF WEST HAVEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:				
Charges for services - employer	\$ 27,218,349	\$ 1,308,381	\$ 2,670,824	\$ 31,197,554
Operating Expenses:				
Claims	23,739,085	350,844	2,164,335	26,254,264
Administration	61,706		151,483	213,189
Insurance	2,798,059	899,331	504,567	4,201,957
Total operating expenses	<u>26,598,850</u>	<u>1,250</u>	<u>2,820,385</u>	<u>30,669,410</u>
Change in Net Position	619,499	58,206	(149,561)	528,144
Net Position at Beginning of Year	<u>(1,852,860)</u>	<u>(498,938)</u>	<u>(7,345,506)</u>	<u>(9,697,304)</u>
Net Position at End of Year	<u>\$ (1,233,361)</u>	<u>\$ (440,732)</u>	<u>\$ (7,495,067)</u>	<u>\$ (9,169,160)</u>

**CITY OF WEST HAVEN, CONNECTICUT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received for charges	\$ 28,879,602	\$ 1,308,381	\$ 2,670,824	\$ 32,858,807
Cash paid for claims and other	(24,358,583)	(409,050)	(2,014,774)	(26,782,407)
Cash paid of administration	(1,703,859)		(151,483)	(1,855,342)
Cash paid for insurance	(2,798,059)	(899,331)	(504,567)	(4,201,957)
Net change in cash	19,101	-	-	19,101
Cash and Cash Equivalents at Beginning of Year	(19,101)	-	-	(19,101)
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities:				
Income (loss) from operations	\$ 619,499	\$ 58,206	\$ (149,561)	\$ 528,144
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	1,661,253			1,661,253
(Increase) decrease in due from other funds	(534,931)	(28,925)	(27,445)	(591,301)
Increase (decrease) in due to other funds	(1,434,168)			(1,434,168)
Increase (decrease) in accounts payable	326,946	28,925	27,445	383,316
Increase (decrease) in claims payable	(619,498)	(58,206)	149,561	(528,143)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 19,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,101</u>



**CITY OF WEST HAVEN, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2020	2019	2018 (as restated)	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 159,518,899	\$ 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
Restricted	9,304,337	6,551,358	4,557,472	1,008,845	1,450,430	199,656	143,257	240,190	164,562	233,921
Unrestricted	(300,677,024)	(322,929,859)	(304,748,526)	(312,365,310)	(323,319,157)	(153,446,871)	(82,442,903)	(64,127,305)	(53,593,398)	(42,546,305)
Total Net Position	<u>\$ (131,853,788)</u>	<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>

**CITY OF WEST HAVEN, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 9,957,315	\$ 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
Public safety	43,468,810	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
Public works	25,830,193	25,885,886	25,371,336	21,665,363	23,875,064	25,086,632	21,635,663	18,615,619	22,120,936	20,127,111
Human resources and health and welfare	2,622,275	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
Parks and recreation	966,240	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
Library	1,421,000	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
Education	121,573,391	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
Interest	6,014,918	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
Total expenses	<u>211,854,142</u>	<u>217,757,442</u>	<u>206,463,885</u>	<u>193,113,986</u>	<u>197,623,921</u>	<u>197,620,612</u>	<u>200,881,173</u>	<u>184,369,426</u>	<u>182,467,338</u>	<u>183,534,690</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 913,317	\$ 2,779,906	\$ 2,749,383	\$ 2,018,005	\$ 830,937	\$ 742,464	\$ 655,798	\$ 551,292	\$ 585,478	\$ 506,594
Public safety	2,466,353	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
Public works	13,661,767	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
Human resources and health and welfare	42,330	237,135	171,249	191,116	335,370	334,002	289,573	223,963	220,959	1,005,016
Parks and recreation	488,518	699,612	793,148	914,321	904,347	958,168	950,469	1,060,204	911,020	905,706
Education	150,866	273,378	669,194	796,945	766,938	917,518	1,020,331	1,097,692	1,141,089	978,600
Operating grants and contributions	80,729,008	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
Capital grants and contributions	22,100,714	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
Total program revenues	<u>120,552,873</u>	<u>123,051,504</u>	<u>108,206,529</u>	<u>98,734,137</u>	<u>95,089,098</u>	<u>94,769,018</u>	<u>90,647,005</u>	<u>85,444,804</u>	<u>82,287,574</u>	<u>84,275,338</u>
Net expenses	<u>\$ (91,301,269)</u>	<u>\$ (94,705,938)</u>	<u>\$ (98,257,356)</u>	<u>\$ (94,379,849)</u>	<u>\$ (102,534,823)</u>	<u>\$ (102,851,594)</u>	<u>\$ (110,234,168)</u>	<u>\$ (98,924,622)</u>	<u>\$ (100,179,764)</u>	<u>\$ (99,259,352)</u>

