

**Federal Single Audit  
and  
State Single Audit**

**of the**

**City of West Haven, Connecticut**

**For the Year Ended June 30, 2018**

## City of West Haven, Connecticut

### Table of Contents

#### Page

Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

1-2

### Federal Single Audit

Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance

3-5

Schedule of Expenditures of Federal Awards

6-7

Notes to Schedule of Expenditures of Federal Awards

8

Summary Schedule of Prior Year Audit Findings

9

Schedule of Findings and Questioned Costs

10-11

### State Single Audit

Independent Auditors' Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of State Financial Assistance Required by the State Single Audit Act

12-14

Schedule of Expenditures of State Financial Assistance

15-16

Notes to Schedule of Expenditures of State Financial Assistance

17-18

Summary Schedule of Prior Year Audit Findings

19

Schedule of Findings and Questioned Costs

20-21



**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut ("City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as item 2018-001.

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

Page 2

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's response and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
February 26, 2019

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# **Federal Single Audit**

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**Independent Auditors' Report on Compliance for Each  
Major Federal Program; Report on Internal Control over  
Compliance; and Report on the Schedule of Expenditures  
of Federal Awards Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of West Haven, Connecticut's ("City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 26, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
February 26, 2019



**City of West Haven, Connecticut**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed through to subrecipients	Total Expenditures
<u><b>U.S. Department of Agriculture</b></u>				
Passed through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	12060-SDE64370-20508	\$ -	\$ 538,896
National School Lunch Program - Cash	10.555	12060-SDE64370-20560	-	1,759,736
National School Lunch Program - Commodities	10.555	N/A	-	103,889
Total Child Nutrition Cluster				2,402,521
Direct Program:				
Emergency Watershed Protection Program - Floodplain Easements				
Disaster Relief Appropriations Act	10.928	N/A	-	17,280
Total U.S. Department of Agriculture				2,419,801
<u><b>U.S. Department of Housing and Urban Development</b></u>				
Direct Program:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	782,107
Passed through the State Department of Housing:				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:				
Hurricane Sandy Community Development Block Grant Disaster				
Recovery Grants (CDBG-DR)	14.269	12060-DOH46961-29516	-	271,749
Total U.S. Department of Housing and Urban Development				1,053,856
<u><b>U.S. Department of Justice</b></u>				
Direct Program:				
Equitable Sharing Program	16.922	N/A	-	39,246
Passed through the State Department of Emergency Services and Public				
Protection:				
Missing Children's Assistance	16.543	12060-DPS32523-21917	-	3,824
Passed through State Office of Policy and Management:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	-	9,999
Total U.S. Department of Justice				53,069
<u><b>U.S. Department of Transportation</b></u>				
Passed through State Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	12062-DOT57343-22108	-	38,850
<u><b>U.S. Department of Education</b></u>				
Passed through State Department of Education:				
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2018	-	30,000
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2018	-	2,567,577
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2018	-	128,250
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)		12060-SDE64370-20977-2017	-	5,923
Special Education - Grants to States (IDEA, Part B)		12060-SDE64370-20977-2018	-	1,546,563
Total Special Education - Grants to States (IDEA, Part B)	84.027			1,552,486
Special Education - Preschool Grants (IDEA Preschool)	84.173	12060-SDE64370-20983-2018	-	54,147
Total Special Education Cluster (IDEA)				1,606,633

(Continued)

N/A- Not applicable or not available.

See Notes to Schedule of Expenditures of Federal Awards.

**City of West Haven, Connecticut**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed through to subrecipients	Total Expenditures
Title III				
English Language Acquisition State Grants (Title III, Part A)		12060-SDE64370-20868-2018	\$ -	\$ 103,418
Immigrant & Youth Education Program		12060-SDE64370-20868-2018	-	21,662
Total Title III	84.365			125,080
Supporting Effective Instruction State Grants (Title II, Part A)	84.367	12060-SDE64370-20858-2018	-	348,970
Student Support and Academic Enrichment Program (Title IV)	84.424	12060-SDE64370-22854	-	37,421
Total U.S. Department of Education				4,843,931
<u>U.S. Department of Health and Human Services</u>				
Passed through the State Department of Public Health:				
Immunization Cooperative Agreements	93.268	12060-DPH48664-20911	-	26,761
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	12060-DPH48664-22742	-	53,031
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48558-22664	-	15,740
Passed through Yale New Haven Health:				
National Bioterrorism Hospital Preparedness Program	93.889	N/A	-	34,153
Total U.S. Department of Health and Human Services				129,685
<u>U.S. Department of Homeland Security</u>				
Passed through the State Department of Emergency Services and Public Protection:				
Emergency Management Performance Grants	97.042	12060-DPS32160-21881	-	55,262
Total Federal Awards			\$ -	\$ 8,594,454

(Concluded)

N/A- Not applicable or not available.

See Notes to Schedule of Expenditures of Federal Awards.

**City of West Haven, Connecticut**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018**

**1. Basis of presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the Federal award activity of the City of West Haven, Connecticut ("City") under programs of the federal government. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the City.

**2. Summary of significant accounting policies**

- A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. The City has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**3. Noncash federal awards**

The City received and expended \$103,889 of USDA donated commodities under the National School Lunch Program.

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**City of West Haven, Connecticut**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018**

Finding 2017-001 General Fund Deficit

Condition:

The City has not budgeted the accumulated fund deficit in the General Fund as required by State statutes.

Current status:

The finding has been corrected.

Finding 2017-002 Segregation of Duties

Condition:

Currently, the City payroll clerk has the ability to change employee pay rates. In addition, the payroll register is not reviewed and approved prior to the payroll being processed.

Current status:

The finding has been repeated as Finding 2018-001.

Reason for recurrence:

Due to staffing issues, the City has been unable to implement the planned corrective action.

Finding 2017-003 Data Collection Form

Condition:

The City did not file the 2014, 2015, and 2016, 2017 Data Collection Form with the Federal Audit Clearinghouse within federal guidelines.

Current status:

The finding has been corrected.

**City of West Haven, Connecticut**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified?   x  yes       none reported

Noncompliance material to financial statements noted?       yes   x  no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified?       yes   x  none reported

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?       yes   x  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster (IDEA)
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?       yes   x  no

**City of West Haven, Connecticut**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2018**

**II - Findings - Financial Statement Audit**

Finding 2018-001 Segregation of Duties

Criteria

In order to maintain the proper internal controls, the City should have proper segregation of duties for all material financial transactions and balances.

Condition

Currently, the City payroll clerk has the ability to change employee pay rates. In addition, the payroll register is not reviewed and approved prior to the payroll being processed.

Context

Systemic in nature.

Effect

The lack of proper controls and segregation of duties increases the risk of error, fraud, misappropriation of assets and inaccurate financial reporting.

Cause

Controls have not been established to enable proper segregation of duties for all functional areas for this department.

Recommendation

The City should revise their policies so that incompatible responsibilities within the payroll process be segregated between employees.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will review current processing procedures to strengthen internal control over segregation of duties.

**III - Findings and Questioned Costs - Major Federal Awards Programs Audit**

None

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**State  
Single  
Audit**

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**Independent Auditors' Report on Compliance for Each Major  
State Program; Report on Internal Control over Compliance;  
and Report on the Schedule of Expenditures of State  
Financial Assistance Required by the State Single Audit Act**

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

**Report on Compliance for Each Major State Program**

We have audited the City of West Haven, Connecticut's ("City") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2018. The City's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.



***Opinion on Each Major State Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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

Page 3

**Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated February 26, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
February 26, 2019

**City of West Haven, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2018**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core CT Number	Passed through to subrecipients	Total Expenditures
Department of Agriculture			
Shell Fish Taxes and Rents	34003-DAG42660-42337	\$ -	\$ 21,202
Office of the State Treasurer			
Nitrogen Credit Exchange Program	21016-OTT14230-42407	-	91,699
Office of Early Childhood			
Child Day Care	11000-OEC64841-16274	641,227	641,227
Child Care Quality Enhancement	11000-OEC64845-16158	-	24,973
School Readiness in Priority School Districts	11000-OEC64845-16274	-	1,994,454
Department of Economic and Community Development			
West Haven Revitalization	12052-ECD46210-42882	-	180,779
Brownfield Remediation	12060-ECD46260-35533	-	807,539
Brownfield Remediation - Front Ave, Collis & West Clark Street	12060-ECD46260-35533	-	29,585
Department of Education			
Family Resource Centers	11000-SDE64370-16110	-	100,000
Youth Services Bureau Enhancement	11000-SDE64370-16201	-	7,005
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	32,702
Healthy Foods Initiative	11000-SDE64370-16212	-	61,088
Adult Education	11000-SDE64370-17030	-	211,259
Health Services	11000-SDE64370-17034	-	74,225
Alliance District Funding Program	11000-SDE64370-17041	-	3,741,184
Bilingual Education	11000-SDE64370-17042	-	38,379
School Breakfast	11000-SDE64370-17046	-	26,046
Youth Services Bureau	11000-SDE64370-17052	-	34,929
Magnet Schools - Transportation	11000-SDE64370-17057	-	234,167
Department of Emergency Services and Public Protection			
Drug Assets Forfeiture Funds	12060-DPS32155-35142	-	5,183
Telecommunications Fund	12060-DPS32741-35190	-	121,292
Department of Energy and Environmental Protection			
Ports, Harbors and Marinas	12052-CPA47300-43509	-	59,800
Clean Water Fund	21014-DEP43270-40001	-	140,548
Office of Policy and Management			
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	-	5,008,541
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	5,370
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	-	6,000
Property Tax Relief for Veterans	11000-OPM20600-17024	-	133,950
Local Capital Improvement Program	12050-OPM20600-40254	-	255,838
Municipal Grants-in-Aid	12052-OPM20600-43587	-	147,516
Neglected Cemetery Account	12060-OPM20600-35570	-	2,000
Department of Public Health			
Local and District Departments of Health	11000-DPH48558-17009	-	64,814
X-Ray Screening and Tuberculosis Care	11000-DPH48666-16112	-	16,298

(Continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

**City of West Haven, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2018**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core CT Number</u>	<u>Passed through to subrecipients</u>	<u>Total Expenditures</u>
Department of Social Services Medicaid	11000-DSS60000-16020	\$ -	\$ 536,211
Connecticut State Library Historic Documents Preservation Grant	12060-CSL66094-35150	-	5,000
Department of Transportation Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	617,602
Total State Financial Assistance Before Exempt Programs		641,227	15,478,405
<u>Exempt Programs</u>			
Department of Education Special Education - Excess Cost - Student Based Education Cost Sharing	11000-SDE64370-17047 11000-SDE64370-17041	- -	1,941,218 41,262,483
Department of Administrative Services School Construction Projects - Principal	13010-DAS27635-40901	-	7,988,776
Office of Policy and Management Municipal Transition Grant Municipal Stabilization Grant Municipal Restructuring Fund Mashantucket Pequot/Mohegan Fund Grant	11000-OPM20600-17103 11000-OPM20600-17104 11000-OPM20900-17105 12009-OPM20600-17005	- - - -	277,925 734,481 8,000,000 951,618
Total Exempt Programs		-	61,156,501
Total State Financial Assistance		\$ 641,227	\$ 76,634,906

(Concluded)

See Notes to Schedule of Expenditures of State Financial Assistance.

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

### **Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2018**

#### **1. Basis of presentation**

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes State grant activity of the City of West Haven, Connecticut ("City"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, finance, public safety, public works, health and welfare, culture and recreation and education.

Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the City.

#### **2. Summary of significant accounting policies**

The accounting policies of the City, conform to accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

##### Basis of Accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

City of West Haven, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2018

3. Loan program

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity:

Department of Energy and Environmental Protection:

Clean Water Funds: (21014-OTT14230-40001)

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2017	Retired	Balance June 30, 2018
CWF167-C	10/30/1998	2.0%	\$ 4,858,956	\$ 97,004	\$ 97,004	\$ -
CWF347-C	5/31/2000	2.0%	1,618,947	229,518	93,631	135,887
CWF444-C	3/31/2001	2.0%	1,603,000	303,122	91,177	211,945
CWF348-C	11/30/2001	2.0%	4,407,222	893,714	268,923	624,791
CWF346-C	12/31/2003	2.0%	801,945	251,003	43,608	207,395
CWF348-C1	12/31/2003	2.0%	1,728,831	546,912	99,821	447,091
CWF348-CD1	9/29/2006	2.0%	617,707	168,495	47,232	121,263
CWF346-CD2	5/31/2007	2.0%	801,055	282,724	51,405	231,319
CWF549-C	7/1/2013	2.0%	28,250,103	22,102,396	1,268,455	20,833,941
CWF549-CD2	6/30/2015	2.0%	1,425,544	1,281,737	73,904	1,207,833
			<u>\$ 46,113,310</u>	<u>\$ 26,156,625</u>	<u>\$ 2,135,160</u>	<u>\$ 24,021,465</u>

\*\*\*\*\*

**City of West Haven, Connecticut**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018**

Finding 2017-001 General Fund Deficit

Condition:

The City has not budgeted the accumulated fund deficit in the General Fund as required by State Statutes.

Current status:

The finding has been corrected.

Finding 2017-002 Segregation of Duties

Condition:

Currently, the City's payroll clerks have the ability to change employee pay rates. In addition, the payroll register is not reviewed and approved prior to the payroll being processed.

Current status:

The finding has been repeated as Finding 2018-001.

Reason for recurrence:

Due to staffing issues, the City has been unable to implement the planned corrective action.

**City of West Haven, Connecticut**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

I - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified?   x  yes       none reported

Noncompliance material to financial statements noted?       yes   x  no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified?       yes   x  none reported

Type of auditors' opinion issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations of the State Single Audit Act?       yes   x  no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Office of Early Childhood		
School Readiness in Priority School Districts	11000-OEC64845-16274	\$ 1,994,454
Department of Economic and Community Development		
Brownfield Remediation	12060-ECD46260-35533	837,124
Office Policy and Management		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	5,008,541
Local Capital Improvement Program	12050-OPM20600-40254	255,838
Municipal Grants-in-Aid	12052-OPM20600-43587	147,516
Department of Transportation		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	617,602
Dollar threshold used to distinguish between type A and type B programs:		<u>\$309,568</u>



**City of West Haven, Connecticut**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2018**

**II - Findings - Financial Statement Audit**

**Finding 2018-001 Segregation of Duties**

**Criteria**

In order to maintain the proper internal controls, the City should have proper segregation of duties for all material financial transactions and balances.

**Condition**

Currently, the City payroll clerks have the ability to change employee pay rates. In addition, the payroll register is not reviewed and approved prior to the payroll being processed.

**Context**

Systemic in nature.

**Effect**

The lack of proper controls and segregation of duties increases the risk of error, fraud, misappropriation of assets and inaccurate financial reporting.

**Cause**

Controls have not been established to enable proper segregation of duties for all functional areas for this department.

**Recommendation**

The City should revise their policies so that incompatible responsibilities within the payroll process be segregated between employees.

**Views of responsible officials and planned corrective actions**

Management agrees with the finding. The City will review current processing procedures to strengthen internal control over segregation of duties.

**III - State Financial Assistance Findings and Questioned Costs**

None.

**Annual Financial Report**  
**of the**  
**City of West Haven, Connecticut**  
**For the Year Ended June 30, 2018**

**City of West Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2018**

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Principal Officials	1
<u>Financial Section</u>	
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-13
<u>Exhibits</u>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	14-15
B Statement of Activities	16
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position	17-18
D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
E Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities	20-21
F Statement of Fund Net Position - Proprietary Fund	22
G Statement of Changes in Fund Net Position - Proprietary Fund	23
H Statement of Cash Flows - Proprietary Fund	24
I Statement of Fiduciary Net Position	25
J Statement of Changes in Fiduciary Net Position	26
K Notes to Financial Statements	27-77

**City of West Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2018**

Table of Contents

<u>RSI</u>	<u>Required Supplementary Information</u>	<u>Page</u>
1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	78
2	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	79-80
3	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	81-82
4	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Allingtown Fire Department Fund	83
5	Schedule of Revenues - Budget and Actual - Allingtown Fire Department Fund	84
6	Schedule of Expenditures and Other Financing Uses - Budget and Actual - Allingtown Fire Department Fund	85
	<u>Police and Allingtown Pension Plans</u>	
7A	Schedule of Changes in Net Pension Liability - Police Pension Plan	86
7B	Schedule of Changes in Net Pension Liability - Allingtown Fire Department Pension Plan	87
8A	Schedule of Net Pension Liability and Schedule of Investment Returns - Police Pension Plan	88
8B	Schedule of Net Pension Liability and Schedule of Investment Returns - Allingtown Fire Department Pension Plan	89
9A	Schedule of Contributions - Police Pension Plan	90
9B	Notes to Required Supplementary Information - Police Pension Plan	91
10A	Schedule of Contributions - Allingtown Fire Department Pension Plan	92
10B	Notes to Required Supplementary Information - Allingtown Fire Department Pension Plan	93

**City of West Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2018**

Table of Contents

<u>RSI</u>		<u>Page</u>
	<u>Connecticut State Teachers' Retirement System</u>	
11A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	94
11B	Notes to Required Supplementary Information	95
	<u>City and Allingtown Other Post-Employment Benefit Plans</u>	
12	Schedule of Changes in OPEB Liability - City OPEB Plan	96
13	Schedule of Changes in OPEB Liability - Allingtown Fire Department OPEB Plan	97
	<u>CT State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
14A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	98
14B	Notes to Required Supplementary Information	99
<u>Schedules</u>	<u>Supplemental Schedules</u>	
	<u>General Fund</u>	
1	Report of Tax Collector	100
	<u>Allingtown Fire Department</u>	
2	Report of Tax Collector	101
	<u>Other Governmental Funds</u>	
3	Combining Balance Sheet	102-103
4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104-105
	<u>Internal Service Funds</u>	
5	Combining Statement of Fund Net Position	106
6	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	107
7	Combining Statement of Cash Flows	108

**City of West Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2018**

Table of Contents

<u>Tables</u>	<u>Trend Information</u>	<u>Page</u>
1	Net Position by Component	109
2	Changes in Net Position	110
3	Fund Balances, Governmental Funds	111
4	Changes in Fund Balances, General Fund (Budgetary Basis)	112
5	Changes in Fund Balances, Governmental Funds	113
6A	Property Tax Rates, Levies and Collections - City	114
6B	Property Tax Rates, Levies and Collections - Allingtown Fire Department	115
7	Ratio of Outstanding Debt by Type	116
8	Schedule of Debt Limitation	117

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## **Introductory Section**

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

### **Principal Officials June 30, 2018**

#### **Mayor**

Nancy R. Rossi

#### **Treasurer**

Michael P. Last

#### **City Council**

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

#### **Administration**

Ann Marie Gradoia  
Frank Gladwin  
Deborah Collins  
Linda Savitsky  
Abdul Quadir  
Louis Esposito  
John Karajanis  
Dorothy Chambrelli  
Jack Crosby

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



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## Financial Section

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## **Independent Auditors' Report**

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

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

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

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

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

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

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

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

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

***Opinions***

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

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

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

Page 3

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
February 26, 2019



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, 2018

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, 2018. 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 \$178,658,519 (*net position*). *Unrestricted net position* was a deficit balance of \$302,578,737.
- ◆ The City's total net position increased by \$18,877,103. The increase is due to positive operations of the sewer fund of \$1,833,451, offset by deficit operations of the capital improvement fund of \$4,004,936 and an increase in OPEB expense of \$2,759,204 and a decrease in pension expense of \$1,960,096 and the accounting basis difference related to capital asset and debt activity of \$14,782,018.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,957,252, an increase of \$18,744,281 in comparison with the prior year. The majority of the increase is due to the positive operations of the general fund of \$20,319,823 due to the issuance of deficit funding bonds of \$16,135,000, related premium of \$1,040,796 and under expenditure of the budget by \$2,761,087, sewer fund of \$1,833,451, offset by deficit operations of the capital improvement fund of \$4,004,936.
- ◆ The operating results for certain major funds of the City's was as follows:
  - The general fund had positive operating results of 3,144,027, excluding the impact of the deficit funding bonds. The results of operations after the impact of the deficit fund bonds (\$17,175,796) was \$20,319,823 resulting in an ending fund balance of \$2,181,149, of which \$1,191,522 classified as nonspendable (prepaids) and \$989,627 as unassigned
  - The Allingtown Fire Department has positive operations of \$539,409 reducing the deficit fund balance to \$118,859.
  - The sewer fund has positive operating results of \$1,833,451 eliminating the prior year deficit fund balance, resulting in fund balance of \$1,757,460.
- ◆ The City's bonded debt and notes payable increased by \$1,484,840 during the current fiscal year due to the issuance of general obligation bonds for deficit financing of \$16,135,000, offset by scheduled principal payments of 14,650,160.

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

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

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these accounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements present the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, public works, human resources and health and welfare, parks and recreation, library, and education.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### **Governmental Funds**

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

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

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

### **Proprietary Funds**

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

### **Fiduciary Funds**

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

### **Notes to Financial Statements**

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

### **Other Information**

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

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$178,658,519.

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 (2.55%) represents resources that are subject to external restrictions on how they may be used.

