

City of West Haven, Connecticut



Annual Financial Report For the Year Ended June 30, 2022

Annual Financial Report

of the

City of West Haven,

Connecticut

For the Year Ended

June 30, 2022

City of West Haven, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2022**

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Introductory Section

City of West Haven, Connecticut

**Principal Officials
June 30, 2022**

Mayor

Nancy R. Rossi

Treasurer

Michael P. Last

City Council

Peter V. Massaro, Chairman
Bridgette J. Hoskie
Mitchell L. Galignano
Robbin Watt Hamilton
Peter V. Massaro
Robert Bruneau
Gary Donovan
Colleen O'Connor
Meli Garthwait
Sarah J. Ackbarali
Katherine Tucker
Victor Borrás
Steven J. Johnstone
Ronald M. Quagliani
Stacy Riccio

Administration

Ann Marie Gradoia
Frank Gladwin
Patricia Horvath
Scott D. Jackson
Abdul Quadir
Thomas McCarthy
Joseph Perno
Dorothy Chambrelli
Jack Crosby

Assessor
Building Official
City Clerk
Director of Finance
City Engineer
Public Works Director
Chief of Police
Tax Collector
Director - WPCA

Financial Section



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and trend information sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
November 27, 2023



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, 2022

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, 2022. Please read it in conjunction with the City's financial statements immediately following this section.

Financial highlights

- On a government-wide basis, 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 as follows:

Change in net position	\$ 13,351,651
Total net position	(101,529,819)
Unrestricted net position	(350,136,833)

- The significant factors for the change are as follows:

Governmental funds activity:

➤ positive operations of the General Fund of	\$ 2,316,767
➤ positive operations of the Allingtown Fire Department fund of	1,660,999
➤ positive operations of the School Lunch Program fund of	1,004,321

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	19,084,958
➤ net long-term debt activity of	6,439,975
➤ change in compensated absences of	(1,501,838)
➤ change in net pension liability of	(30,066,437)
➤ change in OPEB liability of	102,555,117
➤ change in pension and OPEB deferred outflows of resources of	(8,296,501)
➤ change in pension and OPEB deferred inflows of resources of	(80,298,787)

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$3,492,587, an increase of \$6,076,749 in comparison with the prior year. The majority of the increase is due to the positive operations of the governmental funds activity referenced above. Additional details regarding the positive operations are discussed in the governmental activity section.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,983,134, an increase of \$2,316,767 in comparison with the prior year. This unassigned fund balance represents 4.89% of total budgetary basis general fund expenditures and transfers out.
- Net capital assets increased in the current year by \$18,953,858. The increase is primarily due to capital asset additions for construction in progress for the high school renovation project.

Management's Discussion and Analysis

- The City's long-term debt decreased by \$9,457,860 during the current fiscal year due to the issuance of bonds of \$7,545,000 and leases of \$615,192, offset by scheduled principal payments of \$17,618,052.
- The City had an extraordinary items for a casualty loss of \$265,257 due to an embezzlement that occurred during the prior and current fiscal year.
- During the year, the City implemented GASB No. 87 - Leases. The implementation of this statement has no impact on the beginning equity, but has the following impact on the City's government-wide financial statements:

Capital assets:

Intangible right-to-use leased assets	\$ 449,006
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Long-term liabilities:

Lease liability	(449,006)
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Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the City'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.

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.

Management's Discussion and Analysis

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 each major fund. The funds reported as major funds are as follows:

- General fund
- Allingtown fire department fund
- ARPA fund
- Sewer fund
- Education grants fund
- Capital improvement fund

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 schedules on Schedules 5 and 6.

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.

Management's Discussion and Analysis

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the general fund and Allingtown Fire Department fund to demonstrate compliance with these budgets.
- Schedules to demonstrate the City's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the City's progress in funding its obligation to provide other post-employment benefits.

Other information

Other required schedules and the combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year end totaled \$(350,638,494).

Summary Statement of Net Position June 30

	<u>2022</u>	<u>2021</u> (as restated)
Current and other assets	\$ 62,532,968	\$ 63,445,207
Capital assets (net)	<u>336,897,956</u>	<u>317,944,098</u>
Total assets	<u>399,430,924</u>	<u>381,389,305</u>
Deferred outflows of resources	<u>98,756,521</u>	<u>107,240,887</u>
Current liabilities outstanding	68,423,649	74,632,604
Long-term liabilities outstanding	<u>421,647,549</u>	<u>491,989,268</u>
Total liabilities	<u>490,071,198</u>	<u>566,621,872</u>
Deferred inflows of resources	<u>109,646,066</u>	<u>36,889,790</u>
Net position:		
Net investment in capital assets	234,391,084	211,688,503
Restricted	14,215,930	22,856,672
Unrestricted	<u>(350,136,833)</u>	<u>(349,426,645)</u>
Total net position	<u>\$ (101,529,819)</u>	<u>\$ (114,881,470)</u>

Management's Discussion and Analysis

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

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, 14.50%, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$(350,638,494), which decreased by \$1,211,849 from the prior year.

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 \$101,529,819.

Management's Discussion and Analysis

Statement of Changes in Net Position For the Years Ended June 30

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 19,976,537	\$ 18,551,723
Operating grants and contributions	94,602,274	83,415,164
Capital grants and contributions	12,345,918	24,514,278
General revenues:		
Property taxes	113,190,707	110,852,952
Grants and contributions not restricted to specific programs	9,939,160	7,135,069
Income from investments	121,317	46,637
Gain on sale of capital assets	550,799	299,757
Total revenues	<u>250,726,712</u>	<u>244,815,580</u>
Expenses:		
General government	11,650,010	12,053,894
Public safety	44,791,584	35,501,307
Public works	29,818,621	27,453,929
Human resources and health and welfare	4,246,746	5,304,807
Parks and recreation	1,569,197	1,033,156
Library	1,435,692	1,443,266
Education	141,592,100	142,739,437
Interest	2,005,854	1,650,927
Total expenses	<u>237,109,804</u>	<u>227,180,723</u>
Change in net position before extraordinary item	13,616,908	17,634,857
Extraordinary item:		
Casualty loss	<u>(265,257)</u>	<u>(978,935)</u>
Change in net position	13,351,651	16,655,922
Net position - July 1	<u>(114,881,470)</u>	<u>(131,537,392)</u>
Net position - June 30	<u>\$ (101,529,819)</u>	<u>\$ (114,881,470)</u>

Management's Discussion and Analysis

Key elements of the change in net position of \$13,351,651 are as follows:

Revenues

Governmental activities revenues totaled \$250,726,712. This represents an increase of \$5,911,132 from the prior year. Property taxes are the largest revenue source for the City and represent 45.15% of revenues. Details for the other categories are as follows:

Charges for services	7.97%
Operating grants and contributions	37.73%
Capital grants and contributions	4.92%
Property taxes	45.15%
Grants and contributions not restricted to specific programs	3.96%
Income from investments	0.05%
Gain on sale of capital assets	<u>0.22%</u>
Total	<u>100.00%</u>

The most significant fluctuations from the prior year were as follows:

- Charges for services increased by \$1,424,814 due to an increase in the recording fees of \$640,737 and electrical permits of \$169,652 as has been the trend since COVID and \$269,404 for police outside services due to increased construction projects in the City.
- Operating grants and contributions increased by approximately \$11.19 million substantially due to COVID related grants in the current fiscal year, including ESSER grants for the Education Department of approximately \$7.45 million and an increase in school lunch grants amount of \$2.82 million.
- Capital grants and contributions decreased by approximately \$12.17 million due to a decrease in school construction grants of \$8.15 million and CDBG disaster recovery grants of \$3.30 million.
- Property taxes increased by approximately \$2.34 million due to an increase in the budget and the amount required to be funded with property taxes.
- Grants and contributions not restricted to specific programs increased by approximately \$2.80 million due to an increase in PILOT grants amount of \$2.87 million.

Expenditures

Governmental activity expenditures totaled \$237,109,804 for the fiscal year, an increase of \$9,929,081. Of the total expenditures, \$141,592,100 or 59.72% is related to education. Details for the other categories are as follows:

General government	4.91%
Public safety	18.89%
Public works	12.58%
Human resources and health and welfare	1.79%
Parks and recreation	0.66%
Library	0.60%
Education	59.72%
Interest	<u>0.85%</u>
Total	<u>100.00%</u>

Management's Discussion and Analysis

The most significant fluctuations from the prior year were as follows:

- Public safety expense increased by approximately \$9.29 million due to an increase in the pension expense of \$7.68 million, heart and hypertension costs of \$1.56 million, claims of \$1.10 million and employee benefits of \$0.77 million, offset by a decrease in the OPEB expense of \$3.44 million.
- Public works expense increased by approximately \$2.36 million due to an increase in sewer costs of \$1.09 million and claims of \$0.70 million.
- Human resources and health and welfare expense decreased by approximately \$1.06 million due to a decrease in COVID relief grant expenditures of \$0.80 million.
- Education expense decreased by approximately \$1.15 million due to a decrease in the OPEB expense of \$8.82 million, offset by an increase of \$9.36 million in education costs primarily in relation to the increase education grant expenses for various COVID related grants received, including ESSER grants of \$7.45 million and school lunch grants of \$2.10 million.

Financial analysis of the City's funds

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

Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$3,492,587.

The components of fund balance were as follows:

Nonspendable	\$ 149,832
Restricted	14,215,930
Committed	6,930,520
Unassigned	<u>(17,803,695)</u>
Total	<u>\$ 3,492,587</u>

The total fund balance increased by \$6,076,749 to \$3,492,587. The increase is a result of the following activity:

General fund. The general fund is the operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund of \$7,983,134 was unassigned. During the current fiscal year, the fund balance of the City's general fund increased by \$2,316,767. The increase was substantially attributable to revenues and other financing sources being higher than the budget by \$2,501,809 offset by the expenditure budget being overspent by \$185,042. See additional discussion in the budgetary highlights section below.

Management's Discussion and Analysis

General fund budgetary highlights

There were no significant budget transfers made during the year.

The most significant budget variances were as follows:

- Intergovernmental revenues were in excess of the amount budgeted by \$3,102,586 primarily due to PILOT - state colleges and hospitals grants that were higher than budgeted amount of \$3,165,480.
- Transfers in were less than budgeted by \$1,775,000 due to budgeted transfers not made from both the ARPA fund and public safety fund.
- General government expenditures were underspent by \$820,309 primarily due to the unused contingency budget of \$600,000.
- Public safety expenditures were overspent by \$510,330 due to police overtime of \$397,509 and repairs and maintenance of police vehicles of \$108,221.
- Public works expenditures were overspent by \$530,377 due to disposal of solid waste increase in tonnage and grounds and building maintenance due to increase in overtime of \$69,688 and HVAC maintenance costs of \$374,005.
- Casualty loss of \$265,257 was an unexpected expenditure.

Allingtown Fire Department. The Allingtown Fire Department fund accounts for the activities of the Allingtown Fire Department. The activities of the Fire Department are required to be accounted for separately since the City has two other Fire Departments that are legally separate taxing districts. At the end of the current fiscal year, restricted fund balance of the fund was \$4,136,278. This was the result of positive operations of \$1,660,999 due to revenue being higher than budgeted by \$1,296,217 and expenditure savings of \$364,782. See additional discussion in the budgetary highlights section below.

Allingtown Fire Department budgetary highlights

There were no significant budget transfers made during the year.

The most significant budget variances were as follows:

- Intergovernmental revenues were in excess of the amount budgeted by \$1,120,845 primarily due to PILOT - state grants that were not budgeted in the amount of \$770,500 and FEMA grants that were higher than budgeted by \$328,830.
- Personnel was underspent by \$477,723 due to the cost of insurance being lower than expected in the amount of \$349,556.
- Utilities, insurance and equipment was underspent by \$218,670 mostly due to the unused contingency budgeted of \$155,000.

ARPA fund. The City has approved projects to be funded with ARPA monies, but only had expended \$7,070 during the year. The remaining \$23,702,608 will be spend in future fiscal years.

Sewer fund. The sewer fund accounts for the City's sewer usage operations. During the year, expenditures and transfers out exceeded revenues by \$37,098. This decreased the fund balance to \$6,371,587.

Management's Discussion and Analysis

Education grants fund. The education grants fund accounts for financial resources received from the federal government and the State of Connecticut to be used in accordance with each grant award. During the year, expenditures exceeded revenues by \$78,234. This decreased the fund balance to \$0.

Capital improvement fund. The capital improvement fund accounts for financial resources to be used for various construction projects. The fund balance has increased by \$642,193. During the year, the fund had expenditures of \$19,051,533. Funding sources primarily include state grants for school improvements and other City projects of \$8,254,115 and issuance of debt of \$8,160,192 and related premium of \$3,017,885. The deficit fund balance of \$21,548,818 is a result of the timing of the receipt of grants and financing as compared to expenditures for the High School renovation project, as well as the use of bond anticipation notes to finance the project.

Proprietary funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The City has one proprietary fund: the internal service fund.

Internal service fund. The internal service fund is used to account for medical claims, general claim liabilities, and workers' compensation. The internal service fund had a total net position of \$(8,615,118) at year end. The fund has a decrease in net position of \$1,033,405 due to lower than expected medical claims of \$1,124,902 offset by higher than expected workers' compensation claims expenses.

Capital assets and debt administration

Capital assets

The City's investment in capital assets totaled \$336,897,956 (net of accumulated depreciation/ amortization). This investment in capital assets is as follows:

	Capital Assets (Net of Accumulated Depreciation/Amortization) June 30	
	<u>2022</u>	<u>2021</u> (as restated)
Land	\$ 16,400,389	\$ 16,400,390
Construction in progress	152,379,547	131,384,083
Intangible right-to-use assets	881,698	449,006
Land improvements	7,866,071	7,559,286
Buildings and improvements	94,123,923	96,605,990
Machinery and equipment	10,732,421	9,821,050
Vehicles	5,586,106	5,300,980
Infrastructure	48,927,801	50,423,313
Total	<u>\$ 336,897,956</u>	<u>\$ 317,944,098</u>

The capital assets (net of depreciation/amortization) increased in the current year by \$18,953,858. The increase is due to capital additions exceeding depreciation expense. In the current year, the City had capital asset additions totaling \$27,112,464.

Management's Discussion and Analysis

Major capital asset additions consisted of the following:

➤ Construction in progress:	
○ West Haven High School renovations	\$ 10,411,515
○ Various street paving	2,378,847
○ Cove River tide gates	1,827,263
○ Savin Rock Beach improvements	902,400
○ Bailey Middle School sports complex	743,145
○ Bailey Middle School basketball and pickleball courts	621,695
○ Sewer outfall pipe	587,396
➤ Land improvements:	
○ West Haven High School tennis courts	449,280
➤ Buildings and improvements:	
○ Bailey Middle School modular classrooms	384,622
➤ Machinery and equipment:	
○ Smartboards	1,345,950
○ Police server update	505,224
➤ Vehicles:	
○ Police car interceptors	339,157

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

Long-term debt

At the end of the fiscal year, total long-term debt outstanding was \$96,304,367. All debt is backed by the full faith and credit of the City.

Long-Term Debt June 30

	2022	2021 (as restated)
General obligation bonds	\$ 74,300,000	\$ 62,975,000
Pension obligation bonds	-	5,540,000
Bond anticipation notes - permanently financed	-	13,000,000
Clean water notes payable	20,800,625	22,667,997
Equipment financing notes payable	336,324	1,130,224
Leases	867,418	449,006
Total	\$ 96,304,367	\$ 105,762,227

During the current fiscal year, the City's total debt decreased by \$9,457,860 due to issuance of bonds of \$7,545,000 and issuance of leases of \$615,192, offset by scheduled principal payments of \$17,618,052.

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

Management's Discussion and Analysis

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the City is \$951,980,078, which is significantly in excess of the City's outstanding general obligation debt.

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

Economic factors and next year's budgets and rates

The 2022-2023 general fund adopted budget totaled \$168,362,116. The following economic factors currently affect the City of West Haven and were considered in developing the 2022-2023 fiscal year budget:

- As of June 2022, the unemployment rate for the City was at 4.5%, which is higher than the State average unemployment rate of 4.1% and higher than the national unemployment rate of 3.8%.

In May 2022, the City was designated as a Tier IV Municipality. Under Tier IV, the membership of the MARB expands to include the Mayor, a selected City Council member and the City Treasurer as non-voting members. Under Tier IV, the MARB has to approve of the annual budget and related tax levy.

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.

**Basic
Financial
Statements**

City of West Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

Assets

Current assets:	
Cash	\$ 10,671,025
Investments	32,992,452
Receivables (net):	
Property taxes	1,425,989
Sewer use	91,380
Intergovernmental	10,249,600
Loans	111,641
Other	928,110
Prepays	149,832
Total current assets	<u>56,620,029</u>
Noncurrent assets:	
Receivables (net):	
Property taxes	3,087,655
Sewer use	1,288,428
Loans	1,369,874
Other	166,982
Total receivables (net)	<u>5,912,939</u>
Capital assets (net of accumulated depreciation/amortization):	
Land	16,400,389
Construction in progress	152,379,547
Intangible right-to-use assets	881,698
Land improvements	7,866,071
Buildings and improvements	94,123,923
Machinery and equipment	10,732,421
Vehicles	5,586,106
Infrastructure	48,927,801
Total capital assets (net of accumulated depreciation/amortization)	<u>336,897,956</u>
Total noncurrent assets	<u>342,810,895</u>
Total assets	<u>399,430,924</u>

Deferred Outflows of Resources

Pension related	21,139,742
OPEB related	<u>77,616,779</u>
Total deferred outflows of resources	<u>98,756,521</u>

(Continued)

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

City of West Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

Liabilities

Current liabilities:	
Accounts payable	\$ 12,234,640
Accrued payroll and related liabilities	4,923,204
Accrued interest payable	347,096
Retainage payable	2,351,538
Unearned revenue	24,219,676
Bond anticipation notes	6,500,000
Other	518,220
Long-term debt	11,050,977
Compensated absences	2,222,932
Heart and hypertension	117,233
Claims payable	3,938,133
	<hr/>
Total current liabilities	68,423,649
Noncurrent liabilities:	
Long-term debt and related liabilities	91,336,515
Compensated absences	8,891,725
Heart and hypertension	1,673,486
Claims payable	6,950,119
Net pension liability	63,450,951
OPEB liability	249,344,753
	<hr/>
Total noncurrent liabilities	421,647,549
	<hr/>
Total liabilities	490,071,198

Deferred Inflows of Resources

Advance property tax collections	585,617
Pension related	3,454,084
OPEB related	105,606,365
	<hr/>
Total deferred inflows of resources	109,646,066

Net Position

Net investment in capital assets	234,391,084
Restricted:	
General government	129,903
Allingtown fire department	4,332,493
Sewer operations	6,221,755
Housing rehabilitation	2,446,236
Education	1,085,543
Unrestricted	(350,136,833)
	<hr/>
Total net position	\$ (101,529,819)

(Concluded)

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

City of West Haven, Connecticut

Governmental Activities
Statement of Activities
For the Year Ended June 30, 2022

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	\$ 11,650,010	\$ 3,407,409	\$ 615,132	\$ -	\$ (7,627,469)
Public safety	44,791,584	2,751,728	2,540,128	1,110,487	(38,389,241)
Public works	29,818,621	12,249,832	23,853	5,321,533	(12,223,403)
Human resources and health and welfare	4,246,746	101,957	2,017,265	-	(2,127,524)
Parks and recreation	1,569,197	276,994	47,038	-	(1,245,165)
Library	1,435,692	-	-	-	(1,435,692)
Education	141,592,100	1,188,617	89,358,858	5,913,898	(45,130,727)
Interest	2,005,854	-	-	-	(2,005,854)
Total	\$ 237,109,804	\$ 19,976,537	\$ 94,602,274	\$ 12,345,918	(110,185,075)
General revenues:					
Property taxes					113,190,707
Grants and contributions not restricted to specific programs					9,939,160
Income from investments					121,317
Gain on sale of capital assets					550,799
Total general revenues					123,801,983
Change in net position before extraordinary item					13,616,908
Extraordinary item:					
Casualty loss					(265,257)
Change in net position					13,351,651
Net position - July 1, 2021					(114,881,470)
Net position - June 30, 2022					\$(101,529,819)

