

City of West Haven, Connecticut



Annual Financial Report For the Year Ended June 30, 2023

Annual Financial Report

of the

City of West Haven,

Connecticut

For the Year Ended

June 30, 2023

City of West Haven, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2023**

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Introductory Section

City of West Haven, Connecticut

**Principal Officials
June 30, 2023**

Mayor

Nancy R. Rossi

Treasurer

Michael P. Last

City Council

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

Administration

Ann Marie Gradoia
Frank Gladwin
Patricia Horvath
David Taylor
Abdul Quadir
Thomas McCarthy
Joseph Perno
Dorothy Chambrelli
Thomas McCarthy

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

Financial Section



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
May 28, 2024



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, 2023

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, 2023. 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	\$ 1,864,477
Total net position	(100,447,116)
Unrestricted net position	(349,390,882)

- The significant factors for the change are as follows:

Governmental funds activity:

➤ positive operations of the general fund of	\$ 6,775,812
➤ positive operations of the capital improvement fund of	1,630,099
➤ positive operations of the capital and nonrecurring fund of	833,122
➤ negative operations of the miscellaneous grants fund of	(2,354,397)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	4,460,210
➤ loss on disposal of capital assets of	(4,998,461)
➤ change in property taxes, sewer use, and intergovernmental revenue of	3,299,187
➤ net long-term debt activity of	4,605,436
➤ change in net pension liability of	(7,256,532)
➤ change in OPEB liability of	(4,435,854)
➤ amortization of pension and OPEB deferred outflows of resources of	(25,212,751)
➤ amortization of pension and OPEB deferred inflows of resources of	18,646,832
➤ net revenue (expense) of the activities of the internal service funds of	3,457,159

- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balance of \$11,064,752, an increase of \$7,572,165 in comparison with the prior year. The majority of the increase is due to the positive operations of the governmental funds activity referenced above. Additional details regarding the positive operations are discussed in the governmental activity section.

Management's Discussion and Analysis

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,758,946, an increase of \$6,775,812 in comparison with the prior year. This unassigned fund balance represents 8.97% of total budgetary basis general fund expenditures and transfers out.
- Net capital assets decreased in the current year by \$538,251. The decrease is primarily due to the disposals and depreciation expense in excess of capital asset additions.
- The City's long-term debt decreased by \$4,653,301 during the current fiscal year due to the issuance of bonds and notes of \$6,716,241 and leases of \$105,807, offset by scheduled principal payments of \$11,475,349.
- During the year, the City implemented GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement has no impact on the beginning equity, but has the following impact on the City's government-wide financial statements:

Capital assets:

Intangible right-to-use subscription assets	\$ 1,610,678
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Long-term liabilities:

Subscription liability	1,610,678
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Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Government-wide financial statements

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

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

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

Management's Discussion and Analysis

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

Fund financial statements

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

Governmental funds

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each major fund. The funds reported as major funds are as follows:

- General fund
- Allingtown Fire Department fund
- ARPA fund
- Sewer fund
- Education grants fund
- Capital improvement fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Schedules 5 and 6.

Management's Discussion and Analysis

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.

Other information

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

Management's Discussion and Analysis

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 \$(349,390,882).

Summary Statement of Net Position June 30

	<u>2023</u>	<u>2022</u> (as restated)
Current and other assets	\$ 73,315,105	\$ 62,532,968
Capital assets (net)	<u>337,970,383</u>	<u>338,508,634</u>
Total assets	<u>411,285,488</u>	<u>401,041,602</u>
Deferred outflows of resources	<u>73,543,770</u>	<u>98,756,521</u>
Current liabilities outstanding	73,678,091	68,423,649
Long-term liabilities outstanding	<u>420,738,788</u>	<u>424,040,001</u>
Total liabilities	<u>494,416,879</u>	<u>492,463,650</u>
Deferred inflows of resources	<u>90,859,495</u>	<u>109,646,066</u>
Net position:		
Net investment in capital assets	234,676,427	233,609,310
Restricted	14,267,339	14,215,930
Unrestricted	<u>(349,390,882)</u>	<u>(350,136,833)</u>
Total net position	<u>\$ (100,447,116)</u>	<u>\$ (102,311,593)</u>

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

A portion of the Town's net position, 14.20%, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$(349,390,882), which increased by \$745,951 from the prior year.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$100,447,116.

Management's Discussion and Analysis

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

	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 21,397,779	\$ 19,976,537
Operating grants and contributions	96,885,476	94,602,274
Capital grants and contributions	10,507,612	12,345,918
General revenues:		
Property taxes	114,633,763	113,190,707
Grants and contributions not restricted to specific programs	11,645,101	9,939,160
Income from investments	1,780,291	121,317
Gain on sale of assets	317,431	550,799
Total revenues	<u>257,167,453</u>	<u>250,726,712</u>
Expenses:		
General government	16,207,996	11,650,010
Public safety	49,534,573	44,791,584
Public works	28,877,021	29,818,621
Human resources and health and welfare	4,339,986	4,246,746
Parks and recreation	2,121,692	1,569,197
Library	1,171,323	1,435,692
Education	150,320,467	141,592,100
Interest	2,729,918	2,005,854
Total expenses	<u>255,302,976</u>	<u>237,109,804</u>
Change in net position before extraordinary item	1,864,477	13,616,908
Extraordinary item:		
Casualty loss	<u>-</u>	<u>(265,257)</u>
Change in net position	1,864,477	13,351,651
Net position - July 1	(102,311,593)	(114,881,470)
Restatements (Note VI)	<u>-</u>	<u>(781,774)</u>
Net position - June 30	<u>\$ (100,447,116)</u>	<u>\$ (102,311,593)</u>

Management's Discussion and Analysis

Key elements of the change in net position of \$1,864,477 are as follows:

Revenues

Governmental activities revenues totaled \$257,167,453. This represents an increase of \$6,440,741 from the prior year. Property taxes are the largest revenue source for the City and represent 44.58% of revenues. Details for the other categories are as follows:

Charges for services	8.32%
Operating grants and contributions	37.67%
Capital grants and contributions	4.09%
Property taxes	44.58%
Grants and contributions not restricted to specific programs	4.53%
Income from investments	0.69%
Gain on sale of assets	0.12%
Total	<u>100.00%</u>

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

Revenue category	Amount	Description
Charges for services increased by:	\$ 1,421,242	Primarily due to an increase in sewer fees of \$0.94 million and school activity funds of \$0.30 million.
Operating grants and contributions increased by:	2,283,202	Substantially due to the increase in ARPA grant recognized as revenue during the year of \$4.04 million offset by decreases in public safety and education grants received.
Capital grants and contributions decreased by:	(1,838,306)	Primarily due to a decrease in the school construction grant received of \$5.91 million offset by an increase in ARPA related grants of \$3.15 million.
Property taxes increased by:	1,443,056	Primarily due to an increase in the budget and the amount required to be funded with property taxes.
Grants and contributions not restricted to specific programs increased by:	1,705,941	Primarily due to the receipt of the municipal revenue sharing grant of \$1.23 million and the motor vehicle tax reimbursement grant of \$0.50 million.
Income from investments increased by:	1,658,974	Primarily due to continued higher interest rates in the current year.

Management's Discussion and Analysis

Expenditures

Governmental activity expenditures totaled \$255,302,976 for the fiscal year, an increase of \$18,193,172. Of the total expenditures, \$150,320,467 or 58.88% is related to education. Details for the other categories are as follows:

General government	6.35%
Public safety	19.40%
Public works	11.31%
Human resources and health and welfare	1.70%
Parks and recreation	0.83%
Library	0.46%
Education	58.88%
Interest	1.07%
Total	<u>100.00%</u>

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

Expense category	Amount	Description
General government expenses increased by:	\$ 4,557,986	Due to an increase in bad debt expense of \$1.28 million, \$1.24 million for an economic development project that was abandoned, employee benefits of \$0.67 million, ARPA financial management costs of \$0.53 million, and other consultants of \$0.50 million.
Public safety expenses increased by:	4,742,989	Primarily due to an increase in pension expense of \$5.69 million and employee benefits of \$1.42 million, offset by a decrease in internal service expenses of \$1.89 million and OPEB expense of \$0.80 million.
Education expenses increased by:	8,728,367	Due to an increase in loss on disposals of \$5.00 million, there were more capital asset purchases in prior year of \$3.16 million, and an increase in the State Teachers' pension expense of \$2.19 million, offset by a decrease in the OPEB expense of \$2.27 million.

Financial analysis of the City's funds

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

Governmental funds

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

Management's Discussion and Analysis

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,064,752.

The components of fund balance were as follows:

Nonspendable	\$ 149,832
Restricted	14,267,339
Committed	9,531,185
Unassigned	<u>(12,883,604)</u>
Total	<u>\$ 11,064,752</u>

The total fund balance increased by \$7,572,165. 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 \$14,758,946 was unassigned. During the current fiscal year, the fund balance of the City's general fund increased by \$6,775,812. The increase was substantially attributable to revenues and other financing sources being higher than the budget by \$828,591 and by the expenditure budget being underspent by \$5,947,221. See additional discussion in the budgetary highlights section below.

General fund budgetary highlights

There were additional appropriations from revenue of \$2,158,051 for city insurance of \$158,051 and workers' compensation benefits of \$2,000,000.

The most significant budget variances were as follows:

- Intergovernmental revenues were in excess of the amount budgeted by \$714,842 primarily due to the municipal revenue sharing grants being higher than the budgeted amount by \$580,873.
- Charges for services were in excess of the amount budgeted by \$89,005 primarily due to building and electrical permits being greater than budgeted by \$395,114 as a result of multiple new construction projects during the year offset by lower than expected revenues from parking of \$152,940 and recording fees of \$113,902. Parking fees were lower due to the City outsourcing enforcement.
- Sale of assets were in excess of the amount budgeted by \$302,931 due to sales of Thompson School and Blake School.
- Transfers in were less than budgeted by \$254,800 due to budgeted transfers not made from the miscellaneous grants fund and public safety fund.
- General government expenditures were underspent by \$2,622,712 primarily due to the unused contingency budget of \$2,662,000.
- Public safety expenditures were overspent by \$1,012,265 due to police overtime and manpower costs of \$776,590 and administrative regular pay of \$181,506.
- Public works expenditures were underspent by \$1,631,744 due to vehicle maintenance and oil and gas costs of \$397,860 and highways and parks maintenance regular pay of \$418,881.
- Debt service expenditures were underspent by \$2,185,261 due to clean water note payments of \$2,091,542 made in the sewer fund.

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 \$4,150,958. This was the result of positive operations of \$14,680 due to revenue being higher than budgeted by \$5,791 and expenditure savings of \$8,889. See additional discussion in the budgetary highlights section below.

Allingtown Fire Department budgetary highlights

There were no significant budget transfers made during the year.

The most significant budget variances were as follows:

- Intergovernmental revenues were lower than the amount budgeted by \$121,723 primarily due to the motor vehicle tax allocation grant received was lower than budgeted by \$128,729.
- Personnel was overspent by \$84,573 due to pension contributions in excess of the budget by \$556,654 offset by the cost of insurance being lower than expected in the amount of \$363,709.
- Utilities, insurance and equipment was underspent by \$51,321 mostly due to the unused contingency budgeted of \$156,500 offset by additional expenditures for the emergency reporting system of \$64,897 and increased professional service costs of \$21,989.

ARPA fund. The City has approved projects to be funded with ARPA monies and had expended \$6,039,765 during the year. The remaining \$22,961,740 will be spent in future fiscal years.

Sewer fund. The sewer fund accounts for the City's sewer usage operations. During the year, expenditures and transfers out exceeded revenues by \$188,462. This decreased the fund balance to \$6,183,125.

Education grants fund. The education grants fund accounts for financial resources received from the federal government and the State of Connecticut to be used in accordance with each grant award. The education grants fund expended \$27,102,176 during the year.

Capital improvement fund. The capital improvement fund accounts for financial resources to be used for various construction projects. The fund balance has increased by \$1,630,099, which primarily resulted from a transfer in of \$1,200,000 and the timing of expenditures and related financing. The deficit fund balance of \$19,918,719 is a result of the timing of the receipt of grants and financing as compared to expenditures for the High School renovation project, as well as the use of bond anticipation notes to finance the project.

Proprietary funds

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

Internal service fund. The internal service fund is used to account for medical claims, general claim liabilities, and workers' compensation. The internal service fund had a total net position of \$(5,157,959) at year end. The fund had an increase in net position of \$3,457,159 due to lower than expected medical claims and an increase in workers' compensation funding during the year.

Management's Discussion and Analysis

Capital assets and debt administration

Capital assets

The City's capital assets (net of accumulated depreciation/amortization) totaled \$337,970,383. Capital assets by type are detailed in the table below:

	<u>2023</u>	<u>2022</u> (as restated)
Land	\$ 16,400,389	\$ 16,400,389
Construction in progress	18,860,243	152,379,547
Intangible right-to-use assets	1,865,302	2,492,376
Land improvements	9,708,967	7,866,071
Buildings and improvements	212,723,905	94,123,923
Machinery and equipment	10,373,748	10,732,421
Vehicles	6,958,226	5,586,106
Infrastructure	<u>61,079,603</u>	<u>48,927,801</u>
Total	<u>\$ 337,970,383</u>	<u>\$ 338,508,634</u>
Dollar change	<u>\$ (538,251)</u>	
Percentage change	<u>(0.16%)</u>	

The capital assets (net of depreciation/amortization) decreased in the current year by \$538,251. The decrease is due to disposals and depreciation/amortization expense exceeding capital additions. In the current year, the City had capital asset additions totaling \$160,281,369.

Major capital asset additions consisted of the following:

- Construction in progress:
 - Dawson Avenue rehabilitation \$ 1,555,021
 - Various street paving 1,745,247
 - Chestnut Street sewer replacement 1,200,897
 - Washington School rebuild 1,151,065
- Land improvements:
 - Old Field Creek 1,198,026
 - School playscapes 512,177
- Buildings and improvements:
 - West Haven High School building 123,261,791
 - Bailey Middle School cafeteria 1,813,099

Management's Discussion and Analysis

➤ Vehicles:		
○ Fire truck	\$	631,235
○ Sewer vacuum truck		502,050
➤ Infrastructure:		
○ Various street paving projects		6,771,321
○ Cove River pump station		4,094,185
○ Dawson Avenue project		1,101,557

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

Long-term debt

At the end of the fiscal year, total long-term debt outstanding was \$94,043,518. All debt is backed by the full faith and credit of the City.

Long-Term Debt June 30

	<u>2023</u>	<u>2022</u> (as restated)
General obligation bonds	\$ 65,465,000	\$ 74,300,000
Bond anticipation notes - permanently financed	6,200,000	-
Clean water notes payable - interim funding obligation	516,241	-
Clean water notes payable	19,792,987	21,582,399
Equipment financing notes payable	132,823	336,324
Leases	725,328	867,418
Subscriptions	<u>1,211,139</u>	<u>1,610,678</u>
Total	<u>\$ 94,043,518</u>	<u>\$ 98,696,819</u>
Dollar change	<u>\$ (4,653,301)</u>	
Percentage change	<u>(4.71%)</u>	

During the current fiscal year, the City's total debt decreased by \$4,653,301 due to issuance of bonds and notes of \$6,716,241 and leases of \$105,807, offset by scheduled principal payments of \$11,475,349.