**Summary Statement of Net Position  
June 30, 2018 and 2017**

	2018	2017
Current and other assets	\$ 47,398,951	\$ 20,552,735
Capital assets (net)	209,912,292	203,503,994
Total assets	257,311,243	224,056,729
Deferred outflows of resources	23,233,969	8,764,184
Current liabilities outstanding	55,105,248	46,674,129
Long-term liabilities outstanding	373,787,541	355,428,173
Total liabilities	428,892,789	402,102,302
Deferred inflows of resources	30,310,942	28,254,233
Net position		
Net investment in capital assets	119,362,746	113,820,843
Restricted	4,557,472	1,008,845
Unrestricted	(302,578,737)	(312,365,310)
Total net position	\$ (178,658,519)	\$ (197,535,622)



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

**Statement of Changes in Net Position  
For the Years Ended June 30, 2018 and 2017**

	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 18,874,245	\$ 16,133,084
Operating grants and contributions	79,059,267	78,204,022
Capital grants and contributions	10,273,017	4,397,033
General revenues:		
Property taxes	102,079,555	100,126,868
Grants and contributions not restricted to specific programs	14,856,008	8,192,236
Investment income	198,896	11,508
Miscellaneous	-	217,048
Total revenues	<u>225,340,988</u>	<u>207,281,799</u>
Expenses		
General government	11,565,167	9,351,824
Public safety	32,404,160	30,531,663
Public works	25,371,336	21,665,363
Human resources and health and welfare	3,824,643	3,694,157
Library	1,596,000	1,596,000
Parks and recreation	1,841,119	2,310,370
Education	125,631,324	120,668,671
Interest expense	4,230,136	3,295,938
Total expenses	<u>206,463,885</u>	<u>193,113,986</u>
Change in net position	18,877,103	14,167,813
Net position - July 1	<u>(197,535,622)</u>	<u>(211,703,435)</u>
Net position - June 30	<u>\$ (178,658,519)</u>	<u>\$ (197,535,622)</u>

Grants and contributions comprise 46.2% of revenues, followed by property taxes 45.3%, charges for services 8.4% and investment earnings/miscellaneous 0.1%.

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

Significant revenue related changes are as follows:

- The increase of \$5,875,984 in capital grants and contributions is primarily due to increases in a school construction grant for approximately \$7.9 million, offset by decreases of approximately \$1.7 million for the Alliance District General Improvement grant and a LOCIP grant for approximately \$0.5 million.
- The increase of \$6,663,772 in grants and contributions not restricted to specific programs is due to the City receiving a state grant of \$8.0 million from the state municipal restructuring fund, offset by grant funding cut of MRSA sales tax sharing for approximately \$1.1 million.
- With respect to expenses, 60.8% of the City's expenses relates to education, followed by 15.7% to public safety, 12.3% to public works, 5.6% to general government, 2.0% to interest expense, 1.9% to human resources and health and welfare, 0.9% to parks and recreation, and 0.8% to library.
- The increases in general government, public safety and public works expense are primarily due to employee benefit amounts including increase for medical insurance, workers compensation, and pension and OPEB benefits. The increase in education is a combination of an increase in the operating budget, increases in employee benefits, especially OPEB and the increase in the on behalf payments for pension and the additional on behalf payment for teacher OPEB recorded for the first time in this year.
- The \$934,198 increase in interest expense was due to new bonds and bond anticipation notes that were issued during the current and prior fiscal years, which increased the scheduled debt service payments.

### **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 combined ending fund balance of \$3,957,252, an increase of \$18,744,281 in comparison with the prior year. The unassigned fund balance totaled (\$2,242,476).

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

- Nonspendable amount for prepaids and CDBG loans of \$2,979,495.
- Restricted due to grant restrictions or legal requirements \$2,769,499.
- Committed for capital projects \$215,496.
- Committed for public safety \$235,238.

**General Fund.** The General Fund is the operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$989,627 and nonspendable fund balance was \$1,191,522, for a total fund balance of \$2,181,149.

During the current fiscal year, the fund balance of the City's General Fund increased by \$20,319,823. The increase was substantially attributable to the issuance of general obligation bonds of \$16,135,000, bond premium of \$1,040,796, and the expenditure budget was underspent by a total of \$2,761,087. The operating results of the City excluding the impact of the bond issue (revenues and other financing sources and expenditures and other financing uses) was \$3,144,027.

The most significant functions that were underspent were general government by \$527,606, public safety by \$932,119, and debt service by \$2,368,390. Public safety was underspent due to open positions and police officers on workers' compensation. Debt service was underspent due to the change in the timing of the issuance of the deficit fund bonds.

These items were offset by the City overspending benefits and insurance by \$1,337,036 due to an increase in medical claims.

**Allingtown Fire Department.** The Allingtown Fire Department Fund accounts for the activities of the Allingtown Fire Department. The activities of the Fire Department are required to be accounted for separately since the City has two other Fire Departments that are legally separate taxing districts. At the end of the current fiscal year, unassigned fund balance of the fund was a deficit of (\$118,859). This was the result of positive operations of \$539,409 due to expenditure savings of \$939,264 offset by the revenue shortfall for intergovernmental caused by cuts in State grants. The expenditure savings were due to lower than expected costs for employee benefits including health insurance and pension contributions. This was partially due to some unfilled positions during the year. The expenditure savings were also the result of budgeting a fund balance contribution in an effort to eliminate the fund deficit.

**Capital Improvement.** The fund accounts for financial resources to be used for various construction projects. During the year, the fund had expenditures of \$13,696,581. Funding sources include state grants for school improvements and other City projects of \$8,740,992 and a bond premium of \$650,201. This net activity decreased the fund balance of \$1,015,425 in the prior year to a fund deficit of (\$2,989,511). This is a result of the timing of the financing as compared to expenditures for the High School renovation project.

**Sewer.** The fund accounts for the City's sewer usage operations. During the year, revenues exceeded expenditures and transfers out by \$1,833,451. This eliminated the fund deficit of (\$75,991) in the prior year to a fund balance at year end totaling of \$1,757,460. This is due to the rate increase in the prior year and the continued efforts to manage operating costs.

### **General Fund Budgetary Highlights**

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

- General government was underspent by \$527,606 due to the unexpended balance of the contingency line.
- Public safety was underspent by \$932,119 due to under expenditure of officer salaries due to unfilled positions and several officers being out under workers' compensation.
- Benefits and insurance was overspent by \$1,337,036 due to higher than anticipated medical claims.
- Debt service was underspent by \$2,368,390, due to the timing of issued debt.

### **Allington Fire Department Budgetary Highlights**

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

- Personnel was underspent by \$678,294 due to under expenditure of salaries and related benefits due to unfilled positions.
- Utilities, insurance and equipment was underspent due to the budgeting for deficit reduction.

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

#### **Capital Assets**

The City's investment in capital assets amounts to \$209,912,292 (net of accumulated depreciation). This investment in capital assets is as follows:

	<b>Capital Assets (Net of Accumulated Depreciation)</b>	
	<u>2018</u>	<u>2017</u>
Land	\$ 16,400,391	\$ 16,356,092
Construction in progress	23,129,735	11,583,678
Land improvements	7,896,539	8,332,161
Buildings and improvements	99,601,558	103,018,340
Vehicles	4,731,480	4,772,614
Machinery and equipment	8,593,356	9,233,619
Infrastructure	<u>49,559,233</u>	<u>50,207,490</u>
Total	<u>\$ 209,912,292</u>	<u>\$ 203,503,994</u>

The capital assets (net of depreciation) increased in the current year by \$6,408,298. The increase is due to capital additions exceeding depreciation expense. In the current year, the City had net capital asset additions totaling \$12,844,150. Major capital asset additions consisted of the following:

- Purchase of \$312,193 in new police vehicles.
- Road improvements of \$304,154.
- Sewer infrastructure improvements of \$449,356.
- Construction in progress totaling \$12,882,569 of which the most significant was the High School Renovation project.

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

### **Long-term debt**

At the end of the fiscal year, the City had total long-term debt outstanding of \$116,776,465. All debt is backed by the full faith and credit of the City.

#### **Outstanding Debt Long-Term Obligations**

	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 71,480,000	\$ 53,230,000
Pension obligation bonds	21,275,000	26,270,000
Clean water notes payable	24,021,465	26,156,625
Bond anticipation notes - permanently financed	-	9,635,000
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 116,776,465</u>	<u>\$ 115,291,625</u>

During the current fiscal year, the City's total debt increased by a net \$1,484,840. The net change was due to the issuance of general purpose obligation bonds of \$16,135,000 to finance the general fund deficit offset by scheduled principal payments on outstanding bonded debt of \$14,650,160.

The City maintains a "BBB" credit rating from Standard and Poors 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 \$823,913,923, which is significantly in excess of the City's outstanding general obligation debt.

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

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

As of June 2018, the unemployment rate for the City was at 5.2%, which is higher than the State average unemployment rate of 4.5% and a national unemployment rate of 4.0%.

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

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of West Haven, 355 Main Street, West Haven, Connecticut 06516.

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## **Basic Financial Statements**

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City of West Haven, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2018

Assets

Current assets	
Cash	\$ 15,569,275
Investments	12,620,510
Receivables, net	
Property taxes	1,525,599
Sewer use	273,056
Intergovernmental	8,465,676
Loans	85,536
Other	2,717,139
Prepaid expenses	1,341,354
	<hr/>
Total current assets	42,598,145
	<hr/>
Noncurrent assets	
Receivables, net	
Property taxes	2,404,469
Sewer use	693,900
Loans	1,702,437
	<hr/>
Total receivables, net	4,800,806
	<hr/>
Capital assets, net of accumulated depreciation	
Land	16,400,391
Construction in progress	23,129,735
Land improvements	7,896,539
Buildings and improvements	99,601,558
Vehicles	4,731,480
Machinery and equipment	8,593,356
Infrastructure	49,559,233
	<hr/>
Total capital assets, net of accumulated depreciation	209,912,292
	<hr/>
Total noncurrent assets	214,713,098
	<hr/>
Total assets	257,311,243
	<hr/>

Deferred Outflows of Resources

Deferred charge on refunding	1,069,443
Pension related	3,560,685
OPEB related	18,603,841
	<hr/>
Total Deferred Outflows of Resources	23,233,969
	<hr/>

(Continued)

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

City of West Haven, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2018

Liabilities

Current liabilities	
Cash overdraft	\$ 142,678
Accounts payable	11,248,384
Accrued payroll	7,961,998
Accrued interest payable	1,182,588
Retainage payable	288,421
Unearned revenue	1,773,737
Bond anticipation notes payable	9,000,000
Other liabilities	558,193
Current portion of long-term obligations	
Bonds payable	14,325,000
Notes payable	2,052,993
Capital leases payable	128,593
Compensated absences	2,043,067
Heart and hypertension	270,280
Claims payable	4,129,316
Total current liabilities	55,105,248
Noncurrent liabilities	
Bonds payable and related liabilities	81,365,672
Notes payable	21,968,472
Capital leases payable	188,259
Compensated absences	8,172,267
Heart and hypertension	3,078,347
Claims payable	5,846,097
Other claims	392,000
Net pension liability	44,294,291
OPEB liability	208,482,136
Total noncurrent liabilities	373,787,541
Total liabilities	428,892,789

Deferred Inflows of Resources

Pension related	2,398,380
OPEB related	20,082,037
Advance collections	7,830,525
Total deferred inflows of resources	30,310,942

Net Position

Net investment in capital assets	119,362,746
Restricted	
General government	44,427
Public works	1,775,085
Health and welfare	2,387,343
Parks and recreation	129,632
Education	220,985
Unrestricted	(302,578,737)
Total net position	\$ (178,658,519)

(Concluded)

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



## City of West Haven, Connecticut

**Statement of Activities**  
**Governmental Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 11,565,167	\$ 2,749,383	\$ 565,565	\$ 44,300	\$ (8,205,919)
Public safety	32,404,160	2,557,729	546,380	-	(29,300,051)
Public works	25,371,336	11,933,542	232,246	10,228,717	(2,976,831)
Humans resources and health and welfare	3,824,643	171,249	1,937,444	-	(1,715,950)
Parks and recreation	1,841,119	793,148	17,280	-	(1,030,691)
Library	1,596,000	-	-	-	(1,596,000)
Education	125,631,324	669,194	75,760,352	-	(49,201,778)
Interest expense	4,230,136	-	-	-	(4,230,136)
Total	<u>\$ 206,463,885</u>	<u>\$ 18,874,245</u>	<u>\$ 79,059,267</u>	<u>\$ 10,273,017</u>	(98,257,356)
General revenues					
Property taxes					102,079,555
Grants and contributions not restricted to specific programs					14,856,008
Investment income					<u>198,896</u>
Total general revenues					<u>117,134,459</u>
Change in net position					18,877,103
Net position - July 1, 2017					<u>(197,535,622)</u>
Net position - June 30, 2018					<u>\$ (178,658,519)</u>

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

City of West Haven, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2018

	General Fund	Allingtown Fire Department Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 11,469,455	\$ 558,063	\$ -	\$ 2,928,990	\$ 612,767	\$ 15,569,275
Investments	12,620,510	-	-	-	-	12,620,510
Receivables, net						
Property taxes	3,659,068	271,000	-	-	-	3,930,068
Sewer use	-	-	-	966,956	-	966,956
Intergovernmental	8,000,000	-	-	-	465,676	8,465,676
Loans	-	-	-	-	1,787,973	1,787,973
Other	745,758	3,649	926	80	227,946	978,359
Due from other funds	1,151,572	-	11,739,512	-	1,173,565	14,064,649
Prepays	1,191,522	-	-	149,832	-	1,341,354
Total assets	<u>\$ 38,837,885</u>	<u>\$ 832,712</u>	<u>\$ 11,740,438</u>	<u>\$ 4,045,858</u>	<u>\$ 4,267,927</u>	<u>\$ 59,724,820</u>
<u>Liabilities</u>						
Accounts payable	\$ 5,223,888	\$ 170,898	\$ 3,799,294	\$ 635,099	\$ 853,820	\$ 10,682,999
Accrued payroll	7,961,998	-	-	-	-	7,961,998
Retainage payable	-	-	288,421	-	-	288,421
Due to other funds	12,926,127	-	-	-	185,725	13,111,852
Unearned revenue	30,134	-	1,642,234	-	101,369	1,773,737
Bond anticipation notes payable	-	-	9,000,000	-	-	9,000,000
Other	493,659	64,534	-	-	-	558,193
Total liabilities	<u>26,635,806</u>	<u>235,432</u>	<u>14,729,949</u>	<u>635,099</u>	<u>1,140,914</u>	<u>43,377,200</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue						
Property taxes	3,366,938	254,333	-	-	-	3,621,271
Sewer use	-	-	-	938,572	-	938,572
Advance collections	6,653,992	461,806	-	714,727	-	7,830,525
Total deferred inflows of resources	<u>10,020,930</u>	<u>716,139</u>	<u>-</u>	<u>1,653,299</u>	<u>-</u>	<u>12,390,368</u>
<u>Fund Balances</u>						
Nonspendable	1,191,522	-	-	-	1,787,973	2,979,495
Restricted	-	-	-	1,757,460	1,012,039	2,769,499
Committed	-	-	-	-	450,734	450,734
Unassigned	989,627	(118,859)	(2,989,511)	-	(123,733)	(2,242,476)
Total fund balances	<u>2,181,149</u>	<u>(118,859)</u>	<u>(2,989,511)</u>	<u>1,757,460</u>	<u>3,127,013</u>	<u>3,957,252</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,837,885</u>	<u>\$ 832,712</u>	<u>\$ 11,740,438</u>	<u>\$ 4,045,858</u>	<u>\$ 4,267,927</u>	<u>\$ 59,724,820</u>

(Continued)

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

**City of West Haven, Connecticut**

**Reconciliation of Fund Balance  
to Net Position of Governmental Activities  
June 30, 2018**

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

Total fund balance (Exhibit C, Page 1)	\$ 3,957,252
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Capital assets are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	203,503,994
Current year additions (net of construction in progress)	12,799,850
Current year additions (donations)	44,300
Depreciation expense	(6,342,454)
Disposal of capital assets	(93,398)

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

Deferred charge on refunding	1,069,443
Pension related deferred outflows	3,560,685
OPEB related deferred outflows	18,603,841

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

Property tax, loans, charges for services, and sewer assessments receivable accrual basis change	4,559,843
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Internal service funds are used by management to charge the cost of various self-insured risk premiums and workers' compensation to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	(9,897,493)
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Some liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(116,776,465)
Premium	(2,935,672)
Capital leases	(316,852)
Compensated absences	(10,215,334)
Heart and hypertension	(3,348,627)
Other claims	(392,000)
Net pension liability	(44,294,291)
OPEB liability	(208,482,136)
Pension related deferred inflows	(2,398,380)
OPEB related deferred inflows	(20,082,037)
Accrued interest payable	(1,182,588)

Net position (Exhibit A)	<u>\$ (178,658,519)</u>
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The notes to the financial statements are an integral part of this statement.

(Concluded)

## City of West Haven, Connecticut

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

	General Fund	Allingtown Fire Department Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 95,880,234	\$ 6,039,369	\$ -	\$ -	\$ 238,326	\$ 102,157,929
Intergovernmental	78,704,977	386,728	8,740,992	232,246	15,294,509	103,359,452
Charges for services	4,459,358	246,357	18,557	12,148,778	2,385,540	19,258,590
Contributions	427,290	100,000	-	-	40,102	567,392
Income from investments	193,375	-	-	-	5,521	198,896
Other	138,275	11,399	62,584	-	4,890	217,148
Total revenues	<u>179,803,509</u>	<u>6,783,853</u>	<u>8,822,133</u>	<u>12,381,024</u>	<u>17,968,888</u>	<u>225,759,407</u>
Expenditures						
Current						
General government	6,025,857	-	108,821	-	302,811	6,437,489
Public safety	15,513,579	6,163,501	-	-	991,871	22,668,951
Public works	10,399,951	-	14,835	6,959,485	-	17,374,271
Benefits and insurance	17,120,879	-	-	-	-	17,120,879
Human resources and health and welfare	1,160,864	-	-	-	1,711,390	2,872,254
Parks and recreation	885,004	-	-	-	470,789	1,355,793
Library	1,596,000	-	-	-	-	1,596,000
Education	107,755,731	-	-	-	13,582,701	121,338,432
Capital outlay	-	-	13,572,925	618,685	1,024,004	15,215,614
Debt service	17,401,021	80,943	-	1,797,987	-	19,279,951
Total expenditures	<u>177,858,886</u>	<u>6,244,444</u>	<u>13,696,581</u>	<u>9,376,157</u>	<u>18,083,566</u>	<u>225,259,634</u>
Excess (deficiency) of revenues over expenditures	<u>1,944,623</u>	<u>539,409</u>	<u>(4,874,448)</u>	<u>3,004,867</u>	<u>(114,678)</u>	<u>499,773</u>
Other financing sources (uses)						
Issuance of debt	16,135,000	-	-	-	-	16,135,000
Premium	1,040,796	-	650,201	-	-	1,690,997
Capital leases	-	-	219,311	-	-	219,311
Sale of capital assets	199,200	-	-	-	-	199,200
Transfers in	1,303,546	-	-	-	303,342	1,606,888
Transfers out	(303,342)	-	-	(1,171,416)	(132,130)	(1,606,888)
Net other financing sources (uses)	<u>18,375,200</u>	<u>-</u>	<u>869,512</u>	<u>(1,171,416)</u>	<u>171,212</u>	<u>18,244,508</u>
Net change in fund balances	20,319,823	539,409	(4,004,936)	1,833,451	56,534	18,744,281
Fund balances - July 1, 2017 (as restated)	<u>(18,138,674)</u>	<u>(658,268)</u>	<u>1,015,425</u>	<u>(75,991)</u>	<u>3,070,479</u>	<u>(14,787,029)</u>
Fund balances - June 30, 2018	<u>\$ 2,181,149</u>	<u>\$ (118,859)</u>	<u>\$ (2,989,511)</u>	<u>\$ 1,757,460</u>	<u>\$ 3,127,013</u>	<u>\$ 3,957,252</u>

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

City of West Haven, Connecticut

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

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 18,744,281
--	---------------

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

Capital outlay	12,799,850
Depreciation expense	<u>(6,342,454)</u>
Total	<u>6,457,396</u>

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

Donated capital assets	44,300
Disposal of capital assets	<u>(93,398)</u>
Total	<u>(49,098)</u>

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

Change in property tax, loans, charges for services and sewer assessments - accrual basis change	(462,719)
--	-----------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred	
General obligation bonds	(16,135,000)
Premium	(1,690,997)
Capital lease	(219,311)
Principal repayments	
General obligation bonds	12,515,000
Notes payable	2,135,160
Capital lease	<u>131,858</u>
Total	<u>(3,263,290)</u>

(Continued)

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

City of West Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2018**

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:

Heart and hypertension	\$ 666,996
Compensated absences	695,527
Pension expense	(1,960,096)
OPEB expense	(2,759,204)
Accrued interest payable	68,469
Amortization of deferred charges	(293,859)
Amortization of bond premium	<u>550,754</u>
Total	<u>(3,031,413)</u>
Internal Service Funds are used by management to charge costs of various self-insured risk premiums and workers' compensation to individual departments	<u>481,946</u>
Change in net position (Exhibit B)	<u>\$ 18,877,103</u>
	(Concluded)

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

## City of West Haven, Connecticut

Statement of Fund Net Position  
Proprietary Fund  
June 30, 2018

	Internal Service Funds
	<hr/>
<u>Assets</u>	
Current assets:	
Accounts receivable	\$ 1,738,780
Due from other funds	<hr/> 13,050
Total assets	<hr/> 1,751,830
<u>Liabilities</u>	
Current liabilities:	
Cash overdraft	142,678
Accounts payable	565,385
Claims payable	4,129,316
Due to other funds	<hr/> 965,847
Total current liabilities	5,803,226
Noncurrent liabilities:	
Claims payable	<hr/> 5,846,097
Total liabilities	<hr/> 11,649,323
<u>Net Position</u>	
Unrestricted	<hr/> <hr/> \$ (9,897,493)

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

**City of West Haven, Connecticut**  
**Statement of Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2018**

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges for services	<u>\$ 32,336,382</u>
Operating expenses:	
Claims	28,706,114
Administration	<u>3,148,322</u>
Total operating expenses	<u>31,854,436</u>
Change in net position	481,946
Net position - July 1, 2017 (as restated)	<u>(10,379,439)</u>
Net position - June 30, 2018	<u><u>\$ (9,897,493)</u></u>

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



## City of West Haven, Connecticut

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

	Internal Service Funds
	<u>                    </u>
Cash flows from operating activities:	
Cash received for charges	\$ 32,115,784
Cash paid for claims and other	(29,110,140)
Cash paid for administration	<u>(3,148,322)</u>
Net increase (decrease) in cash	(142,678)
Cash - July 1, 2017	<u>-</u>
Cash - June 30, 2018	<u><u>\$ (142,678)</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 481,946
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	(1,738,780)
Due from other funds	(13,050)
Increase (decrease) in:	
Accounts payable	565,385
Claims payable	(404,026)
Due to other funds	<u>965,847</u>
Net cash provided by (used in) operating activities	<u><u>\$ (142,678)</u></u>

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

## City of West Haven, Connecticut

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

	Pension Trust Funds	Private- Purpose Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Assets</u>			
Cash	\$ -	\$ 68,127	\$ 312,693
Investments at fair value			
Bank money market	286,070	-	-
Mutual funds			
Money market	3,691,139	-	-
Equity	60,651,949	-	-
Common stock	29,463,301	-	-
Exchange traded funds	7,437,310	-	-
Corporate bonds	4,948,325	-	-
Real estate funds	223,874	-	-
Private equity funds	16,563,875	-	-
Annuities	4,545,011	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total investments	127,810,854	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	127,810,854	68,127	312,693
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Net Position</u>			
Restricted for:			
Pensions	127,810,854	-	-
Individuals and organizations	-	68,127	312,693
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net position	\$ 127,810,854	\$ 68,127	\$ 312,693
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

**City of West Haven, Connecticut**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2018**

	Pension Trust Funds	Private- Purpose Trust Funds	Custodial Funds
Additions			
Contributions			
Employer	\$ 3,985,851	\$ -	\$ -
Plan members	688,044	-	-
Charges for services	-	-	937,150
Total contributions	4,673,895	-	937,150
Investment income (loss)			
Change in fair value of investments	8,733,351	-	-
Interest and dividends	1,553,444	742	-
Total investment income (loss)	10,286,795	742	-
Less investment expenses	302,568	-	-
Net investment income (loss)	9,984,227	-	-
Total additions	14,658,122	742	937,150
Deductions			
Benefits	9,112,752	-	-
Administration	16,878	-	-
Scholarships	-	5,400	-
Activities and events	-	-	906,464
Total deductions	9,129,630	5,400	906,464
Changes in net position	5,528,492	(4,658)	30,686
Net position - July 1, 2017 (as restated)	122,282,362	72,785	282,007
Net position - June 30, 2018	\$ 127,810,854	\$ 68,127	\$ 312,693

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**History and organization**

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

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

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

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

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

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

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

The *Private-Purpose Trust Fund* accounts for the receipt of private donations to be used for student awards.