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

City of West Haven, Connecticut

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Allingtown Fire Department Fund	ARPA Fund	Sewer Fund	Education Grants Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Cash	\$ 4,893,729	\$ 152,070	\$ -	\$ 288,287	\$ -	\$ 3,925,970	\$ 1,371,259	\$ 10,631,315
Investments	21,792,452	4,100,000	-	7,100,000	-	-	-	32,992,452
Receivables (net):								
Property taxes	4,086,784	426,860	-	-	-	-	-	4,513,644
Sewer use	-	-	-	1,379,808	-	-	-	1,379,808
Intergovernmental	-	628,830	-	-	1,096,833	2,429,817	6,094,120	10,249,600
Loans	-	-	-	-	-	-	1,481,515	1,481,515
Other	374,384	9,193	-	248,107	-	4,216	455,640	1,091,540
Due from other funds	23,335,467	180,750	23,702,608	-	181,187	255,194	3,191,291	50,846,497
Prepays	-	-	-	149,832	-	-	-	149,832
Total assets	\$ 54,482,816	\$ 5,497,703	\$ 23,702,608	\$ 9,166,034	\$ 1,278,020	\$ 6,615,197	\$ 12,593,825	\$ 113,336,203
Liabilities								
Accounts payable	\$ 7,518,245	\$ 277,892	\$ 5,750	\$ 1,183,160	\$ 1,240,020	\$ 942,742	\$ 1,016,647	\$ 12,184,456
Accrued payroll and related liabilities	4,911,567	11,637	-	-	-	-	-	4,923,204
Retainage payable	-	-	-	-	-	2,303,771	47,767	2,351,538
Due to other funds	29,166,640	624,446	-	184,178	-	18,417,502	4,733,787	53,126,553
Unearned revenue	239,600	-	23,696,858	-	38,000	-	245,218	24,219,676
Bond anticipation notes payable	-	-	-	-	-	6,500,000	-	6,500,000
Other	517,037	1,183	-	-	-	-	-	518,220
Total liabilities	42,353,089	915,158	23,702,608	1,367,338	1,278,020	28,164,015	6,043,419	103,823,647
Deferred Inflows of Resources								
Unavailable revenue:								
Property taxes	3,639,555	414,989	-	-	-	-	-	4,054,544
Sewer use	-	-	-	1,379,808	-	-	-	1,379,808
Advance property tax collections	507,038	31,278	-	47,301	-	-	-	585,617
Total deferred inflows of resources	4,146,593	446,267	-	1,427,109	-	-	-	6,019,969
Fund Balances								
Nonspendable	-	-	-	149,832	-	-	-	149,832
Restricted	-	4,136,278	-	6,221,755	-	-	3,857,897	14,215,930
Committed	-	-	-	-	-	3,277,791	3,652,729	6,930,520
Unassigned	7,983,134	-	-	-	-	(24,826,609)	(960,220)	(17,803,695)
Total fund balances	7,983,134	4,136,278	-	6,371,587	-	(21,548,818)	6,550,406	3,492,587
Total liabilities, deferred inflows of resources and fund balances	\$ 54,482,816	\$ 5,497,703	\$ 23,702,608	\$ 9,166,034	\$ 1,278,020	\$ 6,615,197	\$ 12,593,825	\$ 113,336,203

(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, 2022

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)	<u>\$ 3,492,587</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	317,944,098
Current year additions (net of construction in progress)	27,112,464
Depreciation/amortization expense	(8,027,506)
Disposal of capital assets	<u>(131,100)</u>
Total	<u>336,897,956</u>

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

Deferred outflows related to pensions	21,139,742
Deferred outflows related to OPEB	<u>77,616,779</u>
Total	<u>98,756,521</u>

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

Property taxes and sewer use - accrual basis change	<u>5,434,352</u>
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in the statement of net position	<u>(8,615,118)</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued interest payable	(347,096)
Bonds and notes payable	(95,436,949)
Premium	(6,083,125)
Leases payable	(867,418)
Compensated absences	(11,114,657)
Heart and hypertension	(1,790,719)
Net pension liability	(63,450,951)
OPEB liability	(249,344,753)
Deferred inflows related to pensions	(3,454,084)
Deferred inflows related to OPEB	<u>(105,606,365)</u>
Total	<u>(537,496,117)</u>

Net position (Exhibit A)	<u><u>\$ (101,529,819)</u></u>
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(Concluded)

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

City of West Haven, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Allingtown Fire Department Fund	ARPA Fund	Sewer Fund	Education Grants Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:								
Property taxes	\$ 105,419,834	\$ 7,303,733	\$ -	\$ -	\$ -	\$ -	\$ 388,450	\$ 113,112,017
Intergovernmental	68,945,245	2,381,370	7,070	23,853	25,325,881	8,254,115	11,077,567	116,015,101
Charges for services	4,950,862	168,935	-	11,798,813	-	201,798	2,678,162	19,798,570
Contributions	466,715	100,000	-	-	-	-	137,334	704,049
Income from investments	120,555	-	-	-	-	31	731	121,317
Other	148,417	-	-	-	-	19,785	-	168,202
Total revenues	<u>180,051,628</u>	<u>9,954,038</u>	<u>7,070</u>	<u>11,822,666</u>	<u>25,325,881</u>	<u>8,475,729</u>	<u>14,282,244</u>	<u>249,919,256</u>
Expenditures:								
Current:								
General government	6,517,569	-	-	-	-	-	-	6,517,569
Public safety	16,818,097	7,569,956	-	-	-	-	2,358,530	26,746,583
Public works	11,898,139	-	7,070	8,023,661	-	-	55,815	19,984,685
Benefits and insurance	18,864,103	-	-	-	-	-	-	18,864,103
Human resources and health and welfare	1,171,481	-	-	-	-	-	1,740,170	2,911,651
Parks and recreation	874,536	-	-	-	-	-	468,900	1,343,436
Library	1,435,692	-	-	-	-	-	-	1,435,692
Education	103,067,126	-	-	-	25,404,115	-	5,357,801	133,829,042
Capital outlay	-	708,234	-	1,231,974	-	18,956,357	2,750,773	23,647,338
Debt service	17,900,579	14,849	-	2,015,424	-	95,176	-	20,026,028
Total expenditures	<u>178,547,322</u>	<u>8,293,039</u>	<u>7,070</u>	<u>11,271,059</u>	<u>25,404,115</u>	<u>19,051,533</u>	<u>12,731,989</u>	<u>255,306,127</u>
Excess (deficiency) of revenues over expenditures	<u>1,504,306</u>	<u>1,660,999</u>	<u>-</u>	<u>551,607</u>	<u>(78,234)</u>	<u>(10,575,804)</u>	<u>1,550,255</u>	<u>(5,386,871)</u>
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	8,160,192	-	8,160,192
Premium	-	-	-	-	-	3,017,885	-	3,017,885
Sale of capital assets	550,800	-	-	-	-	-	-	550,800
Transfers in	548,785	-	-	-	-	39,920	21,867	610,572
Transfers out	(21,867)	-	-	(588,705)	-	-	-	(610,572)
Net other financing sources (uses)	<u>1,077,718</u>	<u>-</u>	<u>-</u>	<u>(588,705)</u>	<u>-</u>	<u>11,217,997</u>	<u>21,867</u>	<u>11,728,877</u>
Extraordinary item:								
Casualty loss	(265,257)	-	-	-	-	-	-	(265,257)
Net change in fund balances	2,316,767	1,660,999	-	(37,098)	(78,234)	642,193	1,572,122	6,076,749
Fund balances - July 1, 2021	5,666,367	2,475,279	-	6,408,685	78,234	(22,191,011)	4,978,284	(2,584,162)
Fund balances - June 30, 2022	<u>\$ 7,983,134</u>	<u>\$ 4,136,278</u>	<u>\$ -</u>	<u>\$ 6,371,587</u>	<u>\$ -</u>	<u>\$ (21,548,818)</u>	<u>\$ 6,550,406</u>	<u>\$ 3,492,587</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 the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds (Exhibit D) \$ 6,076,749

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/amortization expense.

Capital outlay	27,112,464
Depreciation/amortization expense	<u>(8,027,506)</u>

Total	<u>19,084,958</u>
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or donated.

Loss on disposal of capital assets	<u>(131,100)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property taxes and sewer use - accrual basis change	<u>256,657</u>
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The issuance of long-term debt (e.g., bonds, notes, 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:	
Bonds	(7,545,000)
Leases	(615,192)
Premium	(3,017,885)

Principal repayments:	
Bonds	14,760,000
Notes	2,661,272
Leases	<u>196,780</u>

Total	<u>6,439,975</u>
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(Continued)

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

City of West Haven, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

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

Change in/amortization of:	
Accrued interest payable	\$ 114,007
Compensated absences	(1,501,838)
Heart and hypertension	(135,859)
Net pension liability	(30,066,437)
OPEB liability	102,555,117
Deferred charges	(187,865)
Premium	475,980
Deferred outflows related to pension	11,488,652
Deferred inflows related to pension	14,603,955
Deferred outflows related to OPEB	(19,785,153)
Deferred inflows related to OPEB	<u>(94,902,742)</u>
Total	<u>(17,342,183)</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>(1,033,405)</u>
Change in net position (Exhibit B)	<u>\$ 13,351,651</u>
	(Concluded)

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

City of West Haven, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 39,710
Accounts receivable	3,552
Due from other funds	<u>2,280,056</u>
Total assets	<u>2,323,318</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	50,184
Claims payable	<u>3,938,133</u>
Total current liabilities	<u>3,988,317</u>
Noncurrent liabilities:	
Claims payable	<u>6,950,119</u>
Total liabilities	<u>10,938,436</u>
<u>Net Position</u>	
Restricted for OPEB	325,000
Unrestricted	<u>(8,940,118)</u>
Total net position	<u>\$ (8,615,118)</u>

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

City of West Haven, Connecticut

Proprietary Funds
 Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended June 30, 2022

	Governmental Activities
	Internal Service Funds
Operating revenues:	
Charges for services	\$ 15,736,175
Contributions - OPEB	200,000
	<u>15,936,175</u>
Total operating revenues	<u>15,936,175</u>
Operating expenses:	
Claims	15,980,477
Administration	989,103
	<u>16,969,580</u>
Total operating expenses	<u>16,969,580</u>
Change in net position	(1,033,405)
Net position - July 1, 2021	<u>(7,581,713)</u>
Net position - June 30, 2022	<u><u>\$ (8,615,118)</u></u>

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

City of West Haven, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash received for charges	\$ 15,193,941
Cash paid for claims and other	(14,120,789)
Cash paid for administration	(995,448)
Cash paid for insurance	(16,509)
	<u>61,195</u>
Net increase (decrease) in cash	61,195
Cash overdraft - July 1, 2021	<u>(21,485)</u>
Cash - June 30, 2022	<u>\$ 39,710</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (1,033,405)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	36,203
Due from other funds	(778,437)
Increase (decrease) in:	
Accounts payable	(22,854)
Claims payable	1,859,688
	<u>1,859,688</u>
Net cash from (used in) operating activities	<u>\$ 61,195</u>

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

City of West Haven, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	<u>Pension Trust Funds</u>
<u>Assets</u>	
Investments at fair value:	
Bank money market	\$ 1,977,264
Mutual funds:	
Money market	3,396,676
Equity	34,326,886
Exchange traded funds	48,356,096
Equity - domestic	15,843,535
Real estate investment trust	468,688
Corporate bonds	5,231,047
Alternative investments:	
Private equity funds	7,703,376
Real estate funds	444,866
Multi-strategy hedge funds	170,438
Annuities	5,900,710
Variable rate note	2,015,260
	<u>125,834,842</u>
 Total investments	 <u>125,834,842</u>
<u>Net Position</u>	
 Restricted for pensions	 \$ 125,834,842

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

City of West Haven, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 5,543,800
Plan members	543,260
	6,087,060
Total contributions	
Investment income (loss):	
Change in fair value of investments	(24,735,171)
Interest and dividends	3,274,052
	(21,461,119)
Total investment income (loss)	
Less investment expenses	491,442
	(21,952,561)
Net investment income (loss)	
Total additions	(15,865,501)
Deductions:	
Benefits	9,570,533
Administration	652,951
	10,223,484
Total deductions	
Changes in net position	(26,088,985)
Net position - July 1, 2021	151,923,827
Net position - June 30, 2022	\$125,834,842

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

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****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.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is financially accountable for the pension trust funds and therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension trust funds in the fiduciary fund financial statements. The pension trust funds do not issue separate financial statements.

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

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

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

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

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

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Property taxes, charges and fees, 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:

General Fund	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.
Allingtown Fire Department Fund	Accounts 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.
ARPA Fund	Accounts for and reports the proceeds and expenditures of the American Rescue Plan Act ("ARPA") grant.
Sewer Fund	Accounts 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.
Education Grants Fund	Accounts for specially financed school programs under education grants and tuition.
Capital Improvement Fund	Accounts for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities.

The City reports the following proprietary fund:

Internal Service Funds	Accounts for risk financing activities for medical insurance benefits, general liability, and workers' compensation.
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City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

Additionally, the City reports the following fund types:

Special Revenue Funds	Accounts for and report the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.
Capital Project Funds	Accounts for 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.
Pension Trust Funds	Accounts for the activities of the Police Retirement Plan and Allingtown Fire Department Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.

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 Police and Allingtown Fire Department pension plans and OPEB, the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the City's pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. Cash

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

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

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

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

The investment guidelines are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>Police</u>	<u>Allingtown</u>
Equities	52.50%	29.59%
Fixed income	20.00%	58.40%
Real estate and REIT's	5.00%	5.66%
Private equity/hedge funds	19.00%	0.00%
Cash	3.50%	6.35%
Total	<u>100.00%</u>	<u>100.00%</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

c. Method used to value investments

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

Fair value of investments

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

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active. Fair values are primarily obtained from third party pricing services for identical comparable assets
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The City follows the limitations specified in the Connecticut General Statutes. Generally, the City's deposits cannot be 75% or more of the total capital in any one depository.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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, loans and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 8% to 47% 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.

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.

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.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Capital assets**

Capital 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.

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.

Capital assets are depreciated/amortized using the straight-line method. Estimated useful lives and capitalization thresholds by asset type are as follows:

<u>Assets</u>	<u>Years</u>		<u>Capitalization Threshold</u>
	<u>City</u>	<u>Allingtown</u>	
Land improvements	50-75	N/A	\$ 50,000
Buildings and improvements	40	15-20	100,000
Machinery and equipment	7-50	5-10	10,000
Vehicles	5-25	5-20	10,000
Infrastructure	25-100	10-39	100,000
Intangible right-to-use leased assets	Lease term	Lease term	25,000

5. 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

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

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

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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

6. 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.

7. Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities 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.

8. Lease liabilities

The City is a lessee for noncancellable leases of office space, cell tower space and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

Key estimates and judgments related to leases include:

Discount Rate	The City uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to the present value. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

9. 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 depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes is 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 classified in the previous two categories

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through 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. Intent is expressed by the passage of a resolution by the City Council or by a properly approved purchase order.
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.

10. 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.

11. Reclassifications

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

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

B. Excess expenditures over appropriations

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

Town and city clerk	\$ 22,148
Grants administration	23,262
Finance/comptroller	129,420
Purchasing department	64,261
Information and technology/data processing	205,913
Primary and elections	4,387
Payroll processing	5,041
Public safety administration	190,192
Public safety operations	320,249
Public safety support	165,573
Emergency management	7,918
Disposal of solid waste	430,594
Grounds and building maintenance	484,804
City insurance	523,174
Health department	312
Casualty loss (extraordinary item)	265,257

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
WHHS expansion and renovation	\$ 133,250,000	\$ 125,162,572	\$ 8,087,428
Beach Street reconstruction project	5,200,000	2,932,399	2,267,601
Dawson Avenue sewer project	2,061,000	357,172	1,703,828
Washington Elementary School rebuild	3,178,000	124,589	3,053,411
ARPA for pocket parks and open spaces	1,000,000	-	1,000,000
Arts center building	3,500,000	-	3,500,000
Fire district renovations and ventilation systems	3,075,000	-	3,075,000
Painter park field house	1,000,000	-	1,000,000
Totals	<u>\$ 152,264,000</u>	<u>\$ 128,576,732</u>	<u>\$ 23,687,268</u>

D. Casualty loss – extraordinary item

The amount reported as a casualty loss represents the known loss due to the fraudulent disbursements to multiple vendors for supposed COVID related goods and services.

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

At year end, the City's bank balance was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 19,514,721</u>
Uninsured and uncollateralized	\$ 13,413,635
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>4,804,546</u>
Total amount subject to custodial credit risk	<u>\$ 18,218,181</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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)**2. Investments**

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

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Greater than 10
Bank money market	\$ 1,977,264	\$ -	\$ 1,977,264	\$ -	\$ -	\$ -
Pooled fixed income	32,992,452	-	32,992,452	-	-	-
Mutual funds:						
Money market	3,396,676	-	3,396,676	-	-	-
Equity	34,326,886	34,326,886	-	-	-	-
Exchange traded funds	48,356,096	48,356,096	-	-	-	-
Equity - domestic	15,843,535	15,843,535	-	-	-	-
Real estate investment trusts	468,688	468,688	-	-	-	-
Corporate bonds	5,231,047	-	94,321	1,996,412	3,063,036	77,278
Alternative investments:						
Private equity funds	7,703,376	7,703,376	-	-	-	-
Real estate funds	444,866	444,866	-	-	-	-
Multi-strategy hedge funds	170,438	170,438	-	-	-	-
Annuities	5,900,710	-	-	4,908,219	-	992,491
Variable rate note	2,015,260	2,015,260	-	-	-	-
Total	158,827,294	\$ 109,329,145	\$ 38,460,713	\$ 6,904,631	\$ 3,063,036	\$ 1,069,769
Less fiduciary funds	<u>(125,834,842)</u>					
Other funds	<u>\$ 32,992,452</u>					

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

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

	Amount	Quoted Market	Significant	Significant
		Prices in Active Markets	Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
Mutual funds:				
Money market	\$ 3,396,676	\$ 3,396,676	\$ -	\$ -
Equity	34,326,886	34,326,886	-	-
Exchange traded funds	48,356,096	48,356,096	-	-
Equity - domestic	15,843,535	15,843,535	-	-
Real estate investment trusts	468,688	468,688	-	-
Corporate bonds	5,231,047	-	5,231,047	-
Annuities	5,900,710	-	-	5,900,710
Variable rate note	2,015,260	-	2,015,260	-
Total investments by fair value level	<u>115,538,898</u>	<u>\$ 102,391,881</u>	<u>\$ 7,246,307</u>	<u>\$ 5,900,710</u>
<u>Investments measured at the net asset value (NAV)</u>				
Alternative investments:				
Private equity funds	7,703,376			
Real estate funds	444,866			
Multi-strategy hedge funds	170,438			
Total investments measured at the NAV	<u>8,318,680</u>			
<u>Other investments not subject to fair value measurement</u>				
Bank money market	1,977,264			
Pooled fixed income	32,992,452			
Total other investments	<u>34,969,716</u>			
Total investments	<u>\$ 158,827,294</u>			

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

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

Level 3: Unobservable inputs

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

For level 3, fair value is based upon the carrying value or fair value of the underlying investments as available.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

Investment Description		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Alternative investments:					
Private equity funds	1	\$ 7,703,376	\$ -	Quarterly	90 days
Real estate funds	2	444,866	-	N/A	N/A
Multi-strategy hedge funds	3	<u>170,438</u>	<u>-</u>	N/A	N/A
Total investments measured at the NAV		<u>\$ 8,318,680</u>	<u>\$ -</u>		

- 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.
- Real estate funds - This type includes 2 real estate funds that invest primarily in U.S. commercial real estate. The funds permit redemptions as determined by the general partner. 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.
- Multi-strategy hedge funds - This fund invests in 1 hedge fund that pursues multiple strategies to diversify risks and reduce volatility. The hedge fund’s composite portfolio for this type includes investments in approximately 29% equities, 22% bonds, 22% private equity, 14% money market funds, 11% bank loans and bankruptcy claims, and 2% other investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

- d. The City's investments subject to credit risk had average ratings by Standard & Poor's and AM Best (annuities) as follows:

Type of Investment	Ratings							Total
	AAA	AA	A	BBB	BB	B	Unrated	
Pooled fixed income	\$32,992,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,992,452
Mutual funds:								
Money market	-	-	-	-	-	-	3,396,676	3,396,676
Corporate bonds	50,209	385,278	2,301,038	852,184	1,030,552	454,902	156,884	5,231,047
Annuities	-	-	5,852,702	-	-	-	48,008	5,900,710
Variable rate note	-	-	-	-	-	-	2,015,260	2,015,260
Total	\$33,042,661	\$385,278	\$ 8,153,740	\$ 852,184	\$1,030,552	\$454,902	\$ 5,616,828	\$ 49,536,145

