

City of West Haven, Connecticut



Annual Financial Report For the Year Ended June 30, 2021

Annual Financial Report

of the

City of West Haven,

Connecticut

For the Year Ended

June 30, 2021

City of West Haven, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2021**

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Introductory Section

City of West Haven, Connecticut

Principal Officials June 30, 2021

Mayor

Nancy R. Rossi

Treasurer

Michael P. Last

City Council

Ronald M. Quagliani, Chairman
Bridgette J. Hoskie
William X. Conlon
Elizabeth Johnston
Mitchell L. Galignano
Robbin Watt Hamilton
Peter V. Massaro
Treneé McGee
Chrystal Fanelli
Robert Bruneau
Barry Lee Cohen
Gary Donovan
Colleen O'Connor

Administration

Ann Marie Gradoia
Frank Gladwin
Patricia Horvath
Frank Cieplinski
Abdul Quadir
Thomas McCarthy
Joseph Perno
Dorothy Chambrelli
Jack Crosby

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

Financial Section

Independent Auditors' Report

City Council
City of West Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut ("City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 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 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
February 23, 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, 2021

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, 2021. 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	\$ 16,655,922
Total net position	(114,881,470)
Unrestricted net position	(349,426,645)

- The significant factors for the change are as follows:

Governmental funds activity:

➤ positive operations of the General Fund of	\$ 2,090,696
➤ positive operations of the Allingtown Fire Department fund of	573,474
➤ positive operations of the Sewer fund of	1,504,253
➤ positive operations of the Capital Improvement fund	15,649,715

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	40,650,084
➤ net principal debt activity of	(23,741,017)
➤ change in net pension liability of	19,041,282
➤ change in OPEB liability of	(14,304,287)
➤ change in pension and OPEB deferred outflows of resources of	(18,478,675)
➤ change in pension and OPEB deferred inflows of resources of	(8,734,415)

- As of the close of the current fiscal year, the City's governmental funds reported combined ending deficit fund balance of \$(2,584,162), an increase of \$20,575,832 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 operation are discussed in the governmental activity section.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,666,367, an increase of \$2,464,956 in comparison with the prior year. This unassigned fund balance represents 3.56% of total budgetary basis general fund expenditures and transfers out.
- Net capital assets increased in the current year by \$40,174,907. 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 increased by \$21,335,963 during the current fiscal year due to the issuance of bonds and the permanent financing of bond anticipation notes (BAN's) of \$32,173,000, clean water notes of \$4,512,488, and equipment financing notes of \$2,425,443, offset by scheduled principal payments of \$17,774,968.
- The City had an extraordinary items for a casualty loss of \$978,935 due to an embezzlement that occurred during the fiscal year.

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. The statement of fiduciary net position is used to present financial information about activities for which the City acts solely as an agent for the benefit of employees and others.

Government-wide financial statements

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

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

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

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

Fund financial statements

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

Governmental funds

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

Management's Discussion and Analysis

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

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

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.

Management's Discussion and Analysis

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 \$(349,426,645).

Summary Statement of Net Position June 30

	<u>2021</u>	<u>2020</u> (as restated)
Current and other assets	\$ 63,445,207	\$ 43,204,675
Capital assets (net)	<u>317,495,092</u>	<u>277,320,185</u>
Total assets	<u>380,940,299</u>	<u>320,524,860</u>
Deferred outflows of resources	<u>107,240,887</u>	<u>126,013,421</u>
Current liabilities outstanding	74,632,604	55,105,092
Long-term liabilities outstanding	<u>491,540,262</u>	<u>496,108,984</u>
Total liabilities	<u>566,172,866</u>	<u>551,214,076</u>
Deferred inflows of resources	<u>36,889,790</u>	<u>26,861,597</u>
Net position:		
Net investment in capital assets	211,688,503	159,518,899
Restricted	22,856,672	9,304,337
Unrestricted	<u>(349,426,645)</u>	<u>(300,360,628)</u>
Total net position	<u>\$ (114,881,470)</u>	<u>\$ (131,537,392)</u>

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.

Management's Discussion and Analysis

A portion of the Town's net position, 19.90%, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$(349,426,645), which decreased by \$49,066,017 from the prior year.

Net position may serve over time as a useful indicator of a government's financial position. In 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 \$114,881,470.

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

	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 18,551,723	\$ 17,723,151
Operating grants and contributions	83,415,164	80,729,008
Capital grants and contributions	24,514,278	22,100,714
General revenues		
Property taxes	110,852,952	107,670,568
Grants and contributions not restricted to specific programs	7,135,069	10,143,646
Income from investments	46,637	349,478
Gain on sale of capital assets	299,757	-
Other general revenues	-	225,571
Total revenues	244,815,580	238,942,136
Expenses:		
General government	12,053,894	9,957,315
Public safety	35,501,307	43,468,810
Public works	27,453,929	25,830,193
Human resources and health and welfare	5,304,807	2,622,275
Parks and recreation	1,033,156	1,421,000
Library	1,443,266	966,240
Education	142,739,437	121,573,391
Interest	1,650,927	6,014,918
Total expenses	227,180,723	211,854,142
Change in net position before extraordinary item	17,634,857	27,087,994
Extraordinary item:		
Casualty loss	(978,935)	-
Change in net position	16,655,922	27,087,994
Net position - July 1	(131,537,392)	(158,941,782)
Restatements (Note VI)	-	316,396
Net position - June 30	\$ (114,881,470)	\$ (131,537,392)

Management's Discussion and Analysis

Key elements of the change in net position of \$16,665,922 are as follows:

Revenues

Governmental activity revenues totaled \$244,815,580. This represents an increase of \$5,873,444 from the prior year. Property taxes are the largest revenue source for the City and represent 45.29% of revenues. Details for the other categories are as follows:

Charges for services	7.58%
Operating grants and contributions	34.07%
Capital grants and contributions	10.01%
Property taxes	45.29%
Grants and contributions not restricted to specific programs	2.91%
Income from investments	0.02%
Gain on sale of capital assets	0.12%
Total	<u>100.00%</u>

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

- Operating grants and contributions increased by \$2.69 million substantially due to COVID related grants received in the current fiscal year, including the Coronavirus Relief Fund grant for the City and Education Department and the ESSER grant for the Education Department.
- Property taxes increased by \$3.18 million due to an increase in the budget and related mill rate and the amount funded with property taxes.
- Grants and contributions not restricted to specific programs decreased by \$3.01 million due to a reduction in the MARB grant of \$3.11 million.

Expenditures

Governmental activity expenditures totaled \$227,180,723 for the fiscal year, an increase of \$15,326,581. Of the total expenditures, \$142,739,437 or 62.83% is related to education. Details for the other categories are as follows:

General government	5.31%
Public safety	15.63%
Public works	12.08%
Human resources and health and welfare	2.34%
Library	0.64%
Parks and recreation	0.45%
Education	62.83%
Interest	0.72%
Total	<u>100.00%</u>

Management's Discussion and Analysis

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

- General government expense increased \$2.10 million as result of the \$979 thousand casualty loss and increase in OPEB expense
- Public safety expense decreased by \$7.97 million due to a decrease in the pension expense of \$9.36 million, offset by an increase in the OPEB expense of \$1.84 million.
- Human resources and health and welfare expense increase by \$2.68 million due to costs spent related to the Coronavirus Relief Fund grant of \$891 thousand and an increase in the Community Development Block Grant fund expenditures of \$706 thousand due to the impact of COVID on the prior year.
- Education expense increased by \$21.17 million due to an increase in education grants of \$8.10 million, an increase in the general fund budget of \$5.40 million, and an increase in the OPEB expense of \$11.03 million.
- Interest expense decreased by \$4.36 million due to the significant decrease in amount of BAN's outstanding for the High school renovation project as compared to the prior year.

Financial analysis of the City's funds

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

Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending deficit fund balance of \$(2,584,162).

The components of fund balance were as follows:

Nonspendable for prepaids	\$ 149,832
Restricted	22,856,672
Committed	2,268,490
Unassigned	<u>(27,859,156)</u>
Total	<u>\$ (2,584,162)</u>

The total fund balance increased by \$20,575,832 to \$(2,584,162). 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 \$5,666,367 was unassigned. During the current fiscal year, the fund balance of the City's general fund increased by \$2,090,696. The increase was substantially attributable to the expenditure budget being underspent by \$5,270,983 offset by revenues and other financing sources being lower than the budget by \$3,180,287. See additional discussed in the budgetary highlights section below.

Management's Discussion and Analysis

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 \$2,475,279. This was the result of positive operations of \$573,474 due to expenditure savings of \$573,911. The expenditure savings were due to a decrease in actual claims for workers' compensation of \$106,330 and insurance of \$314,520.

Sewer. The sewer fund accounts for the City's sewer usage operations. During the year, revenues exceeded expenditures and transfers out by \$1,504,253. This is a result of the continued efforts to manage operation costs and the timing of maintenance projects. This increased the fund balance to \$6,408,685.

Capital improvement. The capital improvement fund accounts for financial resources to be used for various construction projects. During the year, the fund had expenditures of \$46,329,308. Funding sources primarily include state grants for school improvements and other City projects of \$20,349,061 and issuance of bonds and notes of \$39,110,931. This 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 liabilities, and workers' compensation. The internal service fund had an unrestricted net position of \$(7,581,713) at year end. The fund has an increase in net position of \$1,587,447 due to lower than expected claims.

General fund budgetary highlights

There were no significant budget transfers made during the year.

The most significant functions that were underspent were as follows:

- General government was underspent by \$1,648,737 primarily due to the unused contingency budgeted of \$1,351,856.
- Benefits and insurance was underspent by \$1,405,669 due to lower medical costs during the current fiscal year due to unfilled positions and lower insurance increases than anticipated.
- Education was underspent by \$2,640,158 due to the remote learning model during pandemic and the COVID-19 related grants to provide to support education.
- Casualty loss of \$978,935 was an unexpected expenditure

Allingtown Fire Department budgetary highlights

The most significant budget transfers were as follows:

- The contingency budget transfer of \$161,828 was primarily used for maintenance tools of \$71,000, emergency reporting system of \$37,198, and building maintenance of \$14,543.

Management's Discussion and Analysis

Significant line items were underspent/overspent during the year were as follows:

- Workers' compensation was underspent by \$106,330 due to a decrease in claims.
- Insurance was underspent by \$314,520 due to a decrease in claims.
- Education incentive (EMT-certification) was underspent by \$103,125 due to no employees requiring certification in the current fiscal year.

Capital assets and debt administration

Capital assets

The City's investment in capital assets totals \$317,495,092 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets
(Net of Accumulated Depreciation)
June 30

	<u>2021</u>	<u>2020</u>
Land	\$ 16,400,390	\$ 16,400,391
Construction in progress	131,384,083	94,694,641
Land improvements	7,559,286	7,951,654
Buildings and improvements	96,605,990	96,849,328
Machinery and equipment	9,821,050	7,488,041
Vehicles	5,300,980	4,326,646
Infrastructure	<u>50,423,313</u>	<u>49,609,484</u>
Total	<u>\$ 317,495,092</u>	<u>\$ 277,320,185</u>

The capital assets (net of depreciation) increased in the current year by \$40,174,907. The increase is due to capital additions exceeding depreciation expense. In the current year, the City had capital asset additions totaling \$54,618,350. Major capital asset additions consisted of the following:

- Construction in progress:
 - West Haven High School renovations
 - Various street paving
 - Cove River pump station
 - Beach Street reconstruction
 - Old Field Creek dredging
 - Elm Street improvements

\$ 27,092,171
3,582,676
2,544,577
2,205,605
1,012,613
1,035,956

Management's Discussion and Analysis

➤ Buildings and improvements:	
○ Bailey school roof	\$ 1,342,916
○ West Haven High School building improvements	925,810
○ Arts Center building	650,000
➤ Machinery and equipment:	
○ Various education computer equipment	2,859,171
○ West Haven High School furniture, fixtures, and equipment	371,380
➤ Vehicles:	
○ wheel loaders	315,761
○ Police car interceptors	491,375
➤ Infrastructure:	
○ Allingtown Green sewer and streetscape improvements	1,694,185
○ Sidewalk replacements	499,568

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

Long-term debt

At the end of the fiscal year, the City had total long-term debt outstanding of \$105,284,808. All debt is backed by the full faith and credit of the City.

Long-Term Debt June 30

	2021	2020
General obligation bonds	\$ 62,975,000	\$ 53,090,000
Pension obligation bonds	5,540,000	10,870,000
Bond anticipation notes - permanently financed	13,000,000	-
Clean water notes payable	22,667,997	19,933,144
Equipment financing notes payable	1,101,811	55,701
Total	<u>\$ 105,284,808</u>	<u>\$ 83,948,845</u>

During the current fiscal year, the City's total debt increased by \$21,335,963 due to issuance of bonds of \$19,173 and the permanent financing of BANS of \$13,000,000, clean water notes of \$4,512,488, and equipment financing notes of \$2,425,443, offset by scheduled principal payments of \$17,774,968.

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

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the City is \$909,021,232, 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.

Management's Discussion and Analysis

Economic factors and next year's budgets and rates

As of June 2021, the unemployment rate for the City was at 7.5%, which is lower than the State average unemployment rate of 7.7% and higher than the national unemployment rate of 5.9%.

The potential impact of the pandemic on the local economy, businesses and City revenues is being continually monitored. For fiscal year 2021, there was a negative impact on income from investments, but other revenues such as building permits and conveyance taxes were positively impacted. The City did not see any impact on tax collections for the prior fiscal year and there is no indication that there will be an impact on 2022 collections.

These factors were considered in preparing the City's budget for the 2022 fiscal year

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

Requests for information

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

Basic Financial Statements

City of West Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2021

Assets

Current assets:	
Cash	\$ 25,635,523
Investments	19,305,702
Receivables (net):	
Property taxes	2,114,224
Sewer use	94,661
Intergovernmental	10,178,448
Loans	79,588
Other	749,741
Prepays	149,832
Total current assets	58,307,719
Noncurrent assets:	
Receivables (net):	
Property taxes	2,401,367
Sewer use	1,107,180
Loans	1,533,366
Other	95,575
Total receivables (net)	5,137,488
Capital assets (net of accumulated depreciation):	
Land	16,400,390
Construction in progress	131,384,083
Land improvements	7,559,286
Buildings and improvements	96,605,990
Machinery and equipment	9,821,050
Vehicles	5,300,980
Infrastructure	50,423,313
Total capital assets (net of accumulated depreciation)	317,495,092
Total noncurrent assets	322,632,580
Total assets	380,940,299

Deferred Outflows of Resources

Deferred charge on refunding	187,865
Pension related	9,651,090
OPEB related	97,401,932
Total Deferred Outflows of Resources	107,240,887

(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, 2021

Liabilities

Current liabilities:	
Accounts payable	\$ 16,575,807
Accrued payroll and related liabilities	8,970,049
Accrued interest payable	461,103
Retainage payable	3,641,226
Unearned revenue	15,006,367
Bond anticipation notes payable	6,500,000
Other	583,246
Current portion of long-term liabilities:	
Bonds and notes payable	17,421,272
Compensated absences	1,922,564
Heart and hypertension	146,126
Claims payable	3,404,844
Total current liabilities	<u>74,632,604</u>
Noncurrent liabilities:	
Bonds and notes payable and related liabilities	91,433,169
Compensated absences	7,690,255
Heart and hypertension	1,508,734
Claims payable	5,623,720
Net pension liability	33,384,514
OPEB liability	351,899,870
Total noncurrent liabilities	<u>491,540,262</u>
Total liabilities	<u>566,172,866</u>

Deferred Inflows of Resources

Advance collections	8,128,128
Pension related	18,058,039
OPEB related	10,703,623
Total deferred inflows of resources	<u>36,889,790</u>

Net Position

Net investment in capital assets	211,688,503
Restricted:	
Construction commitments	11,382,935
General government	106,282
Allingtown fire department	2,475,279
Sewer operations	6,258,853
Housing rehabilitation	2,475,940
Education	157,383
Unrestricted	(349,426,645)
Total net position	<u>\$ (114,881,470)</u>

(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, 2021**

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	\$ 12,053,894	\$ 2,817,905	\$ 499,436	\$ -	\$ (8,736,553)
Public safety	35,501,307	2,544,709	1,002,998	1,286,339	(30,667,261)
Public works	27,453,929	12,040,275	125,785	7,910,863	(7,377,006)
Human resources and health and welfare	5,304,807	120,735	2,885,380	-	(2,298,692)
Parks and recreation	1,033,156	27,180	80,445	171,319	(754,212)
Library	1,443,266	-	-	-	(1,443,266)
Education	142,739,437	1,000,919	78,821,120	15,145,757	(47,771,641)
Interest	1,650,927	-	-	-	(1,650,927)
Total	\$ 227,180,723	\$ 18,551,723	\$ 83,415,164	\$ 24,514,278	(100,699,558)
General revenues:					
Property taxes					110,852,952
Grants and contributions not restricted to specific programs					7,135,069
Income from investments					46,637
Gain on sale of capital assets					299,757
Total general revenues					118,334,415
Change in net position before extraordinary item					17,634,857
Extraordinary item:					
Casualty loss					(978,935)
Change in net position					16,655,922
Net position - July 1, 2020 (as restated)					(131,537,392)
Net position - June 30, 2021					\$ (114,881,470)

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

City of West Haven, Connecticut

Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Allington Fire Department	ARPA Fund	Sewer Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>							
Cash	\$ 13,284,744	\$ 3,557,230	\$ -	\$ 7,364,249	\$ -	\$ 1,450,785	\$ 25,657,008
Investments	19,305,702	-	-	-	-	-	19,305,702
Receivables (net):							
Property taxes	4,077,559	438,032	-	-	-	-	4,515,591
Sewer use	-	-	-	1,201,841	-	-	1,201,841
Intergovernmental	2,029	-	-	-	6,032,320	4,144,099	10,178,448
Loans	-	-	-	-	-	1,612,954	1,612,954
Other	297,451	2,083	-	165,027	5,806	335,194	805,561
Due from other funds	17,900,569	-	14,504,288	-	-	3,262,249	35,667,106
Prepays	-	-	-	149,832	-	-	149,832
Total assets	<u>\$ 54,868,054</u>	<u>\$ 3,997,345</u>	<u>\$ 14,504,288</u>	<u>\$ 8,880,949</u>	<u>\$ 6,038,126</u>	<u>\$ 10,805,281</u>	<u>\$ 99,094,043</u>
<u>Liabilities</u>							
Accounts payable	\$ 10,140,307	\$ 254,545	\$ -	\$ 531,550	\$ 3,784,387	\$ 1,791,980	\$ 16,502,769
Accrued payroll and related liabilities	8,956,557	13,492	-	-	-	-	8,970,049
Retainage payable	-	-	-	-	3,635,119	6,107	3,641,226
Due to other funds	18,948,904	384,528	-	33,923	14,309,631	3,491,739	37,168,725
Unearned revenue	43,142	-	14,504,288	-	-	458,937	15,006,367
Bond anticipation notes payable	-	-	-	-	6,500,000	-	6,500,000
Other	580,269	2,977	-	-	-	-	583,246
Total liabilities	<u>38,669,179</u>	<u>655,542</u>	<u>14,504,288</u>	<u>565,473</u>	<u>28,229,137</u>	<u>5,748,763</u>	<u>88,372,382</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue:							
Property taxes	3,562,776	413,078	-	-	-	-	3,975,854
Sewer use	-	-	-	1,201,841	-	-	1,201,841
Advance collections	6,969,732	453,446	-	704,950	-	-	8,128,128
Total deferred inflows of resources	<u>10,532,508</u>	<u>866,524</u>	<u>-</u>	<u>1,906,791</u>	<u>-</u>	<u>-</u>	<u>13,305,823</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	149,832	-	-	149,832
Restricted	-	2,475,279	-	6,258,853	9,525,691	4,596,849	22,856,672
Committed	-	-	-	-	-	2,268,490	2,268,490
Unassigned	5,666,367	-	-	-	(31,716,702)	(1,808,821)	(27,859,156)
Total fund balances	<u>5,666,367</u>	<u>2,475,279</u>	<u>-</u>	<u>6,408,685</u>	<u>(22,191,011)</u>	<u>5,056,518</u>	<u>(2,584,162)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,868,054</u>	<u>\$ 3,997,345</u>	<u>\$ 14,504,288</u>	<u>\$ 8,880,949</u>	<u>\$ 6,038,126</u>	<u>\$ 10,805,281</u>	<u>\$ 99,094,043</u>