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

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

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

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

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

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

Cash – For cash flow purposes the City considers cash and cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

Investments - In general, State of Connecticut Statutes allow the City to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

Investments for the City are reported at fair value except as described below. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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.

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

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

The investment guidelines are as follows:

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

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

**B. Property taxes and other receivables**

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

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

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

**3. Capital assets**

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

Capitalization thresholds are as follows:

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



## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

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

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

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pensions and OPEB for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. Experience differences and changes in assumptions will be amortized over the average remaining service life of all plan members. Net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources related to pensions and OPEB for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. Experience differences and changes in assumptions will be amortized over the average remaining service life of all plan members. Net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

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

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)****5. Compensated absences**

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

**6. Long-term obligations**

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

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

**7. Fund equity and net position**

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)**

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

**8. Use of Estimates**

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

**9. Reclassifications**

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**II. Stewardship, compliance and accountability****A. Budgets and budgetary accounting**

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

- By Charter, the Mayor's recommended budget for the fiscal year beginning July 1 is presented to the City Council no later than the third Thursday in March, with Council action mandated on or before the first Thursday in May.
- After adoption of the original budget, budget transfer amounts less than \$1,500 within departments require the approval of both the Mayor and the Director of Finance. Budget transfer amounts exceeding \$1,500 require the approval of the City Council.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is the department level for the general fund and the fund level for the Allingtown Fire Department.
- Formal budgetary integration is employed as a management control device during the year.
- The Board of Education, which is not a separate legal entity but a function of the City, is authorized under State law to make any transfers required within their budget at their discretion.
- 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.
- The City Council can approve additional appropriations on recommendation of the Mayor and certification from the Director of Finance that there is available fund balance. There were no additional appropriations made during the year.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**B. Excess expenditures over appropriations**

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

Communications	\$ 199,625
Town & City Clerk	15,867
Building department	28,632
Department of assessment	794
Department of tax collections	10,636
Emergency Reporting System (ERS)	43,814
Bureau of engineering	25,016
Pensions & hospitalizations	1,510,059
Health department	16,707
Transfers out	303,342

**C. Capital projects authorizations**

The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
WHHS expansion and renovation	\$ 133,250,000	\$ 15,285,137	\$ 117,964,863

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**III. Detailed notes****A. Cash and investments**

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, \$14,033,357 of the City's bank balance of \$15,060,593 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,341,584
Uninsured and collateral held by pledging bank's trust department not in the City's name	<u>3,691,773</u>
Total amount subject to custodial credit risk	<u>\$ 14,033,357</u>

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

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

Type of Investment	Fair Value	N/A	Investment Maturities in Years			
			Less than One year	1-5 Years	5-10 Years	Over 10 Years
Bank money market	\$ 7,852,476	\$ -	\$ 7,852,476	\$ -	\$ -	\$ -
Mutual Funds						
Money market	3,691,139	-	3,691,139	-	-	-
Equity	60,651,949	60,651,949	-	-	-	-
Common stock	29,463,301	29,463,301	-	-	-	-
Exchange traded funds	7,437,310	7,437,310	-	-	-	-
Corporate bonds	4,948,325	-	52,909	621,904	4,243,272	30,240
Real estate funds	223,874	223,874	-	-	-	-
Private equity funds	16,563,875	16,563,875	-	-	-	-
Pooled fixed income	5,054,104	-	5,054,104	-	-	-
Annuities	4,545,011	-	1,280	-	1,424,503	3,119,228
Total	<u>\$140,431,364</u>	<u>\$114,340,309</u>	<u>\$16,651,908</u>	<u>\$ 621,904</u>	<u>\$5,667,775</u>	<u>\$3,149,468</u>

Fair value of investments

The City measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP).

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

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

The City had the following recurring fair value measurements:

	Amount	Quoted Market Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<u>Investments by Fair Value Level</u>				
Mutual Funds				
Money market	\$ 3,691,139	\$ 3,691,139	\$ -	\$ -
Equity	60,651,949	60,651,949	-	-
Common stock	29,463,301	29,463,301	-	-
Exchange traded funds	7,437,310	7,437,310	-	-
Corporate bonds	4,948,325	-	4,948,325	-
Annuities	4,545,011	-	-	4,545,011
Total investments by fair value level	110,737,035	<u>\$101,243,699</u>	<u>\$ 4,948,325</u>	<u>\$ 4,545,011</u>
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Real estate funds	223,874			
Private equity funds	16,563,875			
Total Investments Measured at the NAV	<u>16,787,749</u>			
<u>Other Investments not Subject to Fair Value Measurement</u>				
Bank money market	7,852,476			
Pooled fixed income	5,054,104			
Total other investments	<u>12,906,580</u>			
Total Investments	<u>\$140,431,364</u>			

Securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Securities classified in Level 2 are valued using quoted prices for identical securities in the markets that are not active.

Securities classified in Level 3 are valued based upon the present value and credit quality of the annuity.

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## A. Cash and investments (continued)

*Investments measured at the net asset value (NAV)*

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

Investments measured at NAV

Investment Description		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate funds	1	\$ 223,874	\$ -	Quarterly	90 days
Private equity funds	2	<u>16,563,875</u>	<u>323,358</u>	Quarterly	90 days
Total Investments Measured at the NAV		<u>\$ 16,787,749</u>	<u>\$ 323,358</u>		

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

Interest rate risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

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



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

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

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

Ratings	Money Market Mutual Funds	Corporate Bonds	Pooled Fixed Income	Annuities
AAA	\$ -	\$ 223,398	\$ 5,054,104	\$ -
AA	-	235,847	-	-
A	-	2,030,603	-	3,385,159
BBB	-	1,336,856	-	-
BB	-	634,726	-	-
B	-	485,065	-	1,159,852
Unrated	3,691,139	1,830	-	-
Totals	<u>\$ 3,691,139</u>	<u>\$ 4,948,325</u>	<u>\$ 5,054,104</u>	<u>\$ 4,545,011</u>

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

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

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

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject to Custodial Credit Risk</u>
Common stock	\$ 29,463,301	\$ 500,000	\$28,963,301
Corporate bonds	<u>4,948,325</u>	<u>216,477</u>	<u>4,731,848</u>
Totals	<u>\$ 34,411,627</u>	<u>\$ 716,477</u>	<u>\$ 33,695,150</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**B. Receivables**

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

	City Property Taxes		
	<u>Taxes</u>	<u>Interest and Lien Fees</u>	<u>Total</u>
Current portion	<u>\$ 1,054,122</u>	<u>\$ 389,073</u>	<u>\$ 1,443,195</u>
Long-term portion	<u>\$ 2,710,600</u>	<u>\$ 1,701,063</u>	<u>\$ 4,411,663</u>
Less allowance for uncollectibles	<u>(1,125,000)</u>	<u>(1,070,000)</u>	<u>(2,195,000)</u>
Net Long-term portion	<u>\$ 1,585,600</u>	<u>\$ 631,063</u>	<u>\$ 2,216,663</u>
Totals	<u>\$ 2,639,722</u>	<u>\$ 1,020,136</u>	<u>\$ 3,659,858</u>

	Allingtown Property Taxes		
	<u>Taxes</u>	<u>Interest and Lien Fees</u>	<u>Total</u>
Current portion	<u>\$ 59,725</u>	<u>\$ 22,678</u>	<u>\$ 82,403</u>
Long-term portion	<u>\$ 189,131</u>	<u>\$ 179,466</u>	<u>\$ 368,597</u>
Less allowance for uncollectibles	<u>(95,000)</u>	<u>(85,000)</u>	<u>(180,000)</u>
Net Long-term portion	<u>\$ 94,131</u>	<u>\$ 94,466</u>	<u>\$ 188,597</u>
Totals	<u>\$ 153,856</u>	<u>\$ 117,144</u>	<u>\$ 271,000</u>

	Sewer Use			
	<u>Use</u>	<u>Interest and Lien Fees</u>	<u>Total</u>	<u>CDBG Loans</u>
Current portion	<u>\$ 220,916</u>	<u>\$ 52,140</u>	<u>\$ 273,056</u>	<u>\$ 85,536</u>
Long-term portion	<u>\$ 469,447</u>	<u>\$ 382,362</u>	<u>\$ 851,809</u>	<u>\$ 1,852,437</u>
Less allowance for uncollectibles	<u>(98,760)</u>	<u>(59,149)</u>	<u>(157,909)</u>	<u>(150,000)</u>
Net Long-term portion	<u>\$ 370,687</u>	<u>\$ 323,213</u>	<u>\$ 693,900</u>	<u>\$ 1,702,437</u>
Totals	<u>\$ 591,603</u>	<u>\$ 375,353</u>	<u>\$ 966,956</u>	<u>\$ 1,937,973</u>

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**C. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
City:				
Capital assets, not being depreciated:				
Land	\$ 16,319,189	\$ 44,300	\$ 1	\$ 16,363,488
Construction in progress	11,583,678	12,882,569	1,336,512	23,129,735
Total capital assets, not being depreciated	27,902,867	12,926,869	1,336,513	39,493,223
Capital assets, being depreciated:				
Land improvements	15,969,448	-	-	15,969,448
Buildings and improvements	195,644,381	-	149,116	195,495,265
Machinery and equipment	26,911,353	188,091	-	27,099,444
Vehicles	9,394,850	312,193	1,399,681	8,307,362
Infrastructure	95,021,611	753,510	-	95,775,121
Total capital assets, being depreciated	342,941,643	1,253,794	1,548,797	342,646,640
Less accumulated depreciation for:				
Land improvements	7,637,287	435,622	-	8,072,909
Buildings and improvements	93,035,863	3,346,942	100,908	96,281,897
Machinery and equipment	17,694,495	826,531	-	18,521,026
Vehicles	5,615,398	204,041	1,354,848	4,464,591
Infrastructure	44,920,328	1,392,147	-	46,312,475
Total accumulated depreciation	168,903,371	6,205,283	1,455,756	173,652,898
Total capital assets, being depreciated, net	174,038,272	(4,951,489)	93,041	168,993,742
Capital assets, net	\$ 201,941,139	\$ 7,975,380	\$ 1,429,554	\$ 208,486,965

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

General government	\$ 1,325,637
Public safety	725,207
Public works	1,975,282
Health and welfare	283,132
Parks and recreation	189,126
Education	1,706,899
Total depreciation expense	<u>\$ 6,205,283</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**C. Capital assets (continued)**

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Allingtown Fire Department:				
Capital assets, not being depreciated:				
Land	\$ 36,903	\$ -	\$ -	\$ 36,903
Total capital assets, not being depreciated	36,903	-	-	36,903
Capital assets, being depreciated:				
Buildings and improvements	702,454	-	-	702,454
Machinery and equipment	140,749	-	6,349	134,400
Fire trucks and vehicles	2,282,277	-	-	2,282,277
Infrastructure - hydrants	367,097	-	-	367,097
Fire equipment	949,078	-	-	949,078
Total capital assets, being depreciated	4,441,655	-	6,349	4,435,306
Less accumulated depreciation for:				
Buildings and improvements	292,632	21,632	-	314,264
Machinery and equipment	123,988	1,466	5,992	119,462
Fire trucks and vehicles	1,289,115	104,453	-	1,393,568
Infrastructure - hydrants	260,890	9,620	-	270,510
Fire equipment	949,078	-	-	949,078
Total accumulated depreciation	2,915,703	137,171	5,992	3,046,882
Total capital assets, being depreciated, net	1,525,952	(137,171)	357	1,388,424
Capital assets, net	\$ 1,562,855	\$ (137,171)	\$ 357	\$ 1,425,327

Depreciation expense was charged to the public safety function.

**Construction commitments**

The City has the following construction commitments:

West Haven High School expansion and renovation	\$ 100,409,872
Culvert replacement	<u>393,572</u>
Total	<u>\$100,803,444</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Capital Improvements Fund	N/A	\$ -	\$ 11,739,512
Special Revenue Funds	N/A	185,725	919,320
Capital Projects Funds	N/A	-	254,245
Medical	N/A	943,367	-
General Liability		22,480	-
Workers' Compensation	N/A	-	13,050
Total General Fund		1,151,572	12,926,127
Capital Improvement Fund			
General Fund	N/A	11,739,512	-
Other Governmental Funds			
Special Revenue Funds			
Community Development Block Grant	General Fund	-	74,714
Document Preservation	General Fund	56,325	-
Education Grant	General Fund	126,352	-
Miscellaneous Grants	General Fund	-	96,604
Public Safety	General Fund	145,431	-
Health and Welfare	General Fund	89,220	-
Savin Rock	General Fund	134,412	-
School Lunch Program	General Fund	130,998	-
Sports Facilities	General Fund	-	14,407
Career and Adult Education	General Fund	236,582	-
Capital Project Funds			
Brownfields	General Fund	17,625	-
Capital and Nonrecurring	General Fund	236,620	-
Total Other Governmental Funds		1,173,565	185,725
Internal Service Funds			
Medical	General Fund	-	943,367
General Liability	General Fund	-	22,480
Workers' Compensation	General Fund	13,050	-
Total Internal Service Funds		13,050	965,847
Total		\$ 14,077,699	\$ 14,077,699

All interfund balances resulted from the time lag between the dates payments occurred between funds for various activities.

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Sewer Fund	N/A	\$ 1,171,416	\$ -
Special Revenue Funds	N/A	132,130	303,342
Total General Fund		1,303,546	303,342
Sewer Fund	General Fund	-	1,171,416
Other Governmental Funds			
Special Revenue Funds			
Public Safety	General Fund	-	132,130
Health and Welfare	General Fund	25,000	-
Career and Adult Education	General Fund	278,342	-
Total Other Governmental Funds		303,342	132,130
Total		\$ 1,606,888	\$ 1,606,888

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

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

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

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

Type of Obligation	Issue Date	Maturity Date	Coupon Rate	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Bond Anticipation Notes							
High School project	10/3/2017	10/2/2018	1.75%	\$ -	\$18,635,000	\$ 9,635,000	\$ 9,000,000

In October 2018, the City issued \$9,158,000 of bond anticipation note at an interest rate of 3.429% maturing in April 2019.

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

Description	Original amount	Date of issue	Date of maturity	Interest rate	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Current portion
<b>Bonds:</b>									
<b>General purpose:</b>									
Debt issue	\$ 7,435,994	03/31/10	02/15/25	5.1%	\$ 3,960,447	\$ -	\$ 495,056	\$ 3,465,391	\$ 495,056
Refunding issue	38,380,000	05/31/12	08/01/26	3.0-5.0%	22,118,000	-	3,616,000	18,502,000	3,460,000
Debt issue	1,225,000	05/31/12	08/01/26	3.0-5.0%	946,000	-	77,000	869,000	79,000
Debt issue	7,865,000	09/03/14	09/01/34	3.0-5.0%	6,936,000	-	462,000	6,474,000	462,000
Debt issue (deficit)	16,135,000	11/1/2017	5/1/2022	3.0-5.0%	-	16,135,000	-	16,135,000	1,615,000
Debt issue	9,635,000	11/1/2017	5/1/2023	3.0-5.0%	9,635,000	-	-	9,635,000	-
<b>Total general purpose:</b>	<b>80,675,994</b>				<b>43,595,447</b>	<b>16,135,000</b>	<b>4,650,056</b>	<b>55,080,391</b>	<b>6,111,056</b>
<b>School bonds:</b>									
Debt issue	4,280,006	03/31/10	02/15/25	5.1%	2,279,553	-	284,944	1,994,609	284,944
Refunding issue	7,260,000	05/31/12	08/01/26	3.0-5.0%	13,326,000	-	2,050,000	11,276,000	2,261,000
Debt issue	2,250,000	05/31/12	08/01/26	3.0-5.0%	1,739,000	-	143,000	1,596,000	146,000
Debt issue	1,235,000	09/03/14	09/01/34	3.0-5.0%	1,114,000	-	63,000	1,051,000	63,000
<b>Total school bonds:</b>	<b>15,025,006</b>				<b>18,458,553</b>	<b>-</b>	<b>2,540,944</b>	<b>15,917,609</b>	<b>2,754,944</b>
<b>Sewer:</b>									
Refunding issue	1,980,000	05/31/12	08/01/26	3.0-5.0%	811,000	-	329,000	482,000	334,000
<b>Pension:</b>									
Pension obligation bond (taxable)	38,715,000	09/03/14	03/15/22	0.985-4.164%	26,270,000	-	4,995,000	21,275,000	5,125,000
<b>Total bonds</b>	<b>136,396,000</b>				<b>89,135,000</b>	<b>16,135,000</b>	<b>12,515,000</b>	<b>92,755,000</b>	<b>14,325,000</b>
<b>Notes:</b>									
<b>Sewer:</b>									
CWF 167-C	4,858,956	10/30/98	10/31/17	2.0%	97,004	-	97,004	-	-
CWF 347-C	1,618,947	05/31/00	11/30/19	2.0%	229,518	-	93,631	135,887	95,522
CWF 444-C	1,603,000	03/31/01	09/30/20	2.0%	303,122	-	91,177	211,945	93,018
CWF 348-C	4,407,222	11/30/01	11/30/20	2.0%	893,714	-	268,923	624,791	254,888
CWF 346-C	801,945	12/31/03	12/31/22	2.0%	251,003	-	43,608	207,395	44,489
CWF 348-C1	1,728,831	12/31/03	12/31/22	2.0%	546,912	-	99,821	447,091	95,908
CWF 348-CD1	617,707	09/29/06	11/30/20	2.0%	168,495	-	47,232	121,263	48,185
CWF 346-CD2	801,055	05/31/07	12/31/22	2.0%	282,724	-	51,405	231,319	51,405
CWF 549-C	28,250,103	07/01/13	07/01/32	2.0%	22,102,396	-	1,268,455	20,833,941	1,294,058
CWF 549-CD2	1,425,544	06/30/15	07/01/32	2.0%	1,281,737	-	73,904	1,207,833	75,520
<b>Total sewer notes:</b>	<b>46,113,310</b>				<b>26,156,625</b>	<b>-</b>	<b>2,135,160</b>	<b>24,021,465</b>	<b>2,052,993</b>
<b>Total bonds/notes</b>					<b>115,291,625</b>	<b>16,135,000</b>	<b>14,650,160</b>	<b>116,776,465</b>	<b>16,377,993</b>
<b>Bond premium</b>					<b>1,795,429</b>	<b>1,690,997</b>	<b>550,754</b>	<b>2,935,672</b>	<b>-</b>
<b>Total bonds, notes and related liabilities</b>					<b>117,087,054</b>	<b>17,825,997</b>	<b>15,200,914</b>	<b>119,712,137</b>	<b>16,377,993</b>
<b>Capital leases</b>					<b>-</b>	<b>219,311</b>	<b>57,567</b>	<b>161,744</b>	<b>52,148</b>
<b>Compensated absences</b>					<b>10,292,757</b>	<b>6,398,310</b>	<b>6,985,553</b>	<b>9,705,514</b>	<b>1,941,103</b>
<b>Heart and hypertension</b>					<b>4,015,623</b>	<b>-</b>	<b>666,996</b>	<b>3,348,627</b>	<b>270,280</b>
<b>Claims payable</b>					<b>8,220,385</b>	<b>16,260,705</b>	<b>16,580,452</b>	<b>7,900,638</b>	<b>2,054,541</b>
<b>Other claims</b>					<b>392,000</b>	<b>-</b>	<b>-</b>	<b>392,000</b>	<b>-</b>
<b>Net pension liability</b>					<b>21,833,921</b>	<b>11,555,578</b>	<b>12,109,434</b>	<b>21,280,065</b>	<b>-</b>
<b>OPEB liability</b>					<b>164,262,272</b>	<b>33,002,228</b>	<b>14,094,373</b>	<b>183,170,127</b>	<b>-</b>
<b>Total long term liabilities</b>					<b>\$326,104,012</b>	<b>\$ 85,262,129</b>	<b>\$65,695,289</b>	<b>\$345,670,852</b>	<b>\$ 20,696,065</b>

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

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

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

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

Description	Original amount	Date of issue	Date of maturity	Interest rate	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Current portion
Capital leases					\$ 229,399	\$ -	\$ 74,291	\$ 155,108	\$ 76,445
Compensated absences					618,104	116,270	224,554	509,820	101,964
Net pension liability					22,684,874	2,861,162	2,531,810	23,014,226	-
OPEB liability					25,525,553	1,800,736	2,014,280	25,312,009	-
Total long term liabilities					<u>\$ 49,057,930</u>	<u>\$ 4,778,168</u>	<u>\$ 4,844,935</u>	<u>\$ 48,991,163</u>	<u>\$ 178,409</u>

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

Debt Maturities					
Year Ending June 30,	Bond Principal	Bond Interest	Notes Principal	Notes Interest	Total Interest
2019	\$ 14,325,000	\$ 3,884,908	\$ 2,052,993	\$ 461,694	\$ 4,346,602
2020	14,470,000	3,369,952	2,036,310	420,552	3,790,504
2021	13,525,000	2,816,014	1,780,781	381,479	3,197,493
2022	13,765,000	2,222,649	1,654,671	347,995	2,570,644
2023	5,805,000	1,652,401	1,584,910	315,031	1,967,432
2024	7,200,000	1,326,339	1,513,492	284,495	1,610,834
2025	7,240,000	964,511	1,544,041	253,946	1,218,457
2026	4,945,000	649,406	1,575,206	222,781	872,187
2027	2,975,000	456,513	1,607,001	190,986	647,499
2028	2,640,000	324,700	1,639,437	158,550	483,250
2029	715,000	247,491	1,672,528	125,459	372,950
2030	715,000	217,913	1,706,287	91,700	309,613
2031	700,000	187,400	1,740,727	57,260	244,660
2032	700,000	156,200	1,775,862	22,124	178,324
2033	700,000	125,000	137,219	236	125,236
2034	700,000	93,800	-	-	93,800
2035	675,000	63,100	-	-	63,100
2036	320,000	40,000	-	-	40,000
2037	320,000	24,000	-	-	24,000
2038	320,000	8,000	-	-	8,000
Totals	<u>\$ 92,755,000</u>	<u>\$ 18,830,297</u>	<u>\$ 24,021,465</u>	<u>\$ 3,334,288</u>	<u>\$ 22,164,585</u>



## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**F. Changes in long-term obligations (continued)****2. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 264,829,475	\$ 55,193,391	\$ 209,636,084
Schools	529,658,951	24,917,609	504,741,342
Sewers	441,382,459	24,503,465	416,878,994
Urban renewal	382,531,464	-	382,531,464
Pension deficit	353,105,967	21,275,000	331,830,967

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, \$823,913,923.