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

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

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Exchange traded funds	\$ 48,356,096	\$ 500,000	\$ 47,856,096
Equity - domestic	15,843,535	500,000	15,343,535
Real estate investment trusts	468,688	-	468,688
Corporate bonds	5,231,047	-	5,231,047
Variable rate note	2,015,260	-	2,015,260
Total	\$ 71,914,626	\$1,000,000	\$ 70,914,626

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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	\$ 1,173,176	\$ 107,829	\$ 1,281,005
Long-term portion	3,016,739	2,419,040	5,435,779
Less allowance for uncollectibles	(1,450,000)	(1,180,000)	(2,630,000)
Net long-term portion	<u>1,566,739</u>	<u>1,239,040</u>	<u>2,805,779</u>
Total receivable	<u>\$ 2,739,915</u>	<u>\$ 1,346,869</u>	<u>\$ 4,086,784</u>

Allintown Property Taxes

	<u>Taxes</u>	<u>Interest and Lien Fees</u>	<u>Total</u>
Current portion	\$ 98,602	\$ 46,382	\$ 144,984
Long-term portion	312,239	260,637	572,876
Less allowance for uncollectibles	(170,000)	(121,000)	(291,000)
Net long-term portion	<u>142,239</u>	<u>139,637</u>	<u>281,876</u>
Total receivable	<u>\$ 240,841</u>	<u>\$ 186,019</u>	<u>\$ 426,860</u>

Sewer Use

	<u>Use</u>	<u>Interest and Lien Fees</u>	<u>Total</u>	<u>CDBG Loans</u>	<u>Police Private Duty</u>
Current portion	\$ 73,938	\$ 17,442	\$ 91,380	\$ 111,641	\$ 288,445
Long-term portion	747,594	680,834	1,428,428	1,509,874	288,445
Less allowance for uncollectibles	(66,000)	(74,000)	(140,000)	(140,000)	(121,463)
Net long-term portion	<u>681,594</u>	<u>606,834</u>	<u>1,288,428</u>	<u>1,369,874</u>	<u>166,982</u>
Total receivable	<u>\$ 755,532</u>	<u>\$ 624,276</u>	<u>\$ 1,379,808</u>	<u>\$ 1,481,515</u>	<u>\$ 455,426</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund:			
Allingtown Fire Department	N/A	\$ -	\$ 180,750
ARPA Fund	N/A	-	23,702,608
Sewer Fund	N/A	184,178	-
Capital Improvement Fund	N/A	18,417,502	-
Education Grants Fund	N/A	-	181,187
Community Development Block Grant	N/A	518,600	
Document Preservation	N/A		129,689
COVID Relief Grant	N/A		-
Sports Facilities	N/A		447,116
Miscellaneous Grants	N/A	4,215,187	-
Public Safety	N/A		279,071
Health and Welfare	N/A		83,799
Savin Rock	N/A		111,338
School Lunch Program	N/A		915,653
Career and Adult Education	N/A		158,429
Capital Project Funds	N/A	-	816,196
Medical	N/A	-	1,812,141
General Liability	N/A	-	3,559
Workers' Compensation	N/A	-	345,104
Total General Fund		23,335,467	29,166,640
Allingtown Fire Department:			
General Fund	N/A	180,750	-
Capital Improvement Fund	N/A	-	255,194
Capital and Nonrecurring	N/A	-	250,000
Medical	N/A	-	50,000
Workers' compensation	N/A	-	69,252
Total Allingtown Fire Department		180,750	624,446
ARPA Fund:			
General Fund	N/A	23,702,608	-

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Sewer Fund:			
General Fund	N/A	\$ -	\$ 184,178
Education Grants Fund:			
General Fund	N/A	181,187	-
Capital Improvement Fund:			
General Fund	N/A	-	18,417,502
Allingtown Fire Department	N/A	255,194	-
Total Capital Improvement Fund		255,194	18,417,502
Community Development Block Grant	General Fund	-	518,600
Document Preservation	General Fund	129,689	-
Sports Facilities	General Fund	447,116	-
Miscellaneous Grants	General Fund	-	4,215,187
Public Safety	General Fund	279,071	-
Health and Welfare	General Fund	83,799	-
Savin Rock	General Fund	111,338	-
School Lunch Program	General Fund	915,653	-
Career and Adult Education	General Fund	158,429	-
Capital and Nonrecurring	General Fund	816,196	-
Capital and Nonrecurring	Allingtown Fire Department	250,000	-
Total Other Governmental Funds		3,191,291	4,733,787
Internal Service Funds:			
Medical	General Fund	1,812,141	-
Medical	Allingtown Fire Department	50,000	-
General Liability	General Fund	3,559	-
Workers' Compensation	General Fund	345,104	-
Workers' Compensation	Allingtown Fire Department	69,252	-
Total Internal Service Funds		2,280,056	-
Total		\$ 53,126,553	\$ 53,126,553

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)

2. Interfund transfers

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund:			
Sewer Fund	N/A	\$ 548,785	\$ -
Public Safety	N/A	-	21,867
Total General Fund		<u>548,785</u>	<u>21,867</u>
Sewer Fund:			
General Fund	N/A	-	548,785
Capital Improvement	N/A	-	39,920
Total Sewer Fund		<u>-</u>	<u>588,705</u>
Capital Improvement Fund:			
Sewer Fund	N/A	<u>39,920</u>	<u>-</u>
Other Governmental Funds:			
Public Safety	General Fund	<u>21,867</u>	<u>-</u>
Total		<u>\$ 610,572</u>	<u>\$ 610,572</u>

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets

Capital asset activity for the fiscal year was as follows:

City	Balance July 1, 2021 (as restated)	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated/ amortized:				
Land	\$ 16,363,487	\$ -	\$ 1	\$ 16,363,486
Construction in progress	131,384,083	20,966,563	286,099	152,064,547
Total capital assets, not being depreciated/ amortized	147,747,570	20,966,563	286,100	168,428,033
Capital assets, being depreciated/amortized:				
Intangible right-to-use assets	449,006	615,192	-	1,064,198
Land improvements	17,005,884	772,007	-	17,777,891
Buildings and improvements	201,419,272	952,427	643,078	201,728,621
Machinery and equipment	31,394,539	2,891,584	96,469	34,189,654
Vehicles	8,950,941	688,381	95,746	9,543,576
Infrastructure	100,975,513	-	-	100,975,513
Total capital assets, being depreciated/ amortized	360,195,155	5,919,591	835,293	365,279,453
Total capital assets	507,942,725	26,886,154	1,121,393	533,707,486
Less accumulated depreciation/ amortization for:				
Intangible right-to-use assets	-	182,500	-	182,500
Land improvements	9,446,598	465,222	-	9,911,820
Buildings and improvements	105,136,576	3,401,174	570,693	107,967,057
Machinery and equipment	21,695,044	2,091,251	93,346	23,692,949
Vehicles	4,283,548	239,797	40,155	4,483,190
Infrastructure	50,622,625	1,486,792	-	52,109,417
Total accumulated depreciation/amortization	191,184,391	7,866,736	704,194	198,346,933
Total capital assets, being depreciated/ amortized, net	169,010,764	(1,947,145)	131,099	166,932,520
Capital assets, net	\$ 316,758,334	\$19,019,418	\$ 417,199	\$335,360,553

Intangible right-to-use assets by category are as follows:

Intangible right-to-use building and improvements	\$ 590,666
Intangible right-to-use machinery and equipment	473,532
Total intangible right-to use assets	\$1,064,198

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets (continued)

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

General government	\$1,316,870
Public safety	788,519
Public works	2,192,372
Health and welfare	129,203
Parks and recreation	224,098
Education	<u>3,215,674</u>
Total depreciation/amortization expense	<u><u>\$7,866,736</u></u>

Allingtown Fire Department	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 36,903	\$ -	\$ -	\$ 36,903
Construction in progress	-	315,000	-	315,000
Total capital assets, not being depreciated/amortized	<u>36,903</u>	<u>315,000</u>	<u>-</u>	<u>351,903</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	702,454	63,226	-	765,680
Machinery and equipment	133,160	-	-	133,160
Fire equipment	1,078,467	134,183	-	1,212,650
Vehicles and fire trucks	2,343,735	-	-	2,343,735
Infrastructure - hydrants	367,097	-	-	367,097
Total capital assets, being depreciated/ amortized	<u>4,624,913</u>	<u>197,409</u>	<u>-</u>	<u>4,822,322</u>
Total capital assets	<u>4,661,816</u>	<u>512,409</u>	<u>-</u>	<u>5,174,225</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	379,160	24,161	-	403,321
Machinery and equipment	120,674	646	-	121,320
Fire equipment	969,398	19,376	-	988,774
Vehicles and fire trucks	1,710,148	107,867	-	1,818,015
Infrastructure - hydrants	296,672	8,720	-	305,392
Total accumulated depreciation/amortization	<u>3,476,052</u>	<u>160,770</u>	<u>-</u>	<u>3,636,822</u>
Total capital assets, being depreciated/ amortized, net	<u>1,148,861</u>	<u>36,639</u>	<u>-</u>	<u>1,185,500</u>
Capital assets, net	<u><u>\$1,185,764</u></u>	<u><u>\$351,639</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,537,403</u></u>

Depreciation/amortization expense was charged to the public safety function.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Construction commitments

The City has the following construction commitments:

West Haven High School renovations	\$ 3,277,791
Cover River Tide Gate Reconstruction	<u>958,935</u>
Total	<u>\$ 4,236,726</u>

F. Short-term liabilities

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 liability activity for the fiscal year was as follows:

Type of Obligation/ Purpose	Issue Date	Maturity Date	Interest Rate	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
<u>Bond anticipation notes:</u>							
High School	9/22/20	9/30/21	2.000%	\$6,500,000	\$ -	\$6,500,000	\$ -
High School	9/23/21	9/29/22	2.000%	-	<u>6,500,000</u>	<u>-</u>	<u>6,500,000</u>
Total				<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$ 6,500,000</u>

In September 2022, the City issued \$6,530,000 of bond anticipation notes for the High School project at an interest rate of 5.00% maturing in March 2023.

In December 2022, the City issued \$781,774 of project loan obligation notes at an interest rate of 2.00% and maturing in December 2023.

In June 2023, the City issued \$780,401 of interim funding obligation notes at an interest rate of 2.00% and maturing in June 2024.

In March 2023, the City issued \$6,530,000 of bond anticipation notes for the High School project at an interest rate of 5.00% maturing in September 2023.

In September 2023, the City issued \$6,555,000 of bond anticipation notes for the High School project at an interest rate of 5.13% maturing in February 2024.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities

Bonds, notes and leases are direct obligations and pledge the full faith and credit of the City.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
Debt issue	\$ 7,435,994	03/31/10	02/15/25	5.10%	\$ 1,980,224	\$ -	\$ 495,056	\$ 1,485,168	\$ 495,056	\$ 990,112
Refunding issue	38,380,000	05/31/12	08/01/26	3.00-5.00%	9,168,000	-	2,690,000	6,478,000	1,091,000	5,387,000
Debt issue	1,225,000	05/31/12	08/01/26	3.00-5.00%	621,000	-	91,000	530,000	95,000	435,000
Debt issue	7,865,000	09/03/14	09/01/34	3.00-5.00%	5,088,000	-	462,000	4,626,000	462,000	4,164,000
Debt issue (deficit)	16,135,000	11/01/17	11/01/27	3.00-5.00%	11,290,000	-	1,615,000	9,675,000	1,615,000	8,060,000
Debt issue	5,815,000	11/01/17	11/01/37	3.00-5.00%	4,652,000	-	581,000	4,071,000	561,000	3,510,000
Debt issue	5,543,000	10/02/20	03/15/40	3.00-4.00%	5,146,000	-	352,000	4,794,000	523,000	4,271,000
Debt issue	4,367,000	09/15/21	09/15/41	4.000%	-	4,367,000	-	4,367,000	652,000	3,715,000
Total general purpose	86,765,994				37,945,224	4,367,000	6,286,056	36,026,168	5,494,056	30,532,112
School bonds:										
Debt issue	4,280,006	03/31/10	02/15/25	5.10%	1,139,776	-	284,944	854,832	284,944	569,888
Refunding issue	7,260,000	05/31/12	08/01/26	3.00-5.00%	5,565,000	-	1,532,000	4,033,000	734,000	3,299,000
Debt issue	2,250,000	05/31/12	08/01/26	3.00-5.00%	1,139,000	-	169,000	970,000	175,000	795,000
Debt issue	1,235,000	09/03/14	09/01/34	3.00-5.00%	862,000	-	63,000	799,000	63,000	736,000
Debt issue	600,000	11/01/17	11/01/37	3.00-5.00%	525,000	-	35,000	490,000	35,000	455,000
Debt issue	13,630,000	10/02/20	03/15/40	3.00-4.00%	12,934,000	-	643,000	12,291,000	967,000	11,324,000
Debt issue	16,178,000	09/15/21	09/15/41	4.000%	13,000,000	3,178,000	-	16,178,000	888,000	15,290,000
Total school bonds	45,433,006				35,164,776	3,178,000	2,726,944	35,615,832	3,146,944	32,468,888
Sewer bonds:										
Refunding issue	1,980,000	05/31/12	08/01/26	3.00-5.00%	27,000	-	13,000	14,000	-	14,000
Debt issue	3,220,000	11/01/17	11/01/37	3.00-5.00%	2,838,000	-	194,000	2,644,000	194,000	2,450,000
Total sewer bonds	5,200,000				2,865,000	-	207,000	2,658,000	194,000	2,464,000
Pension:										
Pension obligation bond (taxable)	38,715,000	09/03/14	03/15/22	0.99-4.16%	5,540,000	-	5,540,000	-	-	-
Total bonds	176,114,000				81,515,000	7,545,000	14,760,000	74,300,000	8,835,000	65,465,000

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
Notes (direct borrowings):										
Clean water:										
CWF 346-C	\$ 801,945	12/31/03	12/31/22	2.00%	\$ 71,212	\$ -	\$ 47,237	\$ 23,975	\$ 23,975	\$ -
CWF 348-C1	1,728,831	12/31/03	12/31/22	2.00%	153,519	-	101,834	51,685	51,685	-
CWF 346-CD2	801,055	05/31/07	12/31/22	2.00%	77,108	-	51,405	25,703	25,703	-
CWF 549-C	28,250,103	07/01/13	07/01/32	2.00%	16,876,999	-	1,374,010	15,502,989	1,401,743	14,101,246
CWF 549-CD2	1,425,544	06/30/15	07/01/32	2.00%	976,671	-	80,185	896,486	81,804	814,682
CWF 223-CSL	586,545	11/30/21	06/30/41	2.00%	586,545	-	16,404	570,141	25,020	545,121
CWF 222-CSL	3,925,943	06/30/22	06/30/41	2.00%	3,925,943	-	196,297	3,729,646	163,007	3,566,639
Equipment financing notes:										
Police SUV	234,463	09/14/20	07/01/24	3.00%	234,463	-	56,907	177,556	57,167	120,389
Transit van	48,774	05/21/20	07/01/23	4.00%	36,059	-	11,610	24,449	12,015	12,434
Education computer equipment	1,791,206	06/17/19	07/10/21	6.42%	598,745	-	598,745	-	-	-
Education computer equipment	351,000	02/20/20	07/15/22	6.45%	232,544	-	112,641	119,903	119,903	-
Total notes	39,945,409				23,769,808	-	2,647,275	21,122,533	1,962,022	19,160,511
Total bonds and notes	216,059,409				105,284,808	7,545,000	17,407,275	95,422,533	10,797,022	84,625,511
Leases	1,064,198				449,006	615,192	196,780	867,418	239,539	627,879
Total long-term debt	217,123,607				105,733,814	8,160,192	17,604,055	96,289,951	11,036,561	85,253,390
Premium					3,541,220	3,017,885	475,980	6,083,125	-	6,083,125
Total bonds, notes and related liabilities					109,275,034	11,178,077	18,080,035	102,373,076	11,036,561	91,336,515
Compensated absences					9,215,010	1,298,114 *	-	10,513,124	2,102,625	8,410,499
Heart and hypertension					1,654,860	248,545	112,686	1,790,719	117,233	1,673,486
Claims payable					7,678,873	6,396,191	3,897,691	10,177,373	3,355,789	6,821,584
Net pension liability					11,680,684	32,306,073	2,866,179	41,120,578	-	41,120,578
OPEB liability					321,172,844	17,911,959	114,393,067	224,691,736	-	224,691,736
Total long term liabilities					\$ 460,677,305	\$ 69,338,959	\$ 139,349,658	\$ 390,666,606	\$ 16,612,208	\$ 374,054,398

* Net change

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
<u>Notes (direct borrowings):</u>										
Equipment financing:										
Defibrillators	\$ 42,002	09/30/20	7/1/2022	3.00%	\$ 28,413	\$ -	\$ 13,997	\$ 14,416	\$ 14,416	\$ -
Compensated absences					397,809	203,724 *	-	601,533	120,307	481,226
Claims payable					197,091	139,687	150,899	185,879	57,344	128,535
Net pension liability					21,703,830	6,216,176	5,589,633	22,330,373	-	22,330,373
OPEB liability					30,727,026	1,881,549	7,955,558	24,653,017	-	24,653,017
Total long term liabilities					<u>\$ 53,054,169</u>	<u>\$ 8,441,136</u>	<u>\$ 13,710,087</u>	<u>\$ 47,785,218</u>	<u>\$ 192,067</u>	<u>\$ 47,593,151</u>

* Net change

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)**2. The following is a summary of principal and interest amounts of bond and note maturities:**City:

Year Ending June 30,	Debt Maturities			
	Bond Principal	Bond Interest	Notes Principal	Notes Interest
2023	\$ 8,835,000	\$ 3,503,460	\$ 1,962,022	\$ 414,136
2024	9,670,000	2,679,639	1,776,910	369,662
2025	10,020,000	2,219,011	1,800,962	332,741
2026	7,455,000	1,793,006	1,774,849	295,488
2027	5,480,000	1,499,813	1,810,674	259,663
2028	4,610,000	1,278,500	1,847,223	223,116
2029	2,680,000	1,122,491	1,884,505	185,834
2030	2,655,000	1,014,313	1,922,544	147,795
2031	2,530,000	906,200	1,961,348	108,991
2032	2,530,000	801,800	2,000,938	69,398
2033	2,360,000	700,800	370,966	42,968
2034	2,360,000	603,200	234,253	38,099
2035	2,335,000	506,100	238,983	33,369
2036	1,980,000	416,600	243,805	28,547
2037	1,980,000	334,200	248,725	23,626
2038	1,960,000	252,200	253,746	18,606
2039	1,640,000	178,600	258,868	13,483
2040	1,640,000	113,000	264,094	8,257
2041	790,000	47,400	267,118	2,928
2042	790,000	15,800	-	-
Totals	<u>\$ 74,300,000</u>	<u>\$ 19,986,133</u>	<u>\$ 21,122,533</u>	<u>\$ 2,616,707</u>

Allingtown Fire Department:

Year Ending June 30,	Debt Maturities	
	Notes Principal	Notes Interest
2023	<u>\$ 14,416</u>	<u>\$ 432</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)**3. Assets pledged as collateral**

The City's and Allingtown Fire Department's outstanding equipment financing notes are secured with collateral of the equipment purchased of:

City	<u>\$ 321,908</u>
Allingtown Fire Department	<u>\$ 14,416</u>

4. 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:

<u>Category</u>	<u>Debit Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 305,993,597	\$ 36,026,168	\$ 269,967,429
Schools	611,987,193	42,115,832	569,871,361
Sewers	509,989,328	2,658,000	507,331,328
Urban renewal	441,990,751	-	441,990,751
Pension deficit	407,991,462	-	407,991,462

The total overall statutory debt limit for the City is equal to 7 times the annual receipts for the prior year taxation:

\$ 951,980,078

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

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

5. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

General purpose	\$ 10,604,000
Schools	53,177,514
Sewers	<u>6,140,000</u>
Total	<u>\$ 69,921,514</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

6. Leases

Lease agreements are summarized as follows:

Description	Date	Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022
Sewer building	2020	3	2.50%	\$ 84,202	\$ 44,307
City building	2022	12	2.50%	292,904	275,872
City cell tower	2004	8	2.50%	213,560	196,268
City copiers	2022	4	2.50%	84,304	66,572
Education copiers	2019-2022	3-4	2.50%	389,228	284,399
Total				<u>\$ 1,064,198</u>	<u>\$ 867,418</u>

*As of GASB No. 87 implementation date of July 1, 2021.