(Continued)

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

City of West Haven, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2021

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)	\$ (2,584,162)
--	----------------

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

Beginning capital assets (net)	277,320,185
Current year additions (net of construction in progress)	48,116,882
Depreciation expense	(7,466,798)
Disposal of capital assets	(475,177)
Total	317,495,092

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

Deferred charge on refunding	187,865
Pension related deferred outflows	9,651,090
OPEB related deferred outflows	97,401,932
Total	107,240,887

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

Property tax, loans, charges for services, and sewer assessments receivable - accrual basis change	5,177,695
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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	(7,581,713)
--	-------------

Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(105,313,221)
Premium	(3,541,220)
Compensated absences	(9,612,819)
Heart and hypertension	(1,654,860)
Net pension liability	(33,384,514)
OPEB liability	(351,899,870)
Pension related deferred inflows	(18,058,039)
OPEB related deferred inflows	(10,703,623)
Accrued interest payable	(461,103)
Total	(534,629,269)

Net position (Exhibit A)	\$ (114,881,470)
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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, 2021

	General Fund	Allington Fire Department	Sewer Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 103,334,930	\$ 7,532,484	\$ -	\$ -	\$ 337,966	\$ 111,205,380
Intergovernmental	65,597,247	982,040	125,785	20,349,061	27,384,930	114,439,063
Charges for services	4,258,037	90,147	11,709,710	136,935	2,250,973	18,445,802
Contributions	444,796	-	-	-	120,557	565,353
Income from investments	44,064	-	-	-	2,573	46,637
Other	54,640	-	-	5,455	-	60,095
Total revenues	<u>173,733,714</u>	<u>8,604,671</u>	<u>11,835,495</u>	<u>20,491,451</u>	<u>30,096,999</u>	<u>244,762,330</u>
Expenditures:						
Current:						
General government	6,293,655	-	-	-	-	6,293,655
Public safety	15,876,544	7,737,760	-	-	2,338,902	25,953,206
Public works	11,235,174	-	6,933,134	-	-	18,168,308
Benefits and insurance	17,368,172	-	-	-	-	17,368,172
Human resources and health and welfare	799,012	-	-	-	3,091,955	3,890,967
Parks and recreation	667,981	-	-	-	154,055	822,036
Library	1,321,680	-	-	-	65,330	1,387,010
Education	99,908,328	-	-	-	21,602,043	121,510,371
Capital outlay	-	28,588	886,478	45,821,993	2,462,878	49,199,937
Debt service	18,132,932	14,849	1,797,987	507,315	-	20,453,083
Total expenditures	<u>171,603,478</u>	<u>7,781,197</u>	<u>9,617,599</u>	<u>46,329,308</u>	<u>29,715,163</u>	<u>265,046,745</u>
Excess (deficiency) of revenues over expenditures	<u>2,130,236</u>	<u>823,474</u>	<u>2,217,896</u>	<u>(25,837,857)</u>	<u>381,836</u>	<u>(20,284,415)</u>
Other financing sources (uses):						
Issuance of bonds	-	-	-	32,173,000	-	32,173,000
Issuance of notes	-	-	-	6,937,931	42,002	6,979,933
Premium	-	-	-	2,376,641	-	2,376,641
Sale of capital assets	309,608	-	-	-	-	309,608
Transfers in	903,313	-	-	-	523,526	1,426,839
Transfers out	(273,526)	(250,000)	(713,643)	-	(189,670)	(1,426,839)
Net other financing sources (uses)	<u>939,395</u>	<u>(250,000)</u>	<u>(713,643)</u>	<u>41,487,572</u>	<u>375,858</u>	<u>41,839,182</u>
Extraordinary item:						
Casualty loss	<u>(978,935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(978,935)</u>
Net change in fund balances	2,090,696	573,474	1,504,253	15,649,715	757,694	20,575,832
Fund balances - July 1, 2020 (as restated)	<u>3,575,671</u>	<u>1,901,805</u>	<u>4,904,432</u>	<u>(37,840,726)</u>	<u>4,298,824</u>	<u>(23,159,994)</u>
Fund balances - June 30, 2021	<u>\$ 5,666,367</u>	<u>\$ 2,475,279</u>	<u>\$ 6,408,685</u>	<u>\$ (22,191,011)</u>	<u>\$ 5,056,518</u>	<u>\$ (2,584,162)</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, 2021**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 20,575,832</u>
--	----------------------

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

Capital outlay	48,116,882
Depreciation expense	<u>(7,466,798)</u>
Total	<u>40,650,084</u>

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>(475,177)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax, loans, charges for services and sewer assessments - accrual basis change	<u>(246,507)</u>
--	------------------

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

Debt issued or incurred:	
General obligation bonds	(19,173,000)
Bond anticipation notes (permanently financed)	(13,000,000)
Notes payable	(6,979,933)
Premium	(2,376,641)
Principal repayments:	
General obligation bonds	14,618,000
Notes payable	<u>3,170,557</u>
Total	<u>(23,741,017)</u>

(Continued)

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

City of West Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021**

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

Change in:	
Compensated absences	\$ (1,652,234)
Heart and hypertension	1,419,990
Net pension liability	19,041,282
OPEB liability	(14,304,287)
Accrued interest payable	637,872
Amortization of:	
Deferred charges	(293,859)
Premium	669,586
Deferred outflows of resources related to pension	(1,630,910)
Deferred inflows of resources related to pension	(13,701,867)
Deferred outflows of resources related to OPEB	(16,847,765)
Deferred inflows of resources related to OPEB	4,967,452
Total	<u>(21,694,740)</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>1,587,447</u>
Change in net position (Exhibit B)	<u>\$ 16,655,922</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, 2021

	Governmental Activities
	Internal Service Funds
<u>Assets</u>	
Current assets:	
Accounts receivable	\$ 39,755
Due from other funds	<u>1,501,619</u>
Total assets	<u>1,541,374</u>
<u>Liabilities</u>	
Current liabilities:	
Cash overdraft	21,485
Accounts payable	73,038
Claims payable	<u>3,404,844</u>
Total current liabilities	<u>3,499,367</u>
Noncurrent liabilities:	
Claims payable	<u>5,623,720</u>
Total liabilities	<u>9,123,087</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ (7,581,713)</u></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, 2021

	Governmental Activities
	Internal Service Funds
Operating revenues:	
Charges for services	\$26,580,467
Contributions - OPEB	125,000
Total operating revenues	26,705,467
Operating expenses:	
Claims	21,592,995
Administration	2,260,711
Insurance	1,264,314
Total operating expenses	25,118,020
Change in net position	1,587,447
Net position - July 1, 2020	(9,169,160)
Net position - June 30, 2021	\$ (7,581,713)

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, 2021

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities:	
Cash received for charges	\$ 25,840,333
Cash paid for claims and other	(21,833,591)
Cash paid for administration	(2,756,373)
Cash paid for insurance	(1,271,854)
	<u>(21,485)</u>
Net increase (decrease) in cash	(21,485)
Cash - July 1, 2020	<u>-</u>
Cash overdraft - June 30, 2021	<u>\$ (21,485)</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 1,587,447
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	23,181
Due from other funds	(888,315)
Increase (decrease) in:	
Accounts payable	(503,202)
Claims payable	(240,596)
	<u>(520,617)</u>
Net cash from (used in) operating activities	<u>\$ (21,485)</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, 2021

	<u>Pension Trust Funds</u>
<u>Assets</u>	
Investments at fair value:	
Bank money market	\$ 105,603
Mutual funds:	
Money market	3,696,965
Equity	47,491,997
Real estate	494,769
Equity - domestic	18,202,196
Equity - real estate	383,749
Exchange traded funds	56,335,501
Corporate bonds	5,885,260
Real estate funds	192,499
Private equity funds	11,971,834
Variable rate note	2,010,800
Annuities	<u>5,152,654</u>
Total investments	<u>151,923,827</u>
<u>Net Position</u>	
Restricted for pensions	<u><u>\$ 151,923,827</u></u>

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, 2021

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 5,550,868
Plan members	573,514
Total contributions	6,124,382
Investment income (loss):	
Change in fair value of investments	30,388,456
Interest and dividends	2,290,682
Total investment income (loss)	32,679,138
Less investment expenses	175,422
Net investment income (loss)	32,503,716
Total additions	38,628,098
Deductions:	
Benefits	9,405,555
Administration	562,937
Total deductions	9,968,492
Changes in net position	28,659,606
Net position - July 1, 2020	123,264,221
Net position - June 30, 2021	<u>\$151,923,827</u>

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

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****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, 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, 2021

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.
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, 2021

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 Fund	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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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.

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 Allintown 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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

The investment guidelines are as follows:

Asset Class	Target Allocation	
	Police	Allingtown
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	100.00%	100.00%

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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

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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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.

4. Capital assets

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

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

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

<u>Assets</u>	<u>City Years</u>	<u>Allingtown Fire Department Years</u>	<u>Capitalization Threshold</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

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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 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.

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

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

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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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. 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 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.

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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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.

9. 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.

10. Reclassifications

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

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

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

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Excess expenditures over appropriations

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

City Council	\$ 17,530
Labor relations and personnel	22,964
Town and City Clerk	6,233
Grants administration	4,494
Information and technology/data processing	52,189
Central services	15,953
Board of assessment appeals	1,031
FEMA - Storm Isaias	169,048
Unallocated	162,353
Public safety administration	94,253
Public safety support	90,090
Public works:	
Administration	12,228
Bureau of engineering	56,513
Central garage	25,452
Compost site	4,438
Disposal of solid waste	296,001
Grounds and building maintenance	48,854
Highways and park maintenance	8,576
City insurance	44,504
Health department	3,960
Library	680
Transfers out	66,315
Casualty loss - (extraordinary item)	978,935

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	\$ 112,261,673	\$ 20,988,327
Beach Street reconstruction project	5,200,000	2,874,042	2,325,958
Totals	<u>\$ 138,450,000</u>	<u>\$ 115,135,715</u>	<u>\$ 23,314,285</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 COVID related goods and services.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

At year end, the City's bank balance was \$19,199,389 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 13,153,305
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>4,670,927</u>
Total amount subject to custodial credit risk	<u><u>\$ 17,824,232</u></u>

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

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Greater than 10
Mutual funds						
Money market	\$ 3,696,965	\$ -	\$ 3,696,965	\$ -	\$ -	\$ -
Equity	47,491,997	47,491,997	-	-	-	-
Real estate	494,769	494,769	-	-	-	-
Exchange traded funds	56,335,501	56,335,501	-	-	-	-
Bank money market	105,603	-	105,603	-	-	-
Pooled fixed income	19,305,702	-	19,305,702	-	-	-
Equity - domestic	18,202,196	18,202,196	-	-	-	-
Equity - real estate	383,749	383,749	-	-	-	-
Corporate bonds	5,885,260	-	66,150	826,079	4,812,641	180,390
Private equity funds	11,971,834	11,971,834	-	-	-	-
Real estate funds	192,499	192,499	-	-	-	-
Annuities	5,152,654	-	-	3,228,358	359,694	1,564,602
Variable rate note	2,010,800	2,010,800	-	-	-	-
Total	<u><u>\$ 171,229,529</u></u>	<u><u>\$ 137,083,345</u></u>	<u><u>\$ 23,174,420</u></u>	<u><u>\$ 4,054,437</u></u>	<u><u>\$ 5,172,335</u></u>	<u><u>\$ 1,744,992</u></u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

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

		Quoted Market Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs
	Amount	Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
Mutual funds				
Money market	\$ 3,696,965	\$ 3,696,965	\$ -	\$ -
Equity	47,491,997	47,491,997	-	-
Real estate	494,769	494,769	-	-
Exchange traded funds	56,335,501	56,335,501	-	-
Equity - domestic	18,202,196	18,202,196	-	-
Equity - real estate	383,749	383,749	-	-
Corporate bonds	5,885,260	-	5,885,260	-
Annuities	5,152,654	-	-	5,152,654
Variable rate note	2,010,800	-	2,010,800	-
Total investments by fair value level	139,653,891	\$ 126,605,177	\$ 7,896,060	\$ 5,152,654
<u>Investments measured at the net asset value (NAV)</u>				
Private equity funds	11,971,834			
Real estate funds	192,499			
Total investments measured at the NAV	12,164,333			
<u>Other investments not subject to fair value measurement</u>				
Bank money market	105,603			
Pooled fixed income	19,305,702			
Total investments	\$ 171,229,529			

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

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

Level 3: Unobservable inputs

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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
Private equity funds	1	\$ 11,971,834	\$ -	Quarterly	90 days
Real estate funds	2	<u>192,499</u>	<u>-</u>	Quarterly	90 days
Total investments measured at the NAV		<u>\$ 12,164,333</u>	<u>\$ -</u>		

1. 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.
2. Real estate funds - This type includes two real estate funds that invest primarily in U.S. commercial real estate. The funds permit redemptions quarterly with 90 days notice. Distributions from the fund will be received as the underlying investments of the funds are liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan’s ownership interest in partners’ capital.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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	
Mutual funds								
Money market	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,696,965	\$ 3,696,965
Pooled fixed income	19,305,702	-	-	-	-	-	-	19,305,702
Corporate bonds	194,686	446,943	2,380,053	1,018,927	1,069,369	519,732	255,550	5,885,260
Annuities	244,139	1,676,218	3,028,961	203,336	-	-	-	5,152,654
Variable rate note	-	-	-	-	-	-	2,010,800	2,010,800
Total	<u>\$19,744,527</u>	<u>\$2,123,161</u>	<u>\$5,409,014</u>	<u>\$1,222,263</u>	<u>\$1,069,369</u>	<u>\$519,732</u>	<u>\$ 5,963,315</u>	<u>\$36,051,381</u>

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

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

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Exchange traded funds	\$ 56,335,501	\$ 500,000	\$ 55,835,501
Equity - domestic	18,202,196	500,000	17,702,196
Equity - real estate	383,749	-	383,749
Corporate bonds	5,885,260	-	5,885,260
Variable rate note	2,010,800	-	2,010,800
Total	<u>\$ 82,817,506</u>	<u>\$ 1,000,000</u>	<u>\$ 81,817,506</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Receivables

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

		City Property Taxes			
		Taxes	Interest and Lien Fees	Total	
Current portion		\$ 1,129,856	\$ 856,385	\$ 1,986,241	
Long-term portion		3,054,797	1,666,521	4,721,318	
Less allowance for uncollectibles		(1,450,000)	(1,180,000)	(2,630,000)	
Net long-term portion		\$ 1,604,797	\$ 486,521	\$ 2,091,318	
		Allingtown Property Taxes			
		Taxes	Interest and Lien Fees	Total	
Current portion		\$ 101,639	\$ 26,344	\$ 127,983	
Long-term portion		321,856	279,193	601,049	
Less allowance for uncollectibles		(170,000)	(121,000)	(291,000)	
Net long-term portion		\$ 151,856	\$ 158,193	\$ 310,049	
		Sewer Use			
	Use	Interest and Lien Fees	Total	CDBG Loans	Police Private Duty
Current portion	\$ 66,608	\$ 28,053	\$ 94,661	\$ 79,588	\$ 222,618
Long-term portion	673,485	573,695	1,247,180	1,673,366	222,618
Less allowance for uncollectibles	(66,000)	(74,000)	(140,000)	(140,000)	(127,043)
Net long-term portion	\$ 607,485	\$ 499,695	\$ 1,107,180	\$ 1,533,366	\$ 95,575

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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	\$ 65,276	\$ -
ARPA Fund	N/A	-	14,504,288
Sewer Fund	N/A	33,923	-
Capital Improvement Fund	N/A	14,309,631	-
Special Revenue Funds	N/A	3,491,739	2,239,088
Capital Project Funds	N/A	-	773,161
Medical	N/A	-	1,396,176
General Liability	N/A	-	21,385
Workers' Compensation	N/A	-	14,806
Total General Fund		<u>17,900,569</u>	<u>18,948,904</u>
Allingtown Fire Department			
General Fund	N/A	-	65,276
Capital and Nonrecurring	N/A	-	250,000
Workers' compensation	N/A	-	69,252
Total Allingtown Fire Department		<u>-</u>	<u>384,528</u>
ARPA Fund			
General Fund	N/A	<u>14,504,288</u>	<u>-</u>
Sewer Fund			
General Fund	N/A	<u>-</u>	<u>33,923</u>
Capital Improvement Fund			
General Fund	N/A	<u>-</u>	<u>14,309,631</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other Governmental Funds			
Special Revenue Funds			
Community Development Block Grant	General Fund	\$ -	\$ 364,410
Document Preservation	General Fund	99,138	-
COVID Relief Grant	General Fund	258,917	-
Sports Facilities	General Fund	449,369	-
Miscellaneous Grants	General Fund	-	3,127,329
Public Safety	General Fund	70,143	-
Health and Welfare	General Fund	72,760	-
Savin Rock	General Fund	152,606	-
Education Grants	General Fund	1,027,183	-
School Lunch Program	General Fund	12,399	-
Career and Adult Education	General Fund	96,573	-
Total Special Revenue Funds		<u>2,239,088</u>	<u>3,491,739</u>
Capital Project Funds			
Capital and Nonrecurring	General Fund	773,161	-
Capital and Nonrecurring	Allingtown Fire Department	250,000	-
Total Capital Project Funds		<u>1,023,161</u>	<u>-</u>
Total Other Governmental Funds		<u>3,262,249</u>	<u>3,491,739</u>
Internal Service Funds			
Medical	General Fund	1,396,176	-
General Liability	General Fund	21,385	-
Workers' Compensation	General Fund	14,806	-
Workers' Compensation	Allingtown Fire Department	69,252	-
Total Internal Service Funds		<u>1,501,619</u>	<u>-</u>
Total		<u><u>\$37,168,725</u></u>	<u><u>\$37,168,725</u></u>