**3. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

General purpose	\$ 9,970,035
Schools	<u>133,250,000</u>
Total	<u><u>\$143,220,035</u></u>

**4. Capital leases**

The City is committed under leases for vehicles totaling \$218,766 and accumulated amortization of \$58,284. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

Allingtown Fire Department is committed under leases for vehicles totaling \$371,754 and accumulated amortization of \$235,831. Amortization of vehicles under capital leases is included with depreciation expense.

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

**City**

Year Ending June 30	
2019	\$ 57,566
2020	57,567
2021	<u>57,567</u>
Total	172,700
Less amount representing interest	<u>(10,956)</u>
Present value of minimum lease payments	<u><u>\$ 161,744</u></u>

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**F. Changes in long-term obligations (continued)****Allingtown**

Year Ending June 30	
2019	\$ 80,944
2020	<u>80,944</u>
Total	161,888
Less amount representing interest	<u>(6,780)</u>
Present value of minimum lease payments	<u>\$ 155,108</u>

**5. Claims and judgements**

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

**6. 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.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

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

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

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<u>General Liability</u>				
2016-2017	\$ 370,439	\$ 3,248,545	\$ 3,249,836	\$ 369,148
2017-2018	369,148	814,073	579,702	603,519
<u>Workers Compensation</u>				
2016-2017	7,921,678	10,763,027	10,833,468	7,851,237
2017-2018	7,851,237	1,380,823	1,934,941	7,297,119
<u>Subtotal</u>				
2016-2017	8,292,117	14,011,572	14,083,304	8,220,385
2017-2018	8,220,385	2,194,896	2,514,643	7,900,638
<u>Medical Insurance</u>				
2016-2017	2,091,265	25,461,147	25,393,358	2,159,054
2017-2018	2,159,054	26,511,218	26,595,497	2,074,775
<u>Totals</u>				
2016-2017	\$ 10,383,382	\$ 39,472,719	\$ 39,476,662	\$ 10,379,439
2017-2018	\$ 10,379,439	\$ 28,706,114	\$ 29,110,140	\$ 9,975,413

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**G. Fund balance classifications**

Fund balances are composed of the following:

	General Fund	Allingtown Fire Department Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total
Nonspendable						
Prepays	\$ 1,191,522	\$ -	\$ -	\$ -	\$ -	\$ 1,191,522
CDBG loan receivable	-	-	-	-	1,787,973	1,787,973
Total Nonspendable	<u>1,191,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,787,973</u>	<u>2,979,495</u>
Restricted						
General government	-	-	-	-	44,427	44,427
Public works	-	-	-	1,757,460	-	1,757,460
Human resources and health and welfare	-	-	-	-	599,370	599,370
Parks and recreation	-	-	-	-	129,632	129,632
Education	-	-	-	-	220,985	220,985
Capital projects	-	-	-	-	17,625	17,625
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,757,460</u>	<u>1,012,039</u>	<u>2,769,499</u>
Committed						
Public safety	-	-	-	-	235,238	235,238
Capital projects	-	-	-	-	215,496	215,496
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,734</u>	<u>450,734</u>
Unassigned	<u>989,627</u>	<u>(118,859)</u>	<u>(2,989,511)</u>	<u>-</u>	<u>(123,733)</u>	<u>(2,242,476)</u>
Total	<u>\$ 2,181,149</u>	<u>\$ (118,859)</u>	<u>\$ (2,989,511)</u>	<u>\$ 1,757,460</u>	<u>\$ 3,127,013</u>	<u>\$ 3,957,252</u>

**H. Restricted net position**

The amount of restricted net position, which was restricted by enabling legislation, totaled \$1,801,887.

**I. Deficit fund balances**

The City had deficit equity balances in the following funds:

Education Grants fund      \$ 29,629  
Miscellaneous Grants fund   94,104

The deficits will be eliminated by future grant receipts.

Medical                              \$ 1,974,775  
General Liability                625,599  
Works' Compensation        7,297,119

The deficits will be eliminated by future charges for services.

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**IV. Other information****A. Commitments and litigation**

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

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

**B. Tax abatements**

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

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

The City has signed two agreements that are effective for the 2017 grand list year and therefore will be effective in fiscal year 2019.

**C. Pension plans****1. Plan Description**

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Pension plans (continued)****A. Plan administration**

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

**B. Plan membership**

As of January 1, 2016 for the Police and July 1, 2017 for Allingtown Fire Department the memberships in the Plans are comprised of the following:

	<u>Police</u>	<u>Allingtown</u>
Retirees and beneficiaries currently receiving benefits	152	33
Active plan member	<u>87</u>	<u>15</u>
Total	<u>239</u>	<u>48</u>

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

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

**Allingtown Fire Department**

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

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

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Pension plans (continued)****3. Contributions required****Police**

Police officers are required to contribute 9.5% of their earnings for the current year. The employees' contribution was \$566,567.

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 Town's average contribution rate was 31.74% 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 \$121,477.

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 112.15% of annual payroll.

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

The Plan trustees have developed and approved an investment policy which specifies investment target allocations. The State does not specifically dictate what pension plans can invest in, other than that they must abide by the prudent person rule.

**Valuation of Investments**

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**C. Pension plans (continued)**

The following is the Board's adopted asset allocation policy for the plans:

Police

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

The portfolio nominal mean return including inflation is 7.11%.

Allingtown Fire Department

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	2.13%	0.51%
Large Credit Bonds	65.65%	3.93%
Large Caps	28.30%	3.37%
Real estate (REITS)	<u>3.92%</u>	3.27%
Total	<u>100.00%</u>	

The portfolio nominal mean return including inflation is 6.82%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized above:



## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**C. Pension plans (continued)****5. Rate of return**

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized in the preceding table.

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.60% for the police plan and 7.77% for the Allingtown plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**6. Concentrations**

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

**7. Net Pension Liability**

	<u>Police</u>	<u>Allingtown</u>
Total pension liability	\$ 141,828,540	\$ 30,276,605
Plan fiduciary net position	<u>120,548,475</u>	<u>7,262,379</u>
Net pension liability	<u>\$ 21,280,065</u>	<u>\$ 23,014,226</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>85.00%</u>	<u>23.99%</u>

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## C. Pension plans (continued)

## 8. Actuarial assumptions used to calculate net pension liability

	<u>Police</u>	<u>Allingtown Fire Department</u>
Valuation date	January 1, 2016	July 1, 2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent Open	Level Percent Closed
Remaining amortization period	5 years	16 years
Asset valuation method	Fair Value	Fair Value
Discount rate	7.375%	6.75%
Salary increase		
Merit	3.50%	3.50%
Inflation	2.75%	2.75%
Cost of living adjustments	3.00% for members hired before 6/30/93 1.75% for members hired after 6/30/93	1.75% for retirements on or before 11/27/13 2.75% for retirements after 11/27/13
Mortality rates	RP-2000 Mortality Table with blue collar adjustment for healthy annuitants and non-annuitants projected to 2020 per scale AA.	RP-2000 Combined Healthy Mortality with blue collar adjustment and generational projection per scale AA.

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

## 9. Discount rate

The discount rate used to measure the total pension liability was 7.375% for the Police plan and 6.75% for the Allingtown Plan. 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 the plan's current net pension liability and current contribution policy, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**C. Pension plans (continued)****10. Sensitivity of the net pension liability to changes in the discount rate**

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
<u>Police Plan</u>			
Net pension liability	<u>\$ 38,634,533</u>	<u>\$ 21,280,065</u>	<u>\$ 6,886,179</u>
<u>Allingtown Plan</u>	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Net pension liability	<u>\$ 27,016,800</u>	<u>\$ 23,014,226</u>	<u>\$ 19,731,459</u>

**11. Changes in the Net Pension Liability**

The City's net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The changes in net pension liability were as follows:

	Increase (Decrease)		
<u>Police Plan</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	<u>\$ 137,617,990</u>	<u>\$ 115,784,069</u>	<u>\$ 21,833,921</u>
Service cost	1,557,421	-	1,557,421
Interest	9,998,157	-	9,998,157
Contributions - employer	-	2,091,000	(2,091,000)
Contributions - member	-	566,567	(566,567)
Net investment income	-	9,468,710	(9,468,710)
Benefit payments, including refunds of member contributions	(7,345,028)	(7,345,028)	-
Administration	-	(16,843)	16,843
Net change	<u>4,210,550</u>	<u>4,764,406</u>	<u>(553,856)</u>
Balance at June 30, 2018	<u>\$ 141,828,540</u>	<u>\$ 120,548,475</u>	<u>\$ 21,280,065</u>

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**C. Pension plans (continued)**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Allyingtown Plan	(a)	(b)	(a) - (b)
Balance at July 1, 2017	\$ 29,183,167	\$ 6,498,293	\$ 22,684,874
Service cost	373,143	-	373,143
Interest	1,936,364	-	1,936,364
Differences between expected and actual experience	551,655	-	551,655
Contributions - employer	-	1,894,851	(1,894,851)
Contributions - member	-	121,477	(121,477)
Net investment income	-	515,517	(515,517)
Benefit payments, including refunds of member contributions	(1,767,724)	(1,767,724)	-
Administration	-	(35)	35
Net change	1,093,438	764,086	329,352
Balance at June 30, 2018	\$ 30,276,605	\$ 7,262,379	\$ 23,014,226

**12. Pension Expense and Deferred Outflows and Inflows of Resources**

The City recognized pension expense of \$3,835,871 for the Police Plan and \$2,110,075 for the Allington Plan.

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

Police Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,891,699
Changes in assumptions	-	143,149
Net difference between projected and actual earnings on pension plan investments	2,621,055	-
Total	\$ 2,621,055	\$ 2,034,848
Net amount of deferred inflows and outflows		\$ 586,207

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**C. Pension plans (continued)**

Allingtown Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 373,702	\$ 363,532
Changes in assumptions	432,879	-
Net difference between projected and actual earnings on on pension plan investments	<u>133,049</u>	<u>-</u>
Total	<u>\$ 939,630</u>	<u>\$ 363,532</u>
Net amount of deferred inflows and outflows		<u>\$ 576,098</u>

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

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

Year Ending June 30,	Police Plan	Allingtown Plan
2019	\$ 1,294,946	\$ 368,895
2020	465,681	226,294
2021	(954,414)	(5,365)
2022	<u>(220,006)</u>	<u>(13,726)</u>
Total	<u>\$ 586,207</u>	<u>\$ 576,098</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**C. Pension plans (continued)****13. Plan Statements**

	Pension Trust Funds		
	Police	Allingtown Fire Department	Total
<u>Assets</u>			
Investments at fair value			
Bank money market	\$ -	\$ 286,070	\$ 286,070
Mutual funds			
Money market	3,678,003	13,136	3,691,139
Equity	60,603,529	48,420	60,651,949
Common stock	29,248,654	214,647	29,463,301
Exchange traded funds	5,507,919	1,929,391	7,437,310
Corporate bonds	4,946,495	1,830	4,948,325
Real estate funds	-	223,874	223,874
Private equity funds	16,563,875	-	16,563,875
Annuities	-	4,545,011	4,545,011
Total assets	<u>120,548,475</u>	<u>7,262,379</u>	<u>127,810,854</u>
<u>Net Position</u>			
Restricted for pension benefits	<u>\$ 120,548,475</u>	<u>\$ 7,262,379</u>	<u>\$ 127,810,854</u>

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## C. Pension plans (continued)

	Pension Trust Funds		
	Police	Allingtown Fire Department	Total
Additions			
Contributions			
Employer	\$ 2,091,000	\$ 1,894,851	\$ 3,985,851
Plan members	566,567	121,477	688,044
Total contributions	2,657,567	2,016,328	4,673,895
Investment income (loss)			
Change in fair value of investments	8,486,175	247,176	8,733,351
Interest and dividends	1,235,103	318,341	1,553,444
Total investment income (loss)	9,721,278	565,517	10,286,795
Less investment expenses	252,568	50,000	302,568
Net investment income (loss)	9,468,710	515,517	9,984,227
Total additions	12,126,277	2,531,845	14,658,122
Deductions			
Benefits	7,345,028	1,767,724	9,112,752
Administration	16,843	35	16,878
Total deductions	7,361,871	1,767,759	9,129,630
Changes in net position	4,764,406	764,086	5,528,492
Net position - July 1, 2017	115,784,069	6,498,293	122,282,362
Net position - June 30, 2018	\$ 120,548,475	\$ 7,262,379	\$ 127,810,854

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**C. Pension plans (continued)****14. Defined contribution retirement savings plan**

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

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

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

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

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 \$1,457,334 and employee contributions totaled \$2,462,143.

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

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



## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**D. Connecticut State Teachers' Retirement System (continued)****2. Benefit provisions**

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

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

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

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

**3. Contributions**State of Connecticut

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

Employer (School Districts)

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

Employees

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**D. Connecticut State Teachers' Retirement System (continued)****4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

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

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>142,269,191</u>
Total	<u>\$ 142,269,191</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The City has no proportionate share of the net pension liability.

During the year the City recognized pension expense and revenue of \$16,456,389 for on-behalf amounts for the benefits provided by the State.

**5. Actuarial assumptions**

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

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

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

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

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

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

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**D. Connecticut State Teachers' Retirement System (continued)****6. Discount rate**

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

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

**E. Other Post-Employment Benefit Plan****1. Plan description****A. 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 Allington Fire Department currently provides to certain former employees Other Post-Employment Benefits (OPEB). The plan provides health and life insurance benefits for eligible retirees and their spouses. The plan is currently being funded on a pay as you go basis. The plan does not issue a standalone financial report.

**B. Benefit provided**

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

The Allington 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  
For the Year Ended June 30, 2018**E. Other Post-Employment Benefit Plan (continued)****C. Contributions****1. Employer Contributions**

The City's recommended contributions are actuarially determined on an annual basis using the entry age normal method. Contributions are established by contract and may be amended by union negotiations. The City's plan contribution was \$6,199,457.

The Allingtown Fire Department's recommended contributions are actuarially determined on annual basis using the projected unit credit method. Contributions are established and may be amended by the Department. The Department's plan contribution was \$688,973.

**2. Employee contributions**

There are no employee contributions to the plan.

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

**D. Employees Covered by Benefit Terms**

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

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

**2. OPEB Liability**

The City's total OPEB liability of \$183,170,127 was measured as of June 30, 2018, and was determined by an actuarial valuation as July 1, 2017.

The Allingtown Fire Department's total OPEB liability of \$25,312,009 was measured as of June 30, 2018, and was determined by an actuarial valuation as July 1, 2017.

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**E. Other Post-Employment Benefit Plan (continued)****3. Actuarial methods and other inputs**

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

	<u>City</u>	<u>Allingtown Fire Department</u>
Actuarial assumptions:	Entry	Entry
Actuarial cost method	age normal	age normal
Discount rate	3.87%	3.87%
Salary increases including inflation	Graded by service	3.50%
Inflation	2.75%	2.50%
	5.57%, reducing to a final of 4.40%	6.70%, reducing to a final of 4.60%
Healthcare cost trend rates:	over 68 years	over 83 years

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

**Police**

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

**Teachers and Administrators**

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

**All Others**

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

**Allingtown Fire Department**

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

Changes in Assumptions and Inputs

The City's plan had the following changes in assumptions:

- The discount rate increased from 3.58% to 3.87%.
- The healthcare cost trend rate decreased from 6.37% over 70 years to 5.57% over 68 years.

The Allingtown Fire Department's plan had the following changes in assumptions:

- The discount rate increased from 3.58% to 3.87%.
- The healthcare cost trend rate increased from 5.60% over 85 years to 6.70% over 83 years.

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**E. Other Post-Employment Benefit Plan (continued)****4. Changes in the Total OPEB Liability**

<u>City</u>	
Total OPEB liability - July 1, 2017	<u>\$ 164,262,272</u>
Service cost	5,336,119
Interest	5,961,628
Change of benefit terms	(318,736)
Differences between expected and actual experience	21,704,481
Changes in assumptions	(7,576,180)
Benefit payments, including refunds of member contributions	<u>(6,199,457)</u>
Net change	<u>18,907,855</u>
Total OPEB liability - June 30, 2018	<u><u>\$ 183,170,127</u></u>
<u>Allingtown</u>	
Total OPEB liability - July 1, 2017	<u>\$ 25,525,553</u>
Service cost	868,068
Interest	932,668
Differences between expected and actual experience	(26,980)
Changes in assumptions	(1,298,327)
Benefit payments, including refunds of member contributions	<u>(688,973)</u>
Net change	<u>(213,544)</u>
Total OPEB liability - June 30, 2018	<u><u>\$ 25,312,009</u></u>

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

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

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
<u>Total OPEB Liability</u>			
City	<u>\$ 211,404,130</u>	<u>\$ 183,170,127</u>	<u>\$ 160,264,654</u>
Allingtown	<u>\$ 30,235,800</u>	<u>\$ 25,312,009</u>	<u>\$ 21,494,757</u>

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**E. Other Post-Employment Benefit Plan (continued)****6. Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate**

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

<u>Total OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
City	<u>\$ 157,478,542</u>	<u>\$ 183,170,127</u>	<u>\$ 215,466,792</u>
Allingtown	<u>\$ 21,010,012</u>	<u>\$ 25,312,009</u>	<u>\$ 30,907,949</u>

**7. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the fiscal year the City recognized OPEB expense of \$10,369,952 and Allingtown Fire Department recognized \$280,935. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>City</u> Description of Outflows/Inflows	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,603,841
Changes in assumptions	18,842,594	-
Total	<u>\$ 18,842,594</u>	<u>\$ 18,603,841</u>
Net amount of deferred inflows and outflows		<u>\$ 238,753</u>

<u>Allingtown</u> Description of Outflows/Inflows	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,848
Changes in assumptions	1,218,595
Total	<u>\$ 1,239,443</u>



## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

Differences between expected and actual experience and changes in assumptions are recognized over the average remaining service life for all active and inactive members, which was an average of 6.85 years for the City and an average of 3.7 years for the Allingtown Fire Department.

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

Year Ending June 30,	City Plan	Allingtown Plan
2019	\$ 609,059	\$ 1,224,727
2020	609,059	6,132
2021	609,059	6,132
2022	609,059	2,452
2023	(179,156)	-
Thereafter	(2,018,327)	-
Total	<u>\$ 238,753</u>	<u>\$ 1,239,443</u>

**F. OPEB – Connecticut State Teachers’ Retirement Plan****1. Plan Description**

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

**2. Benefit Provisions**

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

- **Normal Retirement:** Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.
- **Early Retirement:** Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**F. OPEB – Connecticut State Teachers’ Retirement Plan (continued)**Retiree Health Care Coverage

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

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

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

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

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

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

**Survivor Health Care Coverage**

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**F. OPEB – Connecticut State Teachers' Retirement Plan (continued)****2. Contributions**State of Connecticut

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

Employer (School Districts)

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

Employees

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

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

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

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>36,618,483</u>
Total	<u>\$36,618,483</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The City has no proportionate share of the net OPEB liability.

The City recognized OPEB expense and revenue of \$1,697,086 for on-behalf amounts for the benefits provided by the State.

## City of West Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**F. OPEB – Connecticut State Teachers' Retirement Plan (continued)****4. Actuarial Assumptions**

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

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

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

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.75%.

**Changes from Prior Valuation**

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

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate has been increased from 3.01% to 3.56% based upon the increase in the municipal bond index.

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

## City of West Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**F. OPEB – Connecticut State Teachers' Retirement Plan (continued)****Affordable Care Act (ACA)**

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

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

**5. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

**7. Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

## City of West Haven, Connecticut

**Notes to Financial Statements**  
**For the Year Ended June 30, 2018**

**G. Prior period adjustment**

Beginning equity balances were restated as follows due to the implementation of GASB Statement 84 related to fiduciary funds, to establish internal service funds, and to properly record unavailable revenue.