The City's current credit rating is "AA" 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 prior year tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the City is \$969,549,994, 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

The 2023-2024 general fund adopted budget totaled \$173,904,053. The following economic factors currently affect the City of West Haven and were considered in developing the 2023-2024 fiscal year budget:

- As of June 2023, the unemployment rate for the City was at 4.3%, which is higher than the State average unemployment rate of 3.7% and higher than the national unemployment rate of 3.6%.

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

Requests for information

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

**Basic
Financial
Statements**

City of West Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2023

Assets

Current assets:	
Cash	\$ 25,984,695
Investments	26,605,900
Receivables (net):	
Property taxes	2,202,707
Sewer use	213,683
Intergovernmental	10,689,697
Loans	76,680
Other	633,069
Prepays	149,832
	<hr/>
Total current assets	66,556,263
Noncurrent assets:	
Receivables (net):	
Property taxes	4,051,517
Sewer use	1,399,269
Loans	1,308,056
	<hr/>
Total receivables (net)	6,758,842
Capital assets (net of accumulated depreciation/amortization):	
Land	16,400,389
Construction in progress	18,860,243
Intangible right-to-use assets	1,865,302
Land improvements	9,708,967
Buildings and improvements	212,723,905
Machinery and equipment	10,373,748
Vehicles	6,958,226
Infrastructure	61,079,603
	<hr/>
Total capital assets (net of accumulated depreciation/amortization)	337,970,383
Total noncurrent assets	344,729,225
Total assets	411,285,488

Deferred Outflows of Resources

Pension related	15,278,089
OPEB related	58,265,681
	<hr/>
Total deferred outflows of resources	73,543,770

(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, 2023

Liabilities

Current liabilities:	
Accounts payable	\$ 17,181,459
Accrued payroll and related liabilities	5,501,776
Accrued interest payable	416,533
Retainage payable	107,479
Unearned revenue	23,392,752
Notes payable	860,901
Other	537,208
Long-term debt	12,131,736
Compensated absences	1,972,815
Heart and hypertension	78,524
Claims payable	3,360,908
OPEB liability	8,136,000
	<hr/>
Total current liabilities	73,678,091
	<hr/>
Noncurrent liabilities:	
Long-term debt and related liabilities	87,628,777
Compensated absences	7,891,258
Heart and hypertension	1,580,251
Claims payable	7,286,412
Net pension liability	70,707,483
OPEB liability	245,644,607
	<hr/>
Total noncurrent liabilities	420,738,788
	<hr/>
Total liabilities	494,416,879
	<hr/>

Deferred Inflows of Resources

Advance property tax collections	445,878
OPEB related	90,413,617
	<hr/>
Total deferred inflows of resources	90,859,495
	<hr/>

Net Position

Net investment in capital assets	234,676,427
Restricted:	
General government	146,620
Allingtown fire department operations	4,150,958
Public safety programs	254,656
Sewer operations	6,033,293
Housing rehabilitation	2,428,765
Education	1,253,047
Unrestricted	(349,390,882)
	<hr/>
Total net position	\$ (100,447,116)
	<hr/>

(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, 2023

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	\$ 16,207,996	\$ 3,740,728	\$ 1,201,711	\$ -	\$ (11,265,557)
Public safety	49,534,573	2,389,754	3,370,609	290,432	(43,483,778)
Public works	28,877,021	13,273,358	903,800	6,339,298	(8,360,565)
Human resources and health and welfare	4,339,986	140,062	2,165,751	-	(2,034,173)
Parks and recreation	2,121,692	287,604	49,537	875,445	(909,106)
Library	1,171,323	-	8,170	-	(1,163,153)
Education	150,320,467	1,566,273	89,185,898	3,002,437	(56,565,859)
Interest	2,729,918	-	-	-	(2,729,918)
Total	\$ 255,302,976	\$ 21,397,779	\$ 96,885,476	\$ 10,507,612	(126,512,109)
General revenues:					
Property taxes					114,633,763
Grants and contributions not restricted to specific programs					11,645,101
Income from investments					1,780,291
Gain on sale of assets					317,431
Total general revenues					128,376,586
Change in net position					1,864,477
Net position - July 1, 2022 (restated)					(102,311,593)
Net position - June 30, 2023					<u><u>\$(100,447,116)</u></u>

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

City of West Haven, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Allington Fire Department Fund	ARPA Fund	Sewer Fund	Education Grants Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>								
Cash	\$23,222,984	\$ 196,909	\$ -	\$ 224,414	\$ -	\$ 248	\$ 2,340,140	\$ 25,984,695
Investments	13,605,900	5,800,000	-	7,200,000	-	-	-	26,605,900
Receivables (net):								
Property taxes	5,890,168	364,056	-	-	-	-	-	6,254,224
Sewer use	-	-	-	1,612,952	-	-	-	1,612,952
Intergovernmental	-	-	-	-	1,575,861	2,751,746	6,362,090	10,689,697
Loans	-	-	-	-	-	-	1,384,736	1,384,736
Other	311,052	-	-	108,662	-	-	213,355	633,069
Due from other funds	27,037,454	845,065	23,620,233	500,000	-	571,429	5,262,051	57,836,232
Prepays	-	-	-	149,832	-	-	-	149,832
Total assets	\$70,067,558	\$ 7,206,030	\$23,620,233	\$9,795,860	\$ 1,575,861	\$ 3,323,423	\$ 15,562,372	\$ 131,151,337
<u>Liabilities</u>								
Accounts payable	\$ 9,223,928	\$ 869,796	\$ 658,493	\$1,505,707	\$ 671,266	\$ 2,472,854	\$ 1,612,566	\$ 17,014,610
Accrued payroll and related liabilities	5,490,164	11,612	-	-	-	-	-	5,501,776
Retainage payable	-	-	-	-	-	93,459	14,020	107,479
Due to other funds	34,149,813	1,803,212	-	439,284	904,595	19,430,626	6,764,912	63,492,442
Unearned revenue	89,918	-	22,961,740	-	-	-	341,094	23,392,752
Notes payable	-	-	-	-	-	860,901	-	860,901
Other	517,289	809	-	19,110	-	-	-	537,208
Total liabilities	49,471,112	2,685,429	23,620,233	1,964,101	1,575,861	22,857,840	8,732,592	110,907,168
<u>Deferred Inflows of Resources</u>								
Unavailable revenue:								
Property taxes	5,450,872	346,075	-	-	-	-	-	5,796,947
Sewer use	-	-	-	1,612,952	-	-	-	1,612,952
Intergovernmental	-	-	-	-	-	384,302	939,338	1,323,640
Advance property tax collections	386,628	23,568	-	35,682	-	-	-	445,878
Total deferred inflows of resources	5,837,500	369,643	-	1,648,634	-	384,302	939,338	9,179,417
<u>Fund Balances</u>								
Nonspendable	-	-	-	149,832	-	-	-	149,832
Restricted	-	4,150,958	-	6,033,293	-	-	4,083,088	14,267,339
Committed	-	-	-	-	-	5,391,020	4,140,165	9,531,185
Unassigned	14,758,946	-	-	-	-	(25,309,739)	(2,332,811)	(12,883,604)
Total fund balances	14,758,946	4,150,958	-	6,183,125	-	(19,918,719)	5,890,442	11,064,752
Total liabilities, deferred inflows of resources and fund balances	\$70,067,558	\$ 7,206,030	\$23,620,233	\$9,795,860	\$ 1,575,861	\$ 3,323,423	\$ 15,562,372	\$ 131,151,337

(Continued)

City of West Haven, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2023

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

Total fund balance (Exhibit C, Page 1)	<u>\$ 11,064,752</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets (net)	338,508,634
Current year additions (net of construction in progress)	13,977,893
Depreciation/amortization expense	(9,517,683)
Disposal of capital assets	<u>(4,998,461)</u>
Total	<u>337,970,383</u>
Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to pensions	15,278,089
Deferred outflows related to OPEB	<u>58,265,681</u>
Total	<u>73,543,770</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:	
Property taxes and sewer use revenue - accrual basis change	7,409,899
Intergovernmental revenue - accrual basis change	<u>1,323,640</u>
Total	<u>8,733,539</u>
Internal service funds are used by management for risk financing activities:	
The assets and liabilities of the internal service funds are included in the statement of net position	<u>(5,157,959)</u>
Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(416,533)
Bonds and notes payable	(92,107,051)
Premium	(5,716,995)
Leases payable	(725,328)
Subscription payable	(1,211,139)
Compensated absences	(9,864,073)
Heart and hypertension	(1,658,775)
Net pension liability	(70,707,483)
OPEB liability	(253,780,607)
Deferred inflows related to OPEB	<u>(90,413,617)</u>
Total	<u>(526,601,601)</u>
Net position (Exhibit A)	<u>\$ (100,447,116)</u>
	(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, 2023

	General Fund	Allingtown Fire Department Fund	ARPA Fund	Sewer Fund	Education Grants Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:								
Property taxes	\$ 105,440,569	\$ 6,988,746	\$ -	\$ -	\$ -	\$ -	\$ 462,045	\$ 112,891,360
Intergovernmental	72,702,392	1,902,247	6,039,765	-	27,102,176	499,138	8,584,726	116,830,444
Charges for services	5,189,267	198,111	-	12,734,551	-	279,858	2,762,848	21,164,635
Contributions	505,015	100,000	-	-	-	-	17,177	622,192
Income from investments	1,765,716	-	-	-	-	-	14,575	1,780,291
Other	160,754	-	-	-	-	16,686	84,473	261,913
Total revenues	185,763,713	9,189,104	6,039,765	12,734,551	27,102,176	795,682	11,925,844	253,550,835
Expenditures:								
Current:								
General government	7,434,019	-	535,942	-	-	-	1,285,131	9,255,092
Public safety	18,324,256	8,014,575	1,372,524	-	-	-	639,628	28,350,983
Public works	10,927,390	-	3,476,421	8,010,858	-	105,774	1,475,314	23,995,757
Benefits and insurance	21,716,873	-	-	-	-	-	-	21,716,873
Human resources and health and welfare	1,212,239	-	105,750	-	-	-	1,655,177	2,973,166
Parks and recreation	978,940	-	493,958	-	-	-	408,275	1,881,173
Library	1,575,374	-	8,170	-	-	-	-	1,583,544
Education	105,172,011	-	47,000	-	27,102,176	-	5,575,717	137,896,904
Capital outlay	-	-	-	1,141,409	-	7,129,722	2,691,566	10,962,697
Debt service	12,443,434	14,849	-	2,091,542	-	-	-	14,549,825
Total expenditures	179,784,536	8,029,424	6,039,765	11,243,809	27,102,176	7,235,496	13,730,808	253,166,014
Excess (deficiency) of revenues over expenditures	5,979,177	1,159,680	-	1,490,742	-	(6,439,814)	(1,804,964)	384,821
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	6,822,048	-	6,822,048
Premium	-	-	-	-	-	47,865	-	47,865
Sale of assets	317,431	-	-	-	-	-	-	317,431
Transfers in	479,204	-	-	-	-	1,200,000	1,145,000	2,824,204
Transfers out	-	(1,145,000)	-	(1,679,204)	-	-	-	(2,824,204)
Net other financing sources (uses)	796,635	(1,145,000)	-	(1,679,204)	-	8,069,913	1,145,000	7,187,344
Net change in fund balances	6,775,812	14,680	-	(188,462)	-	1,630,099	(659,964)	7,572,165
Fund balances - July 1, 2022	7,983,134	4,136,278	-	6,371,587	-	(21,548,818)	6,550,406	3,492,587
Fund balances - June 30, 2023	\$ 14,758,946	\$ 4,150,958	\$ -	\$ 6,183,125	\$ -	\$(19,918,719)	\$ 5,890,442	\$ 11,064,752

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, 2023**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ 7,572,165

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

Capital outlay	13,977,893
Depreciation/amortization expense	<u>(9,517,683)</u>

Total	<u>4,460,210</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>(4,998,461)</u>
------------------------------------	--------------------

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

Change in property taxes and sewer use revenue - accrual basis change	1,975,547
Change in intergovernmental revenue - accrual basis change	<u>1,323,640</u>

Total	<u>3,299,187</u>
-------	------------------

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

Debt issued or incurred:	
Bond anticipation notes (permanently financed)	(6,200,000)
Interim funding obligation (permanently financed)	(516,241)
Leases	(105,807)
Premium	(47,865)

Principal repayments:	
Bonds	8,835,000
Notes	1,992,913
Leases	247,897
Subscriptions	<u>399,539</u>

Total	<u>4,605,436</u>
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(Continued)

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

City of West Haven, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

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

Change in/amortization of:	
Accrued interest payable	\$ (69,437)
Premium	413,995
Compensated absences	1,250,584
Heart and hypertension	131,944
Net pension liability	(7,256,532)
OPEB liability	(4,435,854)
Deferred outflows related to pension	(5,861,653)
Deferred inflows related to pension	3,454,084
Deferred outflows related to OPEB	(19,351,098)
Deferred inflows related to OPEB	<u>15,192,748</u>
Total	<u>(16,531,219)</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>3,457,159</u>
Change in net position (Exhibit B)	<u>\$ 1,864,477</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, 2023

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
<u>Assets</u>	
Current assets:	
Due from other funds	\$ 5,656,210
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	166,849
Claims payable	3,360,908
Total current liabilities	3,527,757
Noncurrent liabilities:	
Claims payable	7,286,412
Total liabilities	10,814,169
<u>Net Position</u>	
Restricted for OPEB	525,000
Unrestricted	(5,682,959)
Total net position	\$ (5,157,959)

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, 2023

	Governmental Activities
	Internal Service Funds
Operating revenues:	
Charges for services	\$ 16,642,544
Contributions - OPEB	200,000
	<u>16,842,544</u>
Total operating revenues	<u>16,842,544</u>
Operating expenses:	
Claims	12,080,665
Administration	1,304,720
	<u>13,385,385</u>
Total operating expenses	<u>13,385,385</u>
Change in net position	3,457,159
Net position - July 1, 2022	<u>(8,615,118)</u>
Net position - June 30, 2023	<u><u>\$ (5,157,959)</u></u>

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

City of West Haven, Connecticut
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Governmental Activities
	Internal Service Funds
Cash flows from (used in) operating activities:	
Cash received for charges	\$ 13,469,942
Cash paid for claims and other	(12,321,597)
Cash paid for administration	(1,190,875)
Cash paid for insurance	2,820
	(39,710)
Net increase (decrease) in cash	(39,710)
Cash - July 1, 2022	39,710
Cash - June 30, 2023	\$ -
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 3,457,159
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	3,552
Due from other funds	(3,376,154)
Increase (decrease) in:	
Accounts payable	116,665
Claims payable	(240,932)
	(39,710)
Net cash from (used in) operating activities	\$ (39,710)

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, 2023

	<u>Pension Trust Funds</u>
<u>Assets</u>	
Investments:	
Bank money market	\$ 3,493,172
Mutual funds:	
Money market	994,664
Equity	31,972,023
U.S. government securities	199,332
Exchange traded funds	41,827,913
Equity - domestic	18,971,900
Real estate investment trust	287,422
Corporate bonds	5,308,271
Alternative investments:	
Private equity funds	7,916,699
Real estate LLC/LP	8,621,807
Multi-strategy hedge funds	158,608
Annuities	7,958,654
Variable rate note	4,860,580
	132,571,045
Total investments	132,571,045
Contribution receivable	550,000
	133,121,045
<u>Net Position</u>	
Restricted for pensions	\$ 133,121,045

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, 2023

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 5,339,412
Plan members	609,914
Total contributions	5,949,326
Investment income (loss):	
Change in fair value of investments	9,194,222
Interest and dividends	3,189,654
Total investment income (loss)	12,383,876
Less investment expenses	163,364
Net investment income (loss)	12,220,512
Total additions	18,169,838
Deductions:	
Benefits	10,786,699
Administration	96,936
Total deductions	10,883,635
Changes in net position	7,286,203
Net position - July 1, 2022	125,834,842
Net position - June 30, 2023	\$133,121,045

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, 2023****History and organization**

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

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

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

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

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

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

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

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

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

The City reports the following major governmental funds:

General Fund	The City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Allingtown Fire Department Fund	Accounts for all the financial resources and expenditures of the Allingtown Fire Department. The types of revenues recorded in this fund are taxes, grants, and charges for services.
ARPA Fund	Accounts for and reports the proceeds and expenditures of the American Rescue Plan Act ("ARPA") grant.
Sewer Fund	Accounts for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments. In addition, the fund accounts for the operating activity of the sewer operations.
Education Grants Fund	Accounts for specially financed school programs under education grants and tuition.
Capital Improvement Fund	Accounts for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities.