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, 2021

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
<u>General Fund</u>			
Sewer	N/A	\$ 713,643	\$ -
Special Revenue Funds	N/A	189,670	202,280
Capital Project Funds	N/A	-	71,246
Total General Fund		<u>903,313</u>	<u>273,526</u>
<u>Allingtown Fire District Fund</u>			
Capital and Nonrecurring	N/A	-	250,000
<u>Sewer Fund</u>			
General Fund	N/A	-	713,643
<u>Other Governmental Funds</u>			
<u>Special Revenue Funds</u>			
Miscellaneous Grants	General Fund	6,876	19,001
Public Safety	General Fund	40,000	170,669
Savin Rock	General Fund	59,439	-
Education Grants	General Fund	95,965	-
<u>Capital Project Funds</u>			
Capital and Nonrecurring	General Fund	71,246	-
Capital and Nonrecurring	Allingtown Fire District	250,000	-
Total Other Governmental Funds		<u>523,526</u>	<u>189,670</u>
Total		<u><u>\$ 1,426,839</u></u>	<u><u>\$ 1,426,839</u></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, 2021

D. Capital assets

Capital asset activity for the fiscal year was as follows:

City	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 16,363,488	\$ -	\$ 1	\$ 16,363,487
Construction in progress	94,694,641	43,190,910	6,501,468	131,384,083
Total capital assets, not being depreciated	111,058,129	43,190,910	6,501,469	147,747,570
Capital assets, being depreciated:				
Land improvements	16,938,345	67,539	-	17,005,884
Buildings and improvements	199,610,557	3,574,553	1,765,838	201,419,272
Machinery and equipment	27,572,583	4,074,811	252,855	31,394,539
Vehicles	8,215,951	1,286,599	551,609	8,950,941
Infrastructure	98,695,835	2,279,678	-	100,975,513
Total capital assets, being depreciated	351,033,271	11,283,180	2,570,302	359,746,149
Total capital assets	462,091,400	54,474,090	9,071,771	507,493,719
Less accumulated depreciation for:				
Land improvements	8,986,691	459,907	-	9,446,598
Buildings and improvements	103,106,155	3,355,588	1,325,167	105,136,576
Machinery and equipment	20,107,916	1,838,983	251,855	21,695,044
Vehicles	4,590,224	211,428	518,104	4,283,548
Infrastructure	49,165,496	1,457,129	-	50,622,625
Total accumulated depreciation	185,956,482	7,323,035	2,095,126	191,184,391
Total capital assets, being depreciated, net	165,076,789	3,960,145	475,176	168,561,758
Capital assets, net	<u>\$276,134,918</u>	<u>\$47,151,055</u>	<u>\$6,976,645</u>	<u>\$316,309,328</u>

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

General government	\$1,299,513
Public safety	724,101
Public works	2,087,317
Health and welfare	129,203
Parks and recreation	214,032
Education	<u>2,868,869</u>
Total depreciation expense	<u>\$7,323,035</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Capital assets (continued)

Allingtown Fire Department	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 36,903	\$ -	\$ -	\$ 36,903
Capital assets, being depreciated:				
Buildings and improvements	702,454	-	-	702,454
Machinery and equipment	133,160	-	-	133,160
Fire equipment	974,742	103,725	-	1,078,467
Vehicles and fire trucks	2,313,100	40,535	9,900	2,343,735
Infrastructure - hydrants	367,097	-	-	367,097
Total capital assets, being depreciated	4,490,553	144,260	9,900	4,624,913
Total capital assets	4,527,456	144,260	9,900	4,661,816
Less accumulated depreciation for:				
Buildings and improvements	357,528	21,632	-	379,160
Machinery and equipment	120,028	646	-	120,674
Fire equipment	964,500	4,898	-	969,398
Vehicles and fire trucks	1,612,181	107,867	9,900	1,710,148
Infrastructure - hydrants	287,952	8,720	-	296,672
Total accumulated depreciation	3,342,189	143,763	9,900	3,476,052
Total capital assets, being depreciated, net	1,148,364	497	-	1,148,861
Capital assets, net	\$1,185,267	\$ 497	\$ -	\$ 1,185,764

Depreciation 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, 2021

E. Construction commitments

The City has the following construction commitments:

West Haven High School renovations	\$ 9,525,691
Cover River Tide Gate Reconstruction	1,198,559
Elm Street Project	<u>658,685</u>
Total	<u><u>\$ 11,382,935</u></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, 2020	Additions	Deductions	Permanently Financed	Balance June 30, 2021
<u>Bond anticipation notes:</u>								
High School	4/2/20	10/2/20	2.583%	\$ 32,500,000	\$ -	\$ 32,500,000	\$ -	\$ -
High School	9/22/20	9/30/21	2.583%	-	19,500,000	-	13,000,000	6,500,000
<u>Clean water fund notes:</u>								
CWF 222-CSL	7/1/20	7/2/21	2.000%	-	3,925,943	-	3,925,943	-
CWF 223-CSL	7/1/20	7/2/21	2.000%	-	586,545	-	586,545	-
Total				<u>\$ 32,500,000</u>	<u>\$ 24,012,488</u>	<u>\$ 32,500,000</u>	<u>\$ 17,512,488</u>	<u>\$ 6,500,000</u>

In September 2021, the City issued \$6,500,000 of bond anticipation notes for the High School project at an interest rate of 2.00% maturing in September 2022.

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.

City of West Haven, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Changes in long-term liabilities

General obligation bond and equipment financing notes are direct obligations and pledger the full faith and credit if the City.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
Debt issue	\$ 7,435,994	03/31/10	02/15/25	5.10%	\$ 2,475,280	\$ -	\$ 495,056	\$ 1,980,224	\$ 495,056	\$ 1,485,168
Refunding issue	38,380,000	05/31/12	08/01/26	3.00-5.00%	11,850,000	-	2,682,000	9,168,000	2,690,000	6,478,000
Debt issue	1,225,000	05/31/12	08/01/26	3.00-5.00%	707,000	-	86,000	621,000	91,000	530,000
Debt issue	7,865,000	09/03/14	09/01/34	3.00-5.00%	5,550,000	-	462,000	5,088,000	462,000	4,626,000
Debt issue (deficit)	16,135,000	11/01/17	11/01/27	3.00-5.00%	12,905,000	-	1,615,000	11,290,000	1,615,000	9,675,000
Debt issue	5,815,000	11/01/17	11/01/37	3.00-5.00%	5,233,000	-	581,000	4,652,000	581,000	4,071,000
Debt issue	5,543,000	10/02/20	03/15/40	3.00-4.00%	-	5,543,000	397,000	5,146,000	352,000	4,794,000
Total general purpose	82,398,994				38,720,280	5,543,000	6,318,056	37,945,224	6,286,056	31,659,168
School bonds:										
Debt issue	4,280,006	03/31/10	02/15/25	5.10%	1,424,720	-	284,944	1,139,776	284,944	854,832
Refunding issue	7,260,000	05/31/12	08/01/26	3.00-5.00%	7,090,000	-	1,525,000	5,565,000	1,532,000	4,033,000
Debt issue	2,250,000	05/31/12	08/01/26	3.00-5.00%	1,298,000	-	159,000	1,139,000	169,000	970,000
Debt issue	1,235,000	09/03/14	09/01/34	3.00-5.00%	925,000	-	63,000	862,000	63,000	799,000
Debt issue	600,000	11/01/17	11/01/37	3.00-5.00%	560,000	-	35,000	525,000	35,000	490,000
Debt issue	13,630,000	10/02/20	03/15/40	3.00-4.00%	-	13,630,000	696,000	12,934,000	643,000	12,291,000
Total school bonds	29,255,006				11,297,720	13,630,000	2,762,944	22,164,776	2,726,944	19,437,832
Sewer bonds:										
Refunding issue	1,980,000	05/31/12	08/01/26	3.00-5.00%	40,000	-	13,000	27,000	13,000	14,000
Debt issue	3,220,000	11/01/17	11/01/37	3.00-5.00%	3,032,000	-	194,000	2,838,000	194,000	2,644,000
Total sewer bonds	5,200,000				3,072,000	-	207,000	2,865,000	207,000	2,658,000
Pension:										
Pension obligation bond (taxable)	38,715,000	09/03/14	03/15/22	0.99-4.16%	10,870,000	-	5,330,000	5,540,000	5,540,000	-
Total bonds	155,569,000				63,960,000	19,173,000	14,618,000	68,515,000	14,760,000	53,755,000
Bond anticipation notes (permanently financed)					-	13,000,000	-	13,000,000	-	13,000,000

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-Term Portion
<u>Notes (direct borrowings):</u>										
Clean water:										
CWF 348-C	\$ 4,407,222	11/30/01	11/30/20	2.00%	\$ 109,890	\$ -	\$ 109,890	\$ -	\$ -	\$ -
CWF 444-C	1,603,000	03/31/01	09/30/20	2.00%	24,021	-	24,021	-	-	-
CWF 346-C	801,945	12/31/03	12/31/22	2.00%	117,515	-	46,303	71,212	47,237	23,975
CWF 348-C1	1,728,831	12/31/03	12/31/22	2.00%	253,338	-	99,819	153,519	101,834	51,685
CWF 348-CD1	617,707	09/29/06	11/30/20	2.00%	20,774	-	20,774	-	-	-
CWF 346-CD2	801,055	05/31/07	12/31/22	2.00%	128,512	-	51,404	77,108	51,405	25,703
CWF 549-C	28,250,103	07/01/13	07/01/32	2.00%	18,223,824	-	1,346,825	16,876,999	1,374,010	15,502,989
CWF 549-CD2	1,425,544	06/30/15	07/01/32	2.00%	1,055,270	-	78,599	976,671	80,185	896,486
CWF 223-CSL (permanently financed)	586,545	11/30/21	06/30/41	2.00%	-	586,545	-	586,545	196,297	390,248
CWF 222-CSL (permanently financed)	3,925,943	06/30/22	06/30/41	2.00%	-	3,925,943	-	3,925,943	16,404	3,909,539
Equipment financing notes:										
Police interceptor	230,267	09/11/17	09/11/20	3.00%	55,701	-	55,701	-	-	-
Police SUV	234,463	09/14/20	07/01/24	3.00%	-	234,463	-	234,463	56,907	177,556
Transit van	48,774	05/21/20	07/01/23	4.00%	-	48,774	12,715	36,059	11,610	24,449
Education computer equipment	1,791,206	06/17/19	07/10/21	6.42%	-	1,791,206	1,192,461	598,745	598,745	-
Education computer equipment	351,000	02/20/20	07/15/22	6.45%	-	351,000	118,456	232,544	112,641	119,903
Total notes	46,803,605				19,988,845	6,937,931	3,156,968	23,769,808	2,647,275	21,122,533
Total bonds and notes	\$ 202,372,605				83,948,845	39,110,931	17,774,968	105,284,808	17,407,275	87,877,533
Premium					1,834,165	2,376,641	669,586	3,541,220	-	3,541,220
Total bonds, notes and related liabilities					85,783,010	41,487,572	18,444,554	108,826,028	17,407,275	91,418,753
Compensated absences					7,480,184	6,819,833	5,085,007	9,215,010	1,843,002	7,372,008
Heart and hypertension					3,074,850	-	1,419,990	1,654,860	146,126	1,508,734
Claims payable					8,991,905	21,527,311	21,687,743	8,831,473	3,355,571	5,475,902
Net pension liability					28,963,454	25,784,583	43,067,353	11,680,684	-	11,680,684
OPEB liability					308,130,567	20,695,833	7,653,556	321,172,844	-	321,172,844
Total long term liabilities					\$ 442,423,970	\$ 116,315,132	\$ 97,358,203	\$ 461,380,899	\$ 22,751,974	\$ 438,628,925

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, 2021

G. Changes in long-term liabilities (continued)

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-Term Portion
<u>Notes (direct borrowings):</u>										
Equipment financing:										
Defibrillators	\$ 42,002	9/30/20	7/1/2022	3.00%	\$ -	\$ 42,002	\$ 13,589	\$ 28,413	\$ 13,997	\$ 14,416
Compensated absences					480,401	185,089	267,681	397,809	79,562	318,247
Claims payable					277,255	65,684	145,848	197,091	49,273	147,818
Net pension liability					23,462,342	2,556,821	4,315,333	21,703,830	-	21,703,830
OPEB liability					29,465,016	2,054,074	792,064	30,727,026	-	30,727,026
Total long term liabilities					<u>\$ 53,685,014</u>	<u>\$ 4,903,670</u>	<u>\$ 5,534,515</u>	<u>\$ 53,054,169</u>	<u>\$ 142,832</u>	<u>\$ 52,911,337</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

<u>Year Ending June 30,</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Notes Principal</u>	<u>Notes Interest</u>
2022	\$ 14,760,000	\$ 2,935,899	\$ 2,647,275	\$ 416,947
2023	7,295,000	2,335,801	1,962,021	414,136
2024	8,135,000	1,950,139	1,776,910	369,662
2025	8,485,000	1,550,911	1,800,962	332,741
2026	5,935,000	1,186,006	1,774,849	295,488
2027	3,965,000	953,513	1,810,674	259,663
2028	3,630,000	782,100	1,847,223	223,116
2029	1,700,000	665,291	1,884,505	185,834
2030	1,675,000	596,313	1,922,544	147,795
2031	1,550,000	527,400	1,961,348	108,991
2032	1,550,000	462,200	2,000,938	69,398
2033	1,550,000	397,000	370,966	42,968
2034	1,550,000	331,800	234,253	38,099
2035	1,525,000	267,100	238,983	33,369
2036	1,170,000	210,000	243,805	28,547
2037	1,170,000	160,000	248,725	23,626
2038	1,170,000	110,000	253,746	18,606
2039	850,000	68,000	258,868	13,483
2040	850,000	34,000	264,094	8,257
2041	-	-	267,119	2,928
Totals	\$ 68,515,000	\$ 15,523,473	\$ 23,769,808	\$ 3,033,654

Allingtown Fire Department:

<u>Debt Maturities</u>		
<u>Year Ending June 30,</u>	<u>Notes Principal</u>	<u>Notes Interest</u>
2022	\$ 13,997	\$ 852
2023	14,416	432
Totals	\$ 28,413	\$ 1,284

In September 2021, the City issued \$20,545,000 of general obligation bonds for the following purposes: \$13,000,000 for the High School project, \$3,178,000 for other approved Education projects, and \$4,367,000 for other approved City projects. The bonds have an interest rate of 4.00% and mature in September 2041.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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>\$ 1,101,811</u>
Allingtown Fire Department	<u>\$ 28,413</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:

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 292,185,396	\$ 37,945,224	\$ 254,240,172
Schools	584,370,792	28,664,776	555,706,016
Sewers	486,975,660	2,865,000	484,110,660
Urban renewal	422,045,572	-	422,045,572
Pension deficit	389,580,528	5,540,000	384,040,528

The total overall statutory debt limit for the City is equal to seven times annual receipts from the prior year taxation, \$909,021,232.

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	\$ 9,404,000
Schools	53,177,514
Sewers	<u>4,079,000</u>
	<u>\$ 66,660,514</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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						
Construction contracts	-	-	-	9,525,691	1,857,244	11,382,935
Document preservation *	-	-	-	-	106,282	106,282
Allingtown Fire Department operations *	-	2,475,279	-	-	-	2,475,279
Sewer operations *	-	-	6,258,853	-	-	6,258,853
Housing rehabilitation	-	-	-	-	2,475,940	2,475,940
Education programs	-	-	-	-	78,234	78,234
Cafeteria operations *	-	-	-	-	15,160	15,160
School activity programs	-	-	-	-	63,989	63,989
Total restricted	-	2,475,279	6,258,853	9,525,691	4,596,849	22,856,672
Committed						
Miscellaneous grant programs	-	-	-	-	22,944	22,944
Public safety programs	-	-	-	-	228,335	228,335
Health and welfare programs	-	-	-	-	72,134	72,134
Culture and recreation	-	-	-	-	472,441	472,441
Education programs	-	-	-	-	65,799	65,799
School activity programs	-	-	-	-	428,076	428,076
Approved projects	-	-	-	-	978,761	978,761
Total committed	-	-	-	-	2,268,490	2,268,490
Unassigned	5,925,284	-	-	(31,716,702)	(1,808,821)	(27,600,239)
Total	<u>\$ 5,925,284</u>	<u>\$ 2,475,279</u>	<u>\$ 6,408,685</u>	<u>\$ (22,191,011)</u>	<u>\$ 5,056,518</u>	<u>\$ (2,325,245)</u>

* The amount of net position restricted by enabling legislation totaled: \$ 8,855,574

I. Deficit fund balance

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

Internal Service Funds:

General Liability	\$ 563,830
Workers' Compensation	7,242,883

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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.

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:

<u>Policy Type</u>	<u>Deductible</u>	<u>Claim limit</u>
Umbrella	\$250,000	
Law enforcement liability	\$100,000	\$1,000,000
Workers compensation	\$500,000	
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.

	<u>Claims Payable July 1</u>	<u>Current year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
<u>General Liability</u>						
2019-2020	\$ 498,938	\$ 292,638	\$ 350,844	\$ 440,732	\$ 110,183	\$ 330,549
2020-2021	440,732	658,500	535,402	563,830	274,624	289,206
<u>Workers' Compensation</u>						
2019-2020	7,345,505	2,313,896	2,164,335	7,495,066	1,873,767	5,621,299
2020-2021	7,495,066	1,775,654	1,958,586	7,312,134	1,977,620	5,334,514
<u>Subtotal</u>						
2019-2020	<u>7,844,443</u>	<u>2,606,534</u>	<u>2,515,179</u>	<u>7,935,798</u>	<u>1,983,950</u>	<u>5,951,848</u>
2020-2021	<u>7,935,798</u>	<u>2,434,154</u>	<u>2,493,988</u>	<u>7,875,964</u>	<u>2,252,244</u>	<u>5,623,720</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Risk management (continued)

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>Medical</u>						
2019-2020	\$ 1,952,860	\$23,119,587	\$23,739,085	\$ 1,333,362	\$ 1,333,362	\$ -
2020-2021	1,333,362	19,158,841	19,339,603	1,152,600	1,152,600	-
<u>Totals</u>						
2019-2020	9,797,303	25,726,121	26,254,264	9,269,160	3,317,312	5,951,848
2020-2021	<u>\$ 9,269,160</u>	<u>\$21,592,995</u>	<u>\$21,833,591</u>	<u>\$ 9,028,564</u>	<u>\$ 3,404,844</u>	<u>\$ 5,623,720</u>

B. Commitments and litigation

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

The City is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. 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	\$103,378
Allingtown Fire District	<u>38,670</u>
Total	<u>\$142,048</u>

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****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.

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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

b. Plan membership

As of July 1, 2020 for the Police and July 1, 2019 for Allingtown Fire Department the memberships in the Plans are comprised of the following:

	<u>Police</u>	<u>Allingtown</u>
Retirees and beneficiaries currently receiving benefits	156	33
Active members	64	12
Vested terminated employees	<u>1</u>	<u>-</u>
Total	<u>221</u>	<u>45</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Pension plans (continued)**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.