	Other Governmental Funds	Custodial Funds	Internal Service Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net position/fund balance as previously reported at June 30, 2017	\$ 1,249,092	\$ -	\$ -
To remove unavailable revenue for CDBG loans	1,821,387	-	-
To establish internal service funds	-	-	(10,379,439)
To present custodial funds in accordance with new reporting standard (GASB 84)	<u>-</u>	<u>282,007</u>	<u>-</u>
Net position as restated at July 1, 2017	<u>\$ 3,070,479</u>	<u>\$ 282,007</u>	<u>\$ (10,379,439)</u>

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## **Required Supplementary Information**

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## City of West Haven, Connecticut

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>					
Property taxes	\$ 94,943,852	\$ -	\$ 94,943,852	\$ 95,880,234	\$ 936,382
Intergovernmental	62,008,951	-	62,008,951	60,551,502	(1,457,449)
Charges for services	3,812,561	-	3,812,561	4,459,358	646,797
Income from investments	5,000	-	5,000	193,375	188,375
Contributions	413,060	-	413,060	427,290	14,230
Other	215,000	-	215,000	138,275	(76,725)
<b>Total revenues</b>	<b>161,398,424</b>	<b>-</b>	<b>161,398,424</b>	<b>161,650,034</b>	<b>251,610</b>
<b>Expenditures</b>					
Current					
General government	6,553,463	-	6,553,463	6,025,857	527,606
Public safety	16,445,698	-	16,445,698	15,513,579	932,119
Public works	10,853,839	-	10,853,839	10,399,951	453,888
Benefits and insurance	15,783,843	-	15,783,843	17,120,879	(1,337,036)
Human resources and health and welfare	1,199,596	-	1,199,596	1,160,864	38,732
Parks and recreation	941,409	-	941,409	885,004	56,405
Library	1,596,000	-	1,596,000	1,596,000	-
Education	89,626,581	-	89,626,581	89,602,256	24,325
Debt service	19,769,411	-	19,769,411	17,401,021	2,368,390
<b>Total expenditures</b>	<b>162,769,840</b>	<b>-</b>	<b>162,769,840</b>	<b>159,705,411</b>	<b>3,064,429</b>
Excess (deficiency) of revenues over expenditures	(1,371,416)	-	(1,371,416)	1,944,623	3,316,039
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	16,135,000	16,135,000
Premium	-	-	-	1,040,796	1,040,796
Sale of capital assets	-	-	-	199,200	199,200
Transfers in	1,371,416	-	1,371,416	1,303,546	(67,870)
Transfers out	-	-	-	(303,342)	(303,342)
<b>Net other financing sources (uses)</b>	<b>1,371,416</b>	<b>-</b>	<b>1,371,416</b>	<b>18,375,200</b>	<b>17,003,784</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>20,319,823</b>	<b>\$ 20,319,823</b>
Fund balance - July 1, 2017				(18,138,674)	
Fund balance - June 30, 2018				<u>\$ 2,181,149</u>	

**Reconciliation to Exhibit D**

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 161,650,034	\$ 159,705,411
State Teachers' pension on behalf amount	16,456,389	16,456,389
State Teachers' OPEB on behalf amount	1,697,086	1,697,086
GAAP Basis - Exhibit D	<u>\$ 179,803,509</u>	<u>\$ 177,858,886</u>

**Notes to Required Supplementary Information:**

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) except for the City does not recognize as revenue or expenditures payments made for the Teachers' pension and OPEB by the State of Connecticut on the City's behalf.



## City of West Haven, Connecticut

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

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes					
Current levy	\$ 92,538,234	\$ -	\$ 92,538,234	\$ 92,238,272	\$ (299,962)
Motor vehicle supplement	947,915	-	947,915	1,424,633	476,718
Prior year levies	400,000	-	400,000	1,001,564	601,564
Suspense taxes	100,000	-	100,000	137,605	37,605
Prior year interest	270,000	-	270,000	365,490	95,490
Suspense interest	150,000	-	150,000	166,348	16,348
Telephone access line	100,373	-	100,373	99,121	(1,252)
PILOT- SCCRWA NH water grant	296,330	-	296,330	305,665	9,335
PILOT- housing authority	141,000	-	141,000	141,536	536
Total property taxes	94,943,852	-	94,943,852	95,880,234	936,382
Intergovernmental					
Education cost sharing	41,558,928	-	41,558,928	45,003,667	3,444,739
Special education grant	8,458,199	-	8,458,199	-	(8,458,199)
Health/welfare services- Parochial school	60,000	-	60,000	74,225	14,225
PILOT- State colleges & hospitals	5,461,372	-	5,461,372	5,412,671	(48,701)
Property tax relief manufacturing	-	-	-	147,516	147,516
Property tax relief- elderly	400,000	-	400,000	6,000	(394,000)
Mashantucket Pequot	951,618	-	951,618	951,618	-
Property tax relief- totally disabled	5,977	-	5,977	5,370	(607)
PILOT- State owned property	63,554	-	63,554	-	(63,554)
Property tax relief- Veterans reimbursement	101,000	-	101,000	133,950	32,950
Town aid road	616,673	-	616,673	617,602	929
State miscellaneous grants	122,000	-	122,000	198,883	76,883
MRSA- select PILOT	339,563	-	339,563	-	(339,563)
MRSA- sales tax sharing	1,614,877	-	1,614,877	-	(1,614,877)
MRSA- motor vehicle	2,255,190	-	2,255,190	-	(2,255,190)
Restructuring funds	-	-	-	8,000,000	8,000,000
Total intergovernmental	62,008,951	-	62,008,951	60,551,502	(1,457,449)
Charges for services					
Animal licenses	13,000	-	13,000	16,455	3,455
Marriage licenses	3,000	-	3,000	2,420	(580)
Sporting licenses	200	-	200	276	76
Building permits	1,025,000	-	1,025,000	1,517,792	492,792
Electrical permits	150,000	-	150,000	177,901	27,901
Excavation permits	7,000	-	7,000	5,570	(1,430)
Plumbing & heating permits	215,000	-	215,000	63,776	(151,224)
Zoning permits	87,000	-	87,000	120,654	33,654
Alcoholic beverage licenses	150	-	150	148	(2)
Police licenses & protection permits	20,000	-	20,000	17,837	(2,163)
City clerk fees collected	7,100	-	7,100	6,319	(781)
Dog pound releases	4,000	-	4,000	(2,144)	(6,144)
Health licenses & restaurant permits	80,000	-	80,000	64,728	(15,272)

(Continued)

## City of West Haven, Connecticut

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

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services (continued)					
Parking tags	\$ 84,426	\$ -	\$ 84,426	\$ 233,873	\$ 149,447
Fines & penalties	25,000	-	25,000	84,338	59,338
Rents from city facilities	25,000	-	25,000	15,000	(10,000)
Record legal instruments fee	625,000	-	625,000	660,795	35,795
Police charges- public safety	10,000	-	10,000	13,988	3,988
Sundry other miscellaneous	150	-	150	-	(150)
Miscellaneous public works/sewer-orange	38,578	-	38,578	37,819	(759)
Miscellaneous general government- all other	90,000	-	90,000	79,910	(10,090)
Miscellaneous parks & recreation	360,000	-	360,000	348,588	(11,412)
Public works	4,000	-	4,000	2,330	(1,670)
Health fees	-	-	-	20	20
Parking meter revenue	20,000	-	20,000	72,042	52,042
Sewer collection fee	48,397	-	48,397	55,166	6,769
Insurance reimbursement	20,000	-	20,000	9,411	(10,589)
Quigley / Yale parking	40,000	-	40,000	43,603	3,603
Fire District share of ERS	791,955	-	791,955	810,373	18,418
Organic recycling/compost	18,605	-	18,605	370	(18,235)
Total charges for services	3,812,561	-	3,812,561	4,459,358	646,797
Income from investment	5,000	-	5,000	193,375	188,375
Contributions (Yale)	413,060	-	413,060	427,290	14,230
Other	215,000	-	215,000	138,275	(76,725)
Total revenues	161,398,424	-	161,398,424	161,650,034	251,610
Other financing sources					
Issuance of debt	-	-	-	16,135,000	16,135,000
Premium	-	-	-	1,040,796	1,040,796
Sale of capital assets	-	-	-	199,200	199,200
Transfers in					
Public safety fund	200,000	-	200,000	132,130	(67,870)
Sewer fund	1,171,416	-	1,171,416	1,171,416	-
Total other financing sources	1,371,416	-	1,371,416	18,678,542	17,307,126
Total revenues and other financing sources	\$ 162,769,840	\$ -	\$ 162,769,840	\$ 180,328,576	\$ 17,558,736

(Concluded)

City of West Haven, Connecticut

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

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government					
City council	\$ 110,356	\$ -	\$ 110,356	\$ 101,695	\$ 8,661
Mayor's office	345,581	-	345,581	324,962	20,619
Corporate counsel	627,662	-	627,662	590,209	37,453
Labor relations & personnel	173,968	-	173,968	169,981	3,987
Communications	329,811	-	329,811	529,436	(199,625)
Town & City Clerk	300,330	-	300,330	316,197	(15,867)
Registrar of voters	156,678	-	156,678	140,552	16,126
Probate court	14,520	-	14,520	10,406	4,114
Planning & development	438,897	-	438,897	396,967	41,930
Grants administration	67,021	-	67,021	66,929	92
Building department	512,230	-	512,230	540,862	(28,632)
Treasurer	7,600	-	7,600	7,600	-
Finance/Comptroller	954,676	-	954,676	872,469	82,207
Purchasing department	192,805	-	192,805	153,073	39,732
Information and technology/ data processing	577,457	-	577,457	531,602	45,855
Central services	251,102	-	251,102	202,900	48,202
Department of assessment	437,521	-	437,521	438,315	(794)
Board of assessment appeals	5,600	-	5,600	2,000	3,600
Department of tax collections	413,409	-	413,409	424,045	(10,636)
Unallocated contingency	636,239	-	636,239	205,657	430,582
Total general government	6,553,463	-	6,553,463	6,025,857	527,606
Public safety					
Emergency Reporting System (ERS)	1,877,190	-	1,877,190	1,921,004	(43,814)
Public safety administration	964,929	-	964,929	873,874	91,055
Public safety operations	12,266,565	-	12,266,565	11,445,017	821,548
Public safety support	1,013,028	-	1,013,028	969,226	43,802
Animal control	307,474	-	307,474	292,458	15,016
Emergency management	16,512	-	16,512	12,000	4,512
Total public safety	16,445,698	-	16,445,698	15,513,579	932,119
Public works					
Administration	605,279	-	605,279	588,978	16,301
Bureau of engineering	213,065	-	213,065	238,081	(25,016)
Central garage	1,325,093	-	1,325,093	1,123,146	201,947
Compost site	39,001	-	39,001	21,348	17,653
Disposal of solid waste	3,089,400	-	3,089,400	2,995,218	94,182
Grounds & building maintenance	1,417,729	-	1,417,729	1,296,011	121,718
Highways & park maintenance	4,164,272	-	4,164,272	4,137,169	27,103
Total public works	10,853,839	-	10,853,839	10,399,951	453,888
Benefits and insurance					
City insurance	775,977	-	775,977	629,482	146,495
Pensions & hospitalizations	14,963,022	-	14,963,022	16,473,081	(1,510,059)
C-Med programs	44,844	-	44,844	18,316	26,528
Total benefits and insurance	15,783,843	-	15,783,843	17,120,879	(1,337,036)

(Continued)

City of West Haven, Connecticut

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

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Human resources and health and welfare					
Department of human resources	\$ 327,190	\$ -	\$ 327,190	\$ 298,070	\$ 29,120
Department of elderly services	497,629	-	497,629	471,310	26,319
Health department	374,777	-	374,777	391,484	(16,707)
Total human resources and health and welfare	1,199,596	-	1,199,596	1,160,864	38,732
Parks and recreation	941,409	-	941,409	885,004	56,405
Library	1,596,000	-	1,596,000	1,596,000	-
Board of Education	89,626,581	-	89,626,581	89,602,256	24,325
Debt service	19,769,411	-	19,769,411	17,401,021	2,368,390
Total expenditures	162,769,840	-	162,769,840	159,705,411	3,064,429
Other financing uses					
Transfers out					
Health and welfare	-	-	-	25,000	(25,000)
Career and adult education	-	-	-	278,342	(278,342)
Total other financing uses	-	-	-	303,342	(303,342)
Total expenditures and other financing uses	\$ 162,769,840	\$ -	\$ 162,769,840	\$ 160,008,753	\$ 2,761,087

(Concluded)

**City of West Haven, Connecticut**  
**Allingtown Fire Department Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues					
Property taxes	\$ 6,035,597	\$ -	\$ 6,035,597	\$ 6,039,369	\$ 3,772
Intergovernmental	873,856	-	873,856	386,728	(487,128)
Charges for services	187,255	-	187,255	246,357	59,102
Contributions	100,000	-	100,000	100,000	-
Other	7,000	-	7,000	11,399	4,399
Total revenues	7,203,708	-	7,203,708	6,783,853	(419,855)
Expenditures					
Current					
Personnel	6,152,110	-	6,152,110	5,473,816	678,294
Maintenance	95,290	-	95,290	72,763	22,527
Administration	61,500	-	61,500	39,806	21,694
Utilities, insurance, and equipment	793,808	-	793,808	577,116	216,692
Debt service	81,000	-	81,000	80,943	57
Total expenditures	7,183,708	-	7,183,708	6,244,444	939,264
Excess (deficiency) of revenues over expenditures	20,000	-	20,000	539,409	519,409
Other financing sources (uses)					
Transfers out	(20,000)	-	(20,000)	-	20,000
Net change in fund balance	\$ -	\$ -	\$ -	539,409	\$ 539,409
Fund balance - July 1, 2017				(658,268)	
Fund balance - June 30, 2018				\$ (118,859)	

## City of West Haven, Connecticut

**Allingtown Fire Department Fund  
Schedule of Revenues  
Budget and Actual  
For the Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Property taxes					
Current property taxes	\$ 5,842,051	\$ -	\$ 5,842,051	\$ 5,855,896	\$ 13,845
Prior year property taxes	150,000	-	150,000	72,847	(77,153)
Interest and lien fees	-	-	-	56,390	56,390
PILOT - Regional Water Authority	43,546	-	43,546	54,236	10,690
Total property taxes	<u>6,035,597</u>	<u>-</u>	<u>6,035,597</u>	<u>6,039,369</u>	<u>3,772</u>
Intergovernmental					
PILOT - state grants	873,856	-	873,856	330,351	(543,505)
Motor vehicle tax allocation	-	-	-	56,377	56,377
Total intergovernmental	<u>873,856</u>	<u>-</u>	<u>873,856</u>	<u>386,728</u>	<u>(487,128)</u>
Charges for services					
Bundle billing	10,000	-	10,000	31,212	21,212
Police/ Fire outside services	15,000	-	15,000	11,840	(3,160)
Fire department transportation fees	8,000	-	8,000	-	(8,000)
Other fees	154,255	-	154,255	203,305	49,050
Total charges for services	<u>187,255</u>	<u>-</u>	<u>187,255</u>	<u>246,357</u>	<u>59,102</u>
Contributions					
University of New Haven and Yale donations	100,000	-	100,000	100,000	-
Other					
Insurance recovery	7,000	-	7,000	3,535	(3,465)
Insurance reimbursement	-	-	-	7,864	7,864
Total other revenues	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>11,399</u>	<u>4,399</u>
Total revenues	<u>\$ 7,203,708</u>	<u>\$ -</u>	<u>\$ 7,203,708</u>	<u>\$ 6,783,853</u>	<u>\$ (419,855)</u>

**City of West Haven, Connecticut**  
**Allingtown Fire Department Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Personnel					
Salaries	\$ 1,979,330	\$ -	\$ 1,979,330	\$ 1,661,303	\$ 318,027
Overtime and vacation pay	400,000	-	400,000	503,781	(103,781)
Uniforms	16,000	-	16,000	15,103	897
Life insurance	14,000	-	14,000	11,591	2,409
Pension contribution	2,080,270	-	2,080,270	1,918,832	161,438
Heart and Hypertension	80,000	-	80,000	71,240	8,760
Workers' compensation insurance	150,000	-	150,000	84,066	65,934
Insurance	1,300,000	-	1,300,000	1,065,381	234,619
Education incentive (EMT-Certification)	95,000	-	95,000	95,000	-
Social security and medicare (FICA)	37,510	-	37,510	47,519	(10,009)
Total personnel	6,152,110	-	6,152,110	5,473,816	678,294
Maintenance					
Building maintenance	25,000	-	25,000	18,567	6,433
Equipment purchase/maintenance	25,000	-	25,000	24,924	76
Tools	26,790	-	26,790	16,887	9,903
Radio	6,500	-	6,500	446	6,054
Hydrants	12,000	-	12,000	11,939	61
Total maintenance	95,290	-	95,290	72,763	22,527
Administration					
Training	40,000	-	40,000	21,292	18,708
Business	9,000	-	9,000	8,764	236
Financial services	12,500	-	12,500	9,750	2,750
Total administration	61,500	-	61,500	39,806	21,694
Utilities, insurance and equipment					
Heating	11,000	-	11,000	8,412	2,588
Electricity	19,000	-	19,000	18,430	570
Water	166,400	-	166,400	161,936	4,464
Telephone	11,000	-	11,000	15,834	(4,834)
Emergency reporting system	271,535	-	271,535	239,735	31,800
Medical testing and equipment	28,000	-	28,000	18,905	9,095
Office supplies	6,000	-	6,000	5,131	869
Gasoline and diesel	18,000	-	18,000	17,173	827
General liability insurance	39,573	-	39,573	35,865	3,708
Personal computers	23,300	-	23,300	14,573	8,727
Contingency	50,000	-	50,000	41,122	8,878
Deficit reduction	150,000	-	150,000	-	150,000
Total utilities, insurance and equipment	793,808	-	793,808	577,116	216,692
Debt service	81,000	-	81,000	80,943	57
Total expenditures	7,183,708	-	7,183,708	6,244,444	939,264
Other financing uses					
Transfer out - capital improvement fund	20,000	-	20,000	-	20,000
Total expenditures and other financing uses	\$ 7,203,708	\$ -	\$ 7,203,708	\$ 6,244,444	\$ 959,264

## City of West Haven, Connecticut

## Police Pension Plan

Required Supplementary Information  
Last Five Years (1)Schedule of Changes in Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,557,421	\$ 1,456,995	\$ 1,734,676	\$ 1,615,531	\$ 1,627,000
Interest	9,998,157	9,985,109	9,687,559	9,377,636	9,147,000
Differences between expected and actual experience	-	(3,803,033)	-	(1,106,768)	-
Changes in assumptions	-	(311,559)	-	-	-
Benefit payments, including refunds of member contributions	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,311,000)
Net change in total pension liability	4,210,550	167,194	4,358,209	3,127,746	4,463,000
Total pension liability - July 1	137,617,990	137,450,796	133,092,587	129,964,841	125,501,841
Total pension liability - June 30 (a)	<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	\$ 2,091,000	\$ 1,850,000	\$ 1,850,000	\$ 1,274,950	\$ 1,157,000
Contributions - member	566,567	580,520	571,774	590,403	583,213
Net investment income (loss)	9,468,710	11,560,855	(2,589,880)	2,067,404	14,029,000
Benefit payments, including refunds of member contributions	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,310,695)
Administration	(16,843)	(23,123)	(14,646)	(26,720)	(25,000)
Net change in plan fiduciary net position	4,764,406	6,807,934	(7,246,778)	(2,852,616)	9,433,518
Plan fiduciary net position - July 1	115,784,069	108,976,135	116,222,913	119,075,529	109,642,011
Plan fiduciary net position - June 30 (b)	<u>\$ 120,548,475</u>	<u>\$ 115,784,069</u>	<u>\$ 108,976,135</u>	<u>\$ 116,222,913</u>	<u>\$ 119,075,529</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 21,280,065</u>	<u>\$ 21,833,921</u>	<u>\$ 28,474,661</u>	<u>\$ 16,869,674</u>	<u>\$ 10,889,312</u>

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



**City of West Haven, Connecticut**  
**Allington Fire Department Pension Plan**

**Required Supplementary Information**  
**Last Five Years (1)**

**Schedule of Changes in Net Pension Liability**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ 373,143	\$ 524,520	\$ 491,354	\$ 462,468	\$ 430,000
Interest	1,936,364	1,894,119	1,832,169	1,838,710	1,768,000
Differences between expected and actual experience	551,655	-	(1,272,361)	-	1,009,000
Effect of plan changes	-	-	1,419,497	-	-
Changes in assumptions	-	-	1,515,081	-	-
Benefit payments, including refunds of member contributions	<u>(1,767,724)</u>	<u>(1,519,142)</u>	<u>(1,361,295)</u>	<u>(1,366,522)</u>	<u>(1,221,000)</u>
Net change in total pension liability	1,093,438	899,497	2,624,445	934,656	1,986,000
Total pension liability - July 1	<u>29,183,167</u>	<u>28,283,670</u>	<u>25,659,225</u>	<u>24,724,569</u>	<u>22,738,569</u>
Total pension liability - June 30 (a)	<u><u>\$ 30,276,605</u></u>	<u><u>\$ 29,183,167</u></u>	<u><u>\$ 28,283,670</u></u>	<u><u>\$ 25,659,225</u></u>	<u><u>\$ 24,724,569</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 1,894,851	\$ 1,691,815	\$ 1,559,866	\$ 1,571,325	\$ 1,495,000
Contributions - member	121,477	145,266	164,437	161,935	153,000
Net investment income (loss)	515,517	454,693	71,139	(89,385)	252,000
Benefit payments, including refunds of member contributions	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Administration	<u>(35)</u>	<u>(9,551)</u>	<u>(28,895)</u>	<u>(100)</u>	<u>(6,000)</u>
Net change in plan fiduciary net position	764,086	763,081	405,252	277,253	673,000
Plan fiduciary net position - July 1	<u>6,498,293</u>	<u>5,735,212</u>	<u>5,329,960</u>	<u>5,052,707</u>	<u>4,379,707</u>
Plan fiduciary net position - June 30 (b)	<u><u>\$ 7,262,379</u></u>	<u><u>\$ 6,498,293</u></u>	<u><u>\$ 5,735,212</u></u>	<u><u>\$ 5,329,960</u></u>	<u><u>\$ 5,052,707</u></u>
Net pension liability - June 30 (a)-(b)	<u><u>\$ 23,014,226</u></u>	<u><u>\$ 22,684,874</u></u>	<u><u>\$ 22,548,458</u></u>	<u><u>\$ 20,329,265</u></u>	<u><u>\$ 19,671,862</u></u>