The City reports the following proprietary fund:

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

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

1. Cash and investments

a. Cash

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

b. Investments

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

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

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

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

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

The investment guidelines are as follows:

Asset Class	Target Allocation	
	Police	Allingtown
Equities	52.50%	14.50%
Fixed income	20.00%	85.23%
Real estate and REIT's	5.00%	0.00%
Private equity/hedge funds	19.00%	0.00%
Cash	3.50%	0.27%
Total	100.00%	100.00%

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

c. Method used to value investments

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

Fair value of investments

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

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

d. Risk policies

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

2. Receivables and payables

a. Interfunds

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

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade, loans and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 8.00% to 57.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property taxes receivable which have not been collected within 60 days of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

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

Loan receivables consist of Community Development Block Grant loans. The City provides the low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

3. Prepaid items

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

4. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

5. Deferred outflows/inflows of resources

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

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

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

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

City of West Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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

6. Compensated absences

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

7. Long-term liabilities

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

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

8. Lease and subscription liabilities

The City recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements.

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Key estimates and judgments related to leases and subscription include:

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

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

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

9. Net position and fund balances

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

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes is excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations)
Unrestricted Net Position	This category presents the net position of the City which is not classified in the previous two categories

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the City Council.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the City Council or by a properly approved purchase order.
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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

10. Use of estimates

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

11. Reclassifications

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

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

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

B. Excess expenditures over appropriations

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

Election day	\$ 2,450
Finance/comptroller	552,053
Central services	23,196
Security	57,079
Unallocated	600,489
Emergency reporting system	29,723
Public safety administration	181,506
Public safety operations	776,590
Public safety support	50,430
Emergency management	43
Compost site	7,813
Insurance	222,217

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
WHHS expansion and renovation	\$ 133,250,000	\$ 125,751,177	\$ 7,498,823
Washington Elementary School	41,745,795	1,275,654	40,470,141
Oyster River wastewater pumping station	6,950,000	5,600	6,944,400
Beach Street reconstruction project	5,200,000	3,010,165	2,189,835
Totals	<u>\$ 187,145,795</u>	<u>\$ 130,042,596</u>	<u>\$ 57,103,199</u>

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

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

Bank balance	<u>\$ 32,326,139</u>
Uninsured and uncollateralized	\$ 22,870,009
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>8,040,002</u>
Total amount subject to custodial credit risk	<u>\$ 30,910,011</u>

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Greater than 10
Bank money market	\$ 3,493,172	\$ -	\$ 3,493,172	\$ -	\$ -	\$ -
Pooled fixed income	26,605,900	-	26,605,900	-	-	-
Mutual funds:						
Money market	994,664	-	994,664	-	-	-
Equity	31,972,023	31,972,023	-	-	-	-
U.S. government securities	199,332	-	199,332	-	-	-
Exchange traded funds	41,827,913	41,827,913	-	-	-	-
Equity - domestic	18,971,900	18,971,900	-	-	-	-
Real estate investment trusts	287,422	287,422	-	-	-	-
Corporate bonds	5,308,271	-	62,038	2,516,441	2,572,145	157,647
Alternative investments:						
Private equity funds	7,916,699	7,916,699	-	-	-	-
Real estate LLC/LP	8,621,807	8,621,807	-	-	-	-
Multi-strategy hedge funds	158,608	158,608	-	-	-	-
Annuities	7,958,654	-	-	6,480,689	-	1,477,965
Variable rate note	4,860,580	-	1,808,680	3,051,900	-	-
Total	159,176,945	\$109,756,372	\$33,163,786	\$ 12,049,030	\$ 2,572,145	\$ 1,635,612
Less fiduciary funds	(132,571,045)					
Other funds	<u>\$ 26,605,900</u>					

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

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

	Amount	Quoted Market	Significant	Significant
		Prices in Active Markets	Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
Mutual funds:				
Money market	\$ 994,664	\$ 994,664	\$ -	\$ -
Equity	31,972,023	31,972,023	-	-
U.S. government securities	199,332	199,332	-	-
Exchange traded funds	41,827,913	41,827,913	-	-
Equity - domestic	18,971,900	18,971,900	-	-
Real estate investment trusts	287,422	287,422	-	-
Corporate bonds	5,308,271	-	5,308,271	-
Annuities	7,958,654	-	-	7,958,654
Variable rate note	4,860,580	-	4,860,580	-
Total investments by fair value level	112,380,759	\$ 94,253,254	\$ 10,168,851	\$ 7,958,654
<u>Investments measured at the net asset value (NAV)</u>				
Alternative investments:				
Private equity funds	7,916,699			
Real estate LLC/LP	8,621,807			
Multi-strategy hedge funds	158,608			
Total investments measured at the NAV	16,697,114			
<u>Other investments not subject to fair value measurement</u>				
Bank money market	3,493,172			
Pooled fixed income	26,605,900			
Total other investments	30,099,072			
Total investments	\$ 159,176,945			

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

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

Level 3: Unobservable inputs

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

c. Investments measured at the net asset value (NAV)

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

Investment Description		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Alternative investments:					
Private equity funds	1	\$ 7,916,699	\$ -	Quarterly	90 days
Real estate LLC/LP	2	8,621,807	-	N/A	N/A
Multi-strategy hedge funds	3	158,608	-	N/A	N/A
Total investments measured at the NAV		\$ 16,697,114	\$ -		

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 LLC/LP - This type includes 4 real estate LLC/LP’s that invest primarily in U.S. commercial real estate. The LLC/LP’s permit redemptions as determined by the general partner. Distributions from the LLC/LP will be received as the underlying investments of the LLC/LP 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.
3. Multi-strategy hedge funds - This fund invests in 1 hedge fund that pursues multiple strategies to diversify risks and reduce volatility. The hedge fund’s composite portfolio for this type includes investments in approximately 29% equities, 22% bonds, 22% private equity, 14% money market funds, 11% bank loans and bankruptcy claims, and 2% other investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

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

Type of Investment	Ratings							Total
	AAA	AA	A	BBB	BB	B	Unrated	
Pooled fixed income	\$ 26,605,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,605,900
Mutual funds:								
Money market	-	-	-	-	-	-	994,664	994,664
Corporate bonds	53,578	463,314	2,315,430	890,698	1,074,326	347,123	163,802	5,308,271
Annuities	-	-	7,958,654	-	-	-	-	7,958,654
Variable rate note	-	-	-	-	-	-	4,860,580	4,860,580
Total	\$ 26,659,478	\$ 463,314	\$ 10,274,084	\$ 890,698	\$ 1,074,326	\$ 347,123	\$ 6,019,046	\$ 45,728,069

- 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
U.S. government securities	\$ 199,332	\$ -	\$ 199,332
Exchange traded funds	41,827,913	500,000	41,327,913
Equity - domestic	18,971,900	500,000	18,471,900
Real estate investment trusts	287,422	-	287,422
Corporate bonds	5,308,271	-	5,308,271
Variable rate note	4,860,580	-	4,860,580
Total	\$ 71,455,418	\$ 1,000,000	\$ 70,455,418

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	\$1,575,303	\$ 501,125	\$2,076,427
Long-term portion	4,259,152	2,391,376	6,650,529
Less allowance for uncollectibles	(1,450,000)	(1,386,788)	(2,836,788)
Net long-term portion	2,809,152	1,004,588	3,813,741
Total receivable (net)	\$4,384,455	\$ 1,505,713	\$ 5,890,168

	Allingtown Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 97,225	\$ 29,055	\$ 126,280
Long-term portion	291,676	306,677	598,353
Less allowance for uncollectibles	(170,000)	(190,577)	(360,577)
Net long-term portion	121,676	116,100	237,776
Total receivable (net)	\$ 218,901	\$ 145,155	\$ 364,056

	Total Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$1,672,528	\$ 530,180	\$2,202,707
Net long-term portion	\$2,930,828	\$ 1,120,688	\$4,051,517
Total receivable (net)	\$4,603,356	\$ 1,650,868	\$ 6,254,224

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Receivables (continued)

	Sewer Use				
	Use	Interest and Lien Fees	Total	CDBG Loans	Police Private Duty
Current portion	\$ 74,248	\$ 139,435	\$ 213,683	\$ 76,680	\$ 334,092
Long-term portion	853,848	702,421	1,556,269	1,448,056	-
Less allowance for uncollectibles	(82,000)	(75,000)	(157,000)	(140,000)	(120,737)
Net long-term portion	771,848	627,421	1,399,269	1,308,056	
Total receivable (net)	<u>\$ 846,096</u>	<u>\$ 766,856</u>	<u>\$ 1,612,952</u>	<u>\$ 1,384,736</u>	<u>\$ 213,355</u>

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund:			
Allintown Fire Department	N/A	\$ -	\$ 845,065
ARPA	N/A	-	23,618,270
Sewer	N/A	439,284	-
Capital Improvement	N/A	18,930,626	-
Education Grants	N/A	904,595	-
Community Development Block Grant	N/A	526,675	-
Document Preservation	N/A	-	146,620
Sports Facilities	N/A	-	404,060
Miscellaneous Grants	N/A	6,236,274	-
Public Safety	N/A	-	1,140,739
Health and Welfare	N/A	-	107,104
Savin Rock	N/A	-	79,833
School Lunch Program	N/A	-	1,212,733
Career and Adult Education	N/A	-	179,535
Capital and Nonrecurring	N/A	-	1,074,895
Medical	N/A	-	3,265,920
General Liability	N/A	-	11,334
Workers' Compensation	N/A	-	2,063,705
Total General Fund		<u>27,037,454</u>	<u>34,149,813</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Allingtown Fire Department:			
General Fund	N/A	\$ 845,065	\$ -
Capital Improvement	N/A	-	571,429
Capital and Nonrecurring	N/A	-	916,532
Medical	N/A	-	100,000
Workers' compensation	N/A	-	215,251
Total Allingtown Fire Department		<u>845,065</u>	<u>1,803,212</u>
ARPA:			
General Fund	N/A	23,618,270	-
Miscellaneous Grants	N/A	1,963	-
Total ARPA		<u>23,620,233</u>	<u>-</u>
Sewer:			
General Fund	N/A	-	439,284
Capital Improvement	N/A	500,000	-
Total Sewer		<u>500,000</u>	<u>439,284</u>
Education Grants:			
General Fund	N/A	-	904,595
Capital Improvement:			
General Fund	N/A	-	18,930,626
Allingtown Fire Department	N/A	571,429	-
Sewer	N/A	-	500,000
Total Capital Improvement		<u>571,429</u>	<u>19,430,626</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other Governmental Funds:			
Community Development Block Grant	General Fund	\$ -	\$ 526,675
Document Preservation	General Fund	146,620	-
Sports Facilities	General Fund	404,060	-
Miscellaneous Grants	General Fund	-	6,236,274
Miscellaneous Grants	ARPA	-	1,963
Public Safety	General Fund	1,140,739	-
Health and Welfare	General Fund	107,104	-
Savin Rock	General Fund	79,833	-
School Lunch Program	General Fund	1,212,733	-
Career and Adult Education	General Fund	179,535	-
Capital and Nonrecurring	General Fund	1,074,895	-
Capital and Nonrecurring	Allingtown Fire Department	916,532	-
Total Other Governmental Funds		<u>5,262,051</u>	<u>6,764,912</u>
Total Governmental Funds		<u>57,836,232</u>	<u>63,492,442</u>
Internal Service Funds:			
Medical	General Fund	3,265,920	-
Medical	Allingtown Fire Department	100,000	-
General Liability	General Fund	11,334	-
Workers' Compensation	General Fund	2,063,705	-
Workers' Compensation	Allingtown Fire Department	215,251	-
Total Internal Service Funds		<u>5,656,210</u>	<u>-</u>
Total		<u>\$ 63,492,442</u>	<u>\$ 63,492,442</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, 2023

C. Interfund accounts (continued)

2. Interfund transfers

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund:			
Sewer	N/A	\$ 479,204	\$ -
Allingtown Fire Department:			
Capital and Nonrecurring	N/A	-	1,145,000
Sewer:			
General Fund	N/A	-	479,204
Capital Improvement	N/A	-	1,200,000
Total Sewer		-	1,679,204
Capital Improvement:			
Sewer	N/A	1,200,000	-
Other Governmental Funds:			
Capital and Nonrecurring	Allingtown Fire Department	1,145,000	-
Total		<u>\$2,824,204</u>	<u>\$2,824,204</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.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets

Capital asset activity for the fiscal year was as follows:

City	Balance July 1, 2022 <i>(as restated)</i>	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated/ amortized:				
Land	\$ 16,363,486	\$ -	\$ -	\$ 16,363,486
Construction in progress	152,064,547	12,467,937	145,672,241	18,860,243
Total capital assets, not being depreciated/ amortized	168,428,033	12,467,937	145,672,241	35,223,729
Capital assets, being depreciated/amortized:				
Intangible right-to-use assets	2,674,876	105,807	-	2,780,683
Land improvements	17,777,891	2,389,710	118,108	20,049,493
Buildings and improvements	201,728,621	128,393,551	14,116,075	316,006,097
Machinery and equipment	34,189,654	852,781	-	35,042,435
Vehicles	9,543,576	1,063,637	176,307	10,430,906
Infrastructure	100,975,513	13,834,256	-	114,809,769
Total capital assets, being depreciated/ amortized	366,890,131	146,639,742	14,410,490	499,119,383
Total capital assets	535,318,164	159,107,679	160,082,731	534,343,112
Less accumulated depreciation/ amortization for:				
Intangible right-to-use assets	182,500	732,881	-	915,381
Land improvements	9,911,820	505,181	76,475	10,340,526
Buildings and improvements	107,967,057	4,815,795	9,161,847	103,621,005
Machinery and equipment	23,692,949	1,320,221	-	25,013,170
Vehicles	4,483,190	285,707	173,707	4,595,190
Infrastructure	52,109,417	1,673,733	-	53,783,150
Total accumulated depreciation/amortization	198,346,933	9,333,518	9,412,029	198,268,422
Total capital assets, being depreciated/ amortized, net	168,543,198	137,306,224	4,998,461	300,850,961
Capital assets, net	\$ 336,971,231	\$ 149,774,161	\$ 150,670,702	\$ 336,074,690