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%	
Hired before July 1, 1998		9.50%
Hired after June 30, 1998		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	41.83%	318.92%

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Pension plans (continued)**4. Investments****a. Investment policy**

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

b. Concentrations

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

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 summarized as follows:

<u>Police</u>	Long-Term	Long-Term
Asset Class	Target	Expected Real
	Allocation	Rate of Return
U.S. Cash	3.50%	(0.07%)
U.S. High Yield Bonds	20.00%	4.07%
U.S. Large Caps	12.50%	4.55%
U.S. Equity Market	10.00%	4.84%
U.S. Small Caps	5.00%	6.17%
U.S. Mid Caps	10.00%	5.09%
Global Equity	15.00%	5.59%
U.S. REITs (real estate)	5.00%	5.35%
Private Equity	10.00%	9.55%
Hedge Funds - multistrategy	9.00%	3.32%
Total	<u>100.00%</u>	

The portfolio nominal mean return including inflation is 6.88%.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Pension plans (continued)

<u>Allingtown</u>	Long-Term	Long-Term
Asset Class	Target	Expected Real
	Allocation	Rate of Return
U.S. Cash	6.35%	(0.07%)
U.S. Long Credit Bonds	58.40%	3.66%
U.S. Large Caps	29.59%	4.55%
U.S. REITs (real estate)	5.66%	5.35%
Total	<u>100.00%</u>	

The portfolio nominal mean return including inflation is 6.24%.

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 27.31% for the Police Plan and 9.45% for the Allingtown Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

	<u>Police</u>	<u>Allingtown</u>
Total pension liability	\$ 151,850,643	\$ 33,457,698
Plan fiduciary net position	<u>140,169,959</u>	<u>11,753,868</u>
Net pension liability	<u>\$ 11,680,684</u>	<u>\$ 21,703,830</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>92.31%</u>	<u>35.13%</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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, 2019
Actuarial cost method	Projected unit credit	Entry age normal
Amortization method	Level percentage	Level percentage
Asset valuation method	Non-asymptotic	Fair value
Salary increases	3.50%	3.50%
Inflation	2.75%	2.75%
Investment rate of return	7.125%	6.75%
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	1.75% for retirements on or before 11/27/13. 2.75% for retirements after 11/27/13

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

Mortality tables changed from RP-2000 projected to 2020 per Scale AA to PubS-2010 with generational projection per the MP-2019 Ultimate scale.

Allingtown

There were no changes in assumptions.

b. Changes in benefit terms

There were no changes in benefit terms for the Police and Allingtown Plans.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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

	<u>Police</u>	<u>Allingtown</u>
Discount rate	7.125%	6.75%

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

9. Changes in the net pension liability

The City's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The changes in net pension liability were as follows:

	<u>Increase (Decrease)</u>		
<u>Police</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at July 1, 2020	\$ 143,010,785	\$ 114,047,331	\$ 28,963,454
Service cost	1,148,323	-	1,148,323
Interest	10,001,560	-	10,001,560
Differences between expected and actual experience	(8,754,588)	-	(8,754,588)
Changes of assumption	14,149,801	-	14,149,801
Contributions - employer	-	2,412,000	(2,412,000)
Contributions - member	-	462,875	(462,875)
Net investment income	-	31,437,890	(31,437,890)
Benefit payments, including refunds of member contributions	(7,705,238)	(7,705,238)	-
Administration	-	(484,899)	484,899
Net change	8,839,858	26,122,628	(17,282,770)
Balance at June 30, 2021	<u>\$ 151,850,643</u>	<u>\$ 140,169,959</u>	<u>\$ 11,680,684</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Pension plans (continued)

The Allingtown's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The changes in net pension liability were as follows:

Allingtown	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2020	\$ 32,679,232	\$ 9,216,890	\$ 23,462,342
Service cost	308,556	-	308,556
Interest	2,170,227	-	2,170,227
Contributions - employer	-	3,138,868	(3,138,868)
Contributions - member	-	110,639	(110,639)
Net investment income	-	1,065,826	(1,065,826)
Benefit payments, including refunds of member contributions	(1,700,317)	(1,700,317)	-
Administration	-	(78,038)	78,038
Net change	778,466	2,536,978	(1,758,512)
Balance at June 30, 2021	\$ 33,457,698	\$ 11,753,868	\$ 21,703,830

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 (asset) 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:

Net pension liability	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Police	7.125%	\$ 31,112,073	\$ 11,680,684	\$ (4,216,213)
Allingtown	6.75%	\$ 26,184,070	\$ 21,703,830	\$ 18,059,209

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

The City recognized pension expense of (\$349,210) for the Police Plan and \$2,191,573 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
Description of Outflows/Inflows			
Differences between expected and actual experience	\$ -	\$ 6,682,760	\$ (6,682,760)
Changes in assumptions	9,362,887	-	9,362,887
Net difference between projected and actual earnings on pension plan investments	-	11,043,336	(11,043,336)
Total	<u>\$ 9,362,887</u>	<u>\$ 17,726,096</u>	<u>\$ (8,363,209)</u>

<u>Allingtown</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Description of Outflows/Inflows			
Differences between expected and actual experience	\$ -	\$ 60,056	\$ (60,056)
Changes in assumptions	288,203	-	288,203
Net difference between projected and actual earnings on pension plan investments	-	271,887	(271,887)
Total	<u>\$ 288,203</u>	<u>\$ 331,943</u>	<u>\$ (43,740)</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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 Plan	3.05
Allingtown Plan	2.63

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

<u>Year Ending June 30,</u>	<u>Police</u>	<u>Allingtown</u>
2022	\$ (776,292)	\$ 142,125
2023	(438,893)	(72,298)
2024	(2,647,470)	(49,863)
2025	<u>(4,500,554)</u>	<u>(63,704)</u>
Total	<u>\$ (8,363,209)</u>	<u>\$ (43,740)</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, 2021

B. Defined contribution retirement savings plan (continued)

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

During the year, the employer contributions were \$3,068,552 and employee contributions totaled \$2,672,914.

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

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
Non-service connected disability service requirement	Five years of credited service

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)

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 salary for the pension benefit.

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

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

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>193,090,442</u>
Total	<u><u>\$ 193,090,442</u></u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2020, 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.

During the year, the City recognized pension expense and revenue of \$12,385,134 for on-behalf amounts for contributions to the plan by the State.

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

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)**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.

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, 2020.

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police	\$ 11,680,684	\$ 9,362,887	\$ 17,726,096	\$ (349,210)
Allingtown	21,703,830	288,203	331,943	2,191,573
Total	<u>\$ 33,384,514</u>	<u>\$ 9,651,090</u>	<u>\$ 18,058,039</u>	<u>\$ 1,842,363</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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**b. Employees covered by benefit terms**

As of July 1, 2019, the following employees are covered by the benefit terms:

	<u>City</u>	<u>Allingtown</u>
Retirees and beneficiaries currently receiving benefits	596	57
Active members	<u>1,084</u>	<u>21</u>
Total	<u><u>1,680</u></u>	<u><u>78</u></u>

2. Benefit provisions

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

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

3. Contributions**a. Employer contributions**

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

The 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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**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:

	City	Allingtown
Valuation date	July 1, 2019	July 1, 2019
Discount rate	2.16%	2.16%
Inflation	2.75%	2.50%
Healthcare cost trend rates		
City	5.70% - 4.10% over 55 years	
Education	5.20% - 4.30% over 51 years	
Pre medicare		6.40% - 4.30% over 61 years
Post medicare		4.90% - 4.30% over 53 years
Mortality		
Police	PubS-2010 mortality table with generational projection per the MP-2019 ultimate scale	
Teachers and administrators	RPH-2014 white collar mortality table projected to the year 2020 using the BB improvement scale	
All others	PubG-2010 mortality table with generational projection per the MP-2019 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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**5. Changes from prior year****a. Changes in assumptions**

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

- The discount rate decreased from 2.21% to 2.16%.

b. Changes in benefit terms

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

6. Discount rate

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

	<u>City</u>	<u>Allingtown</u>
Discount rate	2.16%	2.16%

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

7. Changes in the total OPEB liability

The City's and Allingtown Fire Department's total OPEB liabilities were measured as of June 30, 2021, and were determined by an actuarial valuation as of July 1, 2019.

<u>City</u>	
Total OPEB liability - July 1, 2020	<u>\$ 308,130,567</u>
Service cost	11,080,550
Interest	6,970,456
Changes in assumptions	2,644,827
Benefit payments, including refunds of member contributions	<u>(7,653,556)</u>
Net change	<u>13,042,277</u>
Total OPEB liability - June 30, 2021	<u><u>\$321,172,844</u></u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)Allingtown

Total OPEB liability - July 1, 2020	<u>\$ 29,465,016</u>
Service cost	1,094,843
Interest	666,669
Changes in assumptions	292,562
Benefit payments, including refunds of member contributions	<u>(792,064)</u>
Net change	<u>1,262,010</u>
Total OPEB liability - June 30, 2021	<u><u>\$ 30,727,026</u></u>

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	<u>2.16%</u>	<u>\$ 381,553,858</u>	<u>\$ 321,172,844</u>	<u>\$ 273,828,826</u>
Allingtown	<u>2.16%</u>	<u>\$ 37,582,123</u>	<u>\$ 30,727,026</u>	<u>\$ 25,593,443</u>

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 Plan</u>	<u>Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	City	5.70%-4.10%			
City	Education	5.20%-4.30%	<u>\$ 265,621,948</u>	<u>\$ 321,172,844</u>	<u>\$ 394,146,918</u>
	Pre medicare	6.40%-4.30%			
Allingtown	Post medicare	4.90%-4.30%	<u>\$ 24,677,419</u>	<u>\$ 30,727,026</u>	<u>\$ 38,924,967</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)**10. OPEB expense and deferred outflows of resources related to OPEB**

For the fiscal year, the City recognized OPEB expense of \$32,614,693 and Allingtown Fire Department recognized \$2,015,527. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>City</u>			
Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 42,271,096	\$ -	\$ 42,271,096
Changes in assumptions	51,425,484	7,713,497	43,711,987
Total	<u>\$ 93,696,580</u>	<u>\$ 7,713,497</u>	<u>\$ 85,983,083</u>

<u>Allingtown</u>			
Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ 2,872,095	\$ (2,872,095)
Changes in assumptions	3,705,352	118,031	3,587,321
Total	<u>\$ 3,705,352</u>	<u>\$ 2,990,126</u>	<u>\$ 715,226</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	7.11
Allingtown	4.57

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Other post-employment benefit plan (continued)

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

Year Ending June 30,	City	Allingtown
2022	\$ 14,563,687	\$ 434,738
2023	15,351,903	121,164
2024	17,191,074	121,163
2025	14,242,987	38,161
2026	13,623,155	-
Thereafter	<u>11,010,277</u>	<u>-</u>
Total	<u><u>\$ 85,983,083</u></u>	<u><u>\$ 715,226</u></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.

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

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Retiree health care coverage**

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

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

Survivor health care coverage

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**3. Contributions****State of Connecticut**

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

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

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

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>28,799,446</u>
Total	<u><u>\$ 28,799,446</u></u>

The net OPEB liability was measured as of June 30, 2020, 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.

The City recognized OPEB expense and revenue of \$298,896 for on-behalf amounts for contributions to the plan by the State.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**5. Actuarial assumptions**

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

Investment rate of return	3.00%
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	2021

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 Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% to 2.21% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

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, 2020.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate 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 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, 2020.

G. Total OPEB plans

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
City	\$ 321,172,844	\$ 93,696,580	\$ 7,713,497	\$ 32,614,693
Allingtown	30,727,026	3,705,352	2,990,126	2,015,527
Total	<u>\$ 351,899,870</u>	<u>\$ 97,401,932</u>	<u>\$ 10,703,623</u>	<u>\$ 34,630,220</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

H. Plan statements

Pension Trust Funds
Combining Statement of Fiduciary Net Position

	Police	Allingtown Fire Department	Total
<u>Assets</u>			
Investments at fair value			
Bank money market	\$ 105,603	\$ -	\$ 105,603
Mutual funds			
Money market	2,726,068	970,897	3,696,965
Equity	46,318,943	1,173,054	47,491,997
Real estate	-	494,769	494,769
Equity - domestic	18,202,196	-	18,202,196
Equity - real estate	383,749	-	383,749
Exchange traded funds	52,373,427	3,962,074	56,335,501
Corporate bonds	5,884,840	420	5,885,260
Hedge fund	192,499	-	192,499
Alternatives	11,971,834	-	11,971,834
Variable rate note	2,010,800	-	2,010,800
Annuities	-	5,152,654	5,152,654
Total investments	140,169,959	11,753,868	151,923,827
<u>Net Position</u>			
Restricted for pension benefits	<u>\$ 140,169,959</u>	<u>\$ 11,753,868</u>	<u>\$ 151,923,827</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

H. Plan statements (continued)

Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position

	Police	Allingtown Fire Department	Total
Additions			
Contributions			
Employer	\$ 2,412,000	\$ 3,138,868	\$ 5,550,868
Plan members	462,875	110,639	573,514
Total contributions	<u>2,874,875</u>	<u>3,249,507</u>	<u>6,124,382</u>
Investment income (loss)			
Change in fair value of investments	29,380,356	1,008,100	30,388,456
Interest and dividends	<u>2,219,167</u>	<u>71,515</u>	<u>2,290,682</u>
Total investment income (loss)	31,599,523	1,079,615	32,679,138
Less investment expenses	<u>161,633</u>	<u>13,789</u>	<u>175,422</u>
Net investment income (loss)	<u>31,437,890</u>	<u>1,065,826</u>	<u>32,503,716</u>
Total additions	<u>34,312,765</u>	<u>4,315,333</u>	<u>38,628,098</u>
Deductions			
Benefits	7,705,238	1,700,317	9,405,555
Administration	<u>484,899</u>	<u>78,038</u>	<u>562,937</u>
Total deductions	<u>8,190,137</u>	<u>1,778,355</u>	<u>9,968,492</u>
Changes in net position	26,122,628	2,536,978	28,659,606
Net position - July 1, 2020	<u>114,047,331</u>	<u>9,216,890</u>	<u>123,264,221</u>
Net position - June 30, 2021	<u>\$ 140,169,959</u>	<u>\$ 11,753,868</u>	<u>\$ 151,923,827</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

VI. Prior period adjustment and fund reclassification

Beginning net position/fund balances were restated as a result of the implementation of GASB No. 84 and to adjust accounts payable:

	Governmental Activities	Allingtown Fire Department	Other Governmental Funds	Custodial Funds
Net position/fund balance as previously reported at June 30, 2020	\$ (131,853,788)	\$ 1,990,020	\$ 3,911,838	\$ 404,611
Reclassification to proper fund type	404,611	-	404,611	(404,611)
Reclassification of the Brownsfield Fund to the Capital Improvement Fund *	-	-	(17,625)	-
To correct timing of invoices for accounts payable	(88,215)	(88,215)	-	-
Net position/fund balance as restated at July 1, 2020	<u>\$ (131,537,392)</u>	<u>\$ 1,901,805</u>	<u>\$ 4,298,824</u>	<u>\$ -</u>

* The Capital Improvement Fund beginning fund balance changed from \$(37,858,351) to \$(37,840,726).

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 and Other Financing Uses - 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 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 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, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current levy	\$ 99,826,283	\$ -	\$ 99,826,283	\$ 99,382,227	\$ (444,056)
Motor vehicle supplement	1,261,000	-	1,261,000	1,273,818	12,818
Prior year levies	412,000	-	412,000	1,029,717	617,717
Suspense taxes	100,000	-	100,000	173,467	73,467
Interest and lien fees	821,600	-	821,600	936,224	114,624
Telephone access line	95,000	-	95,000	79,279	(15,721)
PILOT- SCCRWA water grant	301,100	-	301,100	312,233	11,133
PILOT- housing authority	146,600	-	146,600	147,965	1,365
Total property taxes	102,963,583	-	102,963,583	103,334,930	371,347
Intergovernmental:					
Education cost sharing	45,140,487	-	45,140,487	45,085,506	(54,981)
Health/welfare services - parochial school	60,000	-	60,000	73,068	13,068
PILOT - State colleges and hospitals	5,527,988	-	5,527,988	5,527,988	-
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	4,508	(492)
PILOT - State owned property	181,198	-	181,198	181,198	-
Property tax relief - Veterans reimbursement	127,400	-	127,400	138,561	11,161
Town aid road	617,268	-	617,268	619,574	2,306
State miscellaneous grants	127,162	-	127,162	190,986	63,824
Municipal restructuring funds	4,000,000	-	4,000,000	100,000	(3,900,000)
COVID relief funds	-	-	-	37,215	37,215
Total intergovernmental	56,741,116	-	56,741,116	52,913,217	(3,827,899)
Charges for services:					
Animal licenses	15,400	-	15,400	11,904	(3,496)
Marriage licenses	3,800	-	3,800	7,147	3,347
Sporting licenses	250	-	250	531	281
Building permits	1,075,000	-	1,075,000	1,162,180	87,180
Electrical permits	177,000	-	177,000	95,180	(81,820)
Excavation permits	7,100	-	7,100	2,100	(5,000)
Plumbing and heating permits	105,300	-	105,300	51,358	(53,942)
Zoning permits	100,000	-	100,000	103,260	3,260
Alcoholic beverage licenses	600	-	600	860	260
Police licenses and protection permits	22,900	-	22,900	51,844	28,944
City clerk fees collected	6,200	-	6,200	5,731	(469)
Dog pound releases	300	-	300	1,022	722
Health licenses and restaurant permits	80,300	-	80,300	92,557	12,257
Parking tags	219,600	-	219,600	288,149	68,549
Fines and penalties	32,500	-	32,500	88,292	55,792
Building code violations	-	-	-	3,400	3,400
Rents from city facilities	17,700	-	17,700	94,520	76,820
Record legal instruments fee	656,250	-	656,250	1,052,536	396,286
Police charges - public safety	13,500	-	13,500	9,774	(3,726)
Miscellaneous public works/sewer-orange	37,900	-	37,900	40	(37,860)
Miscellaneous general government- all other	84,800	-	84,800	48,300	(36,500)
Miscellaneous parks and recreation	340,000	-	340,000	27,180	(312,820)
Public works	3,000	-	3,000	23,856	20,856
Parking meter revenue	62,000	-	62,000	64,753	2,753

(Continued)

See 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, 2021

	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	36,394	9,994
Quigley / Yale parking	43,603	-	43,603	39,969	(3,634)
Fire District share of ERS	864,558	-	864,558	831,387	(33,171)
Organic recycling/compost	10,600	-	10,600	8,647	(1,953)
Total charges for services	4,061,761	-	4,061,761	4,258,037	196,276
Contributions (Yale)	422,651	-	422,651	444,796	22,145
Income from investments	100,000	-	100,000	44,064	(55,936)
Other	190,138	-	190,138	54,640	(135,498)
Total revenues	164,479,249	-	164,479,249	161,049,684	(3,429,565)
Other financing sources:					
Sale of capital assets	-	-	-	309,608	309,608
Transfers in:					
Miscellaneous grants fund	-	-	-	19,001	19,001
Public safety fund	250,000	-	250,000	170,669	(79,331)
Sewer fund	713,643	-	713,643	713,643	-
Total transfers in	963,643	-	963,643	903,313	(60,330)
Total other financing sources	963,643	-	963,643	1,212,921	249,278
Total revenues and other financing sources	<u>\$ 165,442,892</u>	<u>\$ -</u>	<u>\$ 165,442,892</u>	<u>\$ 162,262,605</u>	<u>\$ (3,180,287)</u>