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

## City of West Haven, Connecticut

## Police Pension Plan

Required Supplementary Information  
Last Five Years (1)Schedule of Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability	\$ 141,828,540	\$ 144,778,308	\$ 137,450,796	\$ 133,092,587	\$ 129,964,841
Plan fiduciary net position	120,548,475	115,784,069	108,976,135	116,222,913	119,075,529
Net pension liability	<u>\$ 21,280,065</u>	<u>\$ 28,994,239</u>	<u>\$ 28,474,661</u>	<u>\$ 16,869,674</u>	<u>\$ 10,889,312</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>85.00%</u>	<u>79.97%</u>	<u>79.28%</u>	<u>87.32%</u>	<u>91.62%</u>
Covered payroll	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>
Net pension liability as a percentage of covered payroll	<u>323.00%</u>	<u>440.08%</u>	<u>397.67%</u>	<u>235.59%</u>	<u>151.41%</u>

Schedule of Investment Returns

	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expense	<u>8.60%</u>	<u>10.64%</u>	<u>(1.87%)</u>	<u>1.43%</u>	<u>13.13%</u>

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

## City of West Haven, Connecticut

## Allingtown Fire Department Pension Plan

Required Supplementary Information  
Last Five Years (1)Schedule of Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability	\$ 30,276,605	\$ 29,183,167	\$ 28,283,670	\$ 25,659,225	\$ 24,724,569
Plan fiduciary net position	7,262,379	5,735,212	5,735,212	5,329,960	5,052,707
Net pension liability	<u>\$ 23,014,226</u>	<u>\$ 23,447,955</u>	<u>\$ 22,548,458</u>	<u>\$ 20,329,265</u>	<u>\$ 19,671,862</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>23.99%</u>	<u>19.65%</u>	<u>20.28%</u>	<u>20.77%</u>	<u>20.44%</u>
Covered payroll	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>
Net pension liability as a percentage of covered payroll	<u>1362.11%</u>	<u>1387.78%</u>	<u>1343.66%</u>	<u>1211.42%</u>	<u>1195.28%</u>

Schedule of Investment Returns

	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expense	<u>7.77%</u>	<u>7.53%</u>	<u>1.29%</u>	<u>-1.70%</u>	<u>-5.47%</u>

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

## City of West Haven, Connecticut

## Police Pension Plan

Required Supplementary Information  
Last Ten YearsSchedule of Contributions

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 1,927,100	\$ 2,091,000	\$ 163,900	\$ 6,588,354	31.74%
2017	1,861,931	1,850,000	(11,931)	6,588,354	28.08%
2016	1,848,528	1,850,000	1,472	7,160,460	25.84%
2015	2,342,798	1,274,950	(1,067,848)	7,160,460	17.81%
2014	3,312,178	1,157,000	(2,155,178)	7,191,938	16.09%
2013	3,141,846	1,285,750	(1,856,096)	7,008,211	18.35%
2012	3,141,846	979,292	(2,162,554)	7,008,211	13.97%
2011	3,950,896	1,050,000	(2,900,896)	7,074,123	14.84%
2010	1,157,342	1,157,342	-	7,812,621	14.81%
2009	1,157,342	611,822	(545,520)	7,812,621	7.83%

## City of West Haven, Connecticut

## Police Pension Plan

Notes to Required Supplementary Information  
Last Ten Years

Changes of Benefit Terms	None
Changes of Assumptions	<b>2016:</b> Decreased the pay grade assumption from 5.0% to 4.0%
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2016, 18 months prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent, Open
Asset Valuation Method	Fair Value
Inflation	2.75%
Salary Increases	3.50%
Investment Rate of Return	7.375%
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

## Allingtown Fire Department Pension Plan

Required Supplementary Information  
Last Ten YearsSchedule of Contributions

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 2,080,270	\$ 1,894,851	\$ (185,419)	\$ 1,689,604	112.15%
2017	2,009,923	1,691,815	(318,108)	1,689,604	100.13%
2016	1,597,526	1,559,866	(37,660)	1,678,136	92.95%
2015	1,536,083	1,571,325	35,242	1,678,136	93.64%
2014	1,519,425	1,495,339	(24,086)	1,645,791	90.86%
2013	1,460,986	1,516,586	55,600	1,645,791	92.15%
2012	1,404,794	1,492,075	87,281	1,645,791	90.66%
2011	1,274,304	1,430,341	156,037	1,341,760	106.60%
2010	1,225,293	1,343,174	117,881	1,341,760	100.11%
2009	1,178,166	875,780	(302,386)	1,341,760	65.27%

## City of West Haven, Connecticut

## Allingtown Fire Department Pension Plan

Notes to Required Supplementary Information  
Last Ten Years

Changes of Benefit Terms	None
Changes of Assumptions	2017: None
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2017, one year prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Asset Valuation Method	Fair value
Inflation	2.75%
Salary Increases	3.50%
Investment Rate of Return	6.75%
Mortality	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustments and generational projection per Scale AA.

## City of West Haven, Connecticut

## Connecticut State Teachers' Retirement System

Required Supplementary Information  
Last Four Years (3)**Schedule of Proportionate Share of the Net Pension Liability**

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

**Schedule of Contributions**

	2018	2017	2016	2015
Contractually required contribution	(1) \$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	(2) <u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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



## City of West Haven, Connecticut

## Connecticut State Teachers' Retirement System

Notes to Required Supplementary Information  
Last Four Years (1)

Changes of Benefit Terms	None
Changes of Assumptions	<b>2016:</b> 1. Reduce the inflation assumption from 3.00% to 2.75%. 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%. 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%. 4. Slightly modify the merit portion of the salary scale. 5. Reduce the payroll growth assumption from 3.75% to 3.25%. 6. Update mortality tables to projected versions of the RPH-2014 mortality tables. 7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females. 8. Increase rates of withdrawal. 9. Decrease rates of disability for males.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	21.4 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.50%, average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale

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

## City of West Haven, Connecticut

## City Other Post-Employment Benefit (OPEB) Plan

Required Supplementary Information  
Last Two Years (1)Schedule of Changes in OPEB Liability

	<u>2018</u>	<u>2017</u>
OPEB liability		
Service cost	\$ 5,336,119	\$ 5,146,556
Interest	5,961,628	5,137,998
Changes of benefit terms	(318,736)	-
Differences between expected and actual experience	21,704,481	-
Changes in assumptions	(7,576,180)	(17,603,501)
Benefit payments, including refunds of member contributions	<u>(6,199,457)</u>	<u>(7,056,148)</u>
Net Change in total OPEB liability	18,907,855	(14,375,095)
OPEB liability - July 1	<u>164,262,272</u>	<u>178,637,367</u>
OPEB liability - June 30 (a)*	<u><u>\$ 183,170,127</u></u>	<u><u>\$ 164,262,272</u></u>

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

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

## City of West Haven, Connecticut

## Allingtown Fire Department Other Post-Employment Benefit (OPEB) Plan

Required Supplementary Information  
Last Two Years (1)Schedule of Changes in OPEB Liability

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

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

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

## City of West Haven, Connecticut

## CT State Teachers' Retirement Board Retiree Health Insurance Plan

Required Supplementary Information  
June 30, 2018 (3)**Schedule of Proportionate Share of the Net OPEB Liability**

City's proportionate share of the net OPEB liability		0.00%
City's proportionate share of the collective net OPEB liability		\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the City		36,618,483
Total		\$ 36,618,483
City's covered payroll	(2)	N/A
City's proportionate share of the net OPEB liability as a percentage of its covered payroll		0.00%
Plan fiduciary net position as a percentage of the total OPEB liability		1.79%

**Schedule of Contributions**

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

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

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

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

## City of West Haven, Connecticut

## CT State Teachers' Retirement Board Retiree Health Insurance Plan

Notes to Required Supplementary Information  
June 30, 2018 (1)

Changes of Benefit Terms	None
Changes of Assumptions	<b>2016:</b>
	The discount rate has been lowered from 4.50% to 4.25% to reflect the decrease in the rate of inflation.
	The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
	The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
	The assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been
Actuarial Cost Method	Entry age
Amortization Method	Level percentage, open
Asset Valuation Method	Fair Value
Inflation	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation
Investment Rate of Return	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

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

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## **Supplemental Schedules**

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## **General Fund**

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

## City of West Haven, Connecticut

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

Grand List Year	Uncollected Taxes July 1, 2017	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2018
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2001	\$ 69,006	\$ -	\$ -	\$ 69,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2002	59,468	-	-	-	-	59,468	301	366	667	59,167
2003	54,897	-	-	-	-	54,897	602	199	801	54,295
2004	59,284	-	-	-	-	59,284	923	516	1,439	58,361
2005	86,895	-	-	-	-	86,895	28,903	5,863	34,766	57,992
2006	59,067	-	-	-	-	59,067	1,039	277	1,316	58,028
2007	64,920	-	-	4,566	-	60,354	1,531	234	1,765	58,823
2008	106,784	-	-	-	-	106,784	1,577	866	2,443	105,207
2009	124,207	-	106	106	-	124,207	1,131	329	1,460	123,076
2010	101,574	-	-	-	-	101,574	11,440	7,233	18,673	90,134
2011	111,597	-	309	5,251	-	106,655	14,504	12,868	27,372	92,151
2012	132,101	-	255	294	-	132,062	22,934	16,794	39,728	109,128
2013	223,605	-	1,490	975	-	224,120	39,503	17,298	56,801	184,617
2014	851,425	-	89,509	13,823	509,117	417,994	217,237	104,992	322,229	200,757
2015	<u>1,674,130</u>	<u>-</u>	<u>133,005</u>	<u>83,921</u>	<u>-</u>	<u>1,723,214</u>	<u>701,206</u>	<u>263,384</u>	<u>964,590</u>	<u>1,022,008</u>
Total Prior Years	3,778,960	-	224,674	177,942	509,117	3,316,575	1,042,831	431,219	1,474,050	2,273,744
2016	<u>-</u>	<u>94,716,164</u>	<u>299,751</u>	<u>299,861</u>	<u>-</u>	<u>94,716,054</u>	<u>93,225,076</u>	<u>640,865</u>	<u>93,865,941</u>	<u>1,490,978</u>
Total	<u>\$ 3,778,960</u>	<u>\$ 94,716,164</u>	<u>\$ 524,425</u>	<u>\$ 477,803</u>	<u>\$ 509,117</u>	<u>\$ 98,032,629</u>	<u>\$ 94,267,907</u>	<u>\$ 1,072,084</u>	<u>\$ 95,339,991</u>	3,764,722
Interest and liens receivable										2,089,346
Allowance for doubtful accounts										<u>(2,195,000)</u>
Taxes, interest and liens receivable (net)										<u>\$ 3,659,068</u>



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# **Allingtown Fire Department**

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

## City of West Haven, Connecticut

**Report of Tax Collector  
Allingtown Fire Department  
For the Year Ended June 30, 2018**

Grand List Year	Uncollected Taxes July 1, 2017	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2018
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2001	\$ 5,526	\$ -	\$ -	\$ 5,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2002	4,969	-	-	-	-	4,969	15	42	57	4,954
2003	4,893	-	-	-	-	4,893	88	38	126	4,805
2004	4,996	-	-	-	-	4,996	159	114	273	4,837
2005	11,300	-	-	-	-	11,300	6,148	1,212	7,360	5,152
2006	5,592	-	-	-	-	5,592	181	44	225	5,411
2007	25,361	-	-	-	-	25,361	19,850	40	19,890	5,511
2008	19,013	-	-	-	-	19,013	238	58	296	18,775
2009	19,540	-	-	-	-	19,540	253	70	323	19,287
2010	11,633	-	-	-	-	11,633	1,869	760	2,629	9,764
2011	13,054	-	-	50	-	13,004	1,953	1,379	3,332	11,051
2012	18,379	-	-	50	-	18,329	3,444	2,359	5,803	14,885
2013	29,047	-	-	90	-	28,957	4,883	2,023	6,906	24,074
2014	86,648	-	6,861	853	41,969	50,687	24,039	8,083	32,122	26,648
2015	54,949	-	7,642	1,938	-	60,653	24,418	6,315	30,733	36,235
Total Prior Years	314,900	-	14,503	8,507	41,969	278,927	87,538	22,537	110,075	191,389
2016	-	5,904,288	25,114	5,685	-	5,923,717	5,866,250	23,671	5,889,921	57,467
Total	<u>\$ 314,900</u>	<u>\$ 5,904,288</u>	<u>\$ 39,617</u>	<u>\$ 14,192</u>	<u>\$ 41,969</u>	<u>\$ 6,202,644</u>	<u>\$ 5,953,788</u>	<u>\$ 46,208</u>	<u>\$ 5,999,996</u>	248,856
Interest and liens receivable										202,144
Allowance for doubtful accounts										(180,000)
Taxes, interest and liens receivable (net)										<u>\$ 271,000</u>

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## Other Governmental Funds

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### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

### **Capital Project Funds**

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

City of West Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2018

Special Revenue Funds

	Community Development Block Grant	Document Preservation	Education Grants	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
<u>Assets</u>							
Cash	\$ 611,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net							
Intergovernmental	-	-	38,320	-	-	-	-
Loans	1,787,973	-	-	-	-	-	-
Other	-	998	-	2,500	193,051	15,184	1,213
Due from other funds	-	56,325	126,352	-	145,431	89,220	134,412
Total assets	<u>\$ 2,399,480</u>	<u>\$ 57,323</u>	<u>\$ 164,672</u>	<u>\$ 2,500</u>	<u>\$ 338,482</u>	<u>\$ 104,404</u>	<u>\$ 135,625</u>
<u>Liabilities</u>							
Accounts payable	\$ 29,617	\$ 12,896	\$ 194,301	\$ -	\$ 1,875	\$ 12,210	\$ 5,993
Due to other funds	74,714	-	-	96,604	-	-	-
Unearned revenue	-	-	-	-	101,369	-	-
Total liabilities	<u>104,331</u>	<u>12,896</u>	<u>194,301</u>	<u>96,604</u>	<u>103,244</u>	<u>12,210</u>	<u>5,993</u>
<u>Fund Balances</u>							
Nonspendable	1,787,973	-	-	-	-	-	-
Restricted	507,176	44,427	-	-	-	92,194	129,632
Committed	-	-	-	-	235,238	-	-
Unassigned	-	-	(29,629)	(94,104)	-	-	-
Total fund balances	<u>2,295,149</u>	<u>44,427</u>	<u>(29,629)</u>	<u>(94,104)</u>	<u>235,238</u>	<u>92,194</u>	<u>129,632</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,399,480</u>	<u>\$ 57,323</u>	<u>\$ 164,672</u>	<u>\$ 2,500</u>	<u>\$ 338,482</u>	<u>\$ 104,404</u>	<u>\$ 135,625</u>

(Continued)

City of West Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2018

	Special Revenue Funds				Capital Project Funds			
	School Lunch Program	Sports Facilities	Career and Adult Education	Total Special Revenue Funds	Brownfields	Capital and Nonrecurring	Total Capital Project Funds	Total Other Governmental Funds
<u>Assets</u>								
Cash	\$ 1,260	\$ -	\$ -	\$ 612,767	\$ -	\$ -	\$ -	\$ 612,767
Receivables, net								
Intergovernmental	427,252	-	104	465,676	-	-	-	465,676
Loans	-	-	-	1,787,973	-	-	-	1,787,973
Other	-	15,000	-	227,946	-	-	-	227,946
Due from other funds	130,998	-	236,582	919,320	17,625	236,620	254,245	1,173,565
Total assets	<u>\$ 559,510</u>	<u>\$ 15,000</u>	<u>\$ 236,686</u>	<u>\$ 4,013,682</u>	<u>\$ 17,625</u>	<u>\$ 236,620</u>	<u>\$ 254,245</u>	<u>\$ 4,267,927</u>
<u>Liabilities</u>								
Accounts payable	\$ 559,510	\$ 593	\$ 15,701	\$ 832,696	\$ -	\$ 21,124	\$ 21,124	\$ 853,820
Due to other funds	-	14,407	-	185,725	-	-	-	185,725
Unearned revenue	-	-	-	101,369	-	-	-	101,369
Total liabilities	<u>559,510</u>	<u>15,000</u>	<u>15,701</u>	<u>1,119,790</u>	<u>-</u>	<u>21,124</u>	<u>21,124</u>	<u>1,140,914</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	1,787,973	-	-	-	1,787,973
Restricted	-	-	220,985	994,414	17,625	-	17,625	1,012,039
Committed	-	-	-	235,238	-	215,496	215,496	450,734
Unassigned	-	-	-	(123,733)	-	-	-	(123,733)
Total fund balances	<u>-</u>	<u>-</u>	<u>220,985</u>	<u>2,893,892</u>	<u>17,625</u>	<u>215,496</u>	<u>233,121</u>	<u>3,127,013</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 559,510</u>	<u>\$ 15,000</u>	<u>\$ 236,686</u>	<u>\$ 4,013,682</u>	<u>\$ 17,625</u>	<u>\$ 236,620</u>	<u>\$ 254,245</u>	<u>\$ 4,267,927</u>

(Concluded)

City of West Haven, Connecticut

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

	Special Revenue Funds						
	Community Development Block Grant	Document Preservation	Education Grants	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	757,549	-	9,924,592	322,932	48,253	852,073	17,280
Charges for services	53,274	16,337	13,900	-	1,148,948	53,227	124,592
Contributions	-	-	-	-	-	-	-
Income from investments	5,521	-	-	-	-	-	-
Other	-	-	-	4,890	-	-	-
Total revenues	816,344	16,337	9,938,492	327,822	1,197,201	905,300	141,872
Expenditures							
Current							
General government	-	13,086	-	289,725	-	-	-
Public safety	-	-	-	-	991,871	-	-
Human resources and health and welfare	799,532	-	-	-	-	911,858	-
Parks and recreation	-	-	-	-	-	-	150,821
Education	-	-	10,171,507	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	799,532	13,086	10,171,507	289,725	991,871	911,858	150,821
Excess (deficiency) of revenues over expenditures	16,812	3,251	(233,015)	38,097	205,330	(6,558)	(8,949)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	25,000	-
Transfers out	-	-	-	-	(132,130)	-	-
Net other financing sources (uses)	-	-	-	-	(132,130)	25,000	-
Net change in fund balances	16,812	3,251	(233,015)	38,097	73,200	18,442	(8,949)
Fund balances - July 1, 2017 (as restated)	2,278,337	41,176	203,386	(132,201)	162,038	73,752	138,581
Fund balances - June 30, 2018	\$ 2,295,149	\$ 44,427	\$ (29,629)	\$ (94,104)	\$ 235,238	\$ 92,194	\$ 129,632

(Continued)

City of West Haven, Connecticut

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

	Special Revenue Funds				Capital Project Funds			
	School Lunch Program	Sports Facilities	Career and Adult Education	Total Special Revenue Funds	Brownfields	Capital and Nonrecurring	Total Capital Project Funds	Total Other Governmental Funds
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,326	\$ 238,326	\$ 238,326
Intergovernmental	2,522,357	-	41,934	14,486,970	807,539	-	807,539	15,294,509
Charges for services	542,659	319,968	112,635	2,385,540	-	-	-	2,385,540
Contributions	-	-	40,102	40,102	-	-	-	40,102
Income from investments	-	-	-	5,521	-	-	-	5,521
Other	-	-	-	4,890	-	-	-	4,890
Total revenues	<u>3,065,016</u>	<u>319,968</u>	<u>194,671</u>	<u>16,923,023</u>	<u>807,539</u>	<u>238,326</u>	<u>1,045,865</u>	<u>17,968,888</u>
Expenditures								
Current								
General government	-	-	-	302,811	-	-	-	302,811
Public safety	-	-	-	991,871	-	-	-	991,871
Human resources and health and welfare	-	-	-	1,711,390	-	-	-	1,711,390
Parks and recreation	-	319,968	-	470,789	-	-	-	470,789
Education	3,065,016	-	346,178	13,582,701	-	-	-	13,582,701
Capital outlay	-	-	-	-	790,764	233,240	1,024,004	1,024,004
Total expenditures	<u>3,065,016</u>	<u>319,968</u>	<u>346,178</u>	<u>17,059,562</u>	<u>790,764</u>	<u>233,240</u>	<u>1,024,004</u>	<u>18,083,566</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(151,507)</u>	<u>(136,539)</u>	<u>16,775</u>	<u>5,086</u>	<u>21,861</u>	<u>(114,678)</u>
Other financing sources (uses)								
Transfers in	-	-	278,342	303,342	-	-	-	303,342
Transfers out	-	-	-	(132,130)	-	-	-	(132,130)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>278,342</u>	<u>171,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,212</u>
Net change in fund balances	-	-	126,835	34,673	16,775	5,086	21,861	56,534
Fund balances - July 1, 2017 (as restated)	-	-	94,150	2,859,219	850	210,410	211,260	3,070,479
Fund balances - June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,985</u>	<u>\$ 2,893,892</u>	<u>\$ 17,625</u>	<u>\$ 215,496</u>	<u>\$ 233,121</u>	<u>\$ 3,127,013</u>

(Concluded)

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## Internal Service Funds

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

### **Medical Fund**

To account for self-insured medical benefits for employees.