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

	Asset	Accumulated Amortization
Intangible right-to-use building and improvements	\$ 590,666	\$ 140,036
Intangible right-to-use machinery and equipment	579,339	254,525
Intangible right-to-use subscription assets	1,610,678	520,820
Total intangible right-to-use assets	\$ 2,780,683	\$ 915,381

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

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

General government	\$ 1,311,610
Public safety	1,197,811
Public works	2,469,154
Health and welfare	129,203
Parks and recreation	251,666
Education	<u>3,974,074</u>
Total depreciation/amortization expense	<u><u>\$ 9,333,518</u></u>

Allintown Fire Department	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	\$ 36,903	\$ -	\$ -	\$ 36,903
Construction in progress	<u>315,000</u>	<u>316,235</u>	<u>631,235</u>	<u>-</u>
Total capital assets, not being depreciated/amortized	<u>351,903</u>	<u>316,235</u>	<u>631,235</u>	<u>36,903</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	765,680	-	-	765,680
Machinery and equipment:				
Fire equipment	1,212,650	138,547	-	1,351,197
Other	133,160	-	-	133,160
Vehicles and fire trucks	2,343,735	718,908	-	3,062,643
Infrastructure - hydrants	<u>367,097</u>	<u>-</u>	<u>-</u>	<u>367,097</u>
Total capital assets, being depreciated/amortized	<u>4,822,322</u>	<u>857,455</u>	<u>-</u>	<u>5,679,777</u>
Total capital assets	<u>5,174,225</u>	<u>1,173,690</u>	<u>631,235</u>	<u>5,716,680</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	403,321	23,546	-	426,867
Machinery and equipment:				
Fire equipment	988,774	29,134	-	1,017,908
Other	121,320	646	-	121,966
Vehicles and fire trucks	1,818,015	122,118	-	1,940,133
Infrastructure - hydrants	<u>305,392</u>	<u>8,721</u>	<u>-</u>	<u>314,113</u>
Total accumulated depreciation/amortization	<u>3,636,822</u>	<u>184,165</u>	<u>-</u>	<u>3,820,987</u>
Total capital assets, being depreciated/amortized, net	<u>1,185,500</u>	<u>673,290</u>	<u>-</u>	<u>1,858,790</u>
Capital assets, net	<u><u>\$1,537,403</u></u>	<u><u>\$ 989,525</u></u>	<u><u>\$ 631,235</u></u>	<u><u>\$ 1,895,693</u></u>

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Construction commitments

The City has the following construction commitments:

Beach Street roadway	\$ 4,218,524
Washington Elementary School	716,567
Dawson Avenue rehabilitation	455,929
Cove River tide gate reconstruction	<u>17,794</u>
Total	<u>\$ 5,408,814</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, 2022	Additions	Deductions	Permanently Financed	Balance June 30, 2023
<u>Bond anticipation notes:</u>								
High School	9/23/21	9/29/22	2.00%	\$ 6,500,000	\$ -	\$ 6,500,000	\$ -	\$ -
High School	9/29/22	3/28/23	3.50%	-	6,530,000	6,530,000	-	-
High School	3/28/23	9/28/23	5.00%	-	6,530,000	-	6,200,000	330,000
<u>Clean water fund notes:</u>								
CWF 226-CSL	6/9/23	6/30/24	2.00%	-	530,901	-	-	530,901
CWF 228-CSL	11/30/23	2/29/24	2.00%	-	516,241	-	516,241	-
Total				<u>\$ 6,500,000</u>	<u>\$14,107,142</u>	<u>\$13,030,000</u>	<u>\$ 6,716,241</u>	<u>\$ 860,901</u>

The City issued the following debt, which permanently financed a portion of the short-term debt outstanding at year end:

Type of Obligation/ Purpose	Issue Date	Maturity Date	Interest Rate	Amount
<u>Bonds:</u>				
High School	2/1/2024	2/15/2044	5.00%	\$18,250,000
<u>Notes:</u>				
CWF 228-CSL	2/29/2024	8/30/2043	2.00%	760,961
<u>Bond anticipation notes:</u>				
High School	9/28/2023	2/15/2024	5.00%	6,555,000
High School	2/1/2024	2/13/2025	5.00%	10,135,000
<u>Interim Funding Obligation:</u>				
CWF 748-CSL	2/16/2024	2/27/2026	2.00%	6,891,752

City of West Haven, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities

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

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
<u>Bonds:</u>										
General purpose:										
Debt issue	\$ 7,435,994	03/31/10	02/15/25	5.10%	\$ 1,485,168	\$ -	\$ 495,056	\$ 990,112	\$ 495,056	\$ 495,056
Refunding issue	38,380,000	05/31/12	08/01/26	3.00-5.00%	6,478,000	-	1,091,000	5,387,000	2,091,000	3,296,000
Debt issue	1,225,000	05/31/12	08/01/26	3.00-5.00%	530,000	-	95,000	435,000	101,000	334,000
Debt issue	7,865,000	09/03/14	09/01/34	3.00-5.00%	4,626,000	-	462,000	4,164,000	462,000	3,702,000
Debt issue (deficit)	16,135,000	11/01/17	11/01/27	3.00-5.00%	9,675,000	-	1,615,000	8,060,000	1,615,000	6,445,000
Debt issue	5,815,000	11/01/17	11/01/37	3.00-5.00%	4,071,000	-	561,000	3,510,000	440,000	3,070,000
Debt issue	5,543,000	10/02/20	03/15/40	3.00-4.00%	4,794,000	-	523,000	4,271,000	342,000	3,929,000
Debt issue	4,367,000	09/15/21	09/15/41	4.00%	4,367,000	-	652,000	3,715,000	650,000	3,065,000
Total general purpose	86,765,994				36,026,168	-	5,494,056	30,532,112	6,196,056	24,336,056
School bonds:										
Debt issue	4,280,006	03/31/10	02/15/25	5.10%	854,832	-	284,944	569,888	284,944	284,944
Refunding issue	7,260,000	05/31/12	08/01/26	3.00-5.00%	4,033,000	-	734,000	3,299,000	1,242,000	2,057,000
Debt issue	2,250,000	05/31/12	08/01/26	3.00-5.00%	970,000	-	175,000	795,000	184,000	611,000
Debt issue	1,235,000	09/03/14	09/01/34	3.00-5.00%	799,000	-	63,000	736,000	63,000	673,000
Debt issue	600,000	11/01/17	11/01/37	3.00-5.00%	490,000	-	35,000	455,000	31,000	424,000
Debt issue	13,630,000	10/02/20	03/15/40	3.00-4.00%	12,291,000	-	967,000	11,324,000	593,000	10,731,000
Debt issue	16,178,000	09/15/21	09/15/41	4.00%	16,178,000	-	888,000	15,290,000	885,000	14,405,000
Total school bonds	45,433,006				35,615,832	-	3,146,944	32,468,888	3,282,944	29,185,944
Sewer bonds:										
Refunding issue	1,980,000	05/31/12	08/01/26	3.00-5.00%	14,000	-	-	14,000	7,000	7,000
Debt issue	3,220,000	11/01/17	11/01/37	3.00-5.00%	2,644,000	-	194,000	2,450,000	184,000	2,266,000
Total sewer bonds	5,200,000				2,658,000	-	194,000	2,464,000	191,000	2,273,000
Total bonds	137,399,000				74,300,000	-	8,835,000	65,465,000	9,670,000	55,795,000
<u>Short-term debt permanently financed:</u>										
Bond anticipation notes					-	6,200,000	-	6,200,000	-	6,200,000
Interim funding obligation - CWF 228-CSL					-	516,241	-	516,241	-	516,241
Total short-term debt permanently financed					-	6,716,241	-	6,716,241	-	6,716,241

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Notes (direct borrowings):										
Clean water:										
CWF 346-C	\$ 801,945	12/31/03	12/31/22	2.00%	\$ 23,975	\$ -	\$ 23,975	\$ -	\$ -	\$ -
CWF 348-C1	1,728,831	12/31/03	12/31/22	2.00%	51,685	-	51,685	-	-	-
CWF 346-CD2	801,055	05/31/07	12/31/22	2.00%	25,703	-	25,703	-	-	-
CWF 549-C	28,250,103	07/01/13	07/01/32	2.00%	15,502,989	-	1,401,743	14,101,246	1,430,037	12,671,209
CWF 549-CD2	1,425,544	06/30/15	07/01/32	2.00%	896,486	-	81,804	814,682	83,455	731,227
CWF 223-CSL	586,545	11/30/21	06/30/41	2.00%	570,141	-	25,020	545,121	25,524	519,597
CWF 222-CSL	3,925,943	06/30/22	06/30/41	2.00%	3,729,646	-	163,007	3,566,639	166,298	3,400,341
CWF 225-CSL	781,774	01/31/23	06/30/42	2.00%	781,774	-	16,475	765,299	33,448	731,851
Equipment financing notes:										
Police SUV	234,463	09/14/20	07/01/24	3.00%	177,556	-	57,167	120,389	59,162	61,227
Transit van	48,774	05/21/20	07/01/23	4.00%	24,449	-	12,015	12,434	12,434	-
Education computer equipment	351,000	02/20/20	07/15/22	6.45%	119,903	-	119,903	-	-	-
Total notes	38,935,977				21,904,307	-	1,978,497	19,925,810	1,810,358	18,115,452
Total bonds, short-term debt permanently financed, and notes	176,334,977				96,204,307	6,716,241	10,813,497	92,107,051	11,480,358	80,626,693
Leases	1,170,005				867,418	105,807	247,897	725,328	233,860	491,468
Subscriptions	1,610,678				1,610,678	-	399,539	1,211,139	417,518	793,621
Total long-term debt	\$179,115,660				98,682,403	6,822,048	11,460,933	94,043,518	12,131,736	81,911,782
Premium					6,083,125	47,865	413,995	5,716,995	-	5,716,995
Total long-term debt and related liabilities					104,765,528	6,869,913	11,874,928	99,760,513	12,131,736	87,628,777
Compensated absences (net change)					10,513,124	-	1,249,986	9,263,138	1,852,628	7,410,510
Heart and hypertension					1,790,719	-	131,944	1,658,775	78,524	1,580,251
Claims payable					10,177,373	2,482,650	2,574,218	10,085,805	2,936,972	7,148,833
Net pension liability					41,120,578	22,903,449	14,393,849	49,630,178	-	49,630,178
OPEB liability					224,691,736	14,874,792	10,700,997	228,865,531	7,252,000	221,613,531
Total long term liabilities					\$393,059,058	\$47,130,804	\$ 40,925,922	\$399,263,940	\$ 24,251,860	\$375,012,080

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, 2023

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, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Notes (direct borrowings):										
Equipment financing:										
Defibrillators	<u>\$ 42,002</u>	09/30/20	7/1/2022	3.00%	\$ 14,416	\$ -	\$ 14,416	\$ -	\$ -	\$ -
Compensated absences (net change)					601,533	-	598	600,935	120,187	480,748
Claims payable					185,879	50,522	45,886	190,515	52,936	137,579
Net pension liability					22,330,373	2,522,921	3,775,989	21,077,305	-	21,077,305
OPEB liability					<u>24,653,017</u>	<u>1,654,348</u>	<u>1,392,289</u>	<u>24,915,076</u>	<u>884,000</u>	<u>24,031,076</u>
Total long term liabilities					<u>\$ 47,785,218</u>	<u>\$ 4,227,791</u>	<u>\$ 5,229,178</u>	<u>\$ 46,783,831</u>	<u>\$ 1,057,123</u>	<u>\$ 45,726,708</u>

The following is a total of long-term liabilities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Total long-term debt and related liabilities					\$104,779,944	\$ 6,869,913	\$ 11,889,344	\$ 99,760,513	\$ 12,131,736	\$ 87,628,777
Compensated absences (net change)					11,114,657	-	1,250,584	9,864,073	1,972,815	7,891,258
Heart and hypertension					1,790,719	-	131,944	1,658,775	78,524	1,580,251
Claims payable					10,363,252	2,533,172	2,620,104	10,276,320	2,989,908	7,286,412
Net pension liability					63,450,951	25,426,370	18,169,838	70,707,483	-	70,707,483
OPEB liability					<u>249,344,753</u>	<u>16,529,140</u>	<u>12,093,286</u>	<u>253,780,607</u>	<u>8,136,000</u>	<u>245,644,607</u>
Total long term liabilities					<u>\$440,844,276</u>	<u>\$51,358,595</u>	<u>\$46,155,100</u>	<u>\$446,047,771</u>	<u>\$ 25,308,983</u>	<u>\$420,738,788</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

2. The following is a summary of bonds and notes payable principal and interest payments to maturity:

City:

Year Ending June 30,	Debt Maturities			
	Bond Principal	Bond Interest	Notes Principal	Notes Interest
2024	\$ 9,670,000	\$ 2,679,639	\$ 1,810,358	\$ 369,662
2025	10,020,000	2,219,011	1,835,085	332,741
2026	7,455,000	1,793,006	1,809,662	295,488
2027	5,480,000	1,499,813	1,846,189	259,663
2028	4,610,000	1,278,500	1,883,457	223,116
2029	2,680,000	1,122,491	1,921,468	185,834
2030	2,655,000	1,014,313	1,960,253	147,795
2031	2,530,000	906,200	1,999,818	108,991
2032	2,530,000	801,800	2,040,185	69,398
2033	2,360,000	700,800	411,005	42,968
2034	2,360,000	603,200	275,099	38,099
2035	2,335,000	506,100	280,655	33,369
2036	1,980,000	416,600	286,317	28,547
2037	1,980,000	334,200	292,093	23,626
2038	1,960,000	252,200	297,992	18,606
2039	1,640,000	178,600	304,007	13,483
2040	1,640,000	113,000	310,143	8,257
2041	790,000	47,400	314,098	2,928
2042	790,000	15,800	47,926	520
Totals	\$ 65,465,000	\$ 16,482,673	\$ 19,925,810	\$ 2,203,091

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

City	<u>\$ 132,823</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	\$ 311,641,070	\$ 30,532,112	\$ 281,108,958
Schools	623,282,139	38,998,888	584,283,251
Sewers	519,401,783	2,464,000	516,937,783
Urban renewal	450,148,212	-	450,148,212
Pension deficit	415,521,426	-	415,521,426

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

\$ 969,549,994

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	\$ 19,536,500
Schools	62,639,114
Sewers	<u>7,340,000</u>
Total	<u>\$ 89,515,614</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

6. Leases

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance
Sewer building	2022	3	2.50%	\$ 84,202	\$ 3,414
City building	2022	12	2.50%	292,904	257,683
City cell tower	2022	8	2.50%	213,560	177,412
City postage machine	2023	5	4.50%	16,080	13,405
City copiers	2022/2023	4-5	2.5%/4.50%	93,002	46,886
Education copiers	2022/2023	3-4	2.5%/4.50%	470,257	226,528
Total				<u>\$ 1,170,005</u>	<u>\$ 725,328</u>

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

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

Year Ending June 30	Principal	Interest
2024	\$ 233,860	\$ 20,082
2025	115,784	13,584
2026	76,764	10,009
2027	56,854	7,559
2028	59,019	6,078
2029	61,766	4,576
2030	27,820	3,032
2031	29,441	2,337
2032	31,130	1,601
2033	32,890	822
Totals	<u>\$ 725,328</u>	<u>\$ 69,680</u>