(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, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
City Council	\$ 199,686	\$ (100,000)	\$ 99,686	\$ 117,216	\$ (17,530)
Mayor's office	322,211	-	322,211	287,718	34,493
Corporate counsel	681,602	-	681,602	613,513	68,089
Labor relations and personnel	239,362	-	239,362	262,326	(22,964)
Communications	336,336	-	336,336	293,272	43,064
Town and City Clerk	298,538	20,000	318,538	324,771	(6,233)
Registrar of voters	145,502	-	145,502	136,061	9,441
Probate court	8,520	-	8,520	7,729	791
Planning and development	386,947	-	386,947	279,236	107,711
Grants administration	75,525	-	75,525	80,019	(4,494)
Building department	592,072	-	592,072	382,031	210,041
Treasurer	7,600	-	7,600	7,600	-
Finance/Comptroller	871,956	-	871,956	851,508	20,448
Purchasing department	104,000	-	104,000	97,868	6,132
Information and technology/data processing	540,291	-	540,291	592,480	(52,189)
Central services	201,201	-	201,201	217,154	(15,953)
Department of assessment	447,420	-	447,420	440,846	6,574
Board of assessment appeals	5,080	-	5,080	6,111	(1,031)
Department of tax collections	437,704	-	437,704	400,143	37,561
OPEB contribution	125,000	-	125,000	125,000	-
FEMA - Storm Isaias	-	-	-	169,048	(169,048)
Professional fees	175,000	-	175,000	111,900	63,100
Primary and elections	95,000	-	95,000	93,211	1,789
Overtime	139,442	-	139,442	-	139,442
Unallocated	234,541	-	234,541	396,894	(162,353)
Contingency	1,371,856	(20,000)	1,351,856	-	1,351,856
Total general government	8,042,392	(100,000)	7,942,392	6,293,655	1,648,737
Public safety:					
Emergency Reporting System (ERS)	2,043,241	-	2,043,241	1,992,298	50,943
Public safety administration	908,331	-	908,331	1,002,584	(94,253)
Public safety operations	11,746,506	-	11,746,506	11,633,937	112,569
Public safety support	887,285	-	887,285	977,375	(90,090)
Animal control	281,666	-	281,666	257,468	24,198
Emergency management	14,198	-	14,198	12,882	1,316
Total public safety	15,881,227	-	15,881,227	15,876,544	4,683
Public works:					
Administration	550,209	-	550,209	562,437	(12,228)
Bureau of engineering	439,311	(131,246)	308,065	364,578	(56,513)
Central garage	1,182,281	-	1,182,281	1,207,733	(25,452)
Compost site	42,000	-	42,000	46,438	(4,438)
Disposal of solid waste	3,294,684	-	3,294,684	3,590,685	(296,001)
Grounds and building maintenance	1,253,237	-	1,253,237	1,302,091	(48,854)
Highways and park maintenance	4,092,636	60,000	4,152,636	4,161,212	(8,576)
Total public works	10,854,358	(71,246)	10,783,112	11,235,174	(452,062)
Benefits and insurance:					
City insurance	800,977	-	800,977	845,481	(44,504)
Pensions and hospitalizations	17,930,685	-	17,930,685	16,484,098	1,446,587
C-Med programs	42,179	-	42,179	38,593	3,586
Total benefits and insurance	18,773,841	-	18,773,841	17,368,172	1,405,669

See Notes to Required Supplementary Information.

(Continued)

City of West Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Human resources and health and welfare:					
Department of human resources	\$ 308,637	\$ -	\$ 308,637	\$ 257,505	\$ 51,132
Department of elderly services	458,493	-	458,493	185,102	273,391
Health department	352,445	-	352,445	356,405	(3,960)
Total human resources and health and welfare	1,119,575	-	1,119,575	799,012	320,563
Parks and recreation	906,786	-	906,786	667,981	238,805
Library	1,221,000	100,000	1,321,000	1,321,680	(680)
Education	89,864,456	-	89,864,456	87,224,298	2,640,158
Debt service	18,643,292	-	18,643,292	18,132,932	510,360
Total expenditures	165,306,927	(71,246)	165,235,681	158,919,448	6,316,233
Other financing uses:					
Transfers out:					
Public safety fund	40,000	-	40,000	40,000	-
Miscellaneous grants	-	-	-	6,876	(6,876)
Savin Rock	-	-	-	59,439	(59,439)
Capital and nonrecurring	-	71,246	71,246	71,246	-
Education grants	95,965	-	95,965	95,965	-
Total other financing uses	135,965	71,246	207,211	273,526	(66,315)
Extraordinary item:					
Casualty loss	-	-	-	978,935	(978,935)
Total expenditures and other financing uses	\$ 165,442,892	\$ -	\$ 165,442,892	\$ 160,171,909	\$ 5,270,983

(Concluded)

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

**Allingtown Fire Department Fund
Schedule of Revenues
Budget and Actual
For the Year Ended June 30, 2021**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current property taxes	\$ 7,288,808	\$ -	\$ 7,288,808	\$ 7,253,932	\$ (34,876)
Prior year property taxes	87,600	-	87,600	183,792	96,192
Interest and lien fees	60,100	-	60,100	35,356	(24,744)
PILOT - Regional Water Authority	56,000	-	56,000	59,404	3,404
Total property taxes	7,492,508	-	7,492,508	7,532,484	39,976
Intergovernmental:					
Motor vehicle tax allocation	900,000	-	900,000	960,525	60,525
State miscellaneous grants	-	-	-	21,515	21,515
Total intergovernmental	900,000	-	900,000	982,040	82,040
Charges for services:					
Bundle billing	30,000	-	30,000	11,710	(18,290)
Police/ Fire outside services	6,000	-	6,000	420	(5,580)
Fire department transportation fees	-	-	-	39,340	39,340
Other fees	76,600	-	76,600	38,677	(37,923)
Total charges for services	112,600	-	112,600	90,147	(22,453)
Contributions:					
University of New Haven and Yale donations	100,000	-	100,000	-	(100,000)
Total revenues	\$ 8,605,108	\$ -	\$ 8,605,108	\$ 8,604,671	\$ (437)

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

Allingtown Fire Department Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Personnel:					
Salaries	\$ 1,742,989	\$ -	\$ 1,742,989	\$ 1,702,044	\$ 40,945
Overtime and vacation pay	385,000	-	385,000	537,339	(152,339)
Uniforms	16,000	4,820	20,820	18,869	1,951
Life insurance	14,000	-	14,000	11,981	2,019
Pension contribution	3,220,196	-	3,220,196	3,195,629	24,567
Heart and hypertension	70,000	-	70,000	70,000	-
Workers' compensation insurance	125,000	-	125,000	18,670	106,330
Insurance	1,589,467	-	1,589,467	1,274,947	314,520
Education incentive (EMT-Certification)	103,125	3,217	106,342	3,217	103,125
Social security and medicare (FICA)	57,768	-	57,768	69,926	(12,158)
Total personnel	7,323,545	8,037	7,331,582	6,902,622	428,960
Maintenance:					
Building maintenance	19,600	14,543	34,143	33,586	557
Tools	66,000	72,430	138,430	95,507	42,923
Radio	4,000	584	4,584	3,391	1,193
Total maintenance	89,600	87,557	177,157	132,484	44,673
Administration:					
Training	32,000	(1,000)	31,000	31,000	-
Business	9,000	2,758	11,758	11,758	-
Financial services	13,000	-	13,000	21,048	(8,048)
Total administration	54,000	1,758	55,758	63,806	(8,048)
Utilities, insurance and equipment:					
Heating	11,000	-	11,000	9,994	1,006
Electricity	16,300	-	16,300	15,430	870
Water	188,025	-	188,025	177,818	10,207
Telephone	14,000	-	14,000	9,556	4,444
Emergency reporting system	273,438	37,198	310,636	277,129	33,507
Medical testing and equipment	68,200	25,385	93,585	78,790	14,795
Office supplies	6,000	(2,000)	4,000	4,648	(648)
Gasoline and diesel	14,000	786	14,786	14,372	414
General liability insurance	40,000	-	40,000	18,248	21,752
Personal computers	25,000	2,929	27,929	27,929	-
Contingency	190,000	(161,828)	28,172	-	28,172
Professional services	12,000	178	12,178	4,934	7,244
Total utilities, insurance and equipment	857,963	(97,352)	760,611	638,848	121,763
Capital outlay	30,000	-	30,000	28,588	1,412
Debt service	-	-	-	14,849	(14,849)
Total expenditures	8,355,108	-	8,355,108	7,781,197	573,911
Other financing uses					
Transfer out - capital and nonrecurring fund	250,000	-	250,000	250,000	-
Total expenditures and other financing uses	\$ 8,605,108	\$ -	\$ 8,605,108	\$ 8,031,197	\$ 573,911

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, 2021**

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

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

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

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$161,049,684	\$158,919,448
State Teachers' pension on behalf amount	12,385,134	12,385,134
State Teachers' OPEB on behalf amount	<u>298,896</u>	<u>298,896</u>
GAAP Basis - Exhibit D	<u><u>\$173,733,714</u></u>	<u><u>\$171,603,478</u></u>

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 Eight Years (1)

	<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	\$ 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	10,001,560	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>(7,705,238)</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	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>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>\$ 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	\$ 2,412,000	\$ 2,203,317	\$ 1,994,500	\$ 2,091,000	\$ 1,850,000	\$ 1,850,000	\$ 1,274,950	\$ 1,157,000
Contributions - member	462,875	473,136	522,344	566,567	580,520	571,774	590,403	583,213
Net investment income (loss)	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	<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>(6,310,695)</u>
Administration	<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	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>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>\$ 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>\$ 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>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>\$ 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>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>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>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>	<u>2012</u>
Actuarially determined contributions	\$ 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	\$ 3,141,846
Contributions in relation to the actuarially determined contribution	<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>	<u>979,292</u>
Contribution excess (deficiency)	<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>	<u>\$ (2,162,554)</u>
Covered payroll	<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>	<u>\$ 7,008,211</u>
Contributions as a percentage of covered payroll	<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>	<u>13.97%</u>

City of West Haven, Connecticut

Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	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
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
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
Inflation	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%
Investment Rate of Return	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	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
Allington Fire Department Pension Plan
Last Eight Years (1)

	<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	\$ 308,556	\$ 285,870	\$ 386,203	\$ 373,143	\$ 524,520	\$ 491,354	\$ 462,468	\$ 430,000
Interest	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	-	(360,338)	-	551,655	-	(1,272,361)	-	1,009,000
Effect of plan changes	-	-	-	-	-	1,419,497	-	-
Changes in assumptions	-	1,729,217	-	-	-	1,515,081	-	-
Benefit payments, including refunds of member contributions	<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	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>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>\$ 33,457,698</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	\$ 3,138,868	\$ 2,250,737	\$ 2,150,220	\$ 1,894,851	\$ 1,691,815	\$ 1,559,866	\$ 1,571,325	\$ 1,495,000
Contributions - member	110,639	99,374	102,602	121,477	145,266	164,437	161,935	153,000
Net investment income (loss)	1,065,826	498,305	610,128	515,517	454,693	71,139	(89,385)	252,000
Benefit payments, including refunds of member contributions	(1,700,317)	(1,737,525)	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Administration	<u>(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	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>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>\$ 11,753,868</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>\$ 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>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>\$ 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>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>
<u>Schedule of Investment Returns</u>								
Annual money weighted rate of return, net of investment expense	<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.

City of West Haven, Connecticut

Required Supplementary Information

Allingtown Fire Department Pension Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 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	\$ 1,404,794
Contributions in relation to the actuarially determined contribution	3,138,868	2,250,737	2,150,220	1,894,851	1,691,815	1,559,866	1,571,325	1,495,339	1,516,586	1,492,075
Contribution excess (deficiency)	\$ 734,166	\$ -	\$ (24,405)	\$ (185,419)	\$ (318,108)	\$ (37,660)	\$ 35,242	\$ (24,086)	\$ 55,600	\$ 87,281
Covered payroll	\$ 984,212	\$ 1,275,933	\$ 1,275,933	\$ 1,689,604	\$ 1,689,604	\$ 1,678,136	\$ 1,678,136	\$ 1,645,791	\$ 1,645,791	\$ 1,645,791
Contributions as a percentage of covered payroll	318.92%	176.40%	168.52%	112.15%	100.13%	92.95%	93.64%	90.86%	92.15%	90.66%

City of West Haven, Connecticut

Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	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
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
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
Inflation	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%	2.00%	2.00%
Investment Rate of Return	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	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 Seven Years (3)

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

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

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

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

City of West Haven, Connecticut

Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	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, 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
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	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	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
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	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	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%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	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 Five Years (1)

	<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	\$ 11,080,550	\$ 7,360,854	\$ 5,120,818	\$ 5,336,119	\$ 5,146,556
Interest	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	-	44,337,855	-	21,704,481	-
Changes in assumptions	2,644,827	59,017,168	9,917,381	(7,576,180)	(17,603,501)
Benefit payments, including refunds of member contributions	<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	13,042,277	109,563,236	15,397,204	18,907,855	(14,375,095)
OPEB liability - July 1	<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>\$ 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>\$ 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>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

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

	<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	\$ 1,094,843	\$ 775,734	\$ 824,372	\$ 868,068	\$ 958,243
Interest	666,669	999,677	997,948	932,668	818,437
Differences between expected and actual experience	-	(4,782,737)	-	(26,980)	-
Changes in assumptions	292,562	5,070,555	1,736,228	(1,298,327)	(3,655,785)
Benefit payments, including refunds of member contributions	<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	1,262,010	1,300,409	2,852,598	(213,544)	(2,582,566)
OPEB liability - July 1	<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>\$ 30,727,026</u>	<u>\$ 29,465,016</u>	<u>\$ 28,164,607</u>	<u>\$ 25,312,009</u>	<u>\$ 25,525,553</u>

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

Covered payroll information was not available.

(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 Four Years (3)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>				
City's proportion of the net OPEB liability	<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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the City	<u>28,799,446</u>	<u>27,845,037</u>	<u>27,520,758</u>	<u>36,618,483</u>
Total	<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>
City's proportionate share of the 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>
Plan fiduciary net position as a percentage of the total OPEB liability	<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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<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>

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

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

(3) These schedules are intended to present information for 10 years. Additional years will be presented as 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 Four Years (1)

	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	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
Amortization Method	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value
Inflation	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	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	3.25% 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%	4.25%
Mortality Rate	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, health and welfare, parks and recreation, education, library, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

City of West Haven, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 102,963,583	\$ -	\$ 102,963,583	\$103,334,930	\$ 371,347
Intergovernmental	56,741,116	-	56,741,116	52,913,217	(3,827,899)
Charges for services	4,061,761	-	4,061,761	4,258,037	196,276
Contributions	422,651	-	422,651	444,796	22,145
Income from investments	100,000	-	100,000	44,064	(55,936)
Other	190,138	-	190,138	54,640	(135,498)
Total revenues	164,479,249	-	164,479,249	161,049,684	(3,429,565)
Expenditures:					
Current:					
General government	8,042,392	(100,000)	7,942,392	6,293,655	1,648,737
Public safety	15,881,227	-	15,881,227	15,876,544	4,683
Public works	10,854,358	(71,246)	10,783,112	11,235,174	(452,062)
Benefits and insurance	18,773,841	-	18,773,841	17,368,172	1,405,669
Human resources and health and welfare	1,119,575	-	1,119,575	799,012	320,563
Parks and recreation	906,786	-	906,786	667,981	238,805
Library	1,221,000	100,000	1,321,000	1,321,680	(680)
Education	89,864,456	-	89,864,456	87,224,298	2,640,158
Debt service	18,643,292	-	18,643,292	18,132,932	510,360
Total expenditures	165,306,927	(71,246)	165,235,681	158,919,448	6,316,233
Excess (deficiency) of revenues over expenditures	(827,678)	71,246	(756,432)	2,130,236	2,886,668
Other financing sources (uses):					
Sale of capital assets	-	-	-	309,608	309,608
Transfers in	963,643	-	963,643	903,313	(60,330)
Transfers out	(135,965)	(71,246)	(207,211)	(273,526)	(66,315)
Net other financing sources (uses)	827,678	(71,246)	756,432	939,395	182,963
Extraordinary item:					
Casualty loss	-	-	-	(978,935)	(978,935)
Net change in fund balance	\$ -	\$ -	\$ -	2,090,696	\$ 2,090,696
Fund balance - July 1, 2020				3,575,671	
Fund balance - June 30, 2021				\$ 5,666,367	

City of West Haven, Connecticut

**General Fund
Report of Tax Collector
For the Year Ended June 30, 2021**

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2004	\$ 58,074	\$ -	\$ -	\$ 58,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	57,186	-	-	-	-	57,186	4,068	9,203	13,271	53,118
2006	57,607	-	-	-	-	57,607	52	1,221	1,273	57,555
2007	58,043	-	-	-	-	58,043	104	259	363	57,939
2008	103,403	-	-	-	-	103,403	1,038	387	1,425	102,365
2009	119,071	-	-	-	-	119,071	5,414	48	5,462	113,657
2010	87,631	-	-	-	-	87,631	1,459	3,572	5,031	86,172
2011	88,302	-	493	-	-	88,795	2,511	1,823	4,334	86,284
2012	105,516	-	128	2,290	-	103,354	-	24	24	103,354
2013	170,112	-	-	3,012	-	167,100	10,260	10,457	20,717	156,840
2014	181,378	-	22,411	3,406	-	200,383	12,389	12,414	24,803	187,994
2015	132,216	-	70,107	13,181	-	189,142	45,049	33,081	78,130	144,093
2016	312,457	-	80,786	25,815	-	367,428	182,229	122,922	305,151	185,199
2017	798,376	-	151,473	72,879	720,444	156,526	33,315	365,532	398,847	123,211
2018	2,099,571	-	108,703	356,710	-	1,851,564	817,101	262,028	1,079,129	1,034,463
Subtotal	4,428,943	-	434,101	535,367	720,444	3,607,233	1,114,989	822,971	1,937,960	2,492,244
2019	-	102,647,102	80,845	331,491	-	102,396,456	100,704,047	552,933	101,256,980	1,692,409
Total	<u>\$ 4,428,943</u>	<u>\$ 102,647,102</u>	<u>\$ 514,946</u>	<u>\$ 866,858</u>	<u>\$ 720,444</u>	<u>\$ 106,003,689</u>	<u>\$ 101,819,036</u>	<u>\$ 1,375,904</u>	<u>\$ 103,194,940</u>	4,184,653
Interest and liens receivable										2,522,906
Allowance for doubtful accounts										<u>(2,630,000)</u>
Taxes, interest and liens receivable (net)										<u>\$ 4,077,559</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
Allington Fire Department Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 7,492,508	\$ -	\$ 7,492,508	\$ 7,532,484	\$ 39,976
Intergovernmental	900,000	-	900,000	982,040	82,040
Charges for services	112,600	-	112,600	90,147	(22,453)
Contributions	100,000	-	100,000	-	(100,000)
Total revenues	8,605,108	-	8,605,108	8,604,671	(437)
Expenditures:					
Current:					
Personnel	7,323,545	8,037	7,331,582	6,902,622	428,960
Maintenance	89,600	87,557	177,157	132,484	44,673
Administration	54,000	1,758	55,758	63,806	(8,048)
Utilities, insurance, and equipment	857,963	(97,352)	760,611	638,848	121,763
Capital outlay	30,000	-	30,000	28,588	1,412
Debt service	-	-	-	14,849	(14,849)
Total expenditures	8,355,108	-	8,355,108	7,781,197	573,911
Excess (deficiency) of revenues over expenditures	250,000	-	250,000	823,474	573,474
Other financing sources (uses):					
Transfers out	(250,000)	-	(250,000)	(250,000)	-
Net change in fund balance	\$ -	\$ -	\$ -	573,474	\$ 573,474
Fund balance - July 1, 2020 (as restated)				1,901,805	
Fund balance - June 30, 2021				\$ 2,475,279	