### **General Liability Fund**

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

### **Workers' Compensation Fund**

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



**City of West Haven, Connecticut**  
**Internal Service Funds**  
**Combining Statement of Fund Net Position**  
**June 30, 2018**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<u>Assets</u>				
Current assets:				
Accounts receivable	\$ 1,738,380	\$ 400	\$ -	\$ 1,738,780
Due from other funds	<u>-</u>	<u>-</u>	<u>13,050</u>	<u>13,050</u>
Total assets	<u>1,738,380</u>	<u>400</u>	<u>13,050</u>	<u>1,751,830</u>
<u>Liabilities</u>				
Current liabilities:				
Cash overdraft	142,678	-	-	142,678
Accounts payable	552,335	-	13,050	565,385
Claims payable	2,074,775	91,000	1,963,541	4,129,316
Due to other funds	<u>943,367</u>	<u>22,480</u>	<u>-</u>	<u>965,847</u>
Total current liabilities	3,713,155	113,480	1,976,591	5,803,226
Noncurrent liability:				
Claims payable	<u>-</u>	<u>512,519</u>	<u>5,333,578</u>	<u>5,846,097</u>
Total liabilities	<u>3,713,155</u>	<u>625,999</u>	<u>7,310,169</u>	<u>11,649,323</u>
<u>Net Position</u>				
Unrestricted	<u>\$ (1,974,775)</u>	<u>\$ (625,599)</u>	<u>\$ (7,297,119)</u>	<u>\$ (9,897,493)</u>

## City of West Haven, Connecticut

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2018**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues:				
Charges for services	<u>\$ 28,266,903</u>	<u>\$ 1,468,421</u>	<u>\$ 2,601,058</u>	<u>\$32,336,382</u>
Operating expenses:				
Claims	26,511,218	814,073	1,380,823	28,706,114
Administration	<u>1,571,406</u>	<u>910,799</u>	<u>666,117</u>	<u>3,148,322</u>
Total operating expenses	<u>28,082,624</u>	<u>1,724,872</u>	<u>2,046,940</u>	<u>31,854,436</u>
Change in net position	184,279	(256,451)	554,118	481,946
Total net position - July 1, 2017 (as restated)	<u>(2,159,054)</u>	<u>(369,148)</u>	<u>(7,851,237)</u>	<u>(10,379,439)</u>
Total net position - June 30, 2018	<u><u>\$ (1,974,775)</u></u>	<u><u>\$ (625,599)</u></u>	<u><u>\$ (7,297,119)</u></u>	<u><u>\$ (9,897,493)</u></u>

## City of West Haven, Connecticut

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2018**

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received for charges	\$ 28,024,225	\$ 1,490,501	\$ 2,601,058	\$ 32,115,784
Cash paid for claims and other	(26,595,497)	(579,702)	(1,934,941)	(29,110,140)
Cash paid for administration	<u>(1,571,406)</u>	<u>(910,799)</u>	<u>(666,117)</u>	<u>(3,148,322)</u>
Net increase (decrease) in cash	(142,678)	-	-	(142,678)
Cash - July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash - June 30, 2018	<u><u>\$ (142,678)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (142,678)</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 184,279	\$ (256,451)	\$ 554,118	\$ 481,946
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	(1,738,380)	(400)	-	(1,738,780)
Due from other funds	-	-	(13,050)	(13,050)
Increase (decrease) in:				
Accounts payable	552,335	-	13,050	565,385
Claims payable	(84,279)	234,371	(554,118)	(404,026)
Due to other funds	<u>943,367</u>	<u>22,480</u>	<u>-</u>	<u>965,847</u>
Net cash provided by (used in) operating activities	<u><u>\$ (142,678)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (142,678)</u></u>

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## **Trend Information**

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Table 1

## City of West Haven, Connecticut

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
		(as restated)	(as restated)							
Net investment in capital assets	\$ 119,362,746	\$ 113,820,843	\$ 110,165,292	\$ 103,786,476	\$ 93,015,386	\$ 83,270,506	\$ 69,375,594	\$ 61,266,156	\$ 57,222,245	\$ 52,450,723
Restricted	4,557,472	1,008,845	1,450,430	199,656	143,257	240,190	164,562	233,921	602,822	319,210
Unrestricted	<u>(302,578,737)</u>	<u>(312,365,310)</u>	<u>(323,319,157)</u>	<u>(153,446,871)</u>	<u>(82,442,903)</u>	<u>(64,127,305)</u>	<u>(53,593,398)</u>	<u>(42,546,305)</u>	<u>(22,031,405)</u>	<u>(11,821,432)</u>
Total net position	<u>\$ (178,658,519)</u>	<u>\$ (197,535,622)</u>	<u>\$ (211,703,435)</u>	<u>\$ (49,460,739)</u>	<u>\$ 10,715,740</u>	<u>\$ 19,383,391</u>	<u>\$ 15,946,758</u>	<u>\$ 18,953,772</u>	<u>\$ 35,793,662</u>	<u>\$ 40,948,501</u>

Table 2

## City of West Haven, Connecticut

**Changes in Net Position  
Last Ten Years  
(Unaudited)**

For the Year Ended

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
General government	\$ 11,565,167	\$ 9,351,824	\$ 7,774,273	\$ 7,477,278	\$ 7,987,973	\$ 9,896,396	\$ 9,581,831	\$ 10,517,508	\$ 10,156,411	\$ 9,798,519
Public safety	32,404,160	30,531,663	32,061,576	34,474,682	34,391,960	37,158,465	32,589,270	33,535,109	13,660,389	15,408,852
Public works	25,371,336	21,665,363	23,875,064	25,086,632	21,635,683	18,615,619	22,120,936	20,127,111	18,660,033	17,838,937
Human resources and health and welfare	3,824,643	3,694,157	2,549,216	2,768,874	2,540,066	2,478,153	2,699,044	3,045,950	3,591,450	3,596,121
Parks and recreation	1,841,119	2,310,370	2,186,667	1,968,356	1,959,279	2,090,380	2,006,774	2,090,228	2,088,704	2,163,519
Library	1,596,000	1,596,000	1,778,657	1,798,324	1,867,189	1,603,717	1,603,717	1,603,717	1,978,359	2,038,883
Education	125,631,324	120,668,671	122,678,656	120,520,940	123,106,721	106,168,675	104,924,164	105,779,731	114,733,755	113,420,176
Interest expense	4,230,136	3,295,938	4,719,812	3,525,526	7,392,322	6,358,021	6,941,602	6,835,336	7,328,303	7,708,564
Total expenses	<u>206,463,885</u>	<u>193,113,986</u>	<u>197,623,921</u>	<u>197,620,612</u>	<u>200,881,193</u>	<u>184,369,426</u>	<u>182,467,338</u>	<u>183,534,690</u>	<u>172,197,404</u>	<u>171,973,571</u>
Program revenues										
Charges for services										
General government	2,749,383	2,018,005	830,937	742,464	655,798	551,292	585,478	506,594	1,075,493	1,494,083
Public safety	2,557,729	2,723,298	2,500,890	2,089,617	2,130,821	2,022,764	1,545,500	1,452,708	1,331,757	1,043,740
Public works	11,933,542	9,489,397	13,468,371	13,164,265	13,470,649	10,431,335	9,290,665	8,078,109	6,989,208	6,082,949
Human resources and health and welfare	171,249	191,118	335,370	334,002	289,573	223,963	220,959	1,005,016	184,970	338,981
Parks and recreation	793,148	914,321	904,347	958,168	950,469	1,060,204	911,020	905,706	901,411	831,258
Education	669,194	796,945	766,938	917,518	1,020,331	1,097,692	1,141,089	978,600	451,161	538,074
Operating grants and contributions	79,059,267	78,204,022	69,612,238	70,338,355	68,763,572	64,923,248	63,074,004	61,057,889	65,595,454	64,637,666
Capital grants and contributions	10,273,017	4,397,033	6,670,007	6,224,629	3,365,792	5,134,306	5,518,859	10,290,716	4,406,669	6,396,584
Total program revenues	<u>108,206,529</u>	<u>98,734,139</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>	<u>80,936,123</u>	<u>81,363,335</u>
Net expenses	<u>(98,257,356)</u>	<u>(94,379,847)</u>	<u>(102,534,823)</u>	<u>(102,851,594)</u>	<u>(110,234,188)</u>	<u>(98,924,622)</u>	<u>(100,179,764)</u>	<u>(99,259,352)</u>	<u>(91,261,281)</u>	<u>(90,610,236)</u>
General revenues and other changes in net position										
Property taxes	102,079,555	100,126,868	95,079,278	92,973,074	93,549,828	94,905,686	89,791,210	84,350,418	80,619,411	85,343,581
Grants and contributions not restricted to specific programs	14,856,008	8,192,236	7,553,442	7,593,745	7,369,539	8,820,355	6,513,841	5,680,141	5,428,729	4,391,529
Investment income	198,896	11,508	6,718	7,766	8,491	12,968	19,877	29,048	58,032	172,748
Gain on sale of capital assets	-	-	-	-	-	451,999	-	-	-	-
Transfers	-	-	-	1,448,500	59,274	-	-	-	-	-
Other	-	217,048	1,043,784	278,459	579,405	247,020	847,822	579,440	-	-
Total general revenues	<u>117,134,459</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>	<u>86,106,172</u>	<u>89,907,858</u>
Change in net position	<u>\$ 18,877,103</u>	<u>\$ 14,167,813</u>	<u>\$ 1,148,399</u>	<u>\$ (550,050)</u>	<u>\$ (8,667,651)</u>	<u>\$ 5,513,406</u>	<u>\$ (3,007,014)</u>	<u>\$ (8,620,305)</u>	<u>\$ (5,155,109)</u>	<u>\$ (702,378)</u>

Table 3

## City of West Haven, Connecticut

Fund Balances, Governmental Funds  
Last Ten Years  
(Unaudited)

	Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund										
Nonspendable	\$ 1,191,522	\$ -	\$ 152,351	\$ 6,116,001	\$ 1,760,849	\$ 5,537,319	\$ 3,935,324	\$ 993,567	\$ 3,028,175	\$ 1,061,454
Unassigned	<u>989,627</u>	<u>(18,138,674)</u>	<u>(16,888,415)</u>	<u>(16,313,098)</u>	<u>(10,254,844)</u>	<u>(13,313,968)</u>	<u>(14,471,990)</u>	<u>(11,544,797)</u>	<u>(13,768,153)</u>	<u>(5,896,031)</u>
Total general fund	<u>2,181,149</u>	<u>(18,138,674)</u>	<u>(16,736,064)</u>	<u>(10,197,097)</u>	<u>(8,493,995)</u>	<u>(7,776,649)</u>	<u>(10,536,666)</u>	<u>(10,551,230)</u>	<u>(10,739,978)</u>	<u>(4,834,577)</u>
All other governmental funds										
Nonspendable	1,787,973	-	149,832	2,079,171	-	-	-	-	-	-
Restricted	2,769,499	1,008,845	1,450,430	199,656	200,587	240,190	164,562	233,921	602,822	319,210
Committed	450,734	1,387,873	-	-	402,098	474,174	222,133	4,146	4,146	4,146
Unassigned	<u>(3,232,103)</u>	<u>(866,460)</u>	<u>(2,661,727)</u>	<u>(9,734,429)</u>	<u>(8,781,547)</u>	<u>(9,274,093)</u>	<u>(31,937,625)</u>	<u>(23,863,693)</u>	<u>(7,910,482)</u>	<u>(13,937,730)</u>
Total all other governmental funds	<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>	<u>(7,303,514)</u>	<u>(13,614,374)</u>
Grand total	<u>\$ 3,957,252</u>	<u>\$ (16,608,416)</u>	<u>\$ (17,797,529)</u>	<u>\$ (17,652,699)</u>	<u>\$ (16,672,857)</u>	<u>\$ (16,336,378)</u>	<u>\$ (42,087,596)</u>	<u>\$ (34,176,856)</u>	<u>\$ (18,043,492)</u>	<u>\$ (18,448,951)</u>

## City of West Haven, Connecticut

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

For the Year Ended June 30

	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>								
Property taxes	\$ 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	60,551,502	54,442,288	55,457,785	56,342,261	55,506,537	54,158,926	51,035,135	51,405,371
Charges for services	4,459,358	3,586,549	3,589,044	3,925,914	3,365,573	2,949,557	2,633,452	2,205,277
Income from investments	193,375	7,199	3,946	5,244	4,839	11,023	17,772	26,928
Contributions	427,290	422,652	413,060	411,127	405,606	405,262	393,232	377,424
Other	138,275	198,803	630,723	1,139,974	579,405	247,020	843,051	3,579,440
<b>Total revenues</b>	<b>161,650,034</b>	<b>152,957,908</b>	<b>150,549,901</b>	<b>151,019,979</b>	<b>148,951,468</b>	<b>146,012,002</b>	<b>142,633,375</b>	<b>142,156,782</b>
<b>Expenditures</b>								
Current								
General government	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	15,513,579	15,037,051	14,648,759	14,698,060	14,192,501	14,156,458	13,839,888	13,151,420
Public works	10,399,951	10,741,857	10,530,433	10,186,627	10,604,939	10,771,539	9,585,222	10,166,745
Benefits and insurance	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	1,160,864	1,162,719	1,113,962	1,130,451	1,100,338	1,042,884	1,066,460	997,272
Education	89,602,256	87,778,458	87,666,923	86,351,705	85,004,012	80,998,243	81,392,602	80,605,782
Parks and recreation	885,004	869,743	844,947	869,583	870,443	836,110	843,238	882,112
Library	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000	1,603,717	1,603,717	1,603,717
Debt service	17,401,021	16,731,010	15,817,910	16,927,158	17,573,204	16,961,372	17,773,135	18,530,838
<b>Total expenditures</b>	<b>159,705,411</b>	<b>155,781,052</b>	<b>154,252,976</b>	<b>153,238,562</b>	<b>150,434,650</b>	<b>144,879,508</b>	<b>145,095,884</b>	<b>144,320,678</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,944,623</b>	<b>(2,823,144)</b>	<b>(3,703,075)</b>	<b>(2,218,583)</b>	<b>(1,483,182)</b>	<b>1,132,494</b>	<b>(2,462,509.0)</b>	<b>(2,163,896)</b>
<b>Other financing sources (uses)</b>								
Issuance of debt	16,135,000							
Premium	1,040,796						35,000	
Sale of capital assets	199,200	308,450				451,924	4,515	
Transfers in	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	(303,342)	(684,781)	(438,291)	(976,000)	(1,204,747)	(980,366)	(200,000)	(318,267)
<b>Net other financing sources (uses)</b>	<b>18,375,200</b>	<b>1,420,534</b>	<b>1,216,940</b>	<b>484,977</b>	<b>945,771</b>	<b>2,630,340</b>	<b>2,290,430</b>	<b>2,352,644</b>
<b>Net change in fund balances</b>	<b>\$ 20,319,823</b>	<b>\$ (1,402,610)</b>	<b>\$ (2,486,135)</b>	<b>\$ (1,733,606)</b>	<b>\$ (537,411)</b>	<b>\$ 3,762,834</b>	<b>\$ (172,079)</b>	<b>\$ 188,748</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>11.85%</b>	<b>10.74%</b>	<b>10.25%</b>	<b>11.05%</b>	<b>11.68%</b>	<b>11.71%</b>	<b>12.25%</b>	<b>12.84%</b>



Table 5

## City of West Haven, Connecticut

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

For the Year Ended June 30

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Property taxes	\$ 102,157,929	\$ 99,833,820	\$ 95,978,106	\$ 94,212,286	\$ 94,202,314	\$ 93,881,204	\$ 88,736,315	\$ 85,420,340	\$ 84,739,371	\$ 85,343,581
Intergovernmental	103,359,452	90,254,995	93,208,317	84,253,028	79,386,506	78,651,759	75,183,807	75,024,583	75,795,597	72,728,301
Charges for services	19,258,590	18,734,961	18,007,328	18,188,324	17,558,937	15,337,866	13,320,135	11,895,703	10,165,167	10,160,102
Contributions	567,392	113,144	6,718	7,766	8,491	226,150	2,000	15,123	-	-
Income from investments	198,896	11,508	178,812	116,280	76,150	12,968	19,877	29,048	58,032	172,748
Other	217,148	642,200	628,784	237,909	579,405	247,020	843,307	3,579,440	1,935,834	3,070,073
<b>Total revenues</b>	<b>225,759,407</b>	<b>209,590,628</b>	<b>208,008,065</b>	<b>197,015,593</b>	<b>191,811,803</b>	<b>188,356,967</b>	<b>178,105,441</b>	<b>175,964,237</b>	<b>172,694,001</b>	<b>171,474,805</b>
<b>Expenditures</b>										
Current										
General government	6,437,489	6,085,057	5,647,074	5,510,058	5,737,466	6,078,850	5,671,255	5,405,726	5,355,904	5,235,808
Public safety	22,668,951	22,508,563	22,317,496	22,153,601	20,666,182	20,922,581	14,666,101	13,819,243	13,610,437	14,204,302
Public works	17,374,271	17,698,206	20,136,638	19,549,895	17,357,922	17,894,033	16,586,561	15,316,633	15,596,919	15,408,521
Benefits and insurance	17,120,879	16,281,933	16,451,288	15,890,748	13,602,831	12,431,531	13,359,388	12,980,809	13,667,488	12,843,986
Health and welfare	2,872,254	2,636,816	2,076,300	2,253,077	1,946,985	2,105,842	2,435,373	2,486,262	3,149,758	3,152,310
Library and other	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000	1,603,717	1,603,717	1,603,717	1,810,410	1,751,335
Parks and recreation	1,355,793	1,814,119	1,832,991	1,629,541	1,563,951	1,593,077	1,698,512	1,702,381	1,634,962	1,817,968
Education	121,338,432	117,578,132	118,107,395	107,662,010	105,512,213	101,724,814	99,862,121	98,972,044	100,486,319	96,910,228
Capital outlay	15,215,614	11,500,844	2,389,770	9,989,505	9,474,379	8,936,009	15,014,444	21,279,948	11,041,054	3,429,694
Debt service	19,279,951	18,666,440	17,688,591	25,073,237	20,825,627	18,017,398	18,682,064	18,530,838	17,946,681	18,446,576
<b>Total expenditures</b>	<b>225,259,634</b>	<b>216,366,110</b>	<b>208,243,543</b>	<b>211,341,673</b>	<b>198,317,556</b>	<b>191,307,852</b>	<b>189,579,536</b>	<b>192,097,601</b>	<b>184,299,932</b>	<b>173,200,728</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>499,773</b>	<b>(6,775,482)</b>	<b>(235,478)</b>	<b>(14,326,080)</b>	<b>(6,505,753)</b>	<b>(2,950,885)</b>	<b>(11,474,095)</b>	<b>(16,133,364)</b>	<b>(11,605,931)</b>	<b>(1,725,923)</b>
<b>Other financing sources (uses)</b>										
Issuance of refunding debt	-	-	-	38,715,000	-	-	47,410,000	-	7,420,000	-
Payment to refunded bond escrow agent	-	-	-	(38,377,921)	(6,392,319)	-	(51,024,942)	-	(7,366,610)	-
Issuance of debt	16,135,000	9,635,000	-	10,945,544	-	28,250,103	3,685,000	-	11,716,000	-
Capital leases	219,311	-	-	615,118	-	-	286,925	-	242,000	-
Premium	1,690,997	-	-	-	-	-	4,523,571	-	-	-
Sale of capital assets	199,200	308,450	415,000	1,448,500	-	452,000	4,515	-	-	-
Transfers in	1,606,888	2,481,646	6,055,392	2,658,337	3,235,880	3,158,782	2,650,915	2,989,178	2,861,923	1,997,144
Transfers out	(1,606,888)	(2,481,646)	(6,379,744)	(2,658,337)	(3,176,606)	(3,158,782)	(2,650,915)	(2,989,178)	(2,861,923)	(1,997,144)
<b>Net other financing sources (uses)</b>	<b>18,244,508</b>	<b>9,943,450</b>	<b>90,648</b>	<b>13,346,241</b>	<b>(6,333,045)</b>	<b>28,702,103</b>	<b>4,885,069</b>	<b>-</b>	<b>12,011,390</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 18,744,281</b>	<b>\$ 3,167,968</b>	<b>\$ (144,830)</b>	<b>\$ (9,167,903)</b>	<b>\$ (12,838,798)</b>	<b>\$ 25,751,218</b>	<b>\$ (6,589,026)</b>	<b>\$ (16,133,364)</b>	<b>\$ 405,459</b>	<b>\$ (1,725,923)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>9.07%</b>	<b>9.11%</b>	<b>8.59%</b>	<b>12.45%</b>	<b>11.03%</b>	<b>9.88%</b>	<b>10.70%</b>	<b>10.85%</b>	<b>10.36%</b>	<b>10.87%</b>

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

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			Current Delinquent Balance
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	
2018	35.26	2016	\$ 94,716,054	\$ 93,225,076	98.43%	\$ -	\$ 93,225,076	98.43%	\$ 1,490,978
2017	35.26	2015	94,194,456	92,520,326	98.22%	652,122	93,172,448	98.92%	1,022,008
2016	31.25	2014	89,720,548	88,555,278	98.70%	964,513	89,519,791	99.78%	200,757
2015	31.25	2013	88,651,979	87,340,812	98.52%	1,126,550	88,467,362	99.79%	184,617
2014	31.25	2012	88,395,137	86,723,519	98.11%	1,562,490	88,286,009	99.88%	109,128
2013	31.25	2011	88,111,713	86,410,454	98.07%	1,609,108	88,019,562	99.90%	92,151
2012	31.25	2010	87,970,800	86,085,641	97.86%	1,795,025	87,880,666	99.90%	90,134
2011	27.96	2009	84,116,342	82,892,466	98.55%	1,100,800	83,993,266	99.85%	123,076
2010	27.96	2008	84,226,337	82,862,226	98.38%	1,258,904	84,121,130	99.88%	105,207
2009	27.96	2007	84,118,885	82,646,635	98.25%	1,413,427	84,060,062	99.93%	58,823