7. Subscription arrangements

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance
Police body camera software	2023	4	4.50%	\$ 853,418	\$ 653,937
Police and fire dispatch management software	2023	4	4.50%	570,492	437,143
Digital learning software licenses	2023	3	4.50%	186,768	120,059
Total				<u>\$ 1,610,678</u>	<u>\$ 1,211,139</u>

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

Description	Terms
Police body camera software	The City has a subscription arrangement for the police body camera software, tasers and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Police and fire dispatch management software	The City has a subscription arrangement for police and fire dispatch management software. This arrangement does not include extension or termination terms.
Digital learning software licenses	The City has a subscription arrangement for digital learning licenses. These arrangements do not include extension or termination terms.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

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

Year Ending June 30	Principal	Interest
2024	\$ 417,518	\$ 113,257
2025	413,807	74,612
2026	379,814	17,092
Totals	<u>\$ 1,211,139</u>	<u>\$ 204,961</u>

H. Fund balance classifications and restricted net position

Fund balances are composed of the following:

	General Fund	Allingtown Fire Department Fund	Sewer Fund	Capital Improvement Fund	Other Governmental Funds	Total
Nonspendable						
Prepays	\$ -	\$ -	\$ 149,832	\$ -	\$ -	\$ 149,832
Restricted						
Allingtown Fire Department operations *	-	4,150,958	-	-	-	4,150,958
Document preservation *	-	-	-	-	146,620	146,620
Public safety programs	-	-	-	-	254,656	254,656
Sewer operations *	-	-	6,033,293	-	-	6,033,293
Housing rehabilitation	-	-	-	-	2,428,765	2,428,765
Cafeteria operations *	-	-	-	-	1,186,985	1,186,985
School activity programs	-	-	-	-	66,062	66,062
Total restricted	-	4,150,958	6,033,293	-	4,083,088	14,267,339

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

	General Fund	Allington Fire Department Fund	Sewer Fund	Capital Improvement Fund	Other Governmental Funds	Total
Committed						
Construction contracts	\$ -	\$ -	\$ -	\$ 5,391,020	\$ 17,794	\$ 5,408,814
Public safety programs	-	-	-	-	1,096,478	1,096,478
Health and welfare program:	-	-	-	-	93,238	93,238
Culture and recreation	-	-	-	-	445,585	445,585
Education programs	-	-	-	-	63,524	63,524
School activity programs	-	-	-	-	524,328	524,328
Approved projects	-	-	-	-	1,899,218	1,899,218
Total committed	-	-	-	5,391,020	4,140,165	9,531,185
Unassigned	14,758,946	-	-	(25,309,739)	(2,332,811)	(12,883,604)
Total	<u>\$14,758,946</u>	<u>\$4,150,958</u>	<u>\$6,183,125</u>	<u>\$(19,918,719)</u>	<u>\$5,890,442</u>	<u>\$11,064,752</u>

* The amount of net position restricted by enabling legislation totaled: \$ 11,517,856

I. Deficit equity

The City had deficit equity balances in the following funds, which will be eliminated by future charges, employer premiums or transfers from the General Fund:

Other governmental funds:	
Miscellaneous grants	\$2,315,017
Internal service funds:	
General liability	424,580
Workers' compensation	7,697,798

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Risk management (continued)

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

Policy Type	Deductible	Claim limit
General liability	\$500,000	\$10,000,000
Automobile liability	\$500,000	\$10,000,000
Law enforcement liability	\$1,000,000	\$10,000,000
Workers compensation	\$500,000	\$10,000,000
Medical (individual claims)	\$250,000	

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

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

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

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
General Liability						
2021-2022	\$ 563,830	\$ 1,353,456	\$ 1,413,253	\$ 504,033	\$ 371,528	\$ 132,505
2022-2023	504,033	545,744	621,559	428,218	253,542	174,676
Workers' Compensation						
2021-2022	7,312,134	5,182,422	2,635,337	9,859,219	2,739,455	7,119,764
2022-2023	9,859,219	1,987,428	1,998,545	9,848,102	2,736,366	7,111,736
Subtotal						
2021-2022	7,875,964	6,535,878	4,048,590	10,363,252	3,110,983	7,252,269
2022-2023	10,363,252	2,533,172	2,620,104	10,276,320	2,989,908	7,286,412
Medical						
2021-2022	1,152,600	9,444,599	10,072,199	525,000	525,000	-
2022-2023	525,000	9,547,493	9,701,493	371,000	371,000	-
Totals						
2021-2022	9,028,564	15,980,477	14,120,789	10,888,252	3,635,983	7,252,269
2022-2023	\$10,888,252	\$ 12,080,665	\$ 12,321,597	\$10,647,320	\$ 3,360,908	\$ 7,286,412

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	\$ 141,402
Allingtown Fire District	<u>48,285</u>
Total	<u>\$ 189,687</u>

D. State oversight

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. State oversight (continued)

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

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

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

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

V. Pensions and other post-employment benefit plans

A. Pension plans

1. Plan description

a. Plan administration

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

The plans are closed to new participants as follows:

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

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

b. Plan membership

The memberships in the Plans as of the date indicated are comprised of the following:

	July 1, 2022	July 1, 2021
	Police	Allingtown
Retirees and beneficiaries currently receiving benefits	158	30
Active members	56	12
Vested terminated employees	2	-
Total	<u>216</u>	<u>42</u>

2. Benefit provisions

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

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

3. Contributions

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

	Police	Allingtown
Employee contributions	9.50%	
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	47.96%	302.47%

4. Investments

a. Investment policy

The Plans' trustees have developed and approved an investment policy which specifies investment target allocations. Investments are stated at fair value, based on quoted market prices, except as disclosed below.

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

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

<u>Police</u>	Long-Term	Long-Term
Asset Class	Target Allocation	Expected Real Rate of Return
U.S. large caps	12.50%	5.57%
U.S. equity market	10.00%	5.70%
U.S. small caps	5.00%	7.18%
U.S. mid caps	10.00%	5.95%
Global equity	15.00%	6.49%
U.S. high yield bonds	20.00%	4.24%
U.S. REITs (real estate)	5.00%	6.27%
Private equity	10.00%	10.92%
Hedge funds - multistrategy	9.00%	4.28%
Cash	3.50%	0.21%
Total/weighted average	<u>100.00%</u>	5.84%
Inflation		<u>2.75%</u>
Portfolio nominal mean return		<u>8.59%</u>
Long-term expected nominal return		<u>6.90%</u>
<u>Allingtown</u>	Long-Term	Long-Term
Asset Class	Target Allocation	Expected Real Rate of Return
U.S. equity market	14.50%	5.56%
U.S. fixed income	9.62%	2.07%
U.S. long credit bonds	75.61%	3.35%
Cash	0.27%	0.51%
Total/weighted average	<u>100.00%</u>	3.20%
Inflation		<u>2.75%</u>
Portfolio nominal mean return		<u>5.95%</u>
Long-term expected nominal return		<u>6.25%</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

b. Concentrations

The investments in any one organization that represented 5.00% or more of the pension plan’s net position follows:

Asset Class	Police	Allingtown
Alternative investments:		
Private equity funds	6.62%	
Real estate - LLC	5.67%	5.67%
Real estate - LLC		5.38%
Real estate - LP		3.06%

c. Rate of return

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

d. Annual money-weighted rate of return

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

	<u>Police</u>	<u>Allingtown</u>
Rate of return	<u>9.68%</u>	<u>7.38%</u>

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

5. Net pension liability

The components of the net pension liability were as follows:

	<u>Police</u>	<u>Allingtown</u>
Total pension liability	\$ 169,180,754	\$ 34,647,774
Plan fiduciary net position	<u>119,550,576</u>	<u>13,570,469</u>
Net pension liability	<u>\$ 49,630,178</u>	<u>\$ 21,077,305</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.66%</u>	<u>39.17%</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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:

	Police	Allingtown
Valuation date	July 1, 2022	July 1, 2021
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage
Asset valuation method	Fair value	Fair value
Salary increases	3.50%	3.50%
Inflation	2.75%	2.75%
Investment rate of return	6.90%	6.25%
Mortality rates	PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale	PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale
Cost of living increases	3.00% for members hired before 7/1/1993 and 1.75% for members hired after 7/1/1993	Plans 1 & 2: 1.75% for retirements on or before 11/27/13. Plans 3 & 4: 1.01% for retirements on or before 11/27/13. 2.75% for all retirements after 11/27/13

7. Changes from prior year

a. Changes in assumptions

Description	Police	
	From	To
Investment rate of return	7.125%	6.90%
Mortality rate	MP-2019 ultimate scale	MP-2021 ultimate scale

b. Changes in benefit terms

There were no changes in benefit terms.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

	Police	Allingtown
Discount rate	6.90%	6.25%

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

9. Changes in the net pension liability

The Police's net pension liability was measured on June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation noted below. The changes in net pension liability were as follows:

	Increase (Decrease)		
<u>Valuation Date: July 1, 2022</u>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Police	(a)	(b)	(a) - (b)
Balance at July 1, 2022	\$155,298,143	\$ 114,177,565	\$ 41,120,578
Service cost	1,212,535	-	1,212,535
Interest	10,836,258	-	10,836,258
Differences between expected and actual experience	7,775,336	-	7,775,336
Changes of assumption	3,059,023	-	3,059,023
Contributions - employer	-	2,396,000	(2,396,000)
Contributions - member	-	464,214	(464,214)
Net investment income	-	11,533,635	(11,533,635)
Benefit payments, including refunds of member contributions	(9,000,541)	(9,000,541)	-
Administration	-	(20,297)	20,297
Net change	13,882,611	5,373,011	8,509,600
Balance at June 30, 2023	\$169,180,754	\$ 119,550,576	\$49,630,178

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

Allingtown's net pension liability was measured on June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as noted below. The changes in net pension liability were as follows:

<u>Valuation Date: July 1, 2021</u>	<u>Increase (Decrease)</u>		
<u>Allingtown</u>	<u>Total Pension Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net Pension Liability</u> <u>(a) - (b)</u>
Balance at July 1, 2022	\$ 33,987,650	\$ 11,657,277	\$ 22,330,373
Service cost	354,848	-	354,848
Interest	2,091,434	-	2,091,434
Contributions - employer	-	2,943,412	(2,943,412)
Contributions - member	-	145,700	(145,700)
Net investment income	-	686,877	(686,877)
Benefit payments, including refunds of member contributions	(1,786,158)	(1,786,158)	-
Administration	-	(76,639)	76,639
Net change	660,124	1,913,192	(1,253,068)
Balance at June 30, 2023	\$ 34,647,774	\$ 13,570,469	\$ 21,077,305

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

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

<u>Net pension liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Police	6.90%	\$ 71,374,011	\$ 49,630,178	\$ 31,749,168
Allingtown	6.25%	\$ 25,742,920	\$ 21,077,305	\$ 17,289,543

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

11. Pension expense and deferred outflows and inflows of resources

The City reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

Police	Deferred Outflows of Resources
Description of Outflows/Inflows	
Differences between expected and actual experience	\$ 4,072,795
Changes in assumptions	1,602,345
Net difference between projected and actual earnings on pension plan investments	<u>8,443,175</u>
Total	<u>\$ 14,118,315</u>
Pension Expense	
The police plan recognized pension expense of:	<u>\$ 12,997,998</u>
Allingtown	
Description of Outflows/Inflows	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 1,159,774</u>
Pension Expense	
Allingtown recognized pension expense of:	<u>\$ 2,005,515</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

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

	<u>Years</u>
Police	2.10
Allingtown	0.00

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

<u>Year Ending</u> <u>June 30,</u>	<u>Police</u>	<u>Allingtown</u>
2024	\$ 7,896,900	\$ 383,540
2025	1,400,518	369,699
2026	5,385,153	433,403
2027	<u>(564,256)</u>	<u>(26,868)</u>
Total	<u>\$ 14,118,315</u>	<u>\$ 1,159,774</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, 2023

B. Defined contribution retirement savings plan (continued)

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

During the year, the contributions were as follows:

Employee contributions	\$ 2,449,552
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Employer contributions	\$ 1,857,416
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C. Connecticut state teachers’ retirement system

1. Plan description

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

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers’ compensation cannot exceed 75% of annual average salary

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

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

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

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

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

The City reports no amounts for its proportionate share of the collective 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 collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the City were as follows:

City's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the City	<u>190,244,877</u>
Total	<u><u>\$ 190,244,877</u></u>
The City recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 14,999,439</u></u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

The collective net pension liability was measured as of June 30, 2022 and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The City has no proportionate share of the collective net pension liability.

5. Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	2.00%	(0.40%)
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective 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 collective total pension liability.

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Pension Expense
	<u> </u>	<u> </u>	<u> </u>
Police	\$ 49,630,178	\$ 14,118,315	\$ 12,997,998
Allingtown	21,077,305	1,159,774	2,005,515
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 70,707,483</u>	<u>\$ 15,278,089</u>	<u>\$ 15,003,513</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 stand alone financial report.

Although trusts have been established, there are no assets accumulated in the trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

b. Employees covered by benefit terms

The following employees are covered by the benefit terms:

	July 1, 2021	July 1, 2021
	<u> </u>	<u> </u>
	City	Allingtown
Retirees and beneficiaries currently receiving benefits	637	53
Active members	1,054	23
	<u> </u>	<u> </u>
Total	<u>1,691</u>	<u>76</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Other post-employment benefit plan (continued)

2. Benefit provisions

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

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

3. Contributions

a. Employer contributions

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

The Allingtown Fire Department's recommended contributions are actuarially determined on an annual basis using the projected unit credit method. Contributions are established and may be amended by the Department.

b. Employee contributions

There are no employee contributions to the plan.

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

4. Actuarial methods and significant assumptions

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

	City	Allingtown
Valuation date	July 1, 2021	July 1, 2021
Discount rate	3.65%	3.65%
Inflation	2.50%	2.75%
Healthcare cost trend rates:		
City	6.40% - 4.00% over 55 years	
Education	6.10% - 3.90% over 51 years	
Pre medicare		5.40% - 4.30% over 59 years
Post medicare		5.00% - 4.30% over 51 years

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Other post-employment benefit plan (continued)

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

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

5. Changes from prior year

a. Changes in assumptions

Description	City		Allingtown	
	From	To	From	To
Discount rate	3.54%	3.65%	3.54%	3.65%

b. Changes in benefit terms

There were no changes in benefit terms.