**All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

Description	Terms
Sewer building	This lease includes a 1-year option to renew that the City intends to exercise.
City building	This lease includes three additional 3-year extension terms that the City intends to exercise.
City cell tower	This lease does include an option to extend, but either party can elect not to renew.
City copiers	These leases are not renewable and the City will not acquire the equipment at the end of the term.
Education copiers	These leases are not renewable and the City will not acquire the equipment at the end of the term.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2023	\$ 239,539	\$ 21,685
2024	201,279	15,697
2025	81,737	10,665
2026	50,224	8,622
2027	53,874	7,366
2028	57,718	6,019
2029	61,766	4,576
2030	27,820	3,032
2031	29,441	2,337
2032	31,130	1,601
2033	32,890	822
Totals	<u>\$ 867,418</u>	<u>\$ 82,422</u>

H. Fund balance classifications and restricted net position

Fund balances are composed of the following:

	General Fund	Allingtown Fire Department Fund	Sewer Fund	Capital Improvement Fund	Other Governmental Funds	Total
Nonspendable						
Prepays	\$ -	\$ -	\$ 149,832	\$ -	\$ -	\$ 149,832
Restricted						
Allingtown Fire Department operations *	-	4,136,278	-	-	-	4,136,278
Document preservation *	-	-	-	-	129,903	129,903
Public safety programs	-	-	-	-	196,215	196,215
Sewer operations *	-	-	6,221,755	-	-	6,221,755
Housing rehabilitation	-	-	-	-	2,446,236	2,446,236
Cafeteria operations *	-	-	-	-	1,019,481	1,019,481
School activity programs	-	-	-	-	66,062	66,062
Total restricted	<u>-</u>	<u>4,136,278</u>	<u>6,221,755</u>	<u>-</u>	<u>3,857,897</u>	<u>14,215,930</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Fund balance classifications and restricted net position (continued)

	General Fund	Allingtown Fire Department Fund	Sewer Fund	Capital Improvement Fund	Other Governmental Funds	Total
Committed						
Construction contracts	\$ -	\$ -	\$ -	\$ 3,277,791	\$ 958,935	\$ 4,236,726
Miscellaneous grant programs	-	-	-	-	40,665	40,665
Public safety programs	-	-	-	-	501,661	501,661
Public works	-	-	-	-	-	-
Health and welfare programs	-	-	-	-	70,909	70,909
Culture and recreation	-	-	-	-	448,301	448,301
Education programs	-	-	-	-	52,255	52,255
School activity programs	-	-	-	-	513,907	513,907
Approved projects	-	-	-	-	1,066,096	1,066,096
Total committed	-	-	-	3,277,791	3,652,729	6,930,520
Unassigned	7,983,134	-	-	(24,826,609)	(960,220)	(17,803,695)
Total	<u>\$ 7,983,134</u>	<u>\$ 4,136,278</u>	<u>\$ 6,371,587</u>	<u>\$ (21,548,818)</u>	<u>\$ 6,550,406</u>	<u>\$ 3,492,587</u>

* The amount of net position restricted by enabling legislation totaled: \$ 11,507,417

I. Deficit equity

The City had deficit equity balances in the following funds, which will be eliminated by future employer premiums:

Internal Service Funds:	
General liability	\$ 505,350
Workers' compensation	9,459,670

IV. Other information**A. Risk management**

The City is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the City obtains commercial insurance for these risks, but has chosen to retain limited risks for worker's compensation claims, general liability claims, heart and hypertension claims, and employee medical and prescriptions claims. The City contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the City's liability for worker's compensation, general liability, 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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Risk management (continued)

The City purchases commercial insurance coverage for all City buildings (flood, fire, and casualty), errors and omissions, and general liability. The City's policies have the following deductibles and claim limits:

Policy Type	Deductible	Claim limit
Umbrella	\$500,000	\$10,000,000
Law enforcement liability	\$500,000	\$10,000,000
Workers compensation	\$500,000	\$10,000,000
Medical (individual claims)	\$250,000	

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

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

Changes in the balances of claim liabilities during the past two years are as follows:

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
General Liability						
2020-2021	\$ 440,732	\$ 658,500	\$ 535,402	\$ 563,830	\$ 274,624	\$ 289,206
2021-2022	563,830	1,353,456	1,413,253	504,033	371,528	132,505
Workers' Compensation						
2020-2021	7,495,066	1,775,654	1,958,586	7,312,134	1,977,620	5,334,514
2021-2022	7,312,134	5,182,422	2,635,337	9,859,219	3,041,605	6,817,614
Subtotal						
2020-2021	7,935,798	2,434,154	2,493,988	7,875,964	2,252,244	5,623,720
2021-2022	7,875,964	6,535,878	4,048,590	10,363,252	3,413,133	6,950,119
Medical						
2020-2021	1,333,362	19,158,841	19,339,603	1,152,600	1,152,600	-
2021-2022	1,152,600	9,444,599	10,072,199	525,000	525,000	-
Totals						
2020-2021	9,269,160	21,592,995	21,833,591	9,028,564	3,404,844	5,623,720
2021-2022	\$ 9,028,564	\$ 15,980,477	\$ 14,120,789	\$ 10,888,252	\$ 3,938,133	\$ 6,950,119

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Commitments and litigation

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

The City is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the City.

C. Tax abatements

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

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

There are currently 2 companies participating in the economic development tax incentive program. The amount of the tax abatement under this program was as follows:

	<u>Amount</u>
City	\$ 175,966
Allingtown Fire District	<u>60,139</u>
Total	<u><u>\$ 236,105</u></u>

D. State oversight

In November 2018, the City was identified as a Tier III municipality by the State of Connecticut Municipal Accountability Review Board (MARB). As a Tier III municipality, the City is subject to significant accountability and oversight by the MARB. Under MARB oversight, the City is required to submit and present at a public meeting monthly financial reports to ensure the City is operating with fiscal diligence in conformity with the annual budget and five-year recovery plan. The City's General Fund budget, including the revenue budget, must be reviewed by the MARB on an annual basis. Union contracts must also be reviewed by the MARB. The City may also be eligible to receive municipal restructuring funds from the State of Connecticut's Office of Policy and Management.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. State oversight (continued)

The City was required to provide a five-year recovery plan for fiscal years 2021-2025, and other various reports and corrective action plans to the MARB and a subcommittee for review. The City will resubmit an updated municipal recovery plan annually along with the Mayor’s recommended general fund budget.

In May 2022, the City was designated as a Tier IV Municipality. Under Tier IV, the membership of the MARB expands to include the Mayor, a selected City Council member and the City Treasurer as non-voting members.

Under Tier IV, the MARB has the following additional responsibilities:

- Approval of annual budget and related tax levy
- Approval of bond ordinances
- Approve collective bargaining agreements
- Approval of transfers over \$50,000
- Appointment of a financial manager
- Submit all contracts \$50,000 or more to MARB for review and approval

V. Pensions and other post-employment benefit plans

A. Pension plans

1. Plan description

a. Plan administration

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

The plans are closed to new participants as follows:

Police	Effective November 1, 2009
Allingtown	Effective July 1, 2013

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)

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

The memberships in the Plans are comprised of the following:

As of:	July 1, 2020	July 1, 2021
	Police	Allingtown
Retirees and beneficiaries currently receiving benefits	156	30
Active members	64	12
Vested terminated employees	1	-
Total	221	42

2. Benefit provisions

	Police	Allingtown
Normal retirement	The earlier of attaining age 65 or 20 years of service	20 years from initial date of appointment
Benefit calculation	Equal to 2.25% of basic annual salary at retirement for each year of service up through 20 years of service, plus an additional 3.00% of salary for each year in excess of 20 years up to a maximum of 75% of such annual salary	50% of salary base, plus 2.00% of salary base for each year over 20 years up to 25 years, plus 3.00% of salary base for each year over 25 years; maximum benefit 75% of salary base
Vesting service	Occurs when a participant has accumulated a minimum of 10 years of active service	15 years

The Police Plan provides for disability and death benefits in addition to retirement benefits.

Each employee may enter the Allingtown Fire Department on their date of employment. The plan provides retirement benefits for substantially all full-time employees of the Department.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)

3. Contributions

Employees are required to contribute the following percentage of pensionable wages (annual base compensation) for the current fiscal year to the plans:

	Police	Allingtown
Employee contributions	9.50%	9.50%
Hired before July 1, 1998	9.50%	11.50%
Hired after June 30, 1998	11.50%	11.50%
Employer contributions	The City contributes the amount determined by the actuary, considering the member contributions	Allingtown contributes the amount determined by the actuary, considering the member contributions
Employer average contribution rate as a percentage of covered payroll	48.64%	316.37%

4. Investments

a. Investment policy

The Plans' trustees have developed and approved an investment policy which specifies investment target allocations. 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
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)

The following was the Board's adopted asset allocation policy for the Police and Allingtown Fire Department plans:

<u>Police</u>	Long-Term	Long-Term
<u>Asset Class</u>	Target	Expected Real
<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>
U.S. Large Caps	12.50%	5.15%
U.S. Equity Market	10.00%	5.33%
U.S. Small Caps	5.00%	6.58%
U.S. Mid Caps	10.00%	5.71%
Global Equity	15.00%	5.81%
U.S. High Yield Bonds	20.00%	3.95%
U.S. REITs (real estate)	5.00%	5.75%
Private Equity	10.00%	10.30%
Hedge Funds - multistrategy	9.00%	3.75%
Cash	<u>3.50%</u>	(0.32%)
Total	<u>100.00%</u>	
Long-Term Inflation Expectation		<u>2.75%</u>
Long-Term Expected Nominal Return		<u>7.125%</u>
<u>Allingtown</u>	Long-Term	Long-Term
<u>Asset Class</u>	Target	Expected Real
<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>
U.S. Large Caps	29.59%	7.45%
U.S. Long Credit Bonds	58.40%	4.62%
U.S. REITs (real estate)	5.66%	8.05%
Cash	<u>6.35%</u>	1.98%
Total	<u>100.00%</u>	
Long-Term Inflation Expectation		<u>2.75%</u>
Long-Term Expected Nominal Return		<u>6.250%</u>

b. Concentrations

There were no investments in any one organization that represented 5.00% or more of the pension plan's net position.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)**c. Rate of return**

The long-term expected real 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 also summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<u>Police</u>	<u>Allingtown</u>
Rate of return	<u>(14.60%)</u>	<u>(11.36%)</u>

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

	<u>Police</u>	<u>Allingtown</u>
Total pension liability	\$ 155,298,143	\$ 33,987,650
Plan fiduciary net position	<u>114,177,565</u>	<u>11,657,277</u>
Net pension liability	<u>\$ 41,120,578</u>	<u>\$ 22,330,373</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.52%</u>	<u>34.30%</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)

6. Actuarial methods and significant assumptions

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

	<u>Police</u>	<u>Allingtown</u>
Valuation date	July 1, 2020	July 1, 2021
Actuarial cost method	Projected unit credit	Entry age normal
Amortization method	Level percentage	Level percentage
Asset valuation method	Fair value	Fair value
Salary increases	3.50%	3.50%
Inflation	2.75%	2.75%
Investment rate of return	7.125%	6.25%
Mortality rates	50% phase-in from RP-2000 mortality with generational projection per Scale AA to PubS-2010 mortality with generational projection per the MP-2019 Ultimate scale	PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale
Cost of living increases	3.00% for members hired before 7/1/1993 and 1.75% for members hired after 7/1/1993	Plans 1 & 2: 1.75% for retirements on or before 11/27/13. Plans 3 & 4: 1.01% for retirements on or before 11/27/13. 2.75% for all retirements after 11/27/13

7. Changes from prior year

	<u>Police</u>	<u>Allingtown</u>
Changes in assumptions	No changes	Investment rate of return was changed from 6.75% to 6.25%
Changes in benefit terms	No changes	No changes

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)**8. Discount rate**

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

	Police	Allingtown
Discount rate	7.125%	6.25%

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

9. Changes in the net pension liability

The Police's net pension liability was measured on June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation noted below. The changes in net pension liability were as follows:

	Increase (Decrease)		
<u>Valuation Date: July 1, 2020</u>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Police	(a)	(b)	(a) - (b)
Balance at July 1, 2021	\$151,850,643	\$140,169,959	\$11,680,684
Service cost	785,814	-	785,814
Interest	10,597,499	-	10,597,499
Contributions - employer	-	2,430,000	(2,430,000)
Contributions - member	-	436,179	(436,179)
Net investment income	-	(20,598,365)	20,598,365
Benefit payments, including refunds of member contributions	(7,935,813)	(7,935,813)	-
Administration	-	(324,395)	324,395
Net change	3,447,500	(25,992,394)	29,439,894
Balance at June 30, 2022	\$155,298,143	\$114,177,565	\$41,120,578

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)

The Allingtown's net pension liability was measured on June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as noted below. The changes in net pension liability were as follows:

<u>Valuation Date: July 1, 2021</u>	<u>Increase (Decrease)</u>		
<u>Allingtown</u>	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at July 1, 2021	\$ 33,457,698	\$ 11,753,868	\$ 21,703,830
Service cost	300,800	-	300,800
Interest	2,224,428	-	2,224,428
Differences between expected and actual experience	(2,368,752)	-	(2,368,752)
Changes in assumptions	2,008,196	-	2,008,196
Contributions - employer	-	3,113,800	(3,113,800)
Contributions - member	-	107,081	(107,081)
Net investment income	-	(1,354,196)	1,354,196
Benefit payments, including refunds of member contributions	(1,634,720)	(1,634,720)	-
Administration	-	(328,556)	328,556
Net change	529,952	(96,591)	626,543
Balance at June 30, 2022	<u>\$ 33,987,650</u>	<u>\$ 11,657,277</u>	<u>\$ 22,330,373</u>

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:

<u>Net pension liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Police	7.125%	<u>\$ 61,792,077</u>	<u>\$ 41,120,578</u>	<u>\$ 24,177,664</u>
Allingtown	6.25%	<u>\$ 27,045,323</u>	<u>\$ 22,330,373</u>	<u>\$ 18,508,338</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

The City recognized pension expense of \$6,785,214 for the Police Plan and \$1,999,769 for the Allingtown Plan.

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

<u>Police</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
<u>Description of Outflows/Inflows</u>			
Differences between expected and actual experience	\$ -	\$ 2,269,708	\$ (2,269,708)
Changes in assumptions	3,668,467	-	3,668,467
Net difference between projected and actual earnings on pension plan investments	<u>14,811,954</u>	<u>-</u>	<u>14,811,954</u>
Total	<u>\$ 18,480,421</u>	<u>\$ 2,269,708</u>	<u>\$ 16,210,713</u>
<u>Allingtown</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
<u>Description of Outflows/Inflows</u>			
Differences between expected and actual experience	\$ -	\$ 1,184,376	\$ (1,184,376)
Changes in assumptions	1,004,098	-	1,004,098
Net difference between projected and actual earnings on pension plan investments	<u>1,655,223</u>	<u>-</u>	<u>1,655,223</u>
Total	<u>\$ 2,659,321</u>	<u>\$ 1,184,376</u>	<u>\$ 1,474,945</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plans (continued)

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

	<u>Years</u>
Police	2.70
Allingtown	2.00

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

<u>Year Ending</u> <u>June 30,</u>	<u>Police</u>	<u>Allingtown</u>
2023	\$ 5,510,514	\$ 207,696
2024	3,301,937	410,409
2025	1,448,853	396,568
2026	<u>5,949,409</u>	<u>460,272</u>
Total	<u>\$ 16,210,713</u>	<u>\$ 1,474,945</u>

B. Defined contribution retirement savings plan

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

The Plan requires the City to contribute an amount equal to 5.00% 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 25.00% of compensation for all participating years of service may be made by employees. These contributions may be withdrawn at any time, although earned interest will not be paid until such time as benefits are otherwise payable to the employee.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Defined contribution retirement savings plan (continued)

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

During the year, the contributions were as follows:

Employee contributions	\$ 2,964,244
Employer contributions	\$ 2,087,342

C. Connecticut state teachers’ retirement system

1. Plan description

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

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% 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	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
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% 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 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% 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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

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

Each teacher is required to contribute 7.00% of their pensionable wages for the pension benefit.

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

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

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>152,929,267</u>
Total	<u><u>\$ 152,929,267</u></u>
During the year, the City recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 12,805,370</u></u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City has no proportionate share of the net pension liability.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

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 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. 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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)**Long-term expected rate of return**

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 geometric 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>
Domestic equity fund	20.00%	5.30%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at 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 and the health care cost trend 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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)**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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

D. Total pension plans

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Police	\$ 41,120,578	\$ 18,480,421	\$ 2,269,708	\$ 6,785,214
Allingtown	22,330,373	2,659,321	1,184,376	1,999,769
Total	<u>\$ 63,450,951</u>	<u>\$ 21,139,742</u>	<u>\$ 3,454,084</u>	<u>\$ 8,784,983</u>

E. Other post-employment benefit plan**1. Plan description****a. Plan administration**

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

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

b. Employees covered by benefit terms

As of July 1, 2021, the following employees are covered by the benefit terms:

	<u>City</u>	<u>Allingtown</u>
Retirees and beneficiaries currently receiving benefits	637	53
Active members	<u>1,054</u>	<u>23</u>
Total	<u>1,691</u>	<u>76</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)

2. Benefit provisions

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

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

3. Contributions

a. Employer contributions

The City's recommended contributions are actuarially determined on an annual basis using the entry age normal method. Contributions are established by contract and may be amended by union negotiations.

The 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.

b. Employee contributions

There are no employee contributions to the plan.

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

4. Actuarial methods and significant assumptions

The total OPEB liability for the City Plan and the Allingtown Fire Department Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>City</u>	<u>Allingtown</u>
Valuation date	July 1, 2021	July 1, 2021
Discount rate	3.54%	3.54%
Inflation	2.50%	2.75%
Healthcare cost trend rates:		
City	6.40% - 4.00% over 55 years	
Education	6.10% - 3.90% over 51 years	
Pre medicare		5.40% - 4.30% over 59 years
Post medicare		5.00% - 4.30% over 51 years

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)

	<u>City</u>	<u>Allingtown</u>
Mortality:		
Police	PubS-2010 mortality table with generational projection per the MP-2021 ultimate scale	
Teachers and administrators	PubT-2010 mortality table with generational projection per the MP-2021 ultimate scale	
All others	PubG-2010 mortality table with generational projection per the MP-2021 ultimate scale	PubS-2010 mortality tables with generational projections per the MP-2019 ultimate scale

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

5. Changes from prior year

Changes in assumptions	<u>City</u>		<u>Allingtown</u>	
	From	To	From	To
Discount rate	2.16%	3.54%	2.16%	3.54%
Inflation rate	No changes		2.50%	2.75%
Changes in benefit terms	No changes		The Allingtown Fire Department Plan's benefit terms changed to only provide other post-retirement benefits to the retiree for employees hired after May 16, 2019 (date of ratification of the 2022 agreement).	

6. Discount rate

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

	<u>City</u>	<u>Allingtown</u>
Discount rate	3.54%	3.54%

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**7. Changes in the total OPEB liability**

The City's and Allingtown Fire Department's total OPEB liabilities were measured as of June 30, 2022, and were determined by an actuarial valuation as of July 1, 2021.

	<u>City</u>
Total OPEB liability - July 1, 2021	<u>\$ 321,172,844</u>
Service cost	10,813,464
Interest	7,098,495
Differences between expected and actual experience	(27,385,705)
Changes in assumptions	(80,266,789)
Benefit payments, including refunds of member contributions	<u>(6,740,573)</u>
Net change	<u>(96,481,108)</u>
Total OPEB liability - June 30, 2022	<u><u>\$ 224,691,736</u></u>
	<u>Allingtown</u>
Total OPEB liability - July 1, 2021	<u>\$ 30,727,026</u>
Service cost	1,201,059
Interest	680,490
Change of benefit terms	(373,777)
Differences between expected and actual experience	(162,527)
Changes in assumptions	(6,566,832)
Benefit payments, including refunds of member contributions	<u>(852,422)</u>
Net change	<u>(6,074,009)</u>
Total OPEB liability - June 30, 2022	<u><u>\$ 24,653,017</u></u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**8. Sensitivity of the total OPEB liability to changes in the discount rate**

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

<u>Total OPEB liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City	3.54%	\$ 259,390,195	\$ 224,691,736	\$ 196,534,145
Allingtown	3.54%	\$ 29,160,912	\$ 24,653,017	\$ 21,165,421

9. Sensitivity of the total OPEB liability to changes in the health care 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>Current Trend Rate</u>		<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	<u>Plan</u>	<u>Rate</u>			
City	City	6.40%-4.00%			
	Education	6.10%-3.90%	\$ 192,253,447	\$ 224,691,736	\$ 265,550,300
Allingtown	Pre medicare	5.40%-4.30%			
	Post medicare	5.00%-4.30%	\$ 20,642,118	\$ 24,653,017	\$ 29,878,723

10. OPEB expense and deferred outflows of resources related to OPEB

For the fiscal year, the City recognized OPEB expense of \$19,185,215 and Allingtown Fire Department recognized \$540,560. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>City</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
<u>Description of Outflows/Inflows</u>			
Differences between expected and actual experience	\$ 33,486,114	\$ 24,004,754	\$ 9,481,360
Changes in assumptions	41,937,081	74,361,106	(32,424,025)
Total	\$ 75,423,195	\$ 98,365,860	\$(22,942,665)

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)

<u>Allingtown</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Description of Outflows/Inflows			
Differences between expected and actual experience	\$ -	\$ 2,041,763	\$ (2,041,763)
Changes in assumptions	<u>2,193,584</u>	<u>5,198,742</u>	<u>(3,005,158)</u>
Total	<u>\$ 2,193,584</u>	<u>\$ 7,240,505</u>	<u>\$ (5,046,921)</u>

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 were as follows:

	<u>Years</u>
City	8.1
Allingtown	4.8

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

<u>Year Ending June 30,</u>	<u>City</u>	<u>Allingtown</u>
2023	\$ 2,061,472	\$ (1,280,786)
2024	3,900,644	(1,280,787)
2025	952,557	(1,363,789)
2026	332,724	(1,121,559)
2027	(2,317,405)	-
Thereafter	<u>(27,872,657)</u>	<u>-</u>
Total	<u>\$ (22,942,665)</u>	<u>\$ (5,046,921)</u>

F. Connecticut state teachers' retirement board retiree health insurance plan**1. Plan description**

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits. 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).