Source: Tax Collector

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

**City of West Haven, Connecticut**  
**Property Tax Rates, Levies and Collections**  
**Allingtown Fire Department**  
**Last Six 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	
2018	12.52	2016	\$ 5,923,717	\$ 5,866,250	99.03%	\$ -	\$ 5,866,250	99.03%	\$ 57,467
2017	11.07	2015	5,175,224	5,120,275	98.94%	18,714	5,138,989	99.30%	36,235
2016	9.44	2014	5,420,240	5,292,934	97.65%	100,658	5,393,592	99.51%	26,648
2015	8.63	2013	4,887,391	4,762,781	97.45%	100,536	4,863,317	99.51%	24,074
2014	8.38	2012	4,526,447	4,393,485	97.06%	118,077	4,511,562	99.67%	14,885
2013	8.38	2011	4,727,093	4,596,111	97.23%	117,928	4,714,039	99.72%	13,054

Source: Tax Collector

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

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

Table 7

## City of West Haven, Connecticut

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

Year Ended June 30	General Obligation Bonds	Permanently Financed Bond Anticipation Notes	Pension Bonds	Premium	Notes Payable	Capital Leases	Total	(1) Population	Debt Per Capita
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
2010	93,731,000	-	49,145,000	-	11,470,330	157,849	154,504,179	53,007	2,915
2009	88,210,000	-	52,040,000	-	12,994,134	43,152	153,287,286	52,420	2,924

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

(1) Per Connecticut State Department of Health

**City of West Haven, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**For the Year Ended June 30, 2018**  
**(Unaudited)**

## Tax Base:

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

City	\$ 93,945,609
Allingtown Fire Department Tax Collections	5,227,428
West Shore Fire District Tax Collections	7,386,094
First Fire District Tax Collections	<u>11,142,858</u>

Total Base	<u>\$ 117,701,989</u>
------------	-----------------------

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 264,829,475	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	529,658,951	-	-	-
3 3/4 times base	-	-	441,382,459	-	-
3 1/4 times base	-	-	-	382,531,464	-
3 times base	-	-	-	-	<u>353,105,967</u>
Total debt limitation	<u>264,829,475</u>	<u>529,658,951</u>	<u>441,382,459</u>	<u>382,531,464</u>	<u>353,105,967</u>
Indebtedness:					
Bonds payable	55,080,391	15,917,609	482,000	-	-
Taxable bonds payable	-	-	-	-	21,275,000
Notes payable	-	-	24,021,465	-	-
Bond anticipation notes	-	9,000,000	-	-	-
Total indebtedness	<u>55,193,391</u>	<u>24,917,609</u>	<u>24,503,465</u>	<u>-</u>	<u>21,275,000</u>
Debt limitation in excess of outstanding debt	<u>\$ 209,636,084</u>	<u>\$ 504,741,342</u>	<u>\$ 416,878,994</u>	<u>\$ 382,531,464</u>	<u>\$ 331,830,967</u>
The total net indebtedness above amounts to:					<u>\$ 125,889,465</u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u>\$ 823,913,923</u>

**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

	2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>TUITION</b>	7,625,938	7,646,825	7,825,938	7,968,144	7,939,386	5,288,790	8,078,156
<b>STUDENT TRANSPORTATION</b>	5,006,321	5,266,244	5,006,321	5,274,576	5,006,321	2,864,631	5,006,321
<b>SALARIES</b>	52,265,952	52,088,188	52,252,418	52,252,418	52,370,421	24,420,580	52,547,521
<b>OPERATION OF PLANT</b>	3,721,339	3,645,066	3,789,181	3,552,214	3,847,829	2,306,482	4,148,090
<b>BENEFITS &amp; FIXED CHARGES</b>	18,099,372	16,929,343	17,681,331	17,433,268	18,215,805	10,847,152	18,589,674
<b>PURCHASED SERVICES</b>	1,398,159	1,308,200	1,482,399	1,466,557	1,161,159	640,734	1,161,159
<b>INSTRUCTION</b>	1,509,500	1,509,500	1,588,992	1,588,992	1,419,500	1,127,852	1,669,500
<b>TOTAL:</b>	89,626,581	88,393,366	89,626,581	89,536,169	89,960,421	47,496,221	91,200,421

West Haven Board of Education  
FY18 PROJECTION/FY19 YTD

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
TUITION:								
A01	TUITION	7,625,938	7,646,825	7,825,938	7,968,144	7,939,386	5,288,790	8,078,156
		7,625,938	7,646,825	7,825,938	7,968,144	7,939,386	5,288,790	8,078,156

**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>STUDENT TRANSPORTATION:</b>								
<b>B04</b>	<b>CONTRACTED BUS SERVICE - PUBLIC</b>	2,989,592	2,989,592	2,989,592	2,989,592	2,989,592	1,793,754	2,989,592
<b>B06</b>	<b>BUS SERVICE: NON-PUBLIC SCHOOLS</b>	267,721	267,721	267,721	267,720	267,721	160,632	267,721
<b>B08</b>	<b>TRANSPORTATION: REGIONAL VOC-TECH</b>	229,575	229,575	229,575	229,575	229,575	137,742	229,575
<b>B10</b>	<b>TRANSPORTATION: REGIONAL VOC-AG</b>	72,437	72,437	72,437	72,600	72,437	43,464	72,437
<b>B12</b>	<b>TRANSPORTATION: PHYS. HANDICAPPED</b>	1,341,539	1,601,462	1,341,539	1,609,633	1,341,539	670,770	1,341,539
<b>B16</b>	<b>TRANSPORTATION - STUDENT ACTIVITIES</b>	105,457	105,457	105,457	105,456	105,457	58,269	105,457
		5,006,321	5,266,244	5,006,321	5,274,576	5,006,321	2,864,631	5,006,321



**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>SALARIES:</b>								
	<b># of Employees</b>							
C04	1 SALARY - SUPERINTENDENT	184,115	184,115	187,337	187,337	187,337	115,284	187,000
C06	1 SALARY - ASST. SUPERINTENDENTS	149,844	149,844	152,466	152,466	152,466	93,825	150,941
C07	12 SALARY - CLERICAL: CENTRAL OFFICE	581,947	581,947	541,604	541,604	516,604	317,910	516,604
C10	10 SALARY - PRINCIPALS	1,280,604	1,280,604	1,061,083	1,061,083	1,081,083	498,961	1,109,814
C12	8 SALARY - ASST. PRINCIPALS	938,576	938,576	907,040	907,040	929,234	428,877	957,965
C14	11 SALARY - COORDINATORS/DIRECTORS	993,343	993,343	1,120,632	1,120,632	1,064,632	491,369	1,093,364
C16	366 SALARY - CLASSROOM TEACHERS	26,741,339	26,741,339	27,001,002	27,001,002	27,356,996	12,626,306	27,356,996
C18	76 SALARY - SPECIAL EDUCATION TEACHERS	5,811,512	5,811,521	5,888,294	5,888,294	5,922,487	2,733,456	5,922,487
C20	SALARY - ADULT EDUCATION	150,000	150,000	150,000	150,000	150,000	66,653	150,000
C22	SALARY - HOMEBOUND	125,000	125,000	125,000	125,000	125,000	16,159	125,000
C24	48 SALARY - SPECIAL AREA TEACHERS	3,443,439	3,443,439	3,497,489	3,497,489	3,405,682	1,571,853	3,405,682
C26	22 SALARY - PUPIL SERVICES	1,653,351	1,653,351	1,616,661	1,616,661	1,565,854	722,702	1,565,854
C28	17 SALARY - CLERICAL:SECONDARY SCHOOLS	763,027	763,027	718,670	718,670	694,353	427,294	694,353
C30	7 SALARY - CLERICAL:ELEM. SCHOOLS	290,681	290,681	290,681	290,681	310,681	143,391	310,681
C32	SALARY - SUBSTITUTE CLERKS	30,000	30,000	30,000	30,000	30,000	7,686	30,000
C34	SALARY - LUNCH AIDES	300,000	300,000	300,000	300,000	300,000	169,087	300,000
C36	135 SALARY - TEACHER AIDES	3,033,363	3,033,363	2,973,363	2,973,363	2,992,839	1,381,310	2,992,839
C38	SALARY - PARA SUBS-INSTRUCTIONAL AIDES	105,000	105,000	105,000	105,000	105,000	56,785	105,000
C40	2 SALARY - DETACHED WORKER	98,261	98,261	98,261	98,261	98,261	60,468	98,261
C42	SALARY - SUBSTITUTE TEACHERS/INTERNS	672,990	672,990	689,815	689,815	689,815	26,108	689,815
C44	SALARY - SEVERANCE PAY	300,000	300,000	300,000	300,000	300,000	115,000	392,768
C46	16 SALARY - SCHOOL NURSES - PUBLIC	924,877	924,877	924,877	924,877	887,524	409,626	887,524
C48	4 SALARY - SCHOOL NURSES - NON-PUBLIC	136,639	136,639	136,639	136,639	142,639	65,833	142,639
C50	SALARY - SCHOOL PHYSICIAN	50,000	-	-	-	-	-	-
C54	SALARY - BUS AIDES	25,000	-	-	-	-	-	-
C58	39 SALARY - CUSTODIANS	1,985,336	1,985,336	1,937,336	1,937,336	1,918,019	1,180,319	1,918,019
C60	SALARY - SUBSTITUTE CUSTODIANS	105,000	105,000	105,000	105,000	105,000	-	105,000
C62	SALARY - OVERTIME : CUSTODIANS	79,638	79,638	79,638	79,638	79,638	23,550	79,638
C64	14 SALARY - MAINTENANCE	880,876	880,876	882,336	882,336	827,083	508,974	827,083
C66	SALARY- OVERTIME : MAINTENANCE	60,799	60,799	60,799	60,799	60,799	20,555	60,799
C68	SALARY - STUDENT ACTIVITY ADVISORS	154,978	90,354	154,978	154,978	154,978	77,489	154,978
C70	SALARY - ATHLETIC COACHES	200,417	162,268	200,417	200,417	200,417	56,540	200,417
C72	SALARY - COMMUNITY SERVICE: CUSTODIAL	16,000	16,000	16,000	16,000	16,000	7,207	16,000
		52,265,952	52,088,188	52,252,418	52,252,418	52,370,421	24,420,580	52,547,521

**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>OPERATION OF PLANT:</b>								
D02	RECYCLING	20,000	-	-	-	-	-	-
D04	ELECTRICITY	981,330	960,575	1,030,397	1,010,758	1,058,733	617,594	1,087,848
D06	NATURAL GAS	1,000	-	-	-	-	-	-
D08	WATER	98,431	98,431	101,138	86,227	103,919	60,620	106,777
D10	TELEPHONE & COMMUNICATIONS	344,945	338,598	354,431	264,999	364,178	212,437	374,193
D12	RUBBISH REMOVAL	214,922	210,955	220,833	218,994	220,833	128,819	220,833
D14	CUSTODIAL SUPPLIES	158,685	158,685	163,049	158,374	163,049	95,112	163,049
D16	HEAT FOR BUILDINGS	629,395	605,192	646,703	568,360	664,487	387,618	682,760
D18	EQUIPMENT: OPERATION OF PLANT	45,000	45,000	45,000	40,000	45,000	26,000	45,000
D20	REPAIR TO BUILDINGS	575,000	575,000	575,000	570,000	575,000	385,560	575,000
D22	UPKEEP OF GROUNDS SUPPLIES	14,050	14,050	14,050	12,000	14,050	8,500	14,050
D24	BUILDING SECURITY	388,740	388,740	388,740	388,740	388,740	226,765	588,740
D26	GAS, OIL & GREASE	34,090	34,090	34,090	34,088	34,090	22,000	34,090
D28	REPAIR TO EQUIPMENT: MTCE	33,250	33,250	33,250	30,000	33,250	25,000	33,250
D30	OTHER EXPENSES: MAINTENANCE	50,000	50,000	50,000	45,575	50,000	27,166	50,000
D32	EQUIPMENT: MAINTENANCE OF PLANT	32,500	32,500	32,500	28,600	32,500	20,958	32,500
D34	IMPROVEMENT TO SITES	100,000	100,000	100,000	95,501	100,000	62,333	100,000
	LEASING PROGRAM FOR MAINTENANCE FLEET							40,000
		3,721,339	3,645,066	3,789,181	3,552,214	3,847,829	2,306,482	4,148,090

**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>BENEFITS &amp; FIXED CHARGES</b>								
E02	CENTRAL OFFICE - TRAVEL	800	-	800	-	800	-	800
E04	CENTRAL OFFICE - DUES & CONF.	7,000	8,326	7,000	6,580	7,000	2,550	7,000
E06	TRAVEL, CONV. & DUES: TCHRS/ADMIN.	50,000	31,956	50,000	45,000	50,000	39,437	50,000
E08	PROFESSIONAL CERTIFICATION REIMB..	46,500	19,360	46,500	40,000	46,500	12,240	46,500
E10	TRAVEL - MAINTENANCE	19,400	-	19,400	19,200	19,400	-	19,400
E12	PROPERTY & LIABILITY INSURANCE	525,000	448,200	525,000	664,425	525,000	385,250	525,000
E14	HEALTH INSURANCE: CERTIFIED	9,255,945	8,637,725	9,255,945	8,986,604	9,487,344	5,977,164	9,724,528
E16	LIFE INSURANCE: CERTIFIED	142,913	162,030	142,913	163,253	142,913	83,366	187,913
E18	SOCIAL SECURITY	746,365	695,103	757,561	757,560	764,786	405,759	772,434
E20	RETIREMENT CONTRIBUTIONS	473,250	401,470	473,250	473,248	477,407	203,246	482,180
E22	MEDICARE ONLY - TAXES	832,079	780,522	873,683	873,660	881,908	388,062	890,727
E24	UNEMPLOYMENT COMPENSATION	100,000	35,482	100,000	33,486	100,000	19,273	100,000
E26	HEALTH INSURANCE: NON-CERT.	4,605,120	4,788,796	4,505,120	4,491,092	4,617,748	2,678,934	4,733,192
E28	LIFE INSURANCE: NON-CERT.	45,000	-	45,000	-	45,000	26,250	-
E30	WORKER'S COMPENSATION	1,250,000	920,373	879,160	879,160	1,050,000	625,621	1,050,000
						-		
		18,099,372	16,929,343	17,681,331	17,433,268	18,215,805	10,847,152	18,589,674

**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>PURCHASED SERVICES:</b>								
<b>F01</b>	<b>FOOD SERVICE</b>	-	-	-	-	-	-	-
<b>F02</b>	<b>POSTAGE</b>	90,000	51,174	60,000	55,508	60,000	44,359	60,000
<b>F04</b>	<b>PRINTING AND PUBLISHING</b>	35,000	35,000	35,000	28,000	35,000	18,500	35,000
<b>F06</b>	<b>PHOTOCOPY SERVICES</b>	296,809	296,809	269,809	269,809	269,809	157,389	269,809
<b>F08</b>	<b>BOARD OF ED. - MISC. EXPENSES</b>	1,350	1,350	1,350	1,350	1,350	940	1,350
<b>F10</b>	<b>DATA PROCESSING SERVICES</b>	78,500	78,500	78,500	78,500	78,500	45,792	78,500
<b>F12</b>	<b>CONSULTANT SERVICES</b>	440,000	440,000	260,000	259,995	260,000	151,667	260,000
<b>F14</b>	<b>SERVICE CONTRACTS</b>	265,000	265,000	265,000	265,000	265,000	154,583	265,000
<b>F18</b>	<b>BOARD OF ED. - OFFICE SUPPLIES</b>	1,800	1,800	1,800	1,800	1,800	500	1,800
<b>F20</b>	<b>CENTRAL OFFICE - SUPPLIES</b>	22,500	35,221	22,500	20,500	22,500	15,590	22,500
<b>F22</b>	<b>CENTRAL OFFICE - MISC. EXPENSE</b>	3,500	2,121	3,500	3,500	3,500	1,550	3,500
<b>F26</b>	<b>POLICE AND FIRE</b>	75,000	75,000	395,000	395,000	75,000	25,500	75,000
<b>F28</b>	<b>BOARD OF ED. - DUES &amp; CONFERENCES</b>	25,200	25,200	26,440	26,440	25,200	22,740	25,200
<b>F30</b>	<b>SUBSCRIPTIONS</b>	3,500	1,025	3,500	1,155	3,500	1,625	3,500
<b>F32</b>	<b>EDWARD BENNETT RINK</b>	-	-	-	-	-	-	-
<b>F34</b>	<b>FRANK FITZGERALD SPORTS COMPLEX</b>	60,000	-	60,000	60,000	60,000	-	60,000
		1,398,159	1,308,200	1,482,399	1,466,557	1,161,159	640,734	1,161,159

**West Haven Board of Education  
FY18 PROJECTION/FY19 YTD**

		2016-17 BUDGET	2016-17 ACTUAL	2017-18 BUDGET	2017-18 PROJECTION	2018-19 BUDGET	2018-19 YTD	2019-20 BUDGET
<b>INSTRUCTION:</b>								
<b>G02</b>	<b>SUB FINDER/ANSWERING SERVICE</b>	10,850	10,850	10,742	10,742	10,850	-	10,850
<b>G04</b>	<b>REPAIR TO EQUIPMENT: INSTRUCTION</b>	25,000	25,000	25,000	25,000	25,000	17,046	25,000
<b>G06</b>	<b>MISCELLANEOUS EXPENSES</b>	20,000	20,000	50,000	50,000	20,000	15,995	20,000
<b>G08</b>	<b>ELEMENTARY READING DEVELOPMENT</b>	12,000	12,000	16,000	16,000	12,000	10,960	12,000
<b>G10</b>	<b>TEACHING SUPPLIES</b>	314,400	314,400	320,000	320,000	314,400	299,081	314,400
<b>G12</b>	<b>TEXTBOOKS</b>	225,000	225,000	225,000	225,000	225,000	162,043	225,000
<b>G14</b>	<b>PERIODICALS</b>	13,500	13,500	13,500	13,500	13,500	9,386	13,500
<b>G16</b>	<b>EDUCATIONAL MEDIA SUPPLIES</b>	120,000	120,000	120,000	120,000	120,000	113,928	120,000
<b>G18</b>	<b>STANDARDIZED TESTING PROGRAM</b>	54,750	54,750	54,750	54,750	54,750	45,335	54,750
<b>G20</b>	<b>CURRICULUM DEVELOPMENT &amp; STAFF DEV.</b>	75,000	75,000	75,000	75,000	45,000	39,770	45,000
<b>G22</b>	<b>LIBRARY BOOKS</b>	67,500	67,500	67,500	67,500	37,500	25,575	37,500
<b>G24</b>	<b>OTHER LIBRARY EXPENSE</b>	5,000	5,000	5,000	5,000	5,000	2,222	5,000
<b>G26</b>	<b>EQUIPMENT: NON-INSTRUCTIONAL</b>	50,000	50,000	50,000	50,000	20,000	17,199	20,000
<b>G28</b>	<b>EQUIPMENT: INSTRUCTIONAL</b>	50,000	50,000	50,000	50,000	50,000	22,248	50,000
<b>G29</b>	<b>TECHNOLOGY</b>	320,000	320,000	360,000	360,000	320,000	276,507	320,000
<b>G30</b>	<b>PSYCHIATRIC SERVICES</b>	0	-	-	-	-	-	-
<b>G32</b>	<b>MEDICAL SERVICES: SUPPLIES</b>	11,500	11,500	11,500	11,500	11,500	5,322	11,500
<b>G34</b>	<b>MEDICAL SERVICES: MISC. EXPENSE</b>	25,000	25,000	25,000	25,000	25,000	10,867	25,000
<b>G36</b>	<b>EQUIPMENT: MEDICAL SERVICES</b>	10,000	10,000	10,000	10,000	10,000	1,018	10,000
<b>G38</b>	<b>EQUIPMENT AND SUPPLIES: ACTIVITIES</b>	100,000	100,000	100,000	100,000	100,000	53,350	100,000
	<b>LEASING PROGRAM FOR TECHNOLOGY</b>							250,000
		1,509,500	1,509,500	1,588,992	1,588,992	1,419,500	1,127,852	1,669,500

**West Haven MOA Compliance**

Requirement	Deliverable/Milestone	*Due within the Month	Deadline	Status
<b>Fire Service Study</b>				
Plan/timeline for study completion	Plan submitted to OPM		12/15/2018	Completed
Selection of vendor	Vendor selected and approved by OPM Secretary		1/1/2019	Completed (contract executed)
Preliminary study	Preliminary study submitted (present to MARB at April meeting)	*	4/1/2019	Pending - Contract executed. Vendor waiting on data from districts
Final study	Final study submitted (present to MARB at June meeting)		5/31/2019	Pending
<b>FY 2018 Audit</b>				
Preliminary 2018 operating results	Draft statement of revenues, expenditures and change in fund balance		12/20/2018	Completed
Completion of Audit	Submittal of audit, management letter, single audits to OPM		2/22/2019	Audit submitted Feb. 28. Management Letter not received.
<b>Efficiencies, Consolidations, Shared Services (a.k.a. measures for achieving budgetary savings)</b>				
Update on plan development	Update submitted to MARB		1/15/2019	Completed
Preliminary plan completed	Preliminary plan submitted		2/15/2019	Completed - OPM preparing feedback
Final plan completed	Final plan submitted		5/31/2019	Pending
<b>Plan to Address Administrative Capacity Issues</b>				
Organizational plan completed	Plan submitted to MARB		2/15/2019	2/15 memo re: sequence of plan recommendations. Additional detail will be addressed at Subcommittee level.
<b>FY 2020 Budget</b>				
Submittal of Mayor's recommended budget	Recommended budget submitted to MARB	*	3/21/2019	Pending
MARB approval of City budget	Approval by MARB		6/30/2019	Pending
<b>5-Year Plan</b>				
Proposed Update to 5-Year Plan	Updated plan included as part of budget	*	3/21/2019	Pending
MARB approval of Update to 5-Year Plan	Approval by MARB		6/30/2019	Pending - plan to reflect proposed efficiency measures
<b>Other Items</b>				
Plan for sale of City owned assets	Plan submitted to MARB	*	4/1/2019	Pending
Contribute FY 2019 and budget FY 2020 ADC for Police and Fire pensions	Evidence that FY 2019 payment made and FY 2020 amounts budgeted		6/30/2019	Pending
Reserve policy for General Fund and health insurance plans	Reserve policy submitted to MARB		6/30/2019	Pending