6. Discount rate

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

	City	Allingtown
Discount rate	3.65%	3.65%

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The City's and Allingtown Fire Department's total OPEB liabilities were measured as of June 30, 2023, and were determined by an actuarial valuation dated as noted below:

<u>Valuation Date: July 1, 2021</u>	<u>City</u>
Total OPEB liability - July 1, 2022	<u>\$ 224,691,736</u>
Service cost	6,806,957
Interest	8,067,835
Changes in assumptions	(3,450,435)
Benefit payments, including refunds of member contributions	<u>(7,250,562)</u>
Net change	<u>4,173,795</u>
Total OPEB liability - June 30, 2023	<u><u>\$ 228,865,531</u></u>

<u>Valuation Date: July 1, 2021</u>	<u>Allingtown</u>
Total OPEB liability - July 1, 2022	<u>\$ 24,653,017</u>
Service cost	769,872
Interest	884,476
Changes in assumptions	(509,241)
Benefit payments, including refunds of member contributions	<u>(883,048)</u>
Net change	<u>262,059</u>
Total OPEB liability - June 30, 2023	<u><u>\$ 24,915,076</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>3.65%</u>	<u>\$ 263,370,740</u>	<u>\$ 228,865,531</u>	<u>\$ 200,786,667</u>
Allingtown	<u>3.65%</u>	<u>\$ 29,203,457</u>	<u>\$ 24,915,076</u>	<u>\$ 21,564,204</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Total OPEB Liability	Current Trend Rate		1% Decrease	Current Trend Rate	1% Increase
	Plan	Rate			
City	City	6.40%-4.00%			
	Education	6.10%-3.90%	<u>\$ 194,669,183</u>	<u>\$ 228,865,531</u>	<u>\$ 271,998,401</u>
Allingtown	Pre medicare	5.40%-4.30%			
	Post medicare	5.00%-4.30%	<u>\$ 20,833,953</u>	<u>\$ 24,915,076</u>	<u>\$ 30,202,613</u>

10. OPEB expense and deferred outflows and inflows of resources

The City reported deferred outflows of resources and deferred inflows of resources and OPEB expense as follows:

City	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Description of Outflows/Inflows			
Differences between expected and actual experience	\$ 24,701,134	\$ 20,623,803	\$ 4,077,331
Changes in assumptions	<u>32,448,674</u>	<u>64,514,302</u>	<u>(32,065,628)</u>
Total	<u>\$ 57,149,808</u>	<u>\$ 85,138,105</u>	<u>\$ (27,988,297)</u>
OPEB Expense			
The City recognized OPEB expense of:			<u>\$ 16,469,989</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Other post-employment benefit plan (continued)

<u>Allingtown</u>	Deferred	Deferred	
Description of Outflows/Inflows	Outflows of	Inflows of	Net
	Resources	Resources	
Differences between expected and actual experience	\$ -	\$ 1,051,356	\$ (1,051,356)
Changes in assumptions	<u>1,115,873</u>	<u>4,224,156</u>	<u>(3,108,283)</u>
Total	<u>\$ 1,115,873</u>	<u>\$ 5,275,512</u>	<u>\$ (4,159,639)</u>
<u>OPEB Expense</u>			
Allingtown recognized OPEB expense of:			<u>\$ 257,825</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	7.4
Allingtown	4.4

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

Year Ending June 30,	<u>City</u>	<u>Allingtown</u>
2024	\$ 3,434,369	\$ (1,396,524)
2025	486,282	(1,479,525)
2026	(133,551)	(1,237,297)
2027	(2,783,680)	(46,293)
2028	(13,719,455)	-
Thereafter	<u>(15,272,262)</u>	<u>-</u>
Total	<u>\$(27,988,297)</u>	<u>\$ (4,159,639)</u>

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

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

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service

Retiree health care coverage

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

Each member is required to contribute 1.25% of their annual pensionable wages.

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

The City reports no amounts for its proportionate share of the collective 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 collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the City were as follows:

City’s proportionate share of the collective net OPEB liability	\$ -
State’s proportionate share of the collective net OPEB liability associated with the City	<u>16,661,088</u>
Total	<u>\$ 16,661,088</u>
The City recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 212,151</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The City has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
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	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. 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, 2022.

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The discount rate used to measure the collective total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% 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 collective net OPEB liability to changes in the discount rate and the health care cost trend rate

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

G. Total OPEB plans

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
City	\$ 228,865,531	\$ 57,149,808	\$ 85,138,105	\$ 16,469,989
Allingtown	24,915,076	1,115,873	5,275,512	257,825
Total	<u>\$ 253,780,607</u>	<u>\$ 58,265,681</u>	<u>\$ 90,413,617</u>	<u>\$ 16,727,814</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

H. Plan statements

Pension Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

	Police Pension Plan	Allingtown Fire Department Pension Plan	Total
<u>Assets</u>			
Investments:			
Bank money market	\$ 3,493,172	\$ -	\$ 3,493,172
Mutual funds:			
Money market	132,918	861,746	994,664
Equity	31,340,862	631,161	31,972,023
U.S. government securities	-	199,332	199,332
Exchange traded funds	40,296,484	1,531,429	41,827,913
Equity - domestic	18,971,900	-	18,971,900
Real estate investment trust	287,422	-	287,422
Corporate bonds	5,308,181	90	5,308,271
Alternative investments:			
Private equity funds	7,916,699	-	7,916,699
Real estate LLC/LP	6,783,750	1,838,057	8,621,807
Multi-strategy hedge funds	158,608	-	158,608
Annuities	-	7,958,654	7,958,654
Variable rate note	4,860,580	-	4,860,580
Total investments	119,550,576	13,020,469	132,571,045
Contribution receivable	-	550,000	550,000
Total assets	119,550,576	13,570,469	133,121,045
<u>Net Position</u>			
Restricted for pension benefits	\$ 119,550,576	\$ 13,570,469	\$ 133,121,045

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

H. Plan statements (continued)

Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Police Pension Plan	Allingtown Fire Department Pension Plan	Total
Additions			
Contributions			
Employer	\$ 2,396,000	\$ 2,943,412	\$ 5,339,412
Plan members	464,214	145,700	609,914
Total contributions	<u>2,860,214</u>	<u>3,089,112</u>	<u>5,949,326</u>
Investment income (loss)			
Change in fair value of investments	8,807,079	387,143	9,194,222
Interest and dividends	<u>2,835,459</u>	<u>354,195</u>	<u>3,189,654</u>
Total investment income (loss)	11,642,538	741,338	12,383,876
Less investment expenses	<u>108,903</u>	<u>54,461</u>	<u>163,364</u>
Net investment income (loss)	<u>11,533,635</u>	<u>686,877</u>	<u>12,220,512</u>
Total additions	<u>14,393,849</u>	<u>3,775,989</u>	<u>18,169,838</u>
Deductions			
Benefits	9,000,541	1,786,158	10,786,699
Administration	<u>20,297</u>	<u>76,639</u>	<u>96,936</u>
Total deductions	<u>9,020,838</u>	<u>1,862,797</u>	<u>10,883,635</u>
Changes in net position	5,373,011	1,913,192	7,286,203
Net position - July 1, 2022	<u>114,177,565</u>	<u>11,657,277</u>	<u>125,834,842</u>
Net position - June 30, 2023	<u>\$ 119,550,576</u>	<u>\$ 13,570,469</u>	<u>\$ 133,121,045</u>

City of West Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

VI. Prior period adjustment

- A. As a result of the implementation of GASB Statement No.96, intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 1,610,678
Long-term liabilities:	
Subscription liability	1,610,678

- B. The government-wide net position was restated as a result of the following:

	<u>Governmental Activities</u>
Net position as previously reported at June 30, 2022	\$ (101,529,819)
To record issuance of notes as notes payable	<u>(781,774)</u>
Net position as restated at July 1, 2022	<u><u>\$ (102,311,593)</u></u>

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 Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> City Allingtown Fire Department State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in OPEB Liability and Related Ratios
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

City of West Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property taxes:					
Current levy	\$102,414,474	\$ -	\$102,414,474	\$101,786,266	\$ (628,208)
Motor vehicle supplement	1,261,000	-	1,261,000	1,424,204	163,204
Prior year levies	412,000	-	412,000	512,858	100,858
Suspense taxes	100,000	-	100,000	203,174	103,174
Interest and lien fees	832,552	-	832,552	980,052	147,500
Telephone access line	95,000	-	95,000	82,465	(12,535)
PILOT- SCCRWA water grant	301,100	-	301,100	281,894	(19,206)
PILOT- housing authority	146,600	-	146,600	169,656	23,056
Total property taxes	105,562,726	-	105,562,726	105,440,569	(122,157)
Intergovernmental:					
Education cost sharing	45,140,487	-	45,140,487	45,150,487	10,000
Health/welfare services - parochial school	60,000	-	60,000	74,185	14,185
Tiered pilot	8,741,348	-	8,741,348	8,741,348	-
Municipal revenue sharing	147,516	504,051	651,567	1,232,440	580,873
Mashantucket Pequot	807,097	-	807,097	807,097	-
Property tax relief - totally disabled	5,000	-	5,000	4,018	(982)
Property tax relief - veterans reimbursement	127,400	-	127,400	98,437	(28,963)
Town aid road	618,370	-	618,370	621,029	2,659
Motor vehicle tax reimbursement	502,691	-	502,691	502,691	-
State miscellaneous grants	122,000	-	122,000	259,070	137,070
Total intergovernmental	56,271,909	504,051	56,775,960	57,490,802	714,842
Charges for services:					
Animal licenses	9,389	-	9,389	8,663	(726)
Marriage licenses	7,800	-	7,800	35,552	27,752
Sporting licenses	250	-	250	134	(116)
Building permits	1,175,000	-	1,175,000	1,373,306	198,306
Electrical permits	176,254	-	176,254	373,062	196,808
Excavation permits	13,265	-	13,265	6,913	(6,352)
Plumbing and heating permits	96,548	-	96,548	101,910	5,362
Zoning permits	135,000	-	135,000	84,660	(50,340)
Alcoholic beverage licenses	700	-	700	1,286	586
Police licenses and protection permits	25,701	-	25,701	22,180	(3,521)
City clerk fees collected	6,300	-	6,300	5,584	(716)
Dog pound releases	500	-	500	2,793	2,293
Health licenses and restaurant permits	85,400	-	85,400	120,755	35,355
Parking tags	200,254	-	200,254	47,314	(152,940)
Fines and penalties	53,452	-	53,452	69,849	16,397
Building code violations	7,785	-	7,785	1,219	(6,566)
Rents from City facilities	28,611	-	28,611	22,500	(6,111)
Record legal instruments fee	1,650,000	-	1,650,000	1,536,098	(113,902)
Police charges - public safety	13,500	-	13,500	8,993	(4,507)
Miscellaneous public works/sewer-orange	37,900	-	37,900	205	(37,695)
Miscellaneous general government-all other	56,000	-	56,000	68,335	12,335
Miscellaneous parks and recreation	220,000	-	220,000	287,604	67,604

(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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Charges for services (continued):					
Public works	\$ 3,000	\$ -	\$ 3,000	\$ 18,489	\$ 15,489
Parking meter revenue	62,000	-	62,000	78,242	16,242
Sewer collection fee	55,200	-	55,200	-	(55,200)
Insurance reimbursement	9,823	-	9,823	-	(9,823)
Quigley / Yale parking	43,603	-	43,603	43,603	-
Fire district share of ERS	916,427	-	916,427	862,907	(53,520)
Organic recycling/compost	10,600	-	10,600	7,111	(3,489)
Total charges for services	<u>5,100,262</u>	<u>-</u>	<u>5,100,262</u>	<u>5,189,267</u>	<u>89,005</u>
Contributions (Yale)	<u>466,715</u>	<u>-</u>	<u>466,715</u>	<u>505,015</u>	<u>38,300</u>
Income from investments	<u>52,000</u>	<u>1,654,000</u>	<u>1,706,000</u>	<u>1,765,716</u>	<u>59,716</u>
Other	<u>160,000</u>	<u>-</u>	<u>160,000</u>	<u>160,754</u>	<u>754</u>
Total revenues	<u>167,613,612</u>	<u>2,158,051</u>	<u>169,771,663</u>	<u>170,552,123</u>	<u>780,460</u>
Other financing sources:					
Sale of assets	14,500	-	14,500	317,431	302,931
Transfers in:					
Miscellaneous grants fund	110,000	-	110,000	-	(110,000)
Public safety fund	200,000	-	200,000	-	(200,000)
Sewer fund	424,004	-	424,004	479,204	55,200
Total transfers in	<u>734,004</u>	<u>-</u>	<u>734,004</u>	<u>479,204</u>	<u>(254,800)</u>
Total other financing sources	<u>748,504</u>	<u>-</u>	<u>748,504</u>	<u>796,635</u>	<u>48,131</u>
Total revenues and other financing sources	<u>\$168,362,116</u>	<u>\$2,158,051</u>	<u>\$170,520,167</u>	<u>\$171,348,758</u>	<u>\$ 828,591</u>

(Concluded)

See Notes to Required Supplementary Information.

City of West Haven, Connecticut
Required Supplementary Information

General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
General government:					
City council	\$ 118,489	\$ -	\$ 118,489	\$ 107,881	\$ 10,608
Mayor's office	335,909	-	335,909	307,312	28,597
Corporate counsel	738,121	-	738,121	634,569	103,552
Labor relations and personnel	438,383	-	438,383	264,033	174,350
Communications	357,055	-	357,055	311,137	45,918
Town and city clerk	419,621	-	419,621	408,072	11,549
Registrar of voters	164,352	-	164,352	152,547	11,805
Election day	-	-	-	2,450	(2,450)
Probate court	9,658	-	9,658	6,185	3,473
Planning and development	534,733	(1,683)	533,050	330,032	203,018
Grants administration	226,842	1,683	228,525	206,590	21,935
Building department	614,774	-	614,774	415,225	199,549
Treasurer	7,600	-	7,600	7,600	-
Finance/comptroller	973,958	-	973,958	1,526,011	(552,053)
Purchasing department	299,281	-	299,281	249,085	50,196
Information and technology/data processing	663,177	-	663,177	391,891	271,286
Central services	146,260	-	146,260	169,456	(23,196)
Department of assessment	471,126	-	471,126	460,284	10,842
Board of assessment appeals	3,600	-	3,600	3,381	219
Department of tax collections	455,291	-	455,291	454,641	650
Primary and elections	95,000	-	95,000	47,065	47,935
Payroll processing	160,000	-	160,000	159,503	497
Security	-	-	-	57,079	(57,079)
Unallocated	161,501	-	161,501	761,990	(600,489)
Contingency	2,662,000	-	2,662,000	-	2,662,000
Total general government	10,056,731	-	10,056,731	7,434,019	2,622,712
Public safety:					
Emergency reporting system	2,158,503	-	2,158,503	2,188,226	(29,723)
Public safety administration	1,106,962	-	1,106,962	1,288,468	(181,506)
Public safety operations	12,614,183	-	12,614,183	13,390,773	(776,590)
Public safety support	1,094,765	-	1,094,765	1,145,195	(50,430)
Animal control	285,328	-	285,328	259,301	26,027
Emergency management	52,250	-	52,250	52,293	(43)
Total public safety	17,311,991	-	17,311,991	18,324,256	(1,012,265)
Public works:					
Administration	604,658	-	604,658	427,344	177,314
Bureau of engineering	444,674	-	444,674	344,378	100,296
Central garage	1,499,571	-	1,499,571	1,101,711	397,860
Compost site	40,200	-	40,200	48,013	(7,813)
Disposal of solid waste	4,108,900	-	4,108,900	3,820,450	288,450
Grounds and building maintenance	1,418,655	-	1,418,655	1,283,133	135,522
Highways and park maintenance	4,442,476	-	4,442,476	3,902,361	540,115
Total public works	12,559,134	-	12,559,134	10,927,390	1,631,744

(Continued)