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**CITY OF WEST HAVEN, CONNECTICUT  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 107,670,568	\$ 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
Grants and contributions not restricted to specific programs	10,143,646	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
Income from Investments	349,478	381,979	11,508	11,508	6,718	7,766	8,491	12,968	19,877	29,048
Gain on sale of capital assets	225,571	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	<u>118,389,263</u>	<u>117,961,758</u>	<u>108,846,467</u>	<u>108,547,660</u>	<u>103,683,222</u>	<u>102,301,544</u>	<u>101,566,537</u>	<u>104,438,028</u>	<u>97,172,750</u>	<u>90,639,047</u>
Change in Net Position	<u>\$ 27,087,994</u>	<u>\$ 23,255,820</u>	<u>\$ 10,589,111</u>	<u>\$ 14,167,811</u>	<u>\$ 1,148,399</u>	<u>\$ (550,050)</u>	<u>\$ (8,667,631)</u>	<u>\$ 5,513,406</u>	<u>\$ (3,007,014)</u>	<u>\$ (8,620,305)</u>

**CITY OF WEST HAVEN, CONNECTICUT  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2020	2019	2018 as restated	2017	2016	2015	2014	2013	2012	2011
General fund:										
Nonspendable	\$ 346,540	\$	\$	\$	\$ 152,351	\$ 6,116,001	\$ 1,760,849	\$ 5,537,319	\$ 3,935,324	\$ 993,567
Assigned	27,720									
Unassigned	3,201,411	1,358,918	11,360	(18,138,674)	(16,888,415)	(16,313,098)	(10,254,844)	(13,319,968)	(14,471,990)	(11,544,797)
Total General Fund	<u>\$ 3,575,671</u>	<u>\$ 1,358,918</u>	<u>\$ 11,360</u>	<u>\$ (18,138,674)</u>	<u>\$ (16,736,064)</u>	<u>\$ (10,197,097)</u>	<u>\$ (8,493,995)</u>	<u>\$ (7,782,649)</u>	<u>\$ (10,536,666)</u>	<u>\$ (10,551,230)</u>
All other governmental funds:										
Nonspendable	149,832	149,832	1,787,973		149,832	2,079,171				
Restricted	9,347,203	6,551,358	2,769,499	1,008,845	1,450,430	199,656	200,587	240,190	164,562	233,921
Committed	1,571,567	1,006,050	450,734	1,387,873			402,098	474,174	222,133	4,146
Assigned										
Unassigned	(38,120,663)	(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)
Total All Other Governmental Funds	<u>\$ (27,052,061)</u>	<u>\$ (18,091,785)</u>	<u>\$ 1,776,103</u>	<u>\$ 1,530,258</u>	<u>\$ (1,061,465)</u>	<u>\$ (7,455,602)</u>	<u>\$ (8,178,862)</u>	<u>\$ (8,559,729)</u>	<u>\$ (31,550,930)</u>	<u>\$ (23,625,626)</u>
Total Governmental Funds	<u>\$ (23,476,390)</u>	<u>\$ (16,732,867)</u>	<u>\$ 1,787,463</u>	<u>\$ (16,608,416)</u>	<u>\$ (17,797,529)</u>	<u>\$ (17,652,699)</u>	<u>\$ (16,672,857)</u>	<u>\$ (16,342,378)</u>	<u>\$ (42,087,596)</u>	<u>\$ (34,176,856)</u>