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

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.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

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 pensionable wages.

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

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

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>16,661,363</u>
Total	<u>\$ 16,661,363</u>
During the year, the City recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 301,335</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The City has no proportionate share of the net OPEB liability.

5. Actuarial assumptions

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

Investment rate of return	3.00%
Discount rate	2.17%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2023

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was decreased from 2.21% to 2.17% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2021.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.17%. The Municipal Bond Index Rate of 2.16% was used in the determination in the discount rate. 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 annual State contributions will equal the most recent 5-year average of state contributions.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

G. Total OPEB plans

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
City	\$ 224,691,736	\$ 75,423,195	\$ 98,365,860	\$ 19,185,215
Allingtown	24,653,017	2,193,584	7,240,505	540,560
Total	<u>\$ 249,344,753</u>	<u>\$ 77,616,779</u>	<u>\$ 105,606,365</u>	<u>\$ 19,725,775</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Plan statements

Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2022

	Police Pension Plan	Allingtown Fire Department Pension Plan	Total
<u>Assets</u>			
Investments at fair value			
Bank money market	\$ 1,977,264	\$ -	\$ 1,977,264
Mutual funds:			
Money market	1,890,370	1,506,306	3,396,676
Equity	33,476,678	850,208	34,326,886
Exchange traded funds	46,202,086	2,154,010	48,356,096
Equity - domestic	15,843,535	-	15,843,535
Real estate investment trust	468,688	-	468,688
Corporate bonds	5,229,870	1,177	5,231,047
Alternative investments:			
Private equity funds	6,903,376	800,000	7,703,376
Real estate funds	-	444,866	444,866
Multi-strategy hedge funds	170,438	-	170,438
Annuities	-	5,900,710	5,900,710
Variable rate note	2,015,260	-	2,015,260
Total investments	114,177,565	11,657,277	125,834,842
<u>Net Position</u>			
Restricted for pension benefits	\$ 114,177,565	\$ 11,657,277	\$ 125,834,842

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Plan statements (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 20, 2022

	Police Pension Plan	Allington Fire Department Pension Plan	Total
Additions			
Contributions			
Employer	\$ 2,430,000	\$ 3,113,800	\$ 5,543,800
Plan members	436,179	107,081	543,260
Total contributions	<u>2,866,179</u>	<u>3,220,881</u>	<u>6,087,060</u>
Investment income (loss)			
Change in fair value of investments	(23,489,132)	(1,246,039)	(24,735,171)
Interest and dividends	3,237,297	36,755	3,274,052
Total investment income (loss)	<u>(20,251,835)</u>	<u>(1,209,284)</u>	<u>(21,461,119)</u>
Less investment expenses	<u>346,530</u>	<u>144,912</u>	<u>491,442</u>
Net investment income (loss)	<u>(20,598,365)</u>	<u>(1,354,196)</u>	<u>(21,952,561)</u>
Total additions	<u>(17,732,186)</u>	<u>1,866,685</u>	<u>(15,865,501)</u>
Deductions			
Benefits	7,935,813	1,634,720	9,570,533
Administration	324,395	328,556	652,951
Total deductions	<u>8,260,208</u>	<u>1,963,276</u>	<u>10,223,484</u>
Changes in net position	<u>(25,992,394)</u>	<u>(96,591)</u>	<u>(26,088,985)</u>
Net position - July 1, 2021	<u>140,169,959</u>	<u>11,753,868</u>	<u>151,923,827</u>
Net position - June 30, 2022	<u>\$ 114,177,565</u>	<u>\$ 11,657,277</u>	<u>\$ 125,834,842</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

VI. Prior period adjustment and fund reclassification

As a result of the implementation of GASB No.87, lease receivable and deferred inflows of resources and intangible right-to-use leased assets and lease liability were recorded. There was no impact on beginning net position. The amounts recorded are as follows:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use leased assets	\$ 449,006
Long-term liabilities:	
Lease liability	(449,006)

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Schedule of Revenues - Budget and Actual - Allingtown Fire Department Fund
	Schedule of Expenditures - Budget and Actual - Allingtown Fire Department Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Police Allingtown Fire Department State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> City Allingtown Fire Department State Teacher's Retirement Board Retiree Health Insurance Plan	Schedule of Changes in OPEB Liability and Related Ratios
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

City of West Haven, Connecticut
Required Supplementary Information
General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current levy	\$ 101,896,440	\$ -	\$ 101,896,440	\$ 101,302,122	\$ (594,318)
Motor vehicle supplement	1,261,000	-	1,261,000	1,804,178	543,178
Prior year levies	412,000	-	412,000	613,726	201,726
Suspense taxes	100,000	-	100,000	180,991	80,991
Interest and lien fees	824,600	-	824,600	1,028,501	203,901
Telephone access line	95,000	-	95,000	69,871	(25,129)
PILOT- SCCRWA water grant	301,100	-	301,100	284,757	(16,343)
PILOT- housing authority	146,600	-	146,600	135,688	(10,912)
Total property taxes	105,036,740	-	105,036,740	105,419,834	383,094
Intergovernmental:					
Education cost sharing	45,140,487	-	45,140,487	45,207,234	66,747
Health/welfare services - parochial school	60,000	-	60,000	73,776	13,776
PILOT - state colleges and hospitals	5,527,988	-	5,527,988	8,693,468	3,165,480
PILOT - state owned property	181,198	-	181,198	-	(181,198)
Property tax relief manufacturing	147,516	-	147,516	147,516	-
Mashantucket Pequot	807,097	-	807,097	807,097	-
Property tax relief- totally disabled	5,000	-	5,000	4,031	(969)
Property tax relief - veterans reimbursement	127,400	-	127,400	114,482	(12,918)
Town aid road	617,268	-	617,268	618,370	1,102
State miscellaneous grants	122,000	-	122,000	172,566	50,566
Total intergovernmental	52,735,954	-	52,735,954	55,838,540	3,102,586
Charges for services:					
Animal licenses	15,400	-	15,400	7,881	(7,519)
Marriage licenses	3,800	-	3,800	20,119	16,319
Sporting licenses	250	-	250	-	(250)
Building permits	1,210,017	-	1,210,017	825,998	(384,019)
Electrical permits	189,324	-	189,324	264,832	75,508
Excavation permits	10,496	-	10,496	21,401	10,905
Plumbing and heating permits	95,168	-	95,168	73,562	(21,606)
Zoning permits	126,641	-	126,641	120,163	(6,478)
Alcoholic beverage licenses	600	-	600	1,080	480
Police licenses and protection permits	22,900	-	22,900	28,205	5,305
City clerk fees collected	6,200	-	6,200	6,237	37
Dog pound releases	300	-	300	2,369	2,069
Health licenses and restaurant permits	80,300	-	80,300	101,491	21,191
Parking tags	220,932	-	220,932	169,087	(51,845)
Fines and penalties	42,315	-	42,315	74,936	32,621
Building code violations	13,600	-	13,600	-	(13,600)
Rents from City facilities	17,700	-	17,700	33,250	15,550
Record legal instruments fee	1,150,000	-	1,150,000	1,790,737	640,737
Police charges - public safety	13,500	-	13,500	12,968	(532)
Miscellaneous public works/sewer-orange	37,900	-	37,900	2,125	(35,775)
Miscellaneous general government- all other	56,000	-	56,000	103,142	47,142
Miscellaneous parks and recreation	340,000	-	340,000	276,669	(63,331)
Public works	3,000	-	3,000	7,193	4,193
Parking meter revenue	62,000	-	62,000	90,986	28,986

(Continued)

City of West Haven, Connecticut
Required Supplementary Information
General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services (continued):					
Sewer collection fee	\$ 55,200	\$ -	\$ 55,200	\$ 55,166	\$ (34)
Insurance reimbursement	26,400	-	26,400	4,728	(21,672)
Quigley / Yale parking	43,603	-	43,603	43,603	-
Fire district share of ERS	901,774	-	901,774	806,164	(95,610)
Organic recycling/compost	10,600	-	10,600	6,770	(3,830)
Total charges for services	4,755,920	-	4,755,920	4,950,862	194,942
Contributions (Yale)	445,000	-	445,000	466,715	21,715
Income from investments	50,000	-	50,000	120,555	70,555
Other	195,300	-	195,300	148,417	(46,883)
Total revenues	163,218,914	-	163,218,914	166,944,923	3,726,009
Other financing sources:					
Sale of capital assets	-	-	-	550,800	550,800
Transfers in:					
ARPA fund	1,575,000	-	1,575,000	-	(1,575,000)
Public safety fund	200,000	-	200,000	-	(200,000)
Sewer fund	548,785	-	548,785	548,785	-
Total transfers in	2,323,785	-	2,323,785	548,785	(1,775,000)
Total other financing sources	2,323,785	-	2,323,785	1,099,585	(1,224,200)
Total revenues and other financing sources	\$ 165,542,699	\$ -	\$ 165,542,699	\$ 168,044,508	\$ 2,501,809

(Concluded)

City of West Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
City council	\$ 103,492	\$ -	\$ 103,492	\$ 102,098	\$ 1,394
Mayor's office	331,810	-	331,810	299,860	31,950
Corporate counsel	695,869	-	695,869	644,314	51,555
Labor relations and personnel	287,387	-	287,387	253,709	33,678
Communications	336,336	-	336,336	225,507	110,829
Town and city clerk	318,702	-	318,702	340,850	(22,148)
Registrar of voters	147,640	-	147,640	125,624	22,016
Probate court	8,800	-	8,800	7,997	803
Planning and development	452,341	-	452,341	377,861	74,480
Grants administration	76,276	-	76,276	99,538	(23,262)
Building department	598,336	-	598,336	425,652	172,684
Treasurer	7,600	-	7,600	7,600	-
Finance/comptroller	874,384	-	874,384	1,003,804	(129,420)
Purchasing department	139,680	-	139,680	203,941	(64,261)
Information and technology/data processing	539,232	-	539,232	745,145	(205,913)
Central services	201,649	-	201,649	112,339	89,310
Department of assessment	452,512	-	452,512	449,688	2,824
Board of assessment appeals	3,600	-	3,600	3,506	94
Department of tax collections	445,732	-	445,732	421,895	23,837
Primary and elections	95,000	-	95,000	99,387	(4,387)
Payroll processing	160,000	-	160,000	165,041	(5,041)
Unallocated	461,500	-	461,500	402,213	59,287
Contingency	600,000	-	600,000	-	600,000
Total general government	7,337,878	-	7,337,878	6,517,569	820,309
Public safety:					
Emergency reporting system	2,125,943	-	2,125,943	1,967,297	158,646
Public safety administration	954,579	-	954,579	1,144,771	(190,192)
Public safety operations	11,961,729	-	11,961,729	12,281,978	(320,249)
Public safety support	966,868	-	966,868	1,132,441	(165,573)
Animal control	284,450	-	284,450	269,494	14,956
Emergency management	14,198	-	14,198	22,116	(7,918)
Total public safety	16,307,767	-	16,307,767	16,818,097	(510,330)
Public works:					
Administration	555,182	-	555,182	508,797	46,385
Bureau of engineering	440,466	-	440,466	436,783	3,683
Central garage	1,286,935	-	1,286,935	1,186,039	100,896
Compost site	40,200	-	40,200	36,150	4,050
Disposal of solid waste	3,535,724	-	3,535,724	3,966,318	(430,594)
Grounds and building maintenance	1,302,814	-	1,302,814	1,787,618	(484,804)
Highways and park maintenance	4,206,441	-	4,206,441	3,976,434	230,007
Total public works	11,367,762	-	11,367,762	11,898,139	(530,377)
Benefits and insurance:					
City insurance	800,977	-	800,977	1,324,151	(523,174)
Pensions and hospitalizations	17,870,947	-	17,870,947	17,351,359	519,588
OPEB contribution	150,000	-	150,000	150,000	-
C-Med programs	42,179	-	42,179	38,593	3,586
Total benefits and insurance	18,864,103	-	18,864,103	18,864,103	-

(Continued)

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Human resources and health and welfare:					
Department of human resources	\$ 444,222	\$ -	\$ 444,222	\$ 441,942	\$ 2,280
Department of elderly services	460,989	-	460,989	354,549	106,440
Health department	374,678	-	374,678	374,990	(312)
Total human resources and health and welfare	1,279,889	-	1,279,889	1,171,481	108,408
Parks and recreation	980,889	-	980,889	874,536	106,353
Library	1,521,544	-	1,521,544	1,435,692	85,852
Education	89,960,421	-	89,960,421	89,960,421	-
Debt service	17,900,579	-	17,900,579	17,900,579	-
Total expenditures	165,520,832	-	165,520,832	165,440,617	80,215
Other financing uses:					
Transfers out:					
Public safety fund	21,867	-	21,867	21,867	-
Extraordinary item:					
Casualty loss	-	-	-	265,257	(265,257)
Total expenditures and other financing uses	\$ 165,542,699	\$ -	\$ 165,542,699	\$ 165,727,741	\$ (185,042)

(Concluded)

City of West Haven, Connecticut
Required Supplementary Information
Allingtown Fire Department Fund
Schedule of Revenues
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current property taxes	\$ 6,993,596	\$ -	\$ 6,993,596	\$ 6,972,611	\$ (20,985)
Prior year property taxes	77,600	-	77,600	184,083	106,483
Interest and lien fees	50,500	-	50,500	97,873	47,373
PILOT - regional water authority	56,000	-	56,000	49,166	(6,834)
Total property taxes	7,177,696	-	7,177,696	7,303,733	126,037
Intergovernmental:					
PILOT - state grants	-	-	-	770,500	770,500
Motor vehicle tax allocation	960,525	-	960,525	960,525	-
FEMA grants	300,000	-	300,000	628,830	328,830
State miscellaneous grants	-	-	-	21,515	21,515
Total intergovernmental	1,260,525	-	1,260,525	2,381,370	1,120,845
Charges for services:					
Bundle billing	30,000	-	30,000	12,276	(17,724)
Police/fire outside services	6,000	-	6,000	3,470	(2,530)
Fire department transportation fees	-	-	-	52,106	52,106
Other fees	83,600	-	83,600	101,083	17,483
Total charges for services	119,600	-	119,600	168,935	49,335
Contributions:					
University of New Haven and Yale donations	100,000	-	100,000	100,000	-
Total revenues	\$ 8,657,821	\$ -	\$ 8,657,821	\$ 9,954,038	\$ 1,296,217

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

Allingtown Fire Department Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Personnel:					
Salaries	\$ 1,827,643	\$ -	\$ 1,827,643	\$ 1,880,433	\$ (52,790)
Overtime and vacation pay	425,000	-	425,000	395,199	29,801
Uniforms	28,000	-	28,000	22,048	5,952
Life insurance	14,000	-	14,000	12,822	1,178
Pension contribution	2,890,196	-	2,890,196	2,958,090	(67,894)
OPEB contribution	50,000	-	50,000	50,000	-
Heart and hypertension	70,000	-	70,000	174	69,826
Workers' compensation insurance	125,000	-	125,000	66,985	58,015
Insurance	1,680,033	-	1,680,033	1,330,477	349,556
Education incentive (EMT-certification)	103,125	-	103,125	-	103,125
Social security and medicare (FICA)	58,400	-	58,400	77,446	(19,046)
Total personnel	7,271,397	-	7,271,397	6,793,674	477,723
Maintenance:					
Building maintenance	20,000	-	20,000	12,735	7,265
Tools	88,850	-	88,850	34,694	54,156
Radio	4,000	-	4,000	1,195	2,805
Total maintenance	112,850	-	112,850	48,624	64,226
Administration:					
Training	32,000	-	32,000	17,128	14,872
Business	10,000	-	10,000	12,426	(2,426)
Financial services	13,000	-	13,000	28,200	(15,200)
Total administration	55,000	-	55,000	57,754	(2,754)
Utilities, insurance and equipment:					
Heating	13,000	-	13,000	9,354	3,646
Electricity	23,140	-	23,140	16,012	7,128
Water	195,400	-	195,400	183,126	12,274
Telephone	14,000	-	14,000	11,034	2,966
Emergency reporting system	296,034	-	296,034	284,291	11,743
Medical testing and equipment	81,000	-	81,000	69,519	11,481
Office supplies	6,000	-	6,000	6,662	(662)
Gasoline and diesel	16,000	-	16,000	17,609	(1,609)
General liability insurance	45,000	-	45,000	30,353	14,647
Personal computers	32,000	-	32,000	32,066	(66)
Contingency	155,000	-	155,000	-	155,000
Professional services	12,000	-	12,000	9,878	2,122
Total utilities, insurance and equipment	888,574	-	888,574	669,904	218,670
Capital outlay	330,000	-	330,000	708,234	(378,234)
Debt service	-	-	-	14,849	(14,849)
Total expenditures	\$ 8,657,821	\$ -	\$ 8,657,821	\$ 8,293,039	\$ 364,782

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
For the Year Ended June 30, 2022**

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

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

- The City does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the City's behalf.

Reconciliation to Exhibit D

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$166,944,923	\$165,440,617
State Teachers' pension on behalf amount	12,805,370	12,805,370
State Teachers' OPEB on behalf amount	301,335	301,335
GAAP Basis - Exhibit D	\$180,051,628	\$178,547,322

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.

See Note IV.D for additional current approvals required by Municipal Accountability Review Board (MARB).

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

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

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

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

There were no additional appropriations made during the year.