City of West Haven, Connecticut

Allingtown Fire Department
Report of Tax Collector
For the Year Ended June 30, 2021

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2004	\$ 4,769	\$ -	\$ -	\$ 4,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	4,952	-	-	-	-	4,952	129	7	136	4,823
2006	5,237	-	-	-	-	5,237	11	257	268	5,226
2007	5,338	-	-	-	-	5,338	23	50	73	5,315
2008	18,566	-	-	-	-	18,566	27	56	83	18,539
2009	19,069	-	-	-	-	19,069	28	53	81	19,041
2010	9,540	-	-	-	-	9,540	26	725	751	9,514
2011	10,552	-	-	-	-	10,552	29	45	74	10,523
2012	14,340	-	634	-	-	14,974	-	-	-	14,974
2013	20,339	-	-	-	-	20,339	199	51	250	20,140
2014	28,153	-	-	-	-	28,153	1,194	689	1,883	26,959
2015	26,690	-	-	-	-	26,690	1,277	791	2,068	25,413
2016	24,135	-	373	-	-	24,508	1,817	942	2,759	22,691
2017	97,514	-	236	1,250	57,495	39,005	11,974	4,857	16,831	27,031
2018	<u>163,781</u>	<u>-</u>	<u>1,331</u>	<u>2,734</u>	<u>-</u>	<u>162,378</u>	<u>74,598</u>	<u>15,856</u>	<u>90,454</u>	<u>87,780</u>
Subtotal	452,975	-	2,574	8,753	57,495	389,301	91,332	24,379	115,711	297,969
2019	<u>-</u>	<u>7,071,666</u>	<u>4,531</u>	<u>16,402</u>	<u>-</u>	<u>7,059,795</u>	<u>6,934,269</u>	<u>34,560</u>	<u>6,968,829</u>	<u>125,526</u>
Total	<u>\$ 452,975</u>	<u>\$ 7,071,666</u>	<u>\$ 7,105</u>	<u>\$ 25,155</u>	<u>\$ 57,495</u>	<u>\$ 7,449,096</u>	<u>\$ 7,025,601</u>	<u>\$ 58,939</u>	<u>\$ 7,084,540</u>	423,495
Interest and liens receivable										305,537
Allowance for doubtful accounts										<u>(291,000)</u>
Taxes, interest and liens receivable (net)										<u>\$ 438,032</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
Education Grants	Grants and charges for services	Educational grant program
School Lunch Program	Grants and charges for services	Operations of the child nutrition program
School Activity	Activity fees and contributions	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	General fund appropriations	Capital purchases

City of West Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2021

Special Revenue Funds

	Community Development Block Grant	Document Preservation	COVID Relief Grant	Sports Facilities	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
<u>Assets</u>								
Cash	\$ 957,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables (net):								
Intergovernmental	354,376	-	-	-	3,234,482	-	-	-
Loans	1,612,954	-	-	-	-	-	-	-
Other	-	7,144	-	-	-	318,192	9,858	-
Due from other funds	-	99,138	258,917	449,369	-	70,143	72,760	152,606
Total assets	<u>\$ 2,924,790</u>	<u>\$ 106,282</u>	<u>\$ 258,917</u>	<u>\$ 449,369</u>	<u>\$ 3,234,482</u>	<u>\$ 388,335</u>	<u>\$ 82,618</u>	<u>\$ 152,606</u>
<u>Liabilities</u>								
Accounts payable	\$ 84,440	\$ -	\$ -	\$ 97,637	\$ 26,210	\$ 1,875	\$ 10,484	\$ 31,897
Retainage payable	-	-	-	-	6,107	-	-	-
Due to other funds	364,410	-	-	-	3,127,329	-	-	-
Unearned revenue	-	-	258,917	-	3,469	158,125	-	-
Total liabilities	<u>448,850</u>	<u>-</u>	<u>258,917</u>	<u>97,637</u>	<u>3,163,115</u>	<u>160,000</u>	<u>10,484</u>	<u>31,897</u>
<u>Fund Balances</u>								
Restricted	2,475,940	106,282	-	-	1,857,244	-	-	-
Committed	-	-	-	351,732	22,944	228,335	72,134	120,709
Unassigned	-	-	-	-	(1,808,821)	-	-	-
Total fund balances	<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>
Total liabilities and fund balances	<u>\$ 2,924,790</u>	<u>\$ 106,282</u>	<u>\$ 258,917</u>	<u>\$ 449,369</u>	<u>\$ 3,234,482</u>	<u>\$ 388,335</u>	<u>\$ 82,618</u>	<u>\$ 152,606</u>

(Continued)

City of West Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds					Capital Project Fund	
	Education Grants	School Lunch Program	School Activity	Career and Adult Education	Total Special Revenue Funds	Capital and Nonrecurring	Total Other Governmental Funds
<u>Assets</u>							
Cash	\$ -	\$ 1,260	\$ 492,065	\$ -	\$ 1,450,785	\$ -	\$ 1,450,785
Receivables (net):							
Intergovernmental	19,711	535,530	-	-	4,144,099	-	4,144,099
Loans	-	-	-	-	1,612,954	-	1,612,954
Other	-	-	-	-	335,194	-	335,194
Due from other funds	1,027,183	12,399	-	96,573	2,239,088	1,023,161	3,262,249
Total assets	<u>\$ 1,046,894</u>	<u>\$ 549,189</u>	<u>\$ 492,065</u>	<u>\$ 96,573</u>	<u>\$ 9,782,120</u>	<u>\$ 1,023,161</u>	<u>\$ 10,805,281</u>
<u>Liabilities</u>							
Accounts payable	\$ 968,660	\$ 520,603	\$ -	\$ 5,774	\$ 1,747,580	\$ 44,400	\$ 1,791,980
Retainage payable	-	-	-	-	6,107	-	6,107
Due to other funds	-	-	-	-	3,491,739	-	3,491,739
Unearned revenue	-	13,426	-	25,000	458,937	-	458,937
Total liabilities	<u>968,660</u>	<u>534,029</u>	<u>-</u>	<u>30,774</u>	<u>5,704,363</u>	<u>44,400</u>	<u>5,748,763</u>
<u>Fund Balances</u>							
Restricted	78,234	15,160	63,989	-	4,596,849	-	4,596,849
Committed	-	-	428,076	65,799	1,289,729	978,761	2,268,490
Unassigned	-	-	-	-	(1,808,821)	-	(1,808,821)
Total fund balances	<u>78,234</u>	<u>15,160</u>	<u>492,065</u>	<u>65,799</u>	<u>4,077,757</u>	<u>978,761</u>	<u>5,056,518</u>
Total liabilities and fund balances	<u>\$ 1,046,894</u>	<u>\$ 549,189</u>	<u>\$ 492,065</u>	<u>\$ 96,573</u>	<u>\$ 9,782,120</u>	<u>\$ 1,023,161</u>	<u>\$ 10,805,281</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, 2021

	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	1,193,792	-	891,340	-	3,540,188	20,958	694,028	66,108
Charges for services	28,178	26,147	-	390,395	-	1,195,729	-	-
Contributions	-	-	-	-	26,750	-	79,470	14,337
Income from investments	2,573	-	-	-	-	-	-	-
Total revenues	1,224,543	26,147	891,340	390,395	3,566,938	1,216,687	773,498	80,445
Expenditures:								
Current:								
Public safety	-	-	-	-	1,110,487	1,228,415	-	-
Human resources and health and welfare	1,228,185	-	891,340	-	233,608	-	738,822	-
Parks and recreation	-	-	-	-	-	-	-	154,055
Library	-	-	-	-	65,330	-	-	-
Education	-	-	-	340,395	51,895	-	-	-
Capital outlay	-	-	-	-	2,064,992	-	-	-
Total expenditures	1,228,185	-	891,340	340,395	3,526,312	1,228,415	738,822	154,055
Excess (deficiency) of revenues over expenditures	(3,642)	26,147	-	50,000	40,626	(11,728)	34,676	(73,610)
Other financing sources (uses):								
Issuance of notes	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	6,876	40,000	-	59,439
Transfers out	-	-	-	-	(19,001)	(170,669)	-	-
Net other financing sources (uses)	-	-	-	-	(12,125)	(130,669)	-	59,439
Net change in fund balances	(3,642)	26,147	-	50,000	28,501	(142,397)	34,676	(14,171)
Fund balances - July 1, 2020 (as restated)	2,479,582	80,135	-	301,732	42,866	370,732	37,458	134,880
Fund balances - June 30, 2021	\$ 2,475,940	\$ 106,282	\$ -	\$ 351,732	\$ 71,367	\$ 228,335	\$ 72,134	\$ 120,709

(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, 2021

	Special Revenue Funds					Capital Project Fund	
	Education Grants	School Lunch Program	School Activity	Career and Adult Education	Total Special Revenue Funds	Capital and Nonrecurring	Total Other Governmental Funds
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,966	\$ 337,966
Intergovernmental	18,117,587	2,801,395	-	59,534	27,384,930	-	27,384,930
Charges for services	5,100	8,297	596,576	551	2,250,973	-	2,250,973
Contributions	-	-	-	-	120,557	-	120,557
Income from investments	-	-	-	-	2,573	-	2,573
Total revenues	18,122,687	2,809,692	596,576	60,085	29,759,033	337,966	30,096,999
Expenditures:							
Current:							
Public safety	-	-	-	-	2,338,902	-	2,338,902
Human resources and health and welfare	-	-	-	-	3,091,955	-	3,091,955
Parks and recreation	-	-	-	-	154,055	-	154,055
Library	-	-	-	-	65,330	-	65,330
Education	18,140,418	2,532,220	509,122	27,993	21,602,043	-	21,602,043
Capital outlay	-	-	-	-	2,064,992	397,886	2,462,878
Total expenditures	18,140,418	2,532,220	509,122	27,993	29,317,277	397,886	29,715,163
Excess (deficiency) of revenues over expenditures	(17,731)	277,472	87,454	32,092	441,756	(59,920)	381,836
Other financing sources (uses):							
Issuance of notes	-	-	-	-	-	42,002	42,002
Transfers in	95,965	-	-	-	202,280	321,246	523,526
Transfers out	-	-	-	-	(189,670)	-	(189,670)
Net other financing sources (uses)	95,965	-	-	-	12,610	363,248	375,858
Net change in fund balances	78,234	277,472	87,454	32,092	454,366	303,328	757,694
Fund balances - July 1, 2020 (as restated)	-	(262,312)	404,611	33,707	3,623,391	675,433	4,298,824
Fund balances - June 30, 2021	\$ 78,234	\$ 15,160	\$ 492,065	\$ 65,799	\$ 4,077,757	\$ 978,761	\$ 5,056,518

(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, 2021

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<u>Assets</u>				
Current assets:				
Accounts receivable	\$ 39,755	\$ -	\$ -	\$ 39,755
Due from other funds	<u>1,396,176</u>	<u>21,385</u>	<u>84,058</u>	<u>1,501,619</u>
Total assets	<u>1,435,931</u>	<u>21,385</u>	<u>84,058</u>	<u>1,541,374</u>
<u>Liabilities</u>				
Current liabilities:				
Cash overdraft	21,485	-	-	21,485
Accounts payable	36,846	21,385	14,807	73,038
Claims payable	<u>1,152,600</u>	<u>274,624</u>	<u>1,977,620</u>	<u>3,404,844</u>
Total current liabilities	1,210,931	296,009	1,992,427	3,499,367
Noncurrent liability:				
Claims payable	<u>-</u>	<u>289,206</u>	<u>5,334,514</u>	<u>5,623,720</u>
Total liabilities	<u>1,210,931</u>	<u>585,215</u>	<u>7,326,941</u>	<u>9,123,087</u>
<u>Net Position</u>				
Unrestricted	<u>\$ 225,000</u>	<u>\$ (563,830)</u>	<u>\$ (7,242,883)</u>	<u>\$ (7,581,713)</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, 2021

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 22,752,913	\$ 1,391,046	\$ 2,436,508	\$ 26,580,467
Contributions - OPEB	125,000	-	-	125,000
Total operating revenues	<u>22,877,913</u>	<u>1,391,046</u>	<u>2,436,508</u>	<u>26,705,467</u>
Operating expenses:				
Claims	19,158,841	658,500	1,775,654	21,592,995
Administration	2,260,711	-	-	2,260,711
Insurance	-	855,644	408,670	1,264,314
Total operating expenses	<u>21,419,552</u>	<u>1,514,144</u>	<u>2,184,324</u>	<u>25,118,020</u>
Change in net position	1,458,361	(123,098)	252,184	1,587,447
Total net position - July 1, 2020	<u>(1,233,361)</u>	<u>(440,732)</u>	<u>(7,495,067)</u>	<u>(9,169,160)</u>
Total net position - June 30, 2021	<u><u>\$ 225,000</u></u>	<u><u>\$ (563,830)</u></u>	<u><u>\$ (7,242,883)</u></u>	<u><u>\$ (7,581,713)</u></u>

City of West Haven, Connecticut

Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended June 30, 2021

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash flows from (used in) operating activities:				
Cash received for charges	\$ 22,039,849	\$ 1,398,586	\$ 2,401,898	\$ 25,840,333
Cash paid for claims and other	(19,339,603)	(535,402)	(1,958,586)	(21,833,591)
Cash paid for administration	(2,721,731)	-	(34,642)	(2,756,373)
Cash paid for insurance	<u>-</u>	<u>(863,184)</u>	<u>(408,670)</u>	<u>(1,271,854)</u>
Net increase (decrease) in cash	(21,485)	-	-	(21,485)
Cash overdraft - July 1, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash overdraft - June 30, 2021	<u>\$ (21,485)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,485)</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:				
Operating income (loss)	\$ 1,458,361	\$ (123,098)	\$ 252,184	\$ 1,587,447
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	23,181	-	-	23,181
Due from other funds	(861,245)	7,540	(34,610)	(888,315)
Increase (decrease) in:				
Accounts payable	(461,020)	(7,540)	(34,642)	(503,202)
Claims payable	<u>(180,762)</u>	<u>123,098</u>	<u>(182,932)</u>	<u>(240,596)</u>
Net cash from (used in) operating activities	<u>\$ (21,485)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,485)</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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
		(as restated)		(as restated)						
Net investment in capital assets	\$ 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	\$ 69,375,594
Restricted	22,856,672	9,216,122	6,551,358	4,557,472	1,008,845	1,450,430	199,656	143,257	240,190	164,562
Unrestricted	<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>	<u>(53,593,398)</u>
Total net position	<u><u>\$ (114,881,470)</u></u>	<u><u>\$ (131,537,392)</u></u>	<u><u>\$ (158,941,782)</u></u>	<u><u>\$ (180,828,308)</u></u>	<u><u>\$ (197,535,622)</u></u>	<u><u>\$ (211,703,435)</u></u>	<u><u>\$ (49,460,739)</u></u>	<u><u>\$ 10,715,740</u></u>	<u><u>\$ 19,383,391</u></u>	<u><u>\$ 15,946,758</u></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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
General government	\$ 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	\$ 9,581,831
Public safety	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	32,589,270
Public works	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	22,120,936
Human resources and health and welfare	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	2,699,044
Parks and recreation	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	2,006,774
Library	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	1,603,717
Education	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	104,924,164
Interest	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	6,941,602
Total expenses	<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>	<u>182,467,338</u>
Program revenues:										
Charges for services:										
General government	2,817,905	913,317	2,779,906	2,749,383	2,018,005	830,937	742,464	655,798	551,292	585,478
Public safety	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	1,545,500
Public works	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	9,290,665
Human resources and health and welfare	120,735	42,330	237,135	171,249	191,118	335,370	334,002	289,573	223,963	220,959
Parks and recreation	27,180	488,518	699,612	793,148	914,321	904,347	958,168	950,469	1,060,204	911,020
Education	1,000,919	150,866	273,378	669,194	796,945	766,938	917,518	1,020,331	1,097,692	1,141,089
Operating grants and contributions	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	63,074,004
Capital grants and contributions	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	5,518,859
Total program revenues	<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>	<u>82,287,574</u>
Net expenses	<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>	<u>(100,179,764)</u>
General revenues and other changes in net position:										
Property taxes	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	89,791,210
Grants and contributions not restricted to specific programs	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	6,513,841
Income from investments	46,637	349,478	381,979	11,508	11,508	6,718	7,766	8,491	12,968	19,877
Gain on sale of capital assets	299,757	225,571	298,807	299,757	-	-	-	-	451,999	-
Transfers	-	-	-	-	-	-	1,448,500	59,274	-	-
Other	-	-	-	217,048	217,048	1,043,784	278,459	579,405	247,020	847,822
Total general revenues	<u>118,334,415</u>	<u>118,389,263</u>	<u>117,961,758</u>	<u>108,847,417</u>	<u>108,547,660</u>	<u>103,683,222</u>	<u>102,301,544</u>	<u>101,566,537</u>	<u>104,438,028</u>	<u>97,172,750</u>
Extraordinary item										
Casualty loss	<u>(978,935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 16,655,922</u>	<u>\$ 27,087,994</u>	<u>\$ 23,255,820</u>	<u>\$ 10,590,061</u>	<u>\$ 14,167,813</u>	<u>\$ 1,148,399</u>	<u>\$ (550,050)</u>	<u>\$ (8,667,651)</u>	<u>\$ 5,513,406</u>	<u>\$ (3,007,014)</u>

Source: Current and prior year financial statements.

City of West Haven, Connecticut

**Governmental Funds
Fund Balances
Last Ten Years
(Unaudited)**

June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
		(as restated)		(as restated)						
General fund:										
Nonspendable	\$ -	\$ 346,540	\$ -	\$ -	\$ -	\$ 152,351	\$ 6,116,001	\$ 1,760,849	\$ 5,537,319	\$ 3,935,324
Assigned	-	27,720	-	-	-	-	-	-	-	-
Unassigned	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)	(14,471,990)
Total general fund	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)	(10,536,666)
All other governmental funds:										
Nonspendable	149,832	149,832	149,832	1,787,973	-	149,832	2,079,171	-	-	-
Restricted	22,856,672	56,009,797	6,551,358	2,769,499	1,008,845	1,450,430	199,656	200,587	240,190	164,562
Committed	2,268,490	1,976,178	1,006,050	450,734	1,387,873	-	-	402,098	474,174	222,133
Unassigned	(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)	(31,937,625)
Total all other governmental funds	(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)	(31,550,930)
Grand total	<u>\$ (2,584,162)</u>	<u>\$ (23,159,994)</u>	<u>\$ (16,732,867)</u>	<u>\$ 1,787,463</u>	<u>\$ (16,608,416)</u>	<u>\$ (17,797,529)</u>	<u>\$ (17,652,699)</u>	<u>\$ (16,672,857)</u>	<u>\$ (16,336,378)</u>	<u>\$ (42,087,596)</u>

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

Decreased due to decrease in construction commitments.