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Benefits and insurance:					
Insurance	\$ 800,977	\$ 158,051	\$ 959,028	\$ 1,181,245	\$ (222,217)
Pensions and hospitalizations	18,812,558	2,000,000	20,812,558	20,347,035	465,523
OPEB contribution	150,000	-	150,000	150,000	-
C-Med programs	42,179	-	42,179	38,593	3,586
Total benefits and insurance	<u>19,805,714</u>	<u>2,158,051</u>	<u>21,963,765</u>	<u>21,716,873</u>	<u>246,892</u>
Human resources and health and welfare:					
Department of human resources	456,344	-	456,344	417,424	38,920
Department of elderly services	425,252	-	425,252	358,103	67,149
Health department	497,307	-	497,307	436,712	60,595
Total human resources and health and welfare	<u>1,378,903</u>	<u>-</u>	<u>1,378,903</u>	<u>1,212,239</u>	<u>166,664</u>
Parks and recreation	<u>1,085,153</u>	<u>-</u>	<u>1,085,153</u>	<u>978,940</u>	<u>106,213</u>
Library	<u>1,575,374</u>	<u>-</u>	<u>1,575,374</u>	<u>1,575,374</u>	<u>-</u>
Education	<u>89,960,421</u>	<u>-</u>	<u>89,960,421</u>	<u>89,960,421</u>	<u>-</u>
Debt service	<u>14,628,695</u>	<u>-</u>	<u>14,628,695</u>	<u>12,443,434</u>	<u>2,185,261</u>
Total expenditures	<u>\$168,362,116</u>	<u>\$2,158,051</u>	<u>\$170,520,167</u>	<u>\$164,572,946</u>	<u>\$5,947,221</u>

(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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property taxes:					
Current property taxes	\$ 6,790,177	\$ -	\$ 6,790,177	\$ 6,770,333	\$ (19,844)
Prior year property taxes	72,000	-	72,000	96,741	24,741
Interest and lien fees	44,000	-	44,000	72,897	28,897
PILOT - regional water authority	49,166	-	49,166	48,775	(391)
Total property taxes	6,955,343	-	6,955,343	6,988,746	33,403
Intergovernmental:					
Tiered PILOT	770,501	-	770,501	686,806	(83,695)
Motor vehicle tax allocation	960,525	-	960,525	831,796	(128,729)
FEMA grants	271,429	-	271,429	338,355	66,926
State miscellaneous grants	21,515	-	21,515	45,290	23,775
Total intergovernmental	2,023,970	-	2,023,970	1,902,247	(121,723)
Charges for services:					
Bundle billing	40,000	-	40,000	5,427	(34,573)
Police/fire outside services	4,000	-	4,000	11,895	7,895
Fire department transportation fees	-	-	-	42,905	42,905
Other fees	60,000	-	60,000	137,884	77,884
Total charges for services	104,000	-	104,000	198,111	94,111
Contributions:					
University of New Haven and Yale donations	100,000	-	100,000	100,000	-
Total revenues	\$ 9,183,313	\$ -	\$ 9,183,313	\$ 9,189,104	\$ 5,791

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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Personnel:					
Salaries	\$1,878,656	\$ -	\$1,878,656	\$ 1,907,593	\$ (28,937)
Overtime and vacation pay	535,000	-	535,000	466,228	68,772
Uniforms	12,000	-	12,000	13,300	(1,300)
Life insurance	15,000	-	15,000	26,086	(11,086)
Pension contribution	2,459,484	-	2,459,484	3,016,138	(556,654)
OPEB contribution	50,000	-	50,000	50,000	-
Heart and hypertension	35,000	-	35,000	35,000	-
Workers' compensation insurance	125,000	-	125,000	125,000	-
Insurance	1,618,808	-	1,618,808	1,255,099	363,709
Education incentive (EMT-certification)	107,225	-	107,225	14,400	92,825
Social security and medicare (FICA)	68,063	-	68,063	79,965	(11,902)
Total personnel	6,904,236	-	6,904,236	6,988,809	(84,573)
Maintenance:					
Building maintenance	20,000	-	20,000	18,351	1,649
Tools	90,000	15,000	105,000	89,131	15,869
Radio	5,000	-	5,000	5,970	(970)
Total maintenance	115,000	15,000	130,000	113,452	16,548
Administration:					
Training	34,000	-	34,000	9,026	24,974
Business	14,000	-	14,000	13,832	168
Financial services	20,000	-	20,000	4,700	15,300
Total administration	68,000	-	68,000	27,558	40,442
Utilities, insurance and equipment:					
Heating	15,000	-	15,000	11,998	3,002
Electricity	16,000	-	16,000	13,480	2,520
Water	195,000	-	195,000	197,132	(2,132)
Telephone	14,000	-	14,000	14,324	(324)
Emergency reporting system	304,900	-	304,900	369,797	(64,897)
Medical testing and equipment	119,000	-	119,000	112,181	6,819
Office supplies	6,000	-	6,000	7,640	(1,640)
Gasoline and diesel	18,000	3,500	21,500	21,221	279
General liability insurance	47,177	-	47,177	47,329	(152)
Workers' compensation	-	-	-	3,269	(3,269)
Personal computers	25,000	-	25,000	48,396	(23,396)
Contingency	175,000	(18,500)	156,500	-	156,500
Professional services	16,000	-	16,000	37,989	(21,989)
Total utilities, insurance and equipment	951,077	(15,000)	936,077	884,756	51,321
Debt service	-	-	-	14,849	(14,849)
Total expenditures	8,038,313	-	8,038,313	8,029,424	8,889
Other financing uses:					
Transfer out - capital and nonrecurring fund:					
Trucks	465,000	-	465,000	465,000	-
Capital project	680,000	-	680,000	680,000	-
Total other financing uses	1,145,000	-	1,145,000	1,145,000	-
Total expenditures and other financing uses	\$9,183,313	\$ -	\$9,183,313	\$9,174,424	\$ 8,889

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, 2023**

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

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

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

Reconciliation to Exhibit D

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$170,552,123	\$164,572,946
State Teachers' pension on behalf amount	14,999,439	14,999,439
State Teachers' OPEB on behalf amount	212,151	212,151
GAAP Basis - Exhibit D	\$185,763,713	\$179,784,536

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.

During the year, there were additional appropriations from revenue of: \$ 2,158,051

Town of West Haven, Connecticut
Required Supplementary Information

Police Pension Plan
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 1,212,535	\$ 785,814	\$ 1,148,323	\$ 1,392,240	\$ 1,259,486	\$ 1,557,421	\$ 1,456,995	\$ 1,734,676	\$ 1,615,531	\$ 1,627,000
Interest	10,836,258	10,597,499	10,001,560	9,775,544	10,276,337	9,998,157	9,985,109	9,687,559	9,377,636	9,147,000
Differences between expected and actual experience	7,775,336	-	(8,754,588)	-	(9,950,205)	-	(3,803,033)	-	(1,106,768)	-
Changes in assumptions	3,059,023	-	14,149,801	-	3,856,902	-	(311,559)	-	-	-
Benefit payments, including refunds of member contributions	(9,000,541)	(7,935,813)	(7,705,238)	(7,796,598)	(7,631,461)	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,311,000)
Net change in total pension liability	13,882,611	3,447,500	8,839,858	3,371,186	(2,188,941)	4,210,550	167,194	4,358,209	3,127,746	4,463,000
Total pension liability - July 1	<u>155,298,143</u>	<u>151,850,643</u>	<u>143,010,785</u>	<u>139,639,599</u>	<u>141,828,540</u>	<u>137,617,990</u>	<u>137,450,796</u>	<u>133,092,587</u>	<u>129,964,841</u>	<u>125,501,841</u>
Total pension liability - June 30 (a)	<u>\$ 169,180,754</u>	<u>\$ 155,298,143</u>	<u>\$ 151,850,643</u>	<u>\$ 143,010,785</u>	<u>\$ 139,639,599</u>	<u>\$ 141,828,540</u>	<u>\$ 137,617,990</u>	<u>\$ 137,450,796</u>	<u>\$ 133,092,587</u>	<u>\$ 129,964,841</u>
Plan fiduciary net position:										
Contributions - employer	\$ 2,396,000	\$ 2,430,000	\$ 2,412,000	\$ 2,203,317	\$ 1,994,500	\$ 2,091,000	\$ 1,850,000	\$ 1,850,000	\$ 1,274,950	\$ 1,157,000
Contributions - member	464,214	436,179	462,875	473,136	522,344	566,567	580,520	571,774	590,403	583,213
Net investment income (loss)	11,533,635	(20,598,365)	31,437,890	(894,112)	4,655,627	9,468,710	11,560,855	(2,589,880)	2,067,404	14,029,000
Benefit payments, including refunds of member contributions	(9,000,541)	(7,935,813)	(7,705,238)	(7,796,598)	(7,631,461)	(7,345,028)	(7,160,318)	(7,064,026)	(6,758,653)	(6,310,695)
Administration	(20,297)	(324,395)	(484,899)	(14,030)	(13,867)	(16,843)	(23,123)	(14,646)	(26,720)	(25,000)
Net change in plan fiduciary net position	5,373,011	(25,992,394)	26,122,628	(6,028,287)	(472,857)	4,764,406	6,807,934	(7,246,778)	(2,852,616)	9,433,518
Plan fiduciary net position - July 1	<u>114,177,565</u>	<u>140,169,959</u>	<u>114,047,331</u>	<u>120,075,618</u>	<u>120,548,475</u>	<u>115,784,069</u>	<u>108,976,135</u>	<u>116,222,913</u>	<u>119,075,529</u>	<u>109,642,011</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 119,550,576</u>	<u>\$ 114,177,565</u>	<u>\$ 140,169,959</u>	<u>\$ 114,047,331</u>	<u>\$ 120,075,618</u>	<u>\$ 120,548,475</u>	<u>\$ 115,784,069</u>	<u>\$ 108,976,135</u>	<u>\$ 116,222,913</u>	<u>\$ 119,075,529</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 49,630,178</u>	<u>\$ 41,120,578</u>	<u>\$ 11,680,684</u>	<u>\$ 28,963,454</u>	<u>\$ 19,563,981</u>	<u>\$ 21,280,065</u>	<u>\$ 21,833,921</u>	<u>\$ 28,474,661</u>	<u>\$ 16,869,674</u>	<u>\$ 10,889,312</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.66%</u>	<u>73.52%</u>	<u>92.31%</u>	<u>79.75%</u>	<u>85.99%</u>	<u>85.00%</u>	<u>84.13%</u>	<u>79.28%</u>	<u>87.32%</u>	<u>91.62%</u>
Covered payroll	<u>\$ 4,995,379</u>	<u>\$ 4,995,379</u>	<u>\$ 5,765,537</u>	<u>\$ 5,765,537</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>
Net pension liability as a percentage of covered payroll	<u>993.52%</u>	<u>823.17%</u>	<u>202.59%</u>	<u>502.35%</u>	<u>296.95%</u>	<u>323.00%</u>	<u>331.40%</u>	<u>397.67%</u>	<u>235.59%</u>	<u>151.41%</u>
<u>Schedule of Investment Returns</u>										
Annual money weighted rate of return, net of investment expense	<u>9.68%</u>	<u>(14.60%)</u>	<u>27.31%</u>	<u>(0.76%)</u>	<u>3.95%</u>	<u>8.60%</u>	<u>10.64%</u>	<u>(1.87%)</u>	<u>1.43%</u>	<u>13.13%</u>

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

Police Pension Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 2,396,000	\$ 2,598,048	\$ 2,411,601	\$ 2,203,317	\$ 1,994,500	\$ 1,927,100	\$ 1,861,931	\$ 1,848,528	\$ 2,342,798	\$ 3,312,178
Contributions in relation to the actuarially determined contribution	<u>2,396,000</u>	<u>2,430,000</u>	<u>2,412,000</u>	<u>2,203,317</u>	<u>1,994,500</u>	<u>2,091,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,274,950</u>	<u>1,157,000</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ (168,048)</u>	<u>\$ 399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,900</u>	<u>\$ (11,931)</u>	<u>\$ 1,472</u>	<u>\$ (1,067,848)</u>	<u>\$ (2,155,178)</u>
Covered payroll	<u>\$ 4,995,379</u>	<u>\$ 4,995,379</u>	<u>\$ 5,765,537</u>	<u>\$ 5,765,537</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 6,588,354</u>	<u>\$ 7,160,460</u>	<u>\$ 7,160,460</u>	<u>\$ 7,191,938</u>
Contributions as a percentage of covered payroll	<u>47.96%</u>	<u>48.64%</u>	<u>41.83%</u>	<u>38.22%</u>	<u>30.27%</u>	<u>31.74%</u>	<u>28.08%</u>	<u>25.84%</u>	<u>17.81%</u>	<u>16.09%</u>

City of West Haven, Connecticut
Notes to Required Supplementary Information

Police Pension Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	January 1, 2016	January 1, 2016	January 1, 2014	January 1, 2014	January 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.50%
Salary increases	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment rate of return	6.90%	7.13%	7.13%	7.13%	7.13%	7.38%	7.38%	7.38%	7.38%	7.38%
Mortality rate	PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale	PubS-2010 Mortality Table with generational projection per the MP-2019 ultimate scale	PubS-2010 Mortality Table with generational projection per the MP-2019 ultimate scale	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA	RP-2000 Mortality Table projected to 2020 per Scale AA