Town of West Haven, Connecticut
Required Supplementary Information

Police Pension Plan
Last Nine Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>									
Total pension liability:									
Service cost	\$ 785,814	\$ 1,148,323	\$ 1,392,240	\$ 1,259,486	\$ 1,557,421	\$ 1,456,995	\$ 1,734,676	\$ 1,615,531	\$ 1,627,000
Interest	10,597,499	10,001,560	9,775,544	10,276,337	9,998,157	9,985,109	9,687,559	9,377,636	9,147,000
Differences between expected and actual experience	-	(8,754,588)	-	(9,950,205)	-	(3,803,033)	-	(1,106,768)	-
Changes in assumptions	-	14,149,801	-	3,856,902	-	(311,559)	-	-	-
Benefit payments, including refunds of member contributions	<u>(7,935,813)</u>	<u>(7,705,238)</u>	<u>(7,796,598)</u>	<u>(7,631,461)</u>	<u>(7,345,028)</u>	<u>(7,160,318)</u>	<u>(7,064,026)</u>	<u>(6,758,653)</u>	<u>(6,311,000)</u>
Net change in total pension liability	3,447,500	8,839,858	3,371,186	(2,188,941)	4,210,550	167,194	4,358,209	3,127,746	4,463,000
Total pension liability - July 1	<u>151,850,643</u>	<u>143,010,785</u>	<u>139,639,599</u>	<u>141,828,540</u>	<u>137,617,990</u>	<u>137,450,796</u>	<u>133,092,587</u>	<u>129,964,841</u>	<u>125,501,841</u>
Total pension liability - June 30 (a)	<u>\$ 155,298,143</u>	<u>\$ 151,850,643</u>	<u>\$ 143,010,785</u>	<u>\$ 139,639,599</u>	<u>\$ 141,828,540</u>	<u>\$ 137,617,990</u>	<u>\$ 137,450,796</u>	<u>\$ 133,092,587</u>	<u>\$ 129,964,841</u>
Plan fiduciary net position:									
Contributions - employer	\$ 2,430,000	\$ 2,412,000	\$ 2,203,317	\$ 1,994,500	\$ 2,091,000	\$ 1,850,000	\$ 1,850,000	\$ 1,274,950	\$ 1,157,000
Contributions - member	436,179	462,875	473,136	522,344	566,567	580,520	571,774	590,403	583,213
Net investment income (loss)	(20,598,365)	31,437,890	(894,112)	4,655,627	9,468,710	11,560,855	(2,589,880)	2,067,404	14,029,000
Benefit payments, including refunds of member contributions	(7,935,813)	(7,705,238)	(7,796,598)	(7,631,461)	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,310,695)
Administration	<u>(324,395)</u>	<u>(484,899)</u>	<u>(14,030)</u>	<u>(13,867)</u>	<u>(16,843)</u>	<u>(23,123)</u>	<u>(14,646)</u>	<u>(26,720)</u>	<u>(25,000)</u>
Net change in plan fiduciary net position	(25,992,394)	26,122,628	(6,028,287)	(472,857)	4,764,406	6,807,934	(7,246,778)	(2,852,616)	9,433,518
Plan fiduciary net position - July 1	<u>140,169,959</u>	<u>114,047,331</u>	<u>120,075,618</u>	<u>120,548,475</u>	<u>115,784,069</u>	<u>108,976,135</u>	<u>116,222,913</u>	<u>119,075,529</u>	<u>109,642,011</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 114,177,565</u>	<u>\$ 140,169,959</u>	<u>\$ 114,047,331</u>	<u>\$ 120,075,618</u>	<u>\$ 120,548,475</u>	<u>\$ 115,784,069</u>	<u>\$ 108,976,135</u>	<u>\$ 116,222,913</u>	<u>\$ 119,075,529</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 41,120,578</u>	<u>\$ 11,680,684</u>	<u>\$ 28,963,454</u>	<u>\$ 19,563,981</u>	<u>\$ 21,280,065</u>	<u>\$ 21,833,921</u>	<u>\$ 28,474,661</u>	<u>\$ 16,869,674</u>	<u>\$ 10,889,312</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.52%</u>	<u>92.31%</u>	<u>79.75%</u>	<u>85.99%</u>	<u>85.00%</u>	<u>84.13%</u>	<u>79.28%</u>	<u>87.32%</u>	<u>91.62%</u>
Covered payroll	<u>\$ 4,995,379</u>	<u>\$ 5,765,537</u>	<u>\$ 5,765,537</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>
Net pension liability as a percentage of covered payroll	<u>823.17%</u>	<u>202.59%</u>	<u>502.35%</u>	<u>296.95%</u>	<u>323.00%</u>	<u>331.40%</u>	<u>397.67%</u>	<u>235.59%</u>	<u>151.41%</u>
<u>Schedule of Investment Returns</u>									
Annual money weighted rate of return, net of investment expense	<u>(14.60%)</u>	<u>27.31%</u>	<u>(0.76%)</u>	<u>3.95%</u>	<u>8.60%</u>	<u>10.64%</u>	<u>(1.87%)</u>	<u>1.43%</u>	<u>13.13%</u>

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

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

Police Pension Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 2,598,048	\$ 2,411,601	\$ 2,203,317	\$ 1,994,500	\$ 1,927,100	\$ 1,861,931	\$ 1,848,528	\$ 2,342,798	\$ 3,312,178	\$ 3,141,846
Contributions in relation to the actuarially determined contribution	<u>2,430,000</u>	<u>2,412,000</u>	<u>2,203,317</u>	<u>1,994,500</u>	<u>2,091,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,274,950</u>	<u>1,157,000</u>	<u>1,285,750</u>
Contribution excess (deficiency)	<u>\$ (168,048)</u>	<u>\$ 399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,900</u>	<u>\$ (11,931)</u>	<u>\$ 1,472</u>	<u>\$ (1,067,848)</u>	<u>\$ (2,155,178)</u>	<u>\$ (1,856,096)</u>
Covered payroll	<u>\$ 4,995,379</u>	<u>\$ 5,765,537</u>	<u>\$ 5,765,537</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>	<u>\$ 7,008,211</u>
Contributions as a percentage of covered payroll	<u>48.64%</u>	<u>41.83%</u>	<u>38.22%</u>	<u>30.27%</u>	<u>31.74%</u>	<u>28.08%</u>	<u>25.84%</u>	<u>17.81%</u>	<u>16.09%</u>	<u>18.35%</u>

City of West Haven, Connecticut
Notes to Required Supplementary Information

Police Pension Plan
Schedule of Contributions
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	January 1, 2016	January 1, 2016	January 1, 2014	January 1, 2014	January 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.50%
Salary increases	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment rate of return	7.125%	7.125%	7.125%	7.125%	7.375%	7.375%	7.375%	7.375%	7.375%
Mortality rate	PubS-2010 Mortality Table with generational projection per the MP-2019 ultimate scale	PubS-2010 Mortality Table with generational projection per the MP-2019 ultimate scale	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA

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

City of West Haven, Connecticut

Required Supplementary Information

Allingtown Fire Department Pension Plan
Last Nine Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Pension Liability and Related Ratios									
Total pension liability:									
Service cost	\$ 300,800	\$ 308,556	\$ 285,870	\$ 386,203	\$ 373,143	\$ 524,520	\$ 491,354	\$ 462,468	\$ 430,000
Interest	2,224,428	2,170,227	2,035,642	2,005,277	1,936,364	1,894,119	1,832,169	1,838,710	1,768,000
Differences between expected and actual experience	(2,368,752)	-	(360,338)	-	551,655	-	(1,272,361)	-	1,009,000
Effect of plan changes	-	-	-	-	-	-	1,419,497	-	-
Changes in assumptions	2,008,196	-	1,729,217	-	-	-	1,515,081	-	-
Benefit payments, including refunds of member contributions	<u>(1,634,720)</u>	<u>(1,700,317)</u>	<u>(1,737,525)</u>	<u>(1,941,719)</u>	<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	529,952	778,466	1,952,866	449,761	1,093,438	899,497	2,624,445	934,656	1,986,000
Total pension liability - July 1	<u>33,457,698</u>	<u>32,679,232</u>	<u>30,726,366</u>	<u>30,276,605</u>	<u>29,183,167</u>	<u>28,283,670</u>	<u>25,659,225</u>	<u>24,724,569</u>	<u>22,738,569</u>
Total pension liability - June 30 (a)	<u>\$ 33,987,650</u>	<u>\$ 33,457,698</u>	<u>\$ 32,679,232</u>	<u>\$ 30,726,366</u>	<u>\$ 30,276,605</u>	<u>\$ 29,183,167</u>	<u>\$ 28,283,670</u>	<u>\$ 25,659,225</u>	<u>\$ 24,724,569</u>
Plan fiduciary net position:									
Contributions - employer	\$ 3,113,800	\$ 3,138,868	\$ 2,250,737	\$ 2,150,220	\$ 1,894,851	\$ 1,691,815	\$ 1,559,866	\$ 1,571,325	\$ 1,495,000
Contributions - member	107,081	110,639	99,374	102,602	121,477	145,266	164,437	161,935	153,000
Net investment income (loss)	(1,354,196)	1,065,826	498,305	610,128	515,517	454,693	71,139	(89,385)	252,000
Benefit payments, including refunds of member contributions	(1,634,720)	(1,700,317)	(1,737,525)	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Administration	<u>(328,556)</u>	<u>(78,038)</u>	<u>(125)</u>	<u>(77,486)</u>	<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	(96,591)	2,536,978	1,110,766	843,745	764,086	763,081	405,252	277,253	673,000
Plan fiduciary net position - July 1	<u>11,753,868</u>	<u>9,216,890</u>	<u>8,106,124</u>	<u>7,262,379</u>	<u>6,498,293</u>	<u>5,735,212</u>	<u>5,329,960</u>	<u>5,052,707</u>	<u>4,379,707</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 11,657,277</u>	<u>\$ 11,753,868</u>	<u>\$ 9,216,890</u>	<u>\$ 8,106,124</u>	<u>\$ 7,262,379</u>	<u>\$ 6,498,293</u>	<u>\$ 5,735,212</u>	<u>\$ 5,329,960</u>	<u>\$ 5,052,707</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 22,330,373</u>	<u>\$ 21,703,830</u>	<u>\$ 23,462,342</u>	<u>\$ 22,620,242</u>	<u>\$ 23,014,226</u>	<u>\$ 22,684,874</u>	<u>\$ 22,548,458</u>	<u>\$ 20,329,265</u>	<u>\$ 19,671,862</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>34.30%</u>	<u>35.13%</u>	<u>28.20%</u>	<u>26.38%</u>	<u>23.99%</u>	<u>22.27%</u>	<u>20.28%</u>	<u>20.77%</u>	<u>20.44%</u>
Covered payroll	<u>\$ 984,212</u>	<u>\$ 984,212</u>	<u>\$ 1,275,933</u>	<u>\$ 1,275,933</u>	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>
Net pension liability as a percentage of covered payroll	<u>2268.86%</u>	<u>2205.20%</u>	<u>1838.84%</u>	<u>1772.84%</u>	<u>1362.11%</u>	<u>1342.61%</u>	<u>1343.66%</u>	<u>1211.42%</u>	<u>1195.28%</u>
Schedule of Investment Returns									
Annual money weighted rate of return, net of investment expense	<u>(11.36%)</u>	<u>9.45%</u>	<u>5.79%</u>	<u>8.22%</u>	<u>7.77%</u>	<u>7.53%</u>	<u>1.29%</u>	<u>(1.70%)</u>	<u>(5.47%)</u>

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

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

Allingtown Fire Department Pension Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 2,488,867	\$ 2,404,702	\$ 2,250,737	\$ 2,174,625	\$ 2,080,270	\$ 2,009,923	\$ 1,597,526	\$ 1,536,083	\$ 1,519,425	\$ 1,460,986
Contributions in relation to the actuarially determined contribution	<u>3,113,800</u>	<u>3,138,868</u>	<u>2,250,737</u>	<u>2,150,220</u>	<u>1,894,851</u>	<u>1,691,815</u>	<u>1,559,866</u>	<u>1,571,325</u>	<u>1,495,339</u>	<u>1,516,586</u>
Contribution excess (deficiency)	<u>\$ 624,933</u>	<u>\$ 734,166</u>	<u>\$ -</u>	<u>\$ (24,405)</u>	<u>\$ (185,419)</u>	<u>\$ (318,108)</u>	<u>\$ (37,660)</u>	<u>\$ 35,242</u>	<u>\$ (24,086)</u>	<u>\$ 55,600</u>
Covered payroll	<u>\$ 984,212</u>	<u>\$ 984,212</u>	<u>\$ 1,275,933</u>	<u>\$ 1,275,933</u>	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>	<u>\$ 1,645,791</u>
Contributions as a percentage of covered payroll	<u>316.37%</u>	<u>318.92%</u>	<u>176.40%</u>	<u>168.52%</u>	<u>112.15%</u>	<u>100.13%</u>	<u>92.95%</u>	<u>93.64%</u>	<u>90.86%</u>	<u>92.15%</u>

City of West Haven, Connecticut
Notes to Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.00%	2.00%
Salary increases	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	2.00%	2.00%
Investment rate of return	6.25%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.50%	7.50%
Mortality rate	PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale	PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale	PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale	RP-2000 Mortality Table with generational projection per Scale AA	RP-2000 Mortality Table with generational projection per Scale AA	RP-2000 Mortality Table with generational projection per Scale AA	RP-2000 Mortality Table with generational projection per Scale AA	RP-2000 Mortality Table with generational projection per Scale AA	RP-2000 Mortality Table with generational projection per Scale AA

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

City of West Haven, Connecticut

Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>								
City's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension associated with the City	152,929,267	193,090,442	178,544,596	137,668,256	142,269,191	150,095,086	113,727,170	105,117,977
Total	<u>\$ 152,929,267</u>	<u>\$ 193,090,442</u>	<u>\$ 178,544,596</u>	<u>\$ 137,668,256</u>	<u>\$ 142,269,191</u>	<u>\$ 150,095,086</u>	<u>\$ 113,727,170</u>	<u>\$ 105,117,977</u>
City's covered payroll	<u>(2)</u>							
City's proportionate share of the collective net pension liability as a covered payroll	<u>0.00%</u>							
Plan fiduciary net position as a percentage of the collective total pension liability	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>								
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>							
City's covered payroll	<u>(2)</u>							
Contributions as a percentage of covered payroll	<u>0.00%</u>							

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

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

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

City of West Haven, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

City of West Haven, Connecticut

Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in OPEB Liability and Related Ratios</u>						
OPEB liability:						
Service cost	\$ 10,813,464	\$ 11,080,550	\$ 7,360,854	\$ 5,120,818	\$ 5,336,119	\$ 5,146,556
Interest	7,098,495	6,970,456	7,085,244	7,156,576	5,961,628	5,137,998
Changes of benefit terms	-	-	(1,191,970)	-	(318,736)	-
Differences between expected and actual experience	(27,385,705)	-	44,337,855	-	21,704,481	-
Changes in assumptions	(80,266,789)	2,644,827	59,017,168	9,917,381	(7,576,180)	(17,603,501)
Benefit payments, including refunds of member contributions	<u>(6,740,573)</u>	<u>(7,653,556)</u>	<u>(7,045,915)</u>	<u>(6,797,571)</u>	<u>(6,199,457)</u>	<u>(7,056,148)</u>
Net change in OPEB liability	(96,481,108)	13,042,277	109,563,236	15,397,204	18,907,855	(14,375,095)
OPEB liability - July 1	<u>321,172,844</u>	<u>308,130,567</u>	<u>198,567,331</u>	<u>183,170,127</u>	<u>164,262,272</u>	<u>178,637,367</u>
OPEB liability - June 30 *	<u>\$ 224,691,736</u>	<u>\$ 321,172,844</u>	<u>\$ 308,130,567</u>	<u>\$ 198,567,331</u>	<u>\$ 183,170,127</u>	<u>\$ 164,262,272</u>
Covered-employee payroll	<u>\$ 112,066,977</u>	<u>\$ 78,710,730</u>	<u>\$ 78,710,730</u>	<u>\$ 59,634,262</u>	<u>\$ 59,634,262</u>	<u>\$ 61,793,967</u>
OPEB liability as a percentage of covered employee payroll	<u>200.50%</u>	<u>408.04%</u>	<u>391.47%</u>	<u>332.98%</u>	<u>307.16%</u>	<u>265.82%</u>

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

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

City of West Haven, Connecticut

Required Supplementary Information

Allington Fire Department Other Post-Employment Benefit (OPEB) Plan
Last Six Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in OPEB Liability</u>						
OPEB liability:						
Service cost	\$ 1,201,059	\$ 1,094,843	\$ 775,734	\$ 824,372	\$ 868,068	\$ 958,243
Interest	680,490	666,669	999,677	997,948	932,668	818,437
Change of benefit terms	(373,777)	-	-	-	-	-
Differences between expected and actual experience	(162,527)	-	(4,782,737)	-	(26,980)	-
Changes in assumptions	(6,566,832)	292,562	5,070,555	1,736,228	(1,298,327)	(3,655,785)
Benefit payments, including refunds of member contributions	<u>(852,422)</u>	<u>(792,064)</u>	<u>(762,820)</u>	<u>(705,950)</u>	<u>(688,973)</u>	<u>(703,461)</u>
Net change in OPEB liability	(6,074,009)	1,262,010	1,300,409	2,852,598	(213,544)	(2,582,566)
OPEB liability - July 1	<u>30,727,026</u>	<u>29,465,016</u>	<u>28,164,607</u>	<u>25,312,009</u>	<u>25,525,553</u>	<u>28,108,119</u>
OPEB liability - June 30 *	<u>\$24,653,017</u>	<u>\$30,727,026</u>	<u>\$29,465,016</u>	<u>\$28,164,607</u>	<u>\$25,312,009</u>	<u>\$25,525,553</u>

Covered employee payroll information was not available.

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

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

City of West Haven, Connecticut

Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>					
City's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the City	<u>16,661,363</u>	<u>28,799,446</u>	<u>27,845,037</u>	<u>27,520,758</u>	<u>36,618,483</u>
Total	<u>\$ 16,661,363</u>	<u>\$ 28,799,446</u>	<u>\$ 27,845,037</u>	<u>\$ 27,520,758</u>	<u>\$ 36,618,483</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>					
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Notes to Required Supplementary Information

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

	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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

Supplemental Schedules

General Fund

General Fund

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, human resources and health and welfare, parks and recreation, library, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

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, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 105,036,740	\$ -	\$ 105,036,740	\$105,419,834	\$ 383,094
Intergovernmental	52,735,954	-	52,735,954	55,838,540	3,102,586
Charges for services	4,755,920	-	4,755,920	4,950,862	194,942
Contributions	445,000	-	445,000	466,715	21,715
Income from investments	50,000	-	50,000	120,555	70,555
Other	195,300	-	195,300	148,417	(46,883)
Total revenues	<u>163,218,914</u>	<u>-</u>	<u>163,218,914</u>	<u>166,944,923</u>	<u>3,726,009</u>
Expenditures:					
Current:					
General government	7,337,878	-	7,337,878	6,517,569	820,309
Public safety	16,307,767	-	16,307,767	16,818,097	(510,330)
Public works	11,367,762	-	11,367,762	11,898,139	(530,377)
Benefits and insurance	18,864,103	-	18,864,103	18,864,103	-
Human resources and health and welfare	1,279,889	-	1,279,889	1,171,481	108,408
Parks and recreation	980,889	-	980,889	874,536	106,353
Library	1,521,544	-	1,521,544	1,435,692	85,852
Education	89,960,421	-	89,960,421	89,960,421	-
Debt service	17,900,579	-	17,900,579	17,900,579	-
Total expenditures	<u>165,520,832</u>	<u>-</u>	<u>165,520,832</u>	<u>165,440,617</u>	<u>80,215</u>
Excess (deficiency) of revenues over expenditures	<u>(2,301,918)</u>	<u>-</u>	<u>(2,301,918)</u>	<u>1,504,306</u>	<u>3,806,224</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	550,800	550,800
Transfers in	2,323,785	-	2,323,785	548,785	(1,775,000)
Transfers out	(21,867)	-	(21,867)	(21,867)	-
Net other financing sources (uses)	<u>2,301,918</u>	<u>-</u>	<u>2,301,918</u>	<u>1,077,718</u>	<u>(1,224,200)</u>
Extraordinary item:					
Casualty loss	-	-	-	(265,257)	(265,257)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	2,316,767	<u>\$ 2,316,767</u>
Fund balance - July 1, 2021				5,666,367	
Fund balance - June 30, 2022				<u>\$ 7,983,134</u>	

City of West Haven, Connecticut

General Fund
Report of Tax Collector
For the Year Ended June 30, 2022

Grand List Year	Uncollected Taxes July 1, 2021	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2005	\$ 53,118	\$ -	\$ -	\$ 53,114	\$ -	\$ 4	\$ 4	\$ 142	\$ 146	\$ -
2006	57,555	-	-	80	-	57,475	2,540	5,557	8,097	54,935
2007	57,939	-	-	80	-	57,859	2,544	6,209	8,753	55,315
2008	102,365	-	-	80	-	102,285	2,544	5,751	8,295	99,741
2009	113,657	-	-	80	-	113,577	2,544	5,293	7,837	111,033
2010	86,172	-	-	3,979	-	82,193	2,842	5,444	8,286	79,351
2011	86,284	-	-	3,979	-	82,305	4,784	5,078	9,862	77,521
2012	103,354	-	-	3,979	-	99,375	5,012	7,687	12,699	94,363
2013	156,840	-	-	1,886	-	154,954	2,842	4,044	6,886	152,112
2014	187,994	-	-	2,037	-	185,957	18,029	19,695	37,724	167,928
2015	144,093	-	271	1,955	-	142,409	28,306	26,974	55,280	114,103
2016	185,199	-	759	3,281	-	182,677	18,018	15,786	33,804	164,659
2017	123,211	-	350	2,634	-	120,927	17,010	9,963	26,973	103,917
2018	1,034,463	-	3,890	46,848	668,099	323,406	190,555	127,954	318,509	132,851
2019	<u>1,692,409</u>	<u>-</u>	<u>15,101</u>	<u>71,669</u>	<u>-</u>	<u>1,635,841</u>	<u>702,369</u>	<u>250,647</u>	<u>953,016</u>	<u>933,472</u>
Subtotal	4,184,653	-	20,371	195,681	668,099	3,341,244	999,943	496,224	1,496,167	2,341,301
2020	<u>-</u>	<u>105,353,295</u>	<u>140,734</u>	<u>448,277</u>	<u>-</u>	<u>105,045,752</u>	<u>103,197,138</u>	<u>669,721</u>	<u>103,866,859</u>	<u>1,848,614</u>
Total	<u>\$ 4,184,653</u>	<u>\$ 105,353,295</u>	<u>\$ 161,105</u>	<u>\$ 643,958</u>	<u>\$ 668,099</u>	<u>\$108,386,996</u>	<u>\$104,197,081</u>	<u>\$ 1,165,945</u>	<u>\$105,363,026</u>	4,189,915
								Interest and liens receivable		2,526,869
								Allowance for doubtful accounts		<u>(2,630,000)</u>
								Taxes, interest and liens receivable (net)		<u>\$ 4,086,784</u>

Allingtown Fire Department

The Allingtown fire department fund is used to account for the operations of the Allingtown Fire Department. The operations are required to be accounted for separately under State Statutes since the City has two other departments that are taxing districts. The department is funded principally by property taxes, charges for services and fees and grants from other governmental units.