**CITY OF WEST HAVEN, CONNECTICUT  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND (BUDGETARY BASIS)  
LAST TEN YEARS**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Property taxes	\$ 99,858,280	\$ 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	55,741,342	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	3,676,119	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	444,561	437,317	427,290	422,652	413,060	411,127	405,606	405,282	393,232	377,424
Income from investments	348,190	381,638	193,375	7,199	3,946	5,244	4,839	11,023	17,772	26,928
Other	204,699	220,033	138,275	198,803	630,723	1,139,974	579,405	247,020	843,051	3,579,440
Total revenues	<u>160,273,191</u>	<u>160,955,470</u>	<u>161,650,034</u>	<u>152,957,908</u>	<u>150,549,901</u>	<u>151,019,979</u>	<u>148,951,468</u>	<u>146,012,022</u>	<u>142,633,375</u>	<u>142,156,782</u>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	5,628,028	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	15,545,783	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	10,307,368	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	16,284,924	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	1,072,935	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	759,459	869,606	885,004	869,743	844,947	869,583	870,443	836,110	843,238	882,112
Library	1,421,000	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	89,139,235	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	18,498,828	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
Total expenditures	<u>158,657,560</u>	<u>160,085,820</u>	<u>159,705,411</u>	<u>155,781,052</u>	<u>154,252,976</u>	<u>153,238,562</u>	<u>150,434,650</u>	<u>144,879,508</u>	<u>145,095,884</u>	<u>144,320,678</u>
Excess (deficiency) of revenues over expenditures	<u>1,615,631</u>	<u>869,650</u>	<u>1,944,623</u>	<u>(2,823,144)</u>	<u>(3,703,075)</u>	<u>(2,218,583)</u>	<u>(1,483,182)</u>	<u>1,132,514</u>	<u>(2,462,509)</u>	<u>(2,163,896)</u>
<b>Other Financing Sources (Uses):</b>										
Issuance of debt			16,135,000							
Premium			1,040,796						35,000	
Sale of capital assets	12,000	298,807	199,200	308,450				451,924	4,515	
Transfers in	1,284,122	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	(695,000)	(111,246)	(303,342)	(684,781)	(438,291)	(976,000)	(1,204,747)	(980,365)	(200,000)	(318,267)
Total other financing sources (uses)	<u>601,122</u>	<u>1,897,295</u>	<u>18,375,200</u>	<u>1,420,534</u>	<u>1,216,940</u>	<u>484,977</u>	<u>945,771</u>	<u>1,649,975</u>	<u>2,290,430</u>	<u>2,352,644</u>
Net Change in Fund Balances	<u>\$ 2,216,753</u>	<u>\$ 2,766,945</u>	<u>\$ 20,319,823</u>	<u>\$ (1,402,610)</u>	<u>\$ (2,486,135)</u>	<u>\$ (1,733,606)</u>	<u>\$ (537,411)</u>	<u>\$ 2,782,489</u>	<u>\$ (172,079)</u>	<u>\$ 188,748</u>
Debt service as a percentage to non-capital expenditures	14.70%	11.82%	10.90%	10.74%	10.25%	11.05%	11.68%	11.71%	12.25%	12.84%