Increased due to increase in transfers in for capital and nonrecurring projects.

Increased due to positive operations in the capital improvement fund related to issuance of bonds, offset by 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes	\$ 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	\$ 87,710,733
Intergovernmental	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	51,035,135
Charges for services	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	2,633,452
Contributions	444,796	444,561	437,317	427,290	422,652	413,060	411,127	405,606	405,262	393,232
Income from investments	44,064	348,190	381,638	193,375	7,199	3,946	5,244	4,839	11,023	17,772
Other	54,640	204,699	220,033	138,275	198,803	630,723	1,139,974	579,405	247,020	843,051
Total revenues	161,049,684	160,273,191	160,955,470	161,650,034	152,957,908	150,549,901	151,019,979	148,951,468	146,012,002	142,633,375
Expenditures:										
Current:										
General government	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	5,632,234
Public safety	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	13,839,888
Public works	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	9,585,222
Benefits and insurance	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	13,359,388
Human resources and health and welfare	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	1,066,460
Parks and recreation	667,981	759,459	869,606	885,004	869,743	844,947	869,583	870,443	836,110	843,238
Library	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	1,603,717
Education	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	81,392,602
Debt service	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	17,773,135
Total expenditures	158,919,448	158,657,560	160,085,820	159,705,411	155,781,052	154,252,976	153,238,562	150,434,650	144,879,508	145,095,884
Excess (deficiency) of revenues over expenditures	2,130,236	1,615,631	869,650	1,944,623	(2,823,144)	(3,703,075)	(2,218,583)	(1,483,182)	1,132,494	(2,462,509.0)
Other financing sources (uses):										
Issuance of debt	-	-	-	16,135,000	-	-	-	-	-	-
Premium	-	-	-	1,040,796	-	-	-	-	-	35,000
Sale of capital assets	309,608	12,000	298,807	199,200	308,450	-	-	-	451,924	4,515
Transfers in	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	2,450,915
Transfers out	(273,526)	(695,000)	(111,246)	(303,342)	(684,781)	(438,291)	(976,000)	(1,204,747)	(980,366)	(200,000)
Net other financing sources (uses)	939,395	601,122	1,897,295	18,375,200	1,420,534	1,216,940	484,977	945,771	2,630,340	2,290,430
Extraordinary item:										
Casualty loss	(978,935)	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 2,090,696	\$ 2,216,753	\$ 2,766,945	\$ 20,319,823	\$ (1,402,610)	\$ (2,486,135)	\$ (1,733,606)	\$ (537,411)	\$ 3,762,834	\$ (172,079)
Debt service as a percentage of expenditures	11.41%	14.70%	11.82%	10.90%	10.74%	10.25%	11.05%	11.68%	11.71%	12.25%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes	\$ 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	\$ 88,736,315
Intergovernmental	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	75,183,807
Charges for services	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	13,320,135
Contributions	565,353	544,561	542,758	567,392	113,144	6,718	7,766	8,491	226,150	2,000
Income from investments	46,637	349,478	381,979	198,896	11,508	178,812	116,280	76,150	12,968	19,877
Other	60,095	510,872	240,862	217,148	642,200	628,784	237,909	579,405	247,020	843,307
Total revenues	<u>244,762,330</u>	<u>232,399,965</u>	<u>247,751,838</u>	<u>225,759,407</u>	<u>209,590,628</u>	<u>208,008,065</u>	<u>197,015,593</u>	<u>191,811,803</u>	<u>188,356,967</u>	<u>178,105,441</u>
Expenditures:										
Current:										
General government	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	5,671,255
Public safety	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	14,666,101
Public works	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	16,586,561
Benefits and insurance	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	13,359,388
Human resources and health and welfare	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	2,435,373
Parks and recreation	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	1,698,512
Library	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	1,603,717
Education	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	99,862,121
Capital outlay	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	15,014,444
Debt service	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	18,682,064
Total expenditures	<u>265,046,745</u>	<u>239,143,488</u>	<u>265,201,681</u>	<u>225,259,634</u>	<u>216,366,110</u>	<u>208,243,543</u>	<u>211,341,673</u>	<u>198,317,556</u>	<u>191,307,852</u>	<u>189,579,536</u>
Excess (deficiency) of revenues over expenditures	<u>(20,284,415)</u>	<u>(6,743,523)</u>	<u>(17,449,843)</u>	<u>499,773</u>	<u>(6,775,482)</u>	<u>(235,478)</u>	<u>(14,326,080)</u>	<u>(6,505,753)</u>	<u>(2,950,885)</u>	<u>(11,474,095)</u>
Other financing sources (uses):										
Issuance of refunding debt	-	-	-	-	-	-	38,715,000	-	-	47,410,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	(38,377,921)	(6,392,319)	-	(51,024,942)
Issuance of debt	32,173,000	-	-	16,135,000	9,635,000	-	10,945,544	-	28,250,103	3,685,000
Issuance of notes	6,979,933	-	-	219,311	-	-	615,118	-	-	286,925
Premium	2,376,641	-	-	1,690,997	-	-	-	-	-	4,523,571
Sale of capital assets	309,608	-	298,807	199,200	308,450	415,000	1,448,500	-	452,000	4,515
Transfers in	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	2,650,915
Transfers out	(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)	(2,650,915)
Net other financing sources (uses)	<u>41,839,182</u>	<u>-</u>	<u>298,807</u>	<u>18,244,508</u>	<u>9,943,450</u>	<u>90,648</u>	<u>13,346,241</u>	<u>(6,333,045)</u>	<u>28,702,103</u>	<u>4,885,069</u>
Extraordinary item:										
Casualty loss	<u>(978,935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 20,575,832</u>	<u>\$ (6,743,523)</u>	<u>\$ (17,151,036)</u>	<u>\$ 18,744,281</u>	<u>\$ 3,167,968</u>	<u>\$ (144,830)</u>	<u>\$ (979,839)</u>	<u>\$ (12,838,798)</u>	<u>\$ 25,751,218</u>	<u>\$ (6,589,026)</u>
Debt service as a percentage of noncapital expenditures	<u>9.43%</u>	<u>10.98%</u>	<u>10.04%</u>	<u>9.11%</u>	<u>9.11%</u>	<u>8.59%</u>	<u>12.45%</u>	<u>11.03%</u>	<u>9.88%</u>	<u>10.70%</u>

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	
2012	31.25	2010	\$ 87,970,800	\$ 86,085,641	97.86%	\$ 1,798,987	\$ 87,884,628	99.90%	\$ 86,172
2013	31.25	2011	88,111,713	86,410,454	98.07%	1,614,975	88,025,429	99.90%	86,284
2014	31.25	2012	88,395,137	86,723,519	98.11%	1,568,264	88,291,783	99.88%	103,354
2015	31.25	2013	88,651,979	87,340,812	98.52%	1,154,327	88,495,139	99.82%	156,840
2016	31.25	2014	89,720,548	88,555,278	98.70%	977,276	89,532,554	99.79%	187,994
2017	35.26	2015	94,194,456	92,520,326	98.22%	1,530,037	94,050,363	99.85%	144,093
2018	35.26	2016	94,716,054	93,225,076	98.43%	1,305,779	94,530,855	99.80%	185,199
2019	35.26	2017	97,161,771	95,560,257	98.35%	1,478,303	97,038,560	99.87%	123,211
2020	36.26	2018	99,474,011	97,332,822	97.85%	1,106,726	98,439,548	98.96%	1,034,463
2021	37.48	2019	102,396,456	100,704,047	98.35%	-	100,704,047	98.35%	1,692,409

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
Allingtown Fire Department
Property Tax Rates, Levies and Collections
Last Nine Years (2)
(Unaudited)

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			Current Delinquent Balance
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	
2013	8.38	2011	\$ 4,727,093	\$ 4,596,111	97.23%	\$ 120,459	\$ 4,716,570	99.78%	\$ 10,523
2014	8.38	2012	4,526,447	4,393,485	97.06%	117,988	4,511,473	99.67%	14,974
2015	8.63	2013	4,887,391	4,762,781	97.45%	104,470	4,867,251	99.59%	20,140
2016	9.44	2014	5,420,240	5,292,934	97.65%	100,347	5,393,281	99.50%	26,959
2017	11.07	2015	5,175,224	5,120,275	98.94%	29,536	5,149,811	99.51%	25,413
2018	12.52	2016	5,923,717	5,866,250	99.03%	34,776	5,901,026	99.62%	22,691
2019	13.06	2017	7,076,508	6,946,268	98.16%	103,209	7,049,477	99.62%	27,031
2020	14.02	2018	7,223,858	7,060,077	97.73%	76,001	7,136,078	98.78%	87,780
2021	14.02	2019	7,059,795	6,934,269	98.22%	-	6,934,269	98.22%	125,526

Source: Current and prior year financial statements.

Notes:

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

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

Table 7

City of West Haven, Connecticut

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

Year Ended June 30	General Obligation Bonds	Permanently Financed Bond Anticipation Notes	Pension Bonds	Premium	(2) Notes	Total	(1) Population	Debt Per Capita
2012	\$ 80,910,000	\$ -	\$ 42,950,000	\$ 811,227	\$ 8,519,860	\$ 133,191,087	55,477	\$ 2,401
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	108,826,028	55,584	1,958

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, 2021
(Unaudited)

Tax base:

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

City	\$ 99,029,048
Allingtown Fire Department	7,220,517
West Shore Fire District	9,668,057
First Fire District	<u>13,942,554</u>

Total base	<u><u>\$ 129,860,176</u></u>
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Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 292,185,396	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	584,370,792	-	-	-
3 3/4 times base	-	-	486,975,660	-	-
3 1/4 times base	-	-	-	422,045,572	-
3 times base	-	-	-	-	389,580,528
Total debt limitation	<u>292,185,396</u>	<u>584,370,792</u>	<u>486,975,660</u>	<u>422,045,572</u>	<u>389,580,528</u>
Indebtedness:					
Bonds payable	37,945,224	22,164,776	2,865,000	-	5,540,000
Bond anticipation notes	-	6,500,000	-	-	-
West Shore Fire District	-	-	-	-	-
First Fire Taxation District	-	-	-	-	-
Total indebtedness	<u>37,945,224</u>	<u>28,664,776</u>	<u>2,865,000</u>	<u>-</u>	<u>5,540,000</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 254,240,172</u></u>	<u><u>\$ 555,706,016</u></u>	<u><u>\$ 484,110,660</u></u>	<u><u>\$ 422,045,572</u></u>	<u><u>\$ 384,040,528</u></u>

The total net indebtedness above amounts to:	<u><u>\$ 75,015,000</u></u>
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In no event shall total indebtedness exceed seven times the base for debt limitation computation:	<u><u>\$ 909,021,232</u></u>
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Source: Current and prior year financial statements.

**Federal Single Audit
and
State Single Audit
of the
City of West Haven, Connecticut
For the Year Ended June 30, 2021**

City of West Haven, Connecticut

For the Year Ended June 30, 2021

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut ("City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness. We also identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003, that we consider to be significant deficiencies.

Compliance and Other Matters

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

City's Responses to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 23, 2023

Federal Single Audit

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of West Haven, Connecticut's ("City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-006. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-005, that we consider to be a material weakness.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 23, 2023, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 23, 2023

City of West Haven, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Awarding Agency/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$ 806,022
COVID-19 School Breakfast Program	10.553	State Department of Education	12060-SDE64370-29576	-	111,808
National School Lunch Program	10.555	State Department of Education	12060-SDE64370-20560	-	1,306,173
COVID-19 National School Lunch Program	10.555	State Department of Education	12060-SDE64370-29572	-	186,773
National School Lunch Program - Commodities	10.555	State Department of Education	N/A	-	<u>78,494</u>
Total Child Nutrition Cluster					\$ 2,489,270
Fresh Fruit and Vegetable Program	10.582	State Department of Education	12060-SDE64370-22051	-	174,997
Emergency Watershed Protection Program - Floodplain Easements Disaster Relief Appropriations Act	10.928	Direct Program	N/A	-	<u>66,108</u>
Total U.S. Department of Agriculture					<u>2,730,375</u>
<u>U.S. Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grant		Direct Program	N/A	-	856,925
COVID-19 Community Development Block Grants/Entitlement Grant		Direct Program	N/A	-	<u>336,867</u>
Total CDBG - Entitlement Grants Cluster	14.218				1,193,792
CDBG - Disaster Recovery Grants Cluster:					
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269	State Department of Housing	12060-DOH46961-29520	-	<u>3,299,133</u>
Total U.S. Department of Housing and Urban Development					<u>4,492,925</u>
<u>U.S. Department of Justice</u>					
COVID-19 Coronavirus Emergency Supplement Funding	16.034	Direct Program	N/A	-	7,396
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Program	N/A	-	39,831
Equitable Sharing Program	16.922	Direct Program	N/A	-	<u>17,027</u>
Total U.S. Department of Justice					<u>64,254</u>
<u>U.S. Department of Labor:</u>					
COVID-19 Unemployment Insurance	17.225	State Department of Labor	N/A	-	<u>98,631</u>
<u>U.S. Department of Transportation</u>					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	State Department of Transportation	12062-DOT57513-20559	-	5,162
<u>U.S. Department of the Treasury</u>					
Coronavirus Relief Fund		Connecticut State Library	12060-CSL66011-29561	-	60,330
Coronavirus Relief Fund		State Office of Early Childhood	12060-OEC64806-29561	-	4,850
Coronavirus Relief Fund		State Office of Policy and Management	12060-OPM20600-29561	-	891,340
Coronavirus Relief Fund		State Department of Education	12060-SDE64370-29561	-	<u>1,187,515</u>
Total U.S. Department of the Treasury	21.019				<u>2,144,035</u>
<u>U.S. National Endowment for the Humanities</u>					
Grants to States	45.310	Connecticut State Library	12060-CSL66051-21031	-	<u>5,000</u>

(Continued)

See Notes to Schedule of Expenditures of Federal Awards.

City of West Haven, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Awarding Agency/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Education</u>					
Adult Education - Basic Grants to States	84.002	State Department of Education	12060-SDE64370-20784-2020	\$ -	\$ 30,000
Title I Grants to Local Educational Agencies	84.010	State Department of Education	12060-SDE64370-20679-2021	-	2,601,189
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B)	84.027	State Department of Education	12060-SDE64370-20977-2021	-	\$1,680,229
Special Education - Preschool Grants (IDEA Preschool)	84.173	State Department of Education	12060-SDE64370-20983-2021	-	<u>57,324</u>
Total Special Education Cluster (IDEA)					1,737,553
Career and Technical Education - Basic Grants to States	84.048	State Department of Education	12060-SDE64370-20742-2021	-	131,047
Education for Homeless Children and Youth	84.196	State Department of Education	12060-SDE64370-20770-2021	-	54,956
English Language Acquisition State Grants		State Department of Education	12060-SDE64370-20868-82075-2021	-	116,336
English Language Acquisition State Grants		State Department of Education	12060-SDE64370-20868-82076-2021	-	<u>10,000</u>
Total English Language Acquisition State Grants	84.365				126,336
Supporting Effective Instruction State Grants	84.367	State Department of Education	12060-SDE64370-20858-2021	-	295,292
Student Support and Academic Enrichment Program (Title IV)	84.424	State Department of Education	12060-SDE64370-22854-2021	-	176,894
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	State Department of Education	12060-SDE64370-29571-2020	-	<u>2,039,187</u>
Total U.S. Department of Education					<u>7,192,454</u>
<u>U.S. Department of Health and Human Services</u>					
Aging Cluster:					
COVID-19 Special Programs for the Aging - Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State Department of Aging and Disability Services	12060-SDR63901-29556	-	2,029
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Chesprocott Health District	N/A	-	20,443
Immunization Cooperative Agreements	93.268	State Department of Public Health	12060-DPH48664-20911	-	23,443
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	State Department of Public Health	12060-DPH48557-29582	-	134,439
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	State Department of Public Health	12060-DPH48557-29551	-	26,719
CCDF Cluster:					
Child Care and Development Block Grant	93.575	State Office of Early Childhood	12060-OEC64806-22975	-	3,600
Voting Access for Individuals with Disabilities - Grants for Protection Advocacy Systems	93.618	Secretary of the State	12060-SOS12500-21465	-	<u>37,215</u>
Total U.S. Department of Health and Human Services					<u>247,888</u>
Total Expenditures of Federal Awards				<u>\$ -</u>	<u>\$ 16,980,724</u>

(Concluded)

N/A - Not applicable or not available.

See Notes to Schedule of Expenditures of Federal Awards.

City of West Haven, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

1. Basis of presentation

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

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

2. Summary of significant accounting policies

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

3. Noncash federal awards

The City received and expended \$78,494 of USDA donated commodities under the National School Lunch Program and \$174,997 from the Fresh Fruit and Vegetable Program.

City of West Haven, Connecticut

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

Finding 2020-001 Year End Cash Disbursements (Material Weakness)

Condition

An invoice for services for the High School project was not recorded in the proper fiscal year. A material adjustment of \$2,461,107 was recorded in the audited financial statements.

Current status

This finding has been resolved

Finding 2020-002 Procurement and Suspension and Debarment

Condition

The City's procurement policy does not include the essential elements as outlined in 2 CRF sections 200.318 through 200.326.

Current status

This finding has been repeated as finding 2021-004.

Reason for recurrence

During the year, the Purchasing Department did not have adequate staffing to address the finding.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?

 x yes no
none

Significant deficiency(ies) identified?

 x yes reported

Noncompliance material to financial statements noted?

 yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 x yes no
none

Significant deficiency(ies) identified?

 yes x reported

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

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR Section 200.516(a)?

 x yes no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG - Entitlement Grants Cluster
14.269	CDBG - Disaster Recovery Grants Cluster
21.019	Coronavirus Relief Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes x no

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

II. Findings – Financial Statement Audit

Finding 2021-001 Vendor Approval (Material Weakness)

Criteria

Formal vendor approval and related due diligence is a critical control related to the cash disbursements process. Access to the vendor file should be segregated from the employee who processes disbursement. The approved vendor listing should be reviewed and updated annually to ensure that payment can only be made to approved vendors.

Condition

Currently, the City does not have a formal approval process for the addition of new vendors to the vendor file. In addition, the accounts payable clerk can enter new vendors as part of the processing of checks. This could result in unapproved vendors being hired and unauthorized payments to those vendors. Vendor files are not currently reviewed and approved on an annual basis.

Context

Not applicable.

Cause

City policies and procedures do not require vendor approvals prior to being added to the vendor master file. In addition, the employee who processes cash disbursements has the ability to add vendors to the master file.

Effect

Payments may be processed to fictitious vendors.

Recommendation

We recommend that all updates to the vendor master file be formally approved before they are processed. We also recommend that the employee who processes cash disbursements be restricted from the ability to make any vendor master file changes.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will implement procedures to include a formal approval process and update system rights for employees processing cash disbursements.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-002 Segregation of Duties (Significant Deficiency) – City

Criteria

In order to maintain the proper internal controls, the employees processing payroll should not have access to change employee rates or other master file information as this represents a lack of proper segregation of duties.

Condition

Currently, the City employees that process payroll have the ability to change employee pay rates. These employees also have the ability to update/edit employee master files, deductions and are set up as payroll super users with no restrictions.