City of West Haven, Connecticut
Allingtown Fire Department Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 7,177,696	\$ -	\$ 7,177,696	\$ 7,303,733	\$ 126,037
Intergovernmental	1,260,525	-	1,260,525	2,381,370	1,120,845
Charges for services	119,600	-	119,600	168,935	49,335
Contributions	100,000	-	100,000	100,000	-
Total revenues	<u>8,657,821</u>	<u>-</u>	<u>8,657,821</u>	<u>9,954,038</u>	<u>1,296,217</u>
Expenditures:					
Current:					
Personnel	7,271,397	-	7,271,397	6,793,674	477,723
Maintenance	112,850	-	112,850	48,624	64,226
Administration	55,000	-	55,000	57,754	(2,754)
Utilities, insurance, and equipment	888,574	-	888,574	669,904	218,670
Capital outlay	330,000	-	330,000	708,234	(378,234)
Debt service	-	-	-	14,849	(14,849)
Total expenditures	<u>8,657,821</u>	<u>-</u>	<u>8,657,821</u>	<u>8,293,039</u>	<u>364,782</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	1,660,999	<u>\$ 1,660,999</u>
Fund balance - July 1, 2021				<u>2,475,279</u>	
Fund balance - June 30, 2022				<u>\$ 4,136,278</u>	

City of West Haven, Connecticut

Allingtown Fire Department
Report of Tax Collector
For the Year Ended June 30, 2022

Grand List Year	Uncollected Taxes July 1, 2021	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2022	
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total		
2005	\$ 4,823	\$ -	\$ -	\$ 4,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2006	5,226	-	-	17	-	5,209	404	805	1,209	4,805	
2007	5,315	-	-	17	-	5,298	404	963	1,367	4,894	
2008	18,539	-	-	21	-	18,518	488	1,076	1,564	18,030	
2009	19,041	-	-	22	-	19,019	507	1,029	1,536	18,512	
2010	9,514	-	-	20	-	9,494	527	983	1,510	8,967	
2011	10,523	-	-	22	-	10,501	585	996	1,581	9,916	
2012	14,974	-	-	22	-	14,952	585	890	1,475	14,367	
2013	20,140	-	-	23	-	20,117	603	765	1,368	19,514	
2014	26,959	-	-	25	-	26,934	5,425	5,784	11,209	21,509	
2015	25,413	-	-	30	-	25,383	8,655	8,204	16,859	16,728	
2016	22,691	-	-	34	-	22,657	4,758	3,648	8,406	17,899	
2017	27,031	-	-	206	-	26,825	6,460	3,656	10,116	20,365	
2018	87,780	-	-	2,057	45,404	40,319	15,468	7,635	23,103	24,851	
2019	<u>125,526</u>	<u>-</u>	<u>970</u>	<u>2,787</u>	<u>-</u>	<u>123,709</u>	<u>45,859</u>	<u>9,724</u>	<u>55,583</u>	<u>77,850</u>	
Subtotal	423,495	-	970	10,126	45,404	368,935	90,728	46,158	136,886	278,207	
2020	<u>-</u>	<u>7,209,530</u>	<u>7,830</u>	<u>18,837</u>	<u>-</u>	<u>7,198,523</u>	<u>7,065,889</u>	<u>38,971</u>	<u>7,104,860</u>	<u>132,634</u>	
Total	<u>\$ 423,495</u>	<u>\$ 7,209,530</u>	<u>\$ 8,800</u>	<u>\$ 28,963</u>	<u>\$ 45,404</u>	<u>\$ 7,567,458</u>	<u>\$ 7,156,617</u>	<u>\$ 85,129</u>	<u>\$ 7,241,746</u>	410,841	
										Interest and liens receivable	307,019
										Allowance for doubtful accounts	<u>(291,000)</u>
										Taxes, interest and liens receivable (net)	<u>\$ 426,860</u>

Other Governmental Funds

Special Revenue Funds

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

Fund	Funding Source	Function
Community Development Block Grant	Grants and charges for services	Community development programs
Document Preservation	Charges for services	City Clerk's programs
COVID Relief Grant	Grants	Pandemic related costs and approved projects
Sports Facilities	Charges for services	Sports programs
Miscellaneous Grants	Grants and contributions	Miscellaneous City programs
Public Safety	Grants and charges for services	Public safety programs
Health and Welfare	Grants and contributions	Health and welfare programs
Savin Rock	Grants and contributions	Recreation projects and programs
School Lunch Program	Grants and charges for services	Operations of the child nutrition program
School Activity	Activity fees	Student activity funds and school scholarships
Career and Adult Education	Grants and charges for services	Adult education programs

Capital Projects Fund

Capital projects funds are used to account for acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Fund	Funding Source	Function
Capital and Nonrecurring	Property taxes	Capital purchases

City of West Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	Community Development Block Grant	Document Preservation	Sports Facilities	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
<u>Assets</u>							
Cash	\$ 790,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables (net):							
Intergovernmental	804,748	-	-	4,470,727	-	-	-
Loans	1,481,515	-	-	-	-	-	-
Other	-	214	-	-	455,426	-	-
Due from other funds	-	129,689	447,116	-	279,071	83,799	111,338
Total assets	<u>\$3,076,293</u>	<u>\$ 129,903</u>	<u>\$ 447,116</u>	<u>\$ 4,470,727</u>	<u>\$ 734,497</u>	<u>\$ 83,799</u>	<u>\$ 111,338</u>
<u>Liabilities</u>							
Accounts payable	\$ 111,457	\$ -	\$ 95,384	\$ 23,963	\$ 36,621	\$ 12,890	\$ 14,769
Retainage payable	-	-	-	47,767	-	-	-
Due to other funds	518,600	-	-	4,215,187	-	-	-
Unearned revenue	-	-	-	144,430	-	-	-
Total liabilities	<u>630,057</u>	<u>-</u>	<u>95,384</u>	<u>4,431,347</u>	<u>36,621</u>	<u>12,890</u>	<u>14,769</u>
<u>Fund Balances</u>							
Restricted	2,446,236	129,903	-	-	196,215	-	-
Committed	-	-	351,732	999,600	501,661	70,909	96,569
Unassigned	-	-	-	(960,220)	-	-	-
Total fund balances	<u>2,446,236</u>	<u>129,903</u>	<u>351,732</u>	<u>39,380</u>	<u>697,876</u>	<u>70,909</u>	<u>96,569</u>
Total liabilities and fund balances	<u>\$3,076,293</u>	<u>\$ 129,903</u>	<u>\$ 447,116</u>	<u>\$ 4,470,727</u>	<u>\$ 734,497</u>	<u>\$ 83,799</u>	<u>\$ 111,338</u>

(Continued)

City of West Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds			Capital Project Fund	Total Other Governmental Funds	
	School Lunch Program	School Activity	Career and Adult Education	Total Special Revenue Funds	Capital and Nonrecurring	
<u>Assets</u>						
Cash	\$ 1,260	\$ 579,969	\$ -	\$ 1,371,259	\$ -	\$ 1,371,259
Receivables (net):						
Intergovernmental	818,645	-	-	6,094,120	-	6,094,120
Loans	-	-	-	1,481,515	-	1,481,515
Other	-	-	-	455,640	-	455,640
Due from other funds	915,653	-	158,429	2,125,095	1,066,196	3,191,291
Total assets	<u>\$ 1,735,558</u>	<u>\$ 579,969</u>	<u>\$ 158,429</u>	<u>\$ 11,527,629</u>	<u>\$ 1,066,196</u>	<u>\$ 12,593,825</u>
<u>Liabilities</u>						
Accounts payable	\$ 705,372	\$ -	\$ 16,091	\$ 1,016,547	\$ 100	\$ 1,016,647
Retainage payable	-	-	-	47,767	-	47,767
Due to other funds	-	-	-	4,733,787	-	4,733,787
Unearned revenue	10,705	-	90,083	245,218	-	245,218
Total liabilities	<u>716,077</u>	<u>-</u>	<u>106,174</u>	<u>6,043,319</u>	<u>100</u>	<u>6,043,419</u>
<u>Fund Balances</u>						
Restricted	1,019,481	66,062	-	3,857,897	-	3,857,897
Committed	-	513,907	52,255	2,586,633	1,066,096	3,652,729
Unassigned	-	-	-	(960,220)	-	(960,220)
Total fund balances	<u>1,019,481</u>	<u>579,969</u>	<u>52,255</u>	<u>5,484,310</u>	<u>1,066,096</u>	<u>6,550,406</u>
Total liabilities and fund balances	<u>\$ 1,735,558</u>	<u>\$ 579,969</u>	<u>\$ 158,429</u>	<u>\$ 11,527,629</u>	<u>\$ 1,066,196</u>	<u>\$ 12,593,825</u>

(Concluded)

City of West Haven, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	Community Development Block Grant	Document Preservation	COVID Relief Grant	Sports Facilities	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	807,423	-	258,917	-	3,453,648	58,758	808,691	44,868
Charges for services	466	23,621	-	397,397	-	1,465,133	-	325
Contributions	-	-	-	-	39,482	-	95,682	2,170
Income from investments	731	-	-	-	-	-	-	-
Total revenues	<u>808,620</u>	<u>23,621</u>	<u>258,917</u>	<u>397,397</u>	<u>3,493,130</u>	<u>1,523,891</u>	<u>904,373</u>	<u>47,363</u>
Expenditures:								
Current:								
Public safety	-	-	171,826	-	1,110,487	1,076,217	-	-
Public works	-	-	-	-	55,815	-	-	-
Human resources and health and welfare	552,770	-	87,091	-	194,711	-	905,598	-
Parks and recreation	-	-	-	397,397	-	-	-	71,503
Education	-	-	-	-	-	-	-	-
Capital outlay	285,554	-	-	-	2,164,104	-	-	-
Total expenditures	<u>838,324</u>	<u>-</u>	<u>258,917</u>	<u>397,397</u>	<u>3,525,117</u>	<u>1,076,217</u>	<u>905,598</u>	<u>71,503</u>
Excess (deficiency) of revenues over expenditures	<u>(29,704)</u>	<u>23,621</u>	<u>-</u>	<u>-</u>	<u>(31,987)</u>	<u>447,674</u>	<u>(1,225)</u>	<u>(24,140)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	21,867	-	-
Net change in fund balances	(29,704)	23,621	-	-	(31,987)	469,541	(1,225)	(24,140)
Fund balances - July 1, 2021	<u>2,475,940</u>	<u>106,282</u>	<u>-</u>	<u>351,732</u>	<u>71,367</u>	<u>228,335</u>	<u>72,134</u>	<u>120,709</u>
Fund balances - June 30, 2022	<u>\$ 2,446,236</u>	<u>\$ 129,903</u>	<u>\$ -</u>	<u>\$ 351,732</u>	<u>\$ 39,380</u>	<u>\$ 697,876</u>	<u>\$ 70,909</u>	<u>\$ 96,569</u>

(Continued)

City of West Haven, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds			Total Special Revenue Funds	Capital Project Fund	Total Other Governmental Funds
	School Lunch Program	School Activity	Career and Adult Education		Capital and Nonrecurring	
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 388,450	\$ 388,450
Intergovernmental	5,618,640	-	26,622	11,077,567	-	11,077,567
Charges for services	23,734	765,505	1,981	2,678,162	-	2,678,162
Contributions	-	-	-	137,334	-	137,334
Income from investments	-	-	-	731	-	731
Total revenues	<u>5,642,374</u>	<u>765,505</u>	<u>28,603</u>	<u>13,893,794</u>	<u>388,450</u>	<u>14,282,244</u>
Expenditures:						
Current:						
Public safety	-	-	-	2,358,530	-	2,358,530
Public works	-	-	-	55,815	-	55,815
Human resources and health and welfare	-	-	-	1,740,170	-	1,740,170
Parks and recreation	-	-	-	468,900	-	468,900
Education	4,638,053	677,601	42,147	5,357,801	-	5,357,801
Capital outlay	-	-	-	2,449,658	301,115	2,750,773
Total expenditures	<u>4,638,053</u>	<u>677,601</u>	<u>42,147</u>	<u>12,430,874</u>	<u>301,115</u>	<u>12,731,989</u>
Excess (deficiency) of revenues over expenditures	<u>1,004,321</u>	<u>87,904</u>	<u>(13,544)</u>	<u>1,462,920</u>	<u>87,335</u>	<u>1,550,255</u>
Other financing sources (uses):						
Transfers in	-	-	-	21,867	-	21,867
Net change in fund balances	1,004,321	87,904	(13,544)	1,484,787	87,335	1,572,122
Fund balances - July 1, 2021	<u>15,160</u>	<u>492,065</u>	<u>65,799</u>	<u>3,999,523</u>	<u>978,761</u>	<u>4,978,284</u>
Fund balances - June 30, 2022	<u>\$ 1,019,481</u>	<u>\$ 579,969</u>	<u>\$ 52,255</u>	<u>\$ 5,484,310</u>	<u>\$ 1,066,096</u>	<u>\$ 6,550,406</u>

(Concluded)

Internal Service Funds

Internal service funds are used to account for risk financing activities.

Fund	Function
Medical	Medical claims of the City and Education employees
General Liability	Self-insured liability, auto, and property claims
Workers' Compensation	Workers' compensation claims of the City and Education employees

City of West Haven, Connecticut
Internal Service Funds
Combining Schedule of Net Position
June 30, 2022

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<u>Assets</u>				
Current assets:				
Cash	\$ 39,710	\$ -	\$ -	\$ 39,710
Accounts receivable	3,552	-	-	3,552
Due from other funds	<u>1,862,141</u>	<u>3,559</u>	<u>414,356</u>	<u>2,280,056</u>
Total assets	<u>1,905,403</u>	<u>3,559</u>	<u>414,356</u>	<u>2,323,318</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	30,501	4,876	14,807	50,184
Claims payable	<u>525,000</u>	<u>371,528</u>	<u>3,041,605</u>	<u>3,938,133</u>
Total current liabilities	555,501	376,404	3,056,412	3,988,317
Noncurrent liability:				
Claims payable	<u>-</u>	<u>132,505</u>	<u>6,817,614</u>	<u>6,950,119</u>
Total liabilities	<u>555,501</u>	<u>508,909</u>	<u>9,874,026</u>	<u>10,938,436</u>
<u>Net Position</u>				
Restricted	325,000	-	-	325,000
Unrestricted	<u>1,024,902</u>	<u>(505,350)</u>	<u>(9,459,670)</u>	<u>(8,940,118)</u>
Total net position	<u>\$ 1,349,902</u>	<u>\$ (505,350)</u>	<u>\$ (9,459,670)</u>	<u>\$ (8,615,118)</u>

City of West Haven, Connecticut

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 11,358,604	\$ 1,411,936	\$ 2,965,635	\$ 15,736,175
Contributions - OPEB	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total operating revenues	<u>11,558,604</u>	<u>1,411,936</u>	<u>2,965,635</u>	<u>15,936,175</u>
Operating expenses:				
Claims	9,444,599	1,353,456	5,182,422	15,980,477
Administration	<u>989,103</u>	<u>-</u>	<u>-</u>	<u>989,103</u>
Total operating expenses	<u>10,433,702</u>	<u>1,353,456</u>	<u>5,182,422</u>	<u>16,969,580</u>
Change in net position	1,124,902	58,480	(2,216,787)	(1,033,405)
Net position - July 1, 2021	<u>225,000</u>	<u>(563,830)</u>	<u>(7,242,883)</u>	<u>(7,581,713)</u>
Net position - June 30, 2022	<u>\$ 1,349,902</u>	<u>\$ (505,350)</u>	<u>\$ (9,459,670)</u>	<u>\$ (8,615,118)</u>

City of West Haven, Connecticut

Internal Service Funds
 Combining Schedule of Cash Flows
 For the Year Ended June 30, 2022

	Medical	General Liability	Workers' Compensation	Total
Cash flows from (used in) operating activities:				
Cash received for charges	\$ 11,128,842	\$ 1,429,762	\$ 2,635,337	\$ 15,193,941
Cash paid for claims and other	(10,072,199)	(1,413,253)	(2,635,337)	(14,120,789)
Cash paid for administration	(995,448)	-	-	(995,448)
Cash paid for insurance	-	(16,509)	-	(16,509)
	<u>61,195</u>	<u>-</u>	<u>-</u>	<u>61,195</u>
Net increase (decrease) in cash				
Cash overdraft - July 1, 2021	(21,485)	-	-	(21,485)
Cash - June 30, 2022	<u>\$ 39,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,710</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:				
Operating income (loss)	\$ 1,124,902	\$ 58,480	\$ (2,216,787)	\$ (1,033,405)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	36,203	-	-	36,203
Due from other funds	(465,965)	17,826	(330,298)	(778,437)
Increase (decrease) in:				
Accounts payable	(6,345)	(16,509)	-	(22,854)
Claims payable	(627,600)	(59,797)	2,547,085	1,859,688
Net cash from (used in) operating activities	<u>\$ 61,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,195</u>

Trend Information

This part of the City's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Table	Description
Financial Trend (Tables 1-5)	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
Revenue Capacity (Tables 6A-6B)	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.
Debt Capacity (Tables 7-8)	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the fiscal year.

City of West Haven, Connecticut

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

June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u> (as restated)	<u>2019</u>	<u>2018</u> (as restated)	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net investment in capital assets	\$ 234,391,084	\$ 211,688,503	\$ 159,518,899	\$ 157,436,719	\$ 119,362,746	\$ 113,820,843	\$ 110,165,292	\$ 103,786,476	\$ 93,015,386	\$ 83,270,506
Restricted	14,215,930	22,856,672	9,216,122	6,551,358	4,557,472	1,008,845	1,450,430	199,656	143,257	240,190
Unrestricted	<u>(350,136,833)</u>	<u>(349,426,645)</u>	<u>(300,272,413)</u>	<u>(322,929,859)</u>	<u>(304,748,526)</u>	<u>(312,365,310)</u>	<u>(323,319,157)</u>	<u>(153,446,871)</u>	<u>(82,442,903)</u>	<u>(64,127,305)</u>
Total net position	<u>\$ (101,529,819)</u>	<u>\$ (114,881,470)</u>	<u>\$ (131,537,392)</u>	<u>\$ (158,941,782)</u>	<u>\$ (180,828,308)</u>	<u>\$ (197,535,622)</u>	<u>\$ (211,703,435)</u>	<u>\$ (49,460,739)</u>	<u>\$ 10,715,740</u>	<u>\$ 19,383,391</u>

Source: Current and prior year financial statements.