**CITY OF WEST HAVEN, CONNECTICUT  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
LAST TEN YEARS**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Property taxes	\$ 107,161,361	\$ 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
Intergovernmental	106,136,189	122,803,344	96,080,683	90,254,995	93,208,317	84,253,028	79,386,506	78,651,759	75,183,807	75,024,583
Charges for services	17,697,504	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
Contributions	544,561	542,758	567,392	113,144	6,718	7,766	8,491	226,150	2,000	15,123
Income from investments	349,478	381,979	198,896	11,508	178,812	116,280	76,150	12,968	19,877	29,048
Other	510,872	240,862	217,148	642,200	628,784	237,909	579,405	247,020	843,307	3,579,440
Total revenues	<u>232,399,965</u>	<u>247,751,838</u>	<u>218,480,638</u>	<u>209,590,628</u>	<u>208,008,065</u>	<u>197,015,593</u>	<u>191,811,803</u>	<u>188,356,967</u>	<u>178,105,441</u>	<u>175,964,237</u>
<b>Expenditures:</b>										
Current:										
General government	5,628,028	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
Public safety	23,550,628	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
Public works	17,812,221	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
Benefits and insurance	16,284,924	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
Health and welfare	1,899,482	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
Parks and recreation	772,571	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
Library	1,421,000	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	116,132,611	126,290,818	114,059,663	117,578,132	118,107,395	107,662,010	105,512,213	101,724,814	99,862,121	98,972,044
Capital outlay	35,225,764	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
Debit service	20,416,259	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
Total expenditures	<u>239,143,488</u>	<u>265,201,681</u>	<u>217,980,865</u>	<u>216,366,110</u>	<u>208,243,543</u>	<u>211,341,673</u>	<u>198,317,556</u>	<u>191,307,852</u>	<u>189,579,536</u>	<u>192,097,601</u>
Deficiency of Revenues over Expenditures	<u>(6,743,523)</u>	<u>(17,449,843)</u>	<u>499,773</u>	<u>(6,775,482)</u>	<u>(235,478)</u>	<u>(14,326,080)</u>	<u>(6,505,753)</u>	<u>(2,950,885)</u>	<u>(11,474,095)</u>	<u>(16,133,364)</u>
<b>Other Financing Sources (Uses):</b>										
Issuance of refunding debt						38,715,000			47,410,000	
Payment to refunded bond escrow agent						(38,377,921)	(6,392,319)		(51,024,942)	
Issuance of debt			16,135,000	9,635,000		10,945,544		28,250,103	3,685,000	
Capital leases			219,311			615,118			286,925	
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	1,979,122	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
Transfers out	(1,979,122)	(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)
Net other financing sources (uses)	<u>-</u>	<u>298,807</u>	<u>18,244,508</u>	<u>9,943,450</u>	<u>90,648</u>	<u>13,346,241</u>	<u>(6,333,045)</u>	<u>28,702,103</u>	<u>4,885,069</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (6,743,523)</u>	<u>\$ (17,151,036)</u>	<u>\$ 18,744,281</u>	<u>\$ 3,167,968</u>	<u>\$ (144,830)</u>	<u>\$ (979,839)</u>	<u>\$ (12,838,798)</u>	<u>\$ 25,751,218</u>	<u>\$ (6,589,026)</u>	<u>\$ (16,133,364)</u>
Debt service as a percentage to noncapital expenditures	10.98%	10.04%	9.11%	9.11%	8.59%	12.45%	11.03%	9.88%	10.70%	10.85%

**CITY OF WEST HAVEN, CONNECTICUT  
CITY  
PROPERTY TAX RATES, LEVIES & COLLECTIONS  
LAST TEN FISCAL 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	
2020	36.26	2018	\$ 99,474,011	\$ 97,332,822	\$ 97.85	\$	\$ 97,332,822	\$ 97.85	\$ 2,141,189
2019	35.26	2017	97,161,771	95,560,257	98.35	571,763	96,132,020	98.94	1,601,514
2018	35.26	2016	94,716,054	93,225,076	98.43	666,719	93,891,795	99.13	993,933
2017	35.26	2015	94,194,456	92,520,326	98.22	1,581,757	94,102,083	99.90	133,426
2016	31.25	2014	89,720,548	88,555,278	98.70	988,654	89,543,932	99.80	184,297
2015	31.25	2013	88,651,979	87,340,812	98.52	1,148,290	88,489,102	99.82	170,300
2014	31.25	2012	88,395,137	86,723,519	98.11	1,567,056	88,290,575	99.88	105,516
2013	31.25	2011	88,111,713	86,410,454	98.07	1,613,754	88,024,208	99.90	88,301
2012	27.96	2010	87,970,800	86,085,641	97.86	1,797,968	87,883,609	99.90	87,631
2011	27.96	2009	84,116,342	82,892,466	98.55	1,109,319	84,001,785	99.86	119,071

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.