In addition, the payroll register is not reviewed and approved prior to the payroll being processed.

Context

Not applicable.

Effect

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

Cause

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

Recommendation

The City should revise their policies so that incompatible responsibilities within the payroll process be segregated between employees. Only the Human Resource Department employees should be able to change employee rates and update the employee master file.

We also recommend that the payroll register be reviewed and approved prior to the final processing.

In addition, we recommend that a payroll change report be produced, reviewed and approved by the Human Resource Department to verify that all changes were authorized. The review and approval should be formally documented.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City is in the process of revising policies and procedures to require the Human Resource Department to update rates.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-003 Segregation of Duties (Significant Deficiency) – Education Department

Criteria

In order to maintain the proper internal controls, the employees processing payroll should not have access to change employee rates or other master file information as this represents a lack of proper segregation of duties.

Condition

Currently, the Education Department payroll clerk that processes payroll has the ability to change employee pay rates. The employee also has the ability to update/edit employee master files, deductions and is set up as a payroll super user with no restrictions.

Context

Not applicable.

Effect

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

Cause

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

Recommendation

The Education Department should revise their policies so that incompatible responsibilities within the payroll process be segregated between employees. Only the Human Resource Department employees should be able to change employee rates and update the employee master file.

In addition, we recommend that a payroll change report be produced, reviewed and approved by the Human Resource Department to verify that all changes were authorized. The view and approval should be formally documented.

Views of responsible officials and planned corrective actions

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

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

III. Findings – Major Federal Award Programs

Finding 2021-004 Procurement and Suspension and Debarment (Compliance)

Program

All Federal Programs

Criteria

The City must comply with procurement standards set out at 2 CFR sections 200.318 through 200.326 within Uniform Guidance.

Condition

The City's procurement standards do not include the essential elements as outlined in 2 CFR sections 200.318 through 200.326.

Questioned costs

None noted.

Context

Although the City did not have a policy in place in conformity with the federal uniform guidance criteria, the City did follow their procedures as it relates to the contracts under the procurements applicable to the City's major programs.

Effect

The City is at risk for noncompliance for expenditures of federal monies as it relates to federal procurement.

Cause

The purchasing department staffing levels did not allow for review and update of the City's purchasing policy.

Recommendation

We recommend that the City review its formal procurement policies and make necessary changes to comply with the criteria as set out in 2 CFR sections 200.318 through 200.326.

Views of responsible official and planned corrective actions

Management agrees with this finding. The City will update the purchasing policy to include the CFR requirements.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-005 Coronavirus Relief Fund – Cash Disbursements (Material Weakness)

Federal Agency	U.S. Department of the Treasury
Federal Program	Coronavirus Relief Fund
AL Number	21.019
Pass-through Entities	Connecticut State Library
	State Office of Early Childhood
	State Office of Policy and Management
	State Department of Education

Criteria

The City must establish proper internal controls to ensure that expenditure of federal grant monies is in compliance with the grant requirements and for actual goods or services provided.

Condition

Funds were embezzled from the City using fictitious vendors established by the City employees who were managing the Coronavirus Relief Fund (CRF) program. The invoices for the fictitious vendors were charged to a line item designated for the CRF program.

The grant reporting to the State for the CRF program was performed by the Finance Director and not by the Grant Coordinator Department. The original reporting of the specific disbursements for the program included the invoices for the fictitious vendors. The reporting was subsequently revised to remove the fraudulent invoices.

Questioned costs

None noted. The reporting was subsequently revised as there were other expenditures that were allowable costs under the grant

Context

Although the City has a Grant Coordinator that is responsible for the monitoring, accounting and reporting for federal and state grants, the CRF grant program was managed by another employee and the reporting was performed by the Finance Director. This circumvented the City's internal control policies and procedures that were designed to ensure proper grant administration and reporting.

Effect

Fraudulent expenditures were reported to the State as disbursements for the CRF program. The grant program was not properly monitored in accordance with established policies and procedures and related internal controls.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-005 Coronavirus Relief Fund – Cash Disbursements (Material Weakness) (Continued)

Cause

The City did not follow the established procedures and internal controls for grant monitoring and reporting. Vendors were added to the vendor file without proper due diligence and approval.

Recommendation

We recommend the following:

- Adequate due diligence be performed on all vendors before invoices are approved and paid (See finding 2021-001)
- Invoices for grant programs should reviewed and approved by employees who are knowledgeable about grant requirements and allowable and unallowable costs
- All grant programs should be properly monitored by the Grants Coordinator for compliance and reporting

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will implement the proper policies and procedures and internal controls over grants.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-006 Reporting – Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (Compliance)

Federal Agency	U.S. Department of Housing and Urban Development
Federal Program	Hurricane Sandy Community Development Block Grant Disaster Recovery Grants
AL Number	14.269
Pass-through Entity	State Department of Housing

Criteria

The City must file form SF-425, Federal Financial Report (cash status only), in accordance with the OMB compliance supplement.

The City must also file quarterly progress and financial reports to the State, in accordance with the grant agreement, no later than 14 days after March 30, June 30, September 30, and December 31 of each calendar year.

Condition

The City did not file form SF-425 or the quarterly progress and financial reports to the State.

Questioned costs

None noted.

Context

The City did not file form SF-425 or the quarterly progress and financial reports to the State.

Effect

The City was not in compliance with the federal guidelines or grant agreement.

Cause

The City did not follow the established procedures and internal controls for grant monitoring and reporting.

Recommendation

We recommend the City implement procedures or checklists to ensure reporting is properly completed and filed timely in accordance with the grant requirements.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will implement procedures to ensure reports are filed timely.

State Single Audit

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the City of West Haven, Connecticut's ("City") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2021. The City's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005, and 2021-006. Our opinion on each major state program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated February 23, 2023, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 23, 2023

City of West Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Education:			
Talent Development	11000-SDE64370-12552	\$ -	\$ 10,754
Family Resource Centers	11000-SDE64370-16110	-	101,530
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	38,671
Healthy Foods Initiative	11000-SDE64370-16212	-	74,018
Adult Education	11000-SDE64370-17030	-	177,415
Health Services	11000-SDE64370-17034	-	73,068
Alliance District	11000-SDE64370-17041	-	7,559,141
Bilingual Education	11000-SDE64370-17042	-	36,788
School Breakfast Program	11000-SDE64370-17046	-	24,440
Magnet Schools	11000-SDE64370-17057	-	229,575
Department of Administrative Services:			
Alliance District General Improvements	12052-DAS27635-43651	-	1,080,000
Department of Children and Families:			
Youth Service Bureaus	11000-DCF91141-17052	-	37,109
Youth Service Bureaus Enhancement	11000-DCF91141-17107	-	12,967
Department of Economic and Community Development:			
Urban Action Bonds	13019-ECD46000-41236	-	653,270
Urban Action Bonds	13019-ECD46000-41240	-	821,353
Department of Justice:			
Youth Violence Prevention Initiative	11000-JUD96114-12555	-	40,000
Office of the State Treasurer:			
Nitrogen Credit Exchange Program	21016-OTT14230-42407	-	125,785
Office of Early Childhood:			
Child Day Care	11000-OEC64841-16274-83012	547,069	547,069
School Readiness Quality Enhancement	11000-OEC64845-16158	-	24,973
School Readiness in Priority School Districts	11000-OEC64845-16274-83014	1,980,677	1,980,677
Connecticut State Library:			
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500
Department of Transportation:			
Town Aid Road Grants - Municipal	12052-DOT57131-43455	-	309,787
Town Aid Road Grants - STO	13033-DOT57131-43459	-	309,787
Office of Policy and Management:			
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	-	181,198
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	-	5,527,988
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	4,508
Property Tax Relief for Veterans	11000-OPM20600-17024	-	138,561
Local Capital Improvement Program	12050-OPM20600-40254	-	1,896,670
Municipal Grants-in-Aid	12052-OPM20600-43587	-	169,031

See Notes to Schedule of Expenditures of State Financial Assistance.

(Continued)

City of West Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
Department of Emergency Services and Public Protection:			
Asset Forfeiture	12060-DPS32155-35142	\$ -	\$ 3,931
Enhanced 911 Telecommunications Fund	12060-DPS32741-35190	-	183,795
Department of Energy and Environmental Protection:			
Municipal Loan Land Acquisition	12052-DEP43153-43615	-	66,586
Community Conservation and Development	13019-DEP43153-41239	-	90,603
Community Conservation and Development	13019-DEP43720-41239	-	202,261
Clean Water Fund	21014-DEP43720-40001	-	2,744,500
Department of Public Health:			
Local and District Departments of Health	11000-DPH48558-17009	-	59,261
X-Ray Screening and Tuberculosis Care	11000-DPH48666-16112	-	7,093
Department of Social Services:			
Medicaid	11000-DSS60000-16020	-	172,160
Total State Assistance Before Exempt Programs			<u>25,723,823</u>
<u>Exempt Programs:</u>			
Department of Administrative Services:			
School Construction Projects	13010-DAS27635-40901	-	441,741
School Construction	13010-DAS27635-43744	-	13,624,016
Department of Education:			
Education Cost Sharing	11000-SDE64370-17041-82010	-	42,091,196
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	2,400,465
Office of Policy and Management:			
Mashantucket Pequot/Mohegan Fund Grant	12009-OPM20600-17005	-	807,097
Municipal Transition Grant	11000-OPM20600-17103	-	2,071,012
Municipal Restructuring Fund	11000-OPM20900-17105	-	100,000
Total Exempt Programs			<u>61,535,527</u>
Total State Financial Assistance		<u>\$ 2,527,746</u>	<u>\$ 87,259,350</u>

(Concluded)

See Notes to Schedule of Expenditures of State Financial Assistance.

City of West Haven, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2021

1. Basis of presentation

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

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

2. Summary of significant accounting policies

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

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

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

City of West Haven, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2021**

3. Loan program

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

Department of Energy and Environmental Protection:

Clean Water Funds (21014-OTT14230-40001):

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2020	Additions	Retired	Balance June 30, 2021
CWF 348-C	11/30/2001	2.0%	\$ 4,407,222	\$ 109,890	\$ -	\$ 109,890	\$ -
CWF 444-C	3/31/2001	2.0%	1,603,000	24,021	-	24,021	-
CWF 346-C	12/31/2003	2.0%	801,945	117,515	-	46,303	71,212
CWF 348-C1	12/31/2003	2.0%	1,728,831	253,338	-	99,819	153,519
CWF 348-CD1	9/29/2006	2.0%	617,707	20,774	-	20,774	-
CWF 346-CD2	5/31/2007	2.0%	801,055	128,512	-	51,404	77,108
CWF 549-C	7/1/2013	2.0%	28,250,103	18,223,824	-	1,346,825	16,876,999
CWF 549-CD2	6/30/2015	2.0%	1,425,544	1,055,270	-	78,599	976,671
CWF 222-CSL (permanently financed)			3,925,943	-	3,925,943	-	3,925,943
CWF 223-CSL (permanently financed)			586,545	-	586,545	-	586,545
Total				<u>\$19,933,144</u>	<u>\$4,512,488</u>	<u>\$1,777,635</u>	<u>\$ 22,667,997</u>

City of West Haven, Connecticut

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

Finding 2020-001 Year End Cash Disbursements (Material Weakness)

Condition

An invoice for services for the High School project was not recorded in the proper fiscal year. A material adjustment of \$2,461,107 was recorded in the audited financial statements.

Current status

This finding has been resolved.

Finding 2020-002 Child Day Care Subrecipient Monitoring

Condition

The City passes through the day care grant monies received to a subrecipient who operates the day care program. The City did not monitor the subrecipient to ensure that the agency is administering grant funds in compliance with grant requirements.

Current status

This finding has been repeated as finding 2021-004.

Reason for recurrence

The day care had turnover in its accounting position, and they were unable to make any changes to its processes and procedures. As a result, requested information was not received from the subrecipient.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> x </u>	yes	<u> </u> no none
Significant deficiency(ies) identified?	<u> x </u>	yes	<u> </u> reported
Noncompliance material to financial statements noted?	<u> </u>	yes	<u> x </u> no

State Financial Assistance

Internal control over major programs:			
Material weakness(es) identified?	<u> </u>	yes	<u> x </u> no none
Significant deficiency(ies) identified?	<u> </u>	yes	<u> x </u> reported
Type of auditors' report issued on compliance for major programs:	<u>Unmodified opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	<u> x </u>	yes	<u> </u> no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education: Alliance District	11000-SDE64370-17041	\$7,559,141
Department of Administrative Services: Alliance District General Improvements	12052-DAS27635-43651	1,080,000
Department of Economic and Community Development: Urban Action Bonds	13019-ECD46000-41236	653,270
Urban Action Bonds	13019-ECD46000-41240	821,353
Office of Early Childhood: School Readiness in Priority School Districts	000-OEC64845-16274-830	1,980,677
Department of Transportation: Town Aid Road Grants - Municipal	12052-DOT57131-43455	309,787
Town Aid Road Grants - STO	13033-DOT57131-43459	309,787
Office of Policy and Management: Local Capital Improvement Program	12050-OPM20600-40254	1,896,670
Department of Emergency Services and Public Protection: Enhanced 911 Telecommunications Fund	12060-DPS32741-35190	183,795
Department of Energy and Environmental Protection: Community Conservation and Development	13019-DEP43153-41239	90,603
Community Conservation and Development	13019-DEP43720-41239	202,261
Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 514,476</u>	

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

II. Findings – Financial Statement Audit

Finding 2021-001 Vendor Approval (Material Weakness)

Criteria

Formal vendor approval and related due diligence is a critical control related to the cash disbursements process. Access to the vendor file should be segregated from the employee who processes disbursement. The approved vendor listing should be reviewed and updated annually to ensure that payment can only be made to approved vendors.

Condition

Currently, the City does not have a formal approval process for the addition of new vendors to the vendor file. In addition, the accounts payable clerk can enter new vendors as part of the processing of checks. This could result in unapproved vendors being hired and unauthorized payments to those vendors. Vendor files are not currently reviewed and approved on an annual basis.

Context

Not applicable.

Cause

City policies and procedures do not require vendor approvals prior to being added to the vendor master file. In addition, the employee who processes cash disbursements has the ability to add vendors to the master file.

Effect

Payments may be processed to fictitious vendors.

Recommendation

We recommend that all updates to the vendor master file be formally approved before they are processed. We also recommend that the employee who processes cash disbursements be restricted from the ability to make any vendor master file changes.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will implement procedures to include a formal approval process and update system rights for employees processing cash disbursements.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-002 Segregation of Duties (Significant Deficiency) – City

Criteria

In order to maintain the proper internal controls, the employees processing payroll should not have access to change employee rates or other master file information as this represents a lack of proper segregation of duties.

Condition

Currently, the City employees that process payroll have the ability to change employee pay rates. These employees also have the ability to update/edit employee master files, deductions and are set up as payroll super users with no restrictions.

In addition, the payroll register is not reviewed and approved prior to the payroll being processed.

Context

Not applicable.

Effect

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

Cause

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

Recommendation

The City should revise their policies so that incompatible responsibilities within the payroll process be segregated between employees. Only the Human Resource Department employees should be able to change employee rates and update the employee master file.

We also recommend that the payroll register be reviewed and approved prior to the final processing.

In addition, we recommend that a payroll change report be produced, reviewed and approved by the Human Resource Department to verify that all changes were authorized. The review and approval should be formally documented.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City is in the process of revising policies and procedures to require the Human Resource Department to update rates.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Finding 2021-003 Segregation of Duties (Significant Deficiency) – Education Department

Criteria

In order to maintain the proper internal controls, the employees processing payroll should not have access to change employee rates or other master file information as this represents a lack of proper segregation of duties.

Condition

Currently, the Education Department payroll clerk that processes payroll has the ability to change employee pay rates. The employee also has the ability to update/edit employee master files, deductions and is set up as a payroll super user with no restrictions.

Context

Not applicable.

Effect

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

Cause

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

Recommendation

The Education Department should revise their policies so that incompatible responsibilities within the payroll process be segregated between employees. Only the Human Resource Department employees should be able to change employee rates and update the employee master file.

In addition, we recommend that a payroll change report be produced, reviewed and approved by the Human Resource Department to verify that all changes were authorized. The view and approval should be formally documented.

Views of responsible officials and planned corrective actions

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

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021

III. Findings – State Financial Assistance Findings and Questioned Costs

Finding 2021-004 Child Day Care Subrecipient Monitoring (Compliance)

Grantor	Office of Early Childhood
State Program Name	Child Day Care
State Grant Program CORE-CT Number	11000-OEC64841-16274-83012

Criteria

Grantees are required to monitor subrecipient's activities to provide reasonable assurance that the subrecipient administers state awards in compliance with State requirements.

Condition

The City passes through the day care grant monies received to a subrecipient who operates the day care program. The City did not monitor the subrecipient to ensure that the agency is administering grant funds in compliance with grant requirements.

Questioned Cost

None noted.

Context

Currently, there are no formal monitoring procedures in place to ensure that the monies are being spent in accordance with the grant requirements.

Effect

Grant monies spent could be determined to be unallowable and other noncompliance with requirements could occur without the City being aware. This could result in questioned costs and monies having to be returned to the funding agency.

Cause

The cause is unknown.

Recommendation

We recommend the City review all grant compliance requirements and monitor the subrecipient's compliance with these requirements.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will implement procedures to perform monitoring of subrecipients.

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021

Finding 2021-005 Reporting – Community Conservation and Development Grant (Compliance)

Grantor	Department of Energy and Environmental Protection
State Program Name	Community Conservation and Development
State Grant Program	13019-DEP43153-41239
CORE-CT Number	13019-DEP43720-41239

Criteria

The City must provide summaries of project status to the State in accordance with the grant agreement.

Condition

The City did not provide summaries of project status to the State.

Questioned costs

None noted.

Context

The City did not provide summaries of project status to the State.

Effect

The City was not in compliance with the grant agreement.

Cause

The City did not follow the established procedures and internal controls for grant monitoring and reporting.

Recommendation

We recommend the City implement procedures or checklists to ensure reporting is properly completed and filed timely in accordance with the grant requirements.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The City will implement procedures to ensure reports are filed timely.

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021

Finding 2021-006 School Readiness Subrecipient Monitoring (Compliance)

Grantor	Office of Early Childhood
State Program Name	School Readiness in Priority School Districts
State Grant Program CORE-CT Number	11000-OEC64845-16274-83014

Criteria

Grantees are required to monitor subrecipient's activities to provide reasonable assurance that the subrecipient administers state awards in compliance with State requirements.

Condition

The Education Department did not perform the following monitoring activities:

- Receive and review financial and program reports
- Review audit reports
- Ensure expenditures were in agreement with subrecipient records

Questioned Cost

None noted.

Context

Currently, there are no formal monitoring procedures in place to ensure that the monies are being spent in accordance with the grant requirements.

Effect

Grant monies spent could be determined to be unallowable and other noncompliance with requirements could occur without the Education Department being aware. This could result in questioned costs and monies having to be returned to the funding agency.

Cause

The cause is unknown.

Recommendation

We recommend the Education Department review all grant compliance requirements and monitor the subrecipients' compliance with these requirements.

Views of responsible officials and planned corrective actions

Management agrees with the finding. The Education Department will implement procedures to perform monitoring of subrecipients.