City of West Haven, Connecticut

Governmental Activities
Changes in Net Position
Last Ten Years
(Unaudited)

Fiscal Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
General government	\$ 11,650,010	\$ 12,053,894	\$ 9,957,315	\$ 10,694,871	\$ 11,565,167	\$ 9,351,824	\$ 7,774,273	\$ 7,477,278	\$ 7,987,973	\$ 9,896,396
Public safety	44,791,584	35,501,307	43,468,810	35,490,850	32,404,160	30,531,663	32,061,576	34,474,682	34,391,960	37,158,465
Public works	29,818,621	27,453,929	25,830,193	25,885,886	25,371,336	21,665,363	23,875,064	25,086,632	21,635,683	18,615,619
Human resources and health and welfare	4,246,746	5,304,807	2,622,275	3,754,865	3,824,643	3,694,157	2,549,216	2,768,874	2,540,066	2,478,153
Parks and recreation	1,569,197	1,033,156	966,240	1,771,034	1,841,119	2,310,370	2,186,667	1,968,356	1,959,279	2,090,380
Library	1,435,692	1,443,266	1,421,000	1,546,000	1,596,000	1,596,000	1,778,657	1,798,324	1,867,189	1,603,717
Education	141,592,100	142,739,437	121,573,391	134,703,644	125,631,324	120,668,671	122,678,656	120,520,940	123,106,721	106,168,675
Interest	2,005,854	1,650,927	6,014,918	3,910,292	4,230,136	3,295,938	4,719,812	3,525,526	7,392,322	6,358,021
Total expenses	<u>237,109,804</u>	<u>227,180,723</u>	<u>211,854,142</u>	<u>217,757,442</u>	<u>206,463,885</u>	<u>193,113,986</u>	<u>197,623,921</u>	<u>197,620,612</u>	<u>200,881,193</u>	<u>184,369,426</u>
Program revenues:										
Charges for services:										
General government	3,407,409	2,817,905	913,317	2,779,906	2,749,383	2,018,005	830,937	742,464	655,798	551,292
Public safety	2,751,728	2,544,709	2,466,353	2,796,049	2,557,729	2,723,298	2,500,890	2,089,617	2,130,821	2,022,764
Public works	12,249,832	12,040,275	13,661,767	12,071,740	11,933,542	9,489,397	13,468,371	13,164,265	13,470,649	10,431,335
Human resources and health and welfare	101,957	120,735	42,330	237,135	171,249	191,118	335,370	334,002	289,573	223,963
Parks and recreation	276,994	27,180	488,518	699,612	793,148	914,321	904,347	958,168	950,469	1,060,204
Education	1,188,617	1,000,919	150,866	273,378	669,194	796,945	766,938	917,518	1,020,331	1,097,692
Operating grants and contributions	94,602,274	83,415,164	80,729,008	76,788,567	79,059,267	78,204,022	69,612,238	70,338,355	68,763,572	64,923,248
Capital grants and contributions	12,345,918	24,514,278	22,100,714	27,405,117	10,273,017	4,397,033	6,670,007	6,224,629	3,365,792	5,134,306
Total program revenues	<u>126,924,729</u>	<u>126,481,165</u>	<u>120,552,873</u>	<u>123,051,504</u>	<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>
Net expenses	<u>(110,185,075)</u>	<u>(100,699,558)</u>	<u>(91,301,269)</u>	<u>(94,705,938)</u>	<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>
General revenues and other changes in net position:										
Property taxes	113,190,707	110,852,952	107,670,568	105,253,727	100,126,868	100,126,868	95,079,278	92,973,074	93,549,828	94,905,686
Grants and contributions not restricted to specific programs	9,939,160	7,135,069	10,143,646	12,027,245	8,192,236	8,192,236	7,553,442	7,593,745	7,369,539	8,820,355
Income from investments	121,317	46,637	349,478	381,979	11,508	11,508	6,718	7,766	8,491	12,968
Gain on sale of capital assets	550,799	299,757	225,571	298,807	550,799	-	-	-	-	451,999
Transfers	-	-	-	-	-	-	-	1,448,500	59,274	-
Other	-	-	-	-	217,048	217,048	1,043,784	278,459	579,405	247,020
Total general revenues	<u>123,801,983</u>	<u>118,334,415</u>	<u>118,389,263</u>	<u>117,961,758</u>	<u>109,098,459</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>
Extraordinary item:										
Casualty loss	<u>(265,257)</u>	<u>(978,935)</u>	-	-	-	-	-	-	-	-
Change in net position	<u>\$ 13,351,651</u>	<u>\$ 16,655,922</u>	<u>\$ 27,087,994</u>	<u>\$ 23,255,820</u>	<u>\$ 10,841,103</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>

Source: Current and prior year financial statements.

City of West Haven, Connecticut

Governmental Funds
Fund Balances
Last Ten Years
(Unaudited)

June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
			(as restated)		(as restated)					
General fund:										
Nonspendable	\$ -	\$ -	\$ 346,540	\$ -	\$ -	\$ -	\$ 152,351	\$ 6,116,001	\$ 1,760,849	\$ 5,537,319
Assigned	-	-	27,720	-	-	-	-	-	-	-
Unassigned	7,983,134	5,666,367	3,201,411	1,358,918	11,360	(18,138,674)	(16,888,415)	(16,313,098)	(10,254,844)	(13,313,968)
Total general fund	7,983,134	5,666,367	3,575,671	1,358,918	11,360	(18,138,674)	(16,736,064)	(10,197,097)	(8,493,995)	(7,776,649)
All other governmental funds:										
Nonspendable	149,832	149,832	149,832	149,832	1,787,973	-	149,832	2,079,171	-	-
Restricted	14,215,930	11,473,737	9,258,988	6,551,358	2,769,499	1,008,845	1,450,430	199,656	200,587	240,190
Committed	6,930,520	13,651,425	48,726,987	1,006,050	450,734	1,387,873	-	-	402,098	474,174
Unassigned	(25,786,829)	(33,525,523)	(84,871,472)	(25,799,025)	(3,232,103)	(866,460)	(2,661,727)	(9,734,429)	(8,781,547)	(9,274,093)
Total all other governmental funds	(4,490,547)	(8,250,529)	(26,735,665)	(18,091,785)	1,776,103	1,530,258	(1,061,465)	(7,455,602)	(8,178,862)	(8,559,729)
Grand total	\$ 3,492,587	\$ (2,584,162)	\$ (23,159,994)	\$ (16,732,867)	\$ 1,787,463	\$ (16,608,416)	\$ (17,797,529)	\$ (17,652,699)	\$ (16,672,857)	\$ (16,336,378)

Source: Current and prior year financial statements.

Notes:

General fund:
Unassigned

Increased due to positive operations in current year.

All other governmental funds:

Restricted
Committed
Unassigned

Increase in Allington Fire Department and cafeteria fund balances due to positive operations.

Decrease due to decrease in commitment for high school project.

Increased due to positive operations in the capital improvement fund related to issuance of bonds and decrease in construction commitments.

City of West Haven, Connecticut

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

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:										
Property taxes	\$ 105,419,834	\$ 103,334,930	\$ 99,858,280	\$ 97,509,642	\$ 95,880,234	\$ 94,300,417	\$ 90,455,343	\$ 89,195,459	\$ 89,089,508	\$ 88,240,214
Intergovernmental	55,838,540	52,913,217	55,741,342	57,948,396	60,551,502	54,442,288	55,457,785	56,342,261	55,506,537	54,158,926
Charges for services	4,950,862	4,258,037	3,676,119	4,458,444	4,459,358	3,586,549	3,589,044	3,925,914	3,365,573	2,949,557
Contributions	466,715	444,796	444,561	437,317	427,290	422,652	413,060	411,127	405,606	405,262
Income from investments	120,555	44,064	348,190	381,638	193,375	7,199	3,946	5,244	4,839	11,023
Other	148,417	54,640	204,699	220,033	138,275	198,803	630,723	1,139,974	579,405	247,020
Total revenues	<u>166,944,923</u>	<u>161,049,684</u>	<u>160,273,191</u>	<u>160,955,470</u>	<u>161,650,034</u>	<u>152,957,908</u>	<u>150,549,901</u>	<u>151,019,979</u>	<u>148,951,468</u>	<u>146,012,002</u>
Expenditures:										
Current:										
General government	6,517,569	6,293,655	5,628,028	5,686,760	6,025,857	5,582,281	5,613,257	5,523,725	5,867,510	6,077,654
Public safety	16,818,097	15,876,544	15,545,783	15,206,742	15,513,579	15,037,051	14,648,759	14,698,060	14,192,501	14,156,458
Public works	11,898,139	11,235,174	10,307,368	10,090,546	10,399,951	10,741,857	10,530,433	10,186,627	10,604,939	10,771,539
Benefits and insurance	18,864,103	17,368,172	16,284,924	16,167,113	17,120,879	16,281,933	16,420,785	15,921,252	13,591,703	12,431,531
Human resources and health and welfare	1,171,481	799,012	1,072,935	1,065,621	1,160,864	1,162,719	1,113,962	1,130,451	1,100,338	1,042,884
Parks and recreation	874,536	667,981	759,459	869,606	885,004	869,743	844,947	869,583	870,443	836,110
Library	1,435,692	1,321,680	1,421,000	1,546,000	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000	1,603,717
Education	89,960,421	87,224,298	89,139,235	90,526,821	89,602,256	87,778,458	87,666,923	86,351,705	85,004,012	80,998,243
Debt service	17,900,579	18,132,932	18,498,828	18,926,611	17,401,021	16,731,010	15,817,910	16,927,158	17,573,204	16,961,372
Total expenditures	<u>165,440,617</u>	<u>158,919,448</u>	<u>158,657,560</u>	<u>160,085,820</u>	<u>159,705,411</u>	<u>155,781,052</u>	<u>154,252,976</u>	<u>153,238,562</u>	<u>150,434,650</u>	<u>144,879,508</u>
Excess (deficiency) of revenues over expenditures	<u>1,504,306</u>	<u>2,130,236</u>	<u>1,615,631</u>	<u>869,650</u>	<u>1,944,623</u>	<u>(2,823,144)</u>	<u>(3,703,075)</u>	<u>(2,218,583)</u>	<u>(1,483,182)</u>	<u>1,132,494</u>
Other financing sources (uses):										
Issuance of debt	-	-	-	-	16,135,000	-	-	-	-	-
Premium	-	-	-	-	1,040,796	-	-	-	-	-
Sale of capital assets	550,800	309,608	12,000	298,807	199,200	308,450	-	-	-	451,924
Transfers in	548,785	903,313	1,284,122	1,709,734	1,303,546	1,796,865	1,655,231	1,460,977	2,150,518	2,178,416
Transfers out	(21,867)	(273,526)	(695,000)	(111,246)	(303,342)	(684,781)	(438,291)	(976,000)	(1,204,747)	(980,366)
Net other financing sources (uses)	<u>1,077,718</u>	<u>939,395</u>	<u>601,122</u>	<u>1,897,295</u>	<u>18,375,200</u>	<u>1,420,534</u>	<u>1,216,940</u>	<u>484,977</u>	<u>945,771</u>	<u>2,630,340</u>
Extraordinary item:										
Casualty loss	(265,257)	(978,935)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 2,316,767</u>	<u>\$ 2,090,696</u>	<u>\$ 2,216,753</u>	<u>\$ 2,766,945</u>	<u>\$ 20,319,823</u>	<u>\$ (1,402,610)</u>	<u>\$ (2,486,135)</u>	<u>\$ (1,733,606)</u>	<u>\$ (537,411)</u>	<u>\$ 3,762,834</u>
Debt service as a percentage of expenditures	<u>10.82%</u>	<u>11.41%</u>	<u>14.70%</u>	<u>11.82%</u>	<u>10.90%</u>	<u>10.74%</u>	<u>10.25%</u>	<u>11.05%</u>	<u>11.68%</u>	<u>11.71%</u>

Source: Current and prior year financial statements.

City of West Haven, Connecticut

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

Fiscal Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	\$ 113,112,017	\$ 111,205,380	\$ 107,161,361	\$ 105,055,923	\$ 102,157,929	\$ 99,833,820	\$ 95,978,106	\$ 94,212,286	\$ 94,202,314	\$ 93,881,204
Intergovernmental	116,015,101	114,439,063	106,136,189	122,803,344	103,359,452	90,254,995	93,208,317	84,253,028	79,386,506	78,651,759
Charges for services	19,798,570	18,445,802	17,697,504	18,726,972	19,258,590	18,734,961	18,007,328	18,188,324	17,558,937	15,337,866
Contributions	704,049	565,353	544,561	542,758	567,392	113,144	6,718	7,766	8,491	226,150
Income from investments	121,317	46,637	349,478	381,979	198,896	11,508	178,812	116,280	76,150	12,968
Other	168,202	60,095	510,872	240,862	217,148	642,200	628,784	237,909	579,405	247,020
Total revenues	249,919,256	244,762,330	232,399,965	247,751,838	225,759,407	209,590,628	208,008,065	197,015,593	191,811,803	188,356,967
Expenditures:										
Current:										
General government	6,517,569	6,293,655	5,628,028	5,744,906	6,437,489	6,085,057	5,647,074	5,510,058	5,737,466	6,078,850
Public safety	26,746,583	25,953,206	23,550,628	22,735,353	22,668,951	22,508,563	22,317,496	22,153,601	20,666,182	20,922,581
Public works	19,984,685	18,168,308	17,812,221	17,546,777	17,374,271	17,698,206	20,136,638	19,549,895	17,357,922	17,894,033
Benefits and insurance	18,864,103	17,368,172	16,284,924	16,167,113	17,120,879	16,281,933	16,451,288	15,890,748	13,602,831	12,431,531
Human resources and health and welfare	2,911,651	3,890,967	1,899,482	2,446,765	2,872,254	2,636,816	2,076,300	2,253,077	1,946,985	2,105,842
Parks and recreation	1,343,436	822,036	772,571	1,279,744	1,355,793	1,814,119	1,832,991	1,629,541	1,563,951	1,593,077
Library	1,435,692	1,387,010	1,421,000	1,546,000	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000	1,603,717
Education	133,829,042	121,510,371	116,132,611	126,290,818	121,338,432	117,578,132	118,107,395	107,662,010	105,512,213	101,724,814
Capital outlay	23,647,338	49,199,937	35,225,764	50,332,471	15,215,614	11,500,844	2,389,770	9,989,505	9,474,379	8,936,009
Debt service	20,026,028	20,453,083	20,416,259	21,111,734	19,279,951	18,666,440	17,688,591	25,073,237	20,825,627	18,017,398
Total expenditures	255,306,127	265,046,745	239,143,488	265,201,681	225,259,634	216,366,110	208,243,543	211,341,673	198,317,556	191,307,852
Excess (deficiency) of revenues over expenditures	(5,386,871)	(20,284,415)	(6,743,523)	(17,449,843)	499,773	(6,775,482)	(235,478)	(14,326,080)	(6,505,753)	(2,950,885)
Other financing sources (uses):										
Issuance of refunding debt	-	-	-	-	-	-	-	38,715,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(38,377,921)	(6,392,319)	-
Issuance of debt	8,160,192	32,173,000	-	-	16,135,000	9,635,000	-	10,945,544	-	28,250,103
Issuance of notes	-	6,979,933	-	-	219,311	-	-	615,118	-	-
Premium	3,017,885	2,376,641	-	-	1,690,997	-	-	-	-	-
Sale of capital assets	550,800	309,608	-	298,807	199,200	308,450	415,000	1,448,500	-	452,000
Transfers in	610,572	1,426,839	1,979,122	1,889,809	1,606,888	2,481,646	6,055,392	2,658,337	3,235,880	3,158,782
Transfers out	(610,572)	(1,426,839)	(1,979,122)	(1,889,809)	(1,606,888)	(2,481,646)	(6,379,744)	(2,658,337)	(3,176,606)	(3,158,782)
Net other financing sources (uses)	11,728,877	41,839,182	-	298,807	18,244,508	9,943,450	90,648	13,346,241	(6,333,045)	28,702,103
Extraordinary item:										
Casualty loss	(265,257)	(978,935)	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 6,076,749	\$ 20,575,832	\$ (6,743,523)	\$ (17,151,036)	\$ 18,744,281	\$ 3,167,968	\$ (144,830)	\$ (979,839)	\$ (12,838,798)	\$ 25,751,218
Debt service as a percentage of noncapital expenditures	8.78%	9.43%	10.98%	10.04%	9.11%	9.11%	8.59%	12.45%	11.03%	9.88%

Source: Current and prior year financial statements.

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

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			Current Delinquent Balance
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	
2013	31.25	2011	\$ 88,111,713	\$ 86,410,454	98.07%	\$ 1,623,738	\$ 88,034,192	99.91%	\$ 77,521
2014	31.25	2012	88,395,137	86,723,519	98.11%	1,577,255	88,300,774	99.89%	94,363
2015	31.25	2013	88,651,979	87,340,812	98.52%	1,159,055	88,499,867	99.83%	152,112
2016	31.25	2014	89,720,548	88,555,278	98.70%	997,342	89,552,620	99.81%	167,928
2017	35.26	2015	94,194,456	92,520,326	98.22%	1,560,027	94,080,353	99.88%	114,103
2018	35.26	2016	94,716,054	93,225,076	98.43%	1,326,319	94,551,395	99.83%	164,659
2019	35.26	2017	97,161,771	95,560,257	98.35%	1,497,597	97,057,854	99.89%	103,917
2020	36.26	2018	99,474,011	97,332,822	97.85%	2,008,338	99,341,160	99.87%	132,851
2021	37.48	2019	102,396,456	100,704,047	98.35%	758,937	101,462,984	99.09%	933,472
2022	34.00	2020	105,045,752	103,197,138	98.24%	-	103,197,138	98.24%	1,848,614

Source: Current and prior year financial statements.

Note:

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

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

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			Current Delinquent Balance
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	
2013	8.38	2011	\$ 4,727,093	\$ 4,596,111	97.23%	\$ 121,066	\$ 4,717,177	99.79%	\$ 9,916
2014	8.38	2012	4,526,447	4,393,485	97.06%	118,595	4,512,080	99.68%	14,367
2015	8.63	2013	4,887,391	4,762,781	97.45%	105,096	4,867,877	99.60%	19,514
2016	9.44	2014	5,420,240	5,292,934	97.65%	105,797	5,398,731	99.60%	21,509
2017	11.07	2015	5,175,224	5,120,275	98.94%	38,221	5,158,496	99.68%	16,728
2018	12.52	2016	5,923,717	5,866,250	99.03%	39,568	5,905,818	99.70%	17,899
2019	13.06	2017	7,076,508	6,946,268	98.16%	109,875	7,056,143	99.71%	20,365
2020	14.02	2018	7,223,858	7,060,077	97.73%	138,930	7,199,007	99.66%	24,851
2021	14.02	2019	7,059,795	6,934,269	98.22%	47,676	6,981,945	98.90%	77,850
2022	11.62	2020	7,198,523	7,065,889	98.16%	-	7,065,889	98.16%	132,634

Source: Current and prior year financial statements.

Notes:

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

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	(2) Notes	Leases	Total	(1) Population	Debt Per Capita
2013	\$ 74,505,000	\$ -	\$ 39,620,000	\$ 748,825	\$ 35,111,966	\$ -	\$ 149,985,791	55,404	\$ 2,707
2014	67,315,000	6,110,000	36,125,000	3,142,000	31,641,281	-	144,333,281	55,046	2,622
2015	67,705,000	-	34,565,000	2,693,143	31,341,683	-	136,304,826	56,172	2,427
2016	60,630,000	-	30,865,000	2,244,286	28,872,619	-	122,611,905	56,172	2,183
2017	53,230,000	9,635,000	26,270,000	1,795,429	26,386,024	-	117,316,453	54,516	2,152
2018	71,480,000	-	21,275,000	2,935,672	24,183,209	-	119,873,881	54,843	2,186
2019	62,280,000	-	16,150,000	2,384,918	22,078,068	-	102,892,986	54,879	1,875
2020	53,090,000	-	10,870,000	1,834,165	19,988,845	-	85,783,010	54,879	1,563
2021	62,975,000	13,000,000	5,540,000	3,541,220	23,769,808	449,006	109,275,034	55,584	1,966
2022	74,300,000	-	-	6,083,125	21,122,533	867,418	102,373,076	55,294	1,851

Source: Current and prior year financial statements.

Notes:

(1) Per Connecticut State Department of Health

(2) Includes permanently financed interim funding obligations. Excludes Allingtown Fire Department.

City of West Haven, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
For the Year Ended June 30, 2022
(Unaudited)

Tax base:

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

City	\$ 103,194,940
Allingtown Fire Department	7,084,540
West Shore Fire District	10,408,120
First Fire District	<u>15,309,554</u>

Total base \$ 135,997,154

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 305,993,597	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	611,987,193	-	-	-
3 3/4 times base	-	-	509,989,328	-	-
3 1/4 times base	-	-	-	441,990,751	-
3 times base	-	-	-	-	407,991,462
Total debt limitation	<u>305,993,597</u>	<u>611,987,193</u>	<u>509,989,328</u>	<u>441,990,751</u>	<u>407,991,462</u>
Indebtedness:					
Bonds payable	36,026,168	35,615,832	2,658,000	-	-
Bond anticipation notes	-	6,500,000	-	-	-
West Shore Fire District	-	-	-	-	-
First Fire Taxation District	-	-	-	-	-
Total indebtedness	<u>36,026,168</u>	<u>42,115,832</u>	<u>2,658,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 269,967,429</u></u>	<u><u>\$ 569,871,361</u></u>	<u><u>\$ 507,331,328</u></u>	<u><u>\$ 441,990,751</u></u>	<u><u>\$ 407,991,462</u></u>
The total net indebtedness above amounts to:					<u><u>\$ 80,800,000</u></u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u><u>\$ 951,980,078</u></u>

Source: Current and prior year financial statements.