**CITY OF WEST HAVEN, CONNECTICUT  
 ALLINGTON FIRE DEPARTMENT  
 PROPERTY TAX RATES, LEVIES & COLLECTIONS  
 LAST EIGHT FISCAL 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	
2020	14.02	2018	\$ 7,223,858	\$ 7,060,077	\$ 97.73	\$	\$ 7,060,077	\$ 97.73	\$ 163,781
2019	13.06	2017	7,076,508	6,946,268	98.16	72,440	7,018,708	99.18	130,240
2018	12.52	2016	5,923,717	5,866,250	99.03	21,251	5,887,501	99.39	53,450
2017	11.07	2015	5,175,224	5,120,275	98.94	39,011	5,159,286	99.69	21,075
2016	9.44	2014	5,420,240	5,292,934	97.65	103,535	5,396,469	99.56	24,490
2015	8.63	2013	4,867,391	4,762,781	97.45	104,271	4,867,052	99.99	22,271
2014	8.38	2012	4,526,447	4,393,485	97.06	118,622	4,512,107	99.68	14,340
2013	8.38	2011	4,727,093	4,596,111	97.23	120,430	4,716,541	99.78	10,552

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.



**CITY OF WEST HAVEN, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Permanently Financed Bond Anticipation Notes</b>	<b>Pension Bonds</b>	<b>Premium</b>	<b>Notes Payable</b>	<b>Capital Leases</b>	<b>Total</b>	<b>(1) Population</b>	<b>Debt Per Capita</b>
2020	\$ 53,090,000	\$	\$ 10,870,000	\$ 1,834,165	\$ 19,933,144	\$ 55,701	\$ 85,783,010	54,879	\$ 1,563
2019	62,280,000		16,150,000	2,384,918	21,968,472	109,596	102,892,986	54,879	1,875
2018	71,480,000		21,275,000	2,935,672	24,021,465	161,744	119,873,881	54,843	2,186
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
2016	60,630,000		30,865,000	2,244,286	28,420,612	452,007	122,611,905	56,172	2,183
2015	67,705,000		34,565,000	2,693,143	30,653,196	688,487	136,304,826	56,172	2,427
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
2013	74,505,000		39,620,000	748,825	34,968,403	143,563	149,985,791	55,404	2,707
2012	80,910,000		42,950,000	811,227	8,333,048	186,812	133,191,087	55,477	2,401
2011	86,620,000		46,120,000		9,916,831	78,925	142,735,756	55,662	2,564

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  
STATEMENT OF DEBT LIMITATION  
JUNE 30, 2020**

## Tax Base

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

City	\$ 96,296,925
Allingtown Fire Department Tax Collections	7,000,527
West Shore Fire District Tax Collections	8,642,573
First Fire District Tax Collections	<u>13,822,323</u>

Total Base \$ 125,762,348

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation by Purpose					
2 1/4 times base	\$ 282,965,283	\$	\$	\$	\$
4 1/2 times base		565,930,566			
3 3/4 times base			471,608,805		
3 1/4 times base				408,727,631	
3 times base					<u>377,287,044</u>
Total Debt Limitation	<u>282,965,283</u>	<u>565,930,566</u>	<u>471,608,805</u>	<u>408,727,631</u>	<u>377,287,044</u>
Debt, as defined by statute:					
Bonds payable	38,720,280	11,297,720	3,072,000		10,870,000
Bond anticipation notes		32,500,000			
Clean water fund serial notes		19,933,144			
Authorized and unissued debt	31,609,910	79,133,330	4,602,710		
School construction grants receivable		<u>(40,104,533)</u>			
Total Net Indebtedness	<u>70,330,190</u>	<u>102,759,661</u>	<u>7,674,710</u>	<u>-</u>	<u>10,870,000</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 212,635,093</u>	<u>\$ 463,170,905</u>	<u>\$ 463,934,095</u>	<u>\$ 408,727,631</u>	<u>\$ 366,417,044</u>

The total net indebtedness above amounts to \$ 191,634,561

In no event shall total indebtedness exceed seven times the base for debt limitation computation \$ 880,336,436

The City approved a \$133,250,000 "like new" renovation to its high school. The City expects to receive school construction progress payment grants from the State of Connecticut of approximately \$95,673,000 or 75.31% of eligible costs. The grants will reduce the authorized but unissued debt by a similar amount. To date, the City has received progress payments in the amount of \$55,568,154 for this project. See "School Construction Projects" herein.