City of West Haven, Connecticut

Required Supplementary Information

Allington Fire Department Pension Plan
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 354,848	\$ 300,800	\$ 308,556	\$ 285,870	\$ 386,203	\$ 373,143	\$ 524,520	\$ 491,354	\$ 462,468	\$ 430,000
Interest	2,091,434	2,224,428	2,170,227	2,035,642	2,005,277	1,936,364	1,894,119	1,832,169	1,838,710	1,768,000
Differences between expected and actual experience	-	(2,368,752)	-	(360,338)	-	551,655	-	(1,272,361)	-	1,009,000
Effect of plan changes	-	-	-	-	-	-	-	1,419,497	-	-
Changes in assumptions	-	2,008,196	-	1,729,217	-	-	-	1,515,081	-	-
Benefit payments, including refunds of member contributions	<u>(1,786,158)</u>	<u>(1,634,720)</u>	<u>(1,700,317)</u>	<u>(1,737,525)</u>	<u>(1,941,719)</u>	<u>(1,767,724)</u>	<u>(1,519,142)</u>	<u>(1,361,295)</u>	<u>(1,366,522)</u>	<u>(1,221,000)</u>
Net change in total pension liability	660,124	529,952	778,466	1,952,866	449,761	1,093,438	899,497	2,624,445	934,656	1,986,000
Total pension liability - July 1	<u>33,987,650</u>	<u>33,457,698</u>	<u>32,679,232</u>	<u>30,726,366</u>	<u>30,276,605</u>	<u>29,183,167</u>	<u>28,283,670</u>	<u>25,659,225</u>	<u>24,724,569</u>	<u>22,738,569</u>
Total pension liability - June 30 (a)	<u>\$ 34,647,774</u>	<u>\$ 33,987,650</u>	<u>\$ 33,457,698</u>	<u>\$ 32,679,232</u>	<u>\$ 30,726,366</u>	<u>\$ 30,276,605</u>	<u>\$ 29,183,167</u>	<u>\$ 28,283,670</u>	<u>\$ 25,659,225</u>	<u>\$ 24,724,569</u>
Plan fiduciary net position:										
Contributions - employer	\$ 2,943,412	\$ 3,113,800	\$ 3,138,868	\$ 2,250,737	\$ 2,150,220	\$ 1,894,851	\$ 1,691,815	\$ 1,559,866	\$ 1,571,325	\$ 1,495,000
Contributions - member	145,700	107,081	110,639	99,374	102,602	121,477	145,266	164,437	161,935	153,000
Net investment income (loss)	686,877	(1,354,196)	1,065,826	498,305	610,128	515,517	454,693	71,139	(89,385)	252,000
Benefit payments, including refunds of member contributions	(1,786,158)	(1,634,720)	(1,700,317)	(1,737,525)	(1,941,719)	(1,767,724)	(1,519,142)	(1,361,295)	(1,366,522)	(1,221,000)
Administration	<u>(76,639)</u>	<u>(328,556)</u>	<u>(78,038)</u>	<u>(125)</u>	<u>(77,486)</u>	<u>(35)</u>	<u>(9,551)</u>	<u>(28,895)</u>	<u>(100)</u>	<u>(6,000)</u>
Net change in plan fiduciary net position	1,913,192	(96,591)	2,536,978	1,110,766	843,745	764,086	763,081	405,252	277,253	673,000
Plan fiduciary net position - July 1	<u>11,657,277</u>	<u>11,753,868</u>	<u>9,216,890</u>	<u>8,106,124</u>	<u>7,262,379</u>	<u>6,498,293</u>	<u>5,735,212</u>	<u>5,329,960</u>	<u>5,052,707</u>	<u>4,379,707</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 13,570,469</u>	<u>\$ 11,657,277</u>	<u>\$ 11,753,868</u>	<u>\$ 9,216,890</u>	<u>\$ 8,106,124</u>	<u>\$ 7,262,379</u>	<u>\$ 6,498,293</u>	<u>\$ 5,735,212</u>	<u>\$ 5,329,960</u>	<u>\$ 5,052,707</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 21,077,305</u>	<u>\$ 22,330,373</u>	<u>\$ 21,703,830</u>	<u>\$ 23,462,342</u>	<u>\$ 22,620,242</u>	<u>\$ 23,014,226</u>	<u>\$ 22,684,874</u>	<u>\$ 22,548,458</u>	<u>\$ 20,329,265</u>	<u>\$ 19,671,862</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>39.17%</u>	<u>34.30%</u>	<u>35.13%</u>	<u>28.20%</u>	<u>26.38%</u>	<u>23.99%</u>	<u>22.27%</u>	<u>20.28%</u>	<u>20.77%</u>	<u>20.44%</u>
Covered payroll	<u>\$ 973,137</u>	<u>\$ 984,212</u>	<u>\$ 984,212</u>	<u>\$ 1,275,933</u>	<u>\$ 1,275,933</u>	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>
Net pension liability as a percentage of covered payroll	<u>2165.91%</u>	<u>2268.86%</u>	<u>2205.20%</u>	<u>1838.84%</u>	<u>1772.84%</u>	<u>1362.11%</u>	<u>1342.61%</u>	<u>1343.66%</u>	<u>1211.42%</u>	<u>1195.28%</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>7.38%</u>	<u>(11.36%)</u>	<u>9.45%</u>	<u>5.79%</u>	<u>8.22%</u>	<u>7.77%</u>	<u>7.53%</u>	<u>1.29%</u>	<u>(1.70%)</u>	<u>(5.47%)</u>

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Required Supplementary Information

Allingtown Fire Department Pension Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 2,053,411	\$ 2,488,867	\$ 2,404,702	\$ 2,250,737	\$ 2,174,625	\$ 2,080,270	\$ 2,009,923	\$ 1,597,526	\$ 1,536,083	\$ 1,519,425
Contributions in relation to the actuarially determined contribution	<u>2,943,412</u>	<u>3,113,800</u>	<u>3,138,868</u>	<u>2,250,737</u>	<u>2,150,220</u>	<u>1,894,851</u>	<u>1,691,815</u>	<u>1,559,866</u>	<u>1,571,325</u>	<u>1,495,339</u>
Contribution excess (deficiency)	<u>\$ 890,001</u>	<u>\$ 624,933</u>	<u>\$ 734,166</u>	<u>\$ -</u>	<u>\$ (24,405)</u>	<u>\$ (185,419)</u>	<u>\$ (318,108)</u>	<u>\$ (37,660)</u>	<u>\$ 35,242</u>	<u>\$ (24,086)</u>
Covered payroll	<u>\$ 973,137</u>	<u>\$ 984,212</u>	<u>\$ 984,212</u>	<u>\$ 1,275,933</u>	<u>\$ 1,275,933</u>	<u>\$ 1,689,604</u>	<u>\$ 1,689,604</u>	<u>\$ 1,678,136</u>	<u>\$ 1,678,136</u>	<u>\$ 1,645,791</u>
Contributions as a percentage of covered payroll	<u>302.47%</u>	<u>316.37%</u>	<u>318.92%</u>	<u>176.40%</u>	<u>168.52%</u>	<u>112.15%</u>	<u>100.13%</u>	<u>92.95%</u>	<u>93.64%</u>	<u>90.86%</u>

City of West Haven, Connecticut

Notes to Required Supplementary Information

Allintown Fire Department Pension Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.00%	2.00%
Salary increases	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	2.00%	2.00%
Investment rate of return	6.25%	6.25%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.50%	7.50%
Mortality rate	PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale	PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale	PubS-2010 Mortality Table with generational projection per the MP Ultimate Scale	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

City of West Haven, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
City's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net pension liability associated with the City	<u>190,244,877</u>	<u>152,929,267</u>	<u>193,090,442</u>	<u>178,544,596</u>	<u>137,668,256</u>	<u>142,269,191</u>	<u>150,095,086</u>	<u>113,727,170</u>	<u>105,117,977</u>
Total	<u>\$190,244,877</u>	<u>\$152,929,267</u>	<u>\$193,090,442</u>	<u>\$178,544,596</u>	<u>\$137,668,256</u>	<u>\$142,269,191</u>	<u>\$150,095,086</u>	<u>\$113,727,170</u>	<u>\$105,117,977</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the collective net pension liability as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

(2) Not applicable since 0% proportional share of the collective net pension 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 System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	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 Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in OPEB Liability and Related Ratios</u>							
OPEB liability:							
Service cost	\$ 6,806,957	\$ 10,813,464	\$ 11,080,550	\$ 7,360,854	\$ 5,120,818	\$ 5,336,119	\$ 5,146,556
Interest	8,067,835	7,098,495	6,970,456	7,085,244	7,156,576	5,961,628	5,137,998
Changes of benefit terms	-	-	-	(1,191,970)	-	(318,736)	-
Differences between expected and actual experience	-	(27,385,705)	-	44,337,855	-	21,704,481	-
Changes in assumptions	(3,450,435)	(80,266,789)	2,644,827	59,017,168	9,917,381	(7,576,180)	(17,603,501)
Benefit payments, including refunds of member contributions	(7,250,562)	(6,740,573)	(7,653,556)	(7,045,915)	(6,797,571)	(6,199,457)	(7,056,148)
Net change in OPEB liability	4,173,795	(96,481,108)	13,042,277	109,563,236	15,397,204	18,907,855	(14,375,095)
OPEB liability - July 1	<u>224,691,736</u>	<u>321,172,844</u>	<u>308,130,567</u>	<u>198,567,331</u>	<u>183,170,127</u>	<u>164,262,272</u>	<u>178,637,367</u>
OPEB liability - June 30 *	<u>\$ 228,865,531</u>	<u>\$ 224,691,736</u>	<u>\$ 321,172,844</u>	<u>\$ 308,130,567</u>	<u>\$ 198,567,331</u>	<u>\$ 183,170,127</u>	<u>\$ 164,262,272</u>
Covered employee payroll	<u>\$ 112,066,977</u>	<u>\$ 112,066,977</u>	<u>\$ 78,710,730</u>	<u>\$ 78,710,730</u>	<u>\$ 59,634,262</u>	<u>\$ 59,634,262</u>	<u>\$ 61,793,967</u>
OPEB liability as a percentage of covered employee payroll	<u>204.22%</u>	<u>200.50%</u>	<u>408.04%</u>	<u>391.47%</u>	<u>332.98%</u>	<u>307.16%</u>	<u>265.82%</u>

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

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

City of West Haven, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in OPEB Liability</u>							
OPEB liability:							
Service cost	\$ 769,872	\$ 1,201,059	\$ 1,094,843	\$ 775,734	\$ 824,372	\$ 868,068	\$ 958,243
Interest	884,476	680,490	666,669	999,677	997,948	932,668	818,437
Change of benefit terms	-	(373,777)	-	-	-	-	-
Differences between expected and actual experience	-	(162,527)	-	(4,782,737)	-	(26,980)	-
Changes in assumptions	(509,241)	(6,566,832)	292,562	5,070,555	1,736,228	(1,298,327)	(3,655,785)
Benefit payments, including refunds of member contributions	<u>(883,048)</u>	<u>(852,422)</u>	<u>(792,064)</u>	<u>(762,820)</u>	<u>(705,950)</u>	<u>(688,973)</u>	<u>(703,461)</u>
Net change in OPEB liability	262,059	(6,074,009)	1,262,010	1,300,409	2,852,598	(213,544)	(2,582,566)
OPEB liability - July 1	<u>24,653,017</u>	<u>30,727,026</u>	<u>29,465,016</u>	<u>28,164,607</u>	<u>25,312,009</u>	<u>25,525,553</u>	<u>28,108,119</u>
OPEB liability - June 30 *	<u>\$24,915,076</u>	<u>\$24,653,017</u>	<u>\$30,727,026</u>	<u>\$29,465,016</u>	<u>\$28,164,607</u>	<u>\$25,312,009</u>	<u>\$25,525,553</u>

Covered employee payroll information was not available.

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

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

City of West Haven, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
City's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the City	<u>16,661,088</u>	<u>16,661,363</u>	<u>28,799,446</u>	<u>27,845,037</u>	<u>27,520,758</u>	<u>36,618,483</u>
Total	<u>\$ 16,661,088</u>	<u>\$ 16,661,363</u>	<u>\$ 28,799,446</u>	<u>\$ 27,845,037</u>	<u>\$ 27,520,758</u>	<u>\$ 36,618,483</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>						
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

See Notes to Required Supplementary Information.

City of West Haven, Connecticut

Notes to Required Supplementary Information

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

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

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

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Supplemental Schedules

General Fund

General Fund

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

City of West Haven, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 105,562,726	\$ -	\$ 105,562,726	\$ 105,440,569	\$ (122,157)
Intergovernmental	56,271,909	504,051	56,775,960	57,490,802	714,842
Charges for services	5,100,262	-	5,100,262	5,189,267	89,005
Contributions	466,715	-	466,715	505,015	38,300
Income from investments	52,000	1,654,000	1,706,000	1,765,716	59,716
Other	160,000	-	160,000	160,754	754
Total revenues	167,613,612	2,158,051	169,771,663	170,552,123	780,460
Expenditures:					
Current:					
General government	10,056,731	-	10,056,731	7,434,019	2,622,712
Public safety	17,311,991	-	17,311,991	18,324,256	(1,012,265)
Public works	12,559,134	-	12,559,134	10,927,390	1,631,744
Benefits and insurance	19,805,714	2,158,051	21,963,765	21,716,873	246,892
Human resources and health and welfare	1,378,903	-	1,378,903	1,212,239	166,664
Parks and recreation	1,085,153	-	1,085,153	978,940	106,213
Library	1,575,374	-	1,575,374	1,575,374	-
Education	89,960,421	-	89,960,421	89,960,421	-
Debt service	14,628,695	-	14,628,695	12,443,434	2,185,261
Total expenditures	168,362,116	2,158,051	170,520,167	164,572,946	5,947,221
Excess (deficiency) of revenues over expenditures	(748,504)	-	(748,504)	5,979,177	6,727,681
Other financing sources (uses):					
Sale of capital assets	14,500	-	14,500	317,431	302,931
Transfers in	734,004	-	734,004	479,204	(254,800)
Net other financing sources (uses)	748,504	-	748,504	796,635	48,131
Net change in fund balance	\$ -	\$ -	\$ -	6,775,812	\$ 6,775,812
Fund balance - July 1, 2022				7,983,134	
Fund balance - June 30, 2023				\$ 14,758,946	

City of West Haven, Connecticut

General Fund
Report of Tax Collector
For the Year Ended June 30, 2023

Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2006	\$ 54,935	\$ -	\$ -	\$ 54,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	55,315	-	-	-	-	55,315	1,376	3,594	4,970	53,939
2008	99,741	-	-	-	-	99,741	1,658	3,962	5,620	98,083
2009	111,033	-	-	-	-	111,033	1,643	3,630	5,273	109,390
2010	79,351	-	-	-	-	79,351	3,854	4,019	7,873	75,497
2011	77,521	-	-	-	-	77,521	3,855	6,947	10,802	73,666
2012	94,363	-	61	-	-	94,424	3,855	6,253	10,108	90,569
2013	152,112	-	68	-	-	152,180	5,993	6,091	12,084	146,187
2014	167,928	-	516	1,136	-	167,308	3,534	7,978	11,512	163,774
2015	114,103	-	-	902	-	113,201	2,897	4,065	6,962	110,304
2016	164,659	-	-	1,359	-	163,300	6,059	7,619	13,678	157,241
2017	103,917	-	1,145	1,945	-	103,117	876	1,084	1,960	102,241
2018	132,851	-	2,880	1,456	-	134,275	12,007	7,531	19,538	122,268
2019	933,472	-	12,185	8,771	652,726	284,160	141,269	85,622	226,891	142,891
2020	<u>1,848,614</u>	<u>-</u>	<u>70,688</u>	<u>142,471</u>	<u>-</u>	<u>1,776,831</u>	<u>604,342</u>	<u>289,384</u>	<u>893,726</u>	<u>1,172,489</u>
Subtotal	4,189,915	-	87,543	212,975	652,726	3,411,757	793,218	437,779	1,230,997	2,618,539
2021	<u>-</u>	<u>105,577,198</u>	<u>1,554,697</u>	<u>524,307</u>	<u>-</u>	<u>106,607,588</u>	<u>103,391,672</u>	<u>705,767</u>	<u>104,097,439</u>	<u>3,215,916</u>
Total	<u>\$4,189,915</u>	<u>\$ 105,577,198</u>	<u>\$ 1,642,240</u>	<u>\$ 737,282</u>	<u>\$ 652,726</u>	<u>\$ 110,019,345</u>	<u>\$ 104,184,890</u>	<u>\$ 1,143,546</u>	<u>\$ 105,328,436</u>	5,834,455
								Interest and liens receivable		2,892,501
								Allowance for doubtful accounts		<u>(2,836,788)</u>
								Taxes, interest and liens receivable (net)		<u>\$ 5,890,168</u>

Allingtown Fire Department

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

City of West Haven, Connecticut
Allingtown Fire Department Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 6,955,343	\$ -	\$ 6,955,343	\$ 6,988,746	\$ 33,403
Intergovernmental	2,023,970	-	2,023,970	1,902,247	(121,723)
Charges for services	104,000	-	104,000	198,111	94,111
Contributions	100,000	-	100,000	100,000	-
Total revenues	<u>9,183,313</u>	<u>-</u>	<u>9,183,313</u>	<u>9,189,104</u>	<u>5,791</u>
Expenditures:					
Current:					
Personnel	6,904,236	-	6,904,236	6,988,809	(84,573)
Maintenance	115,000	15,000	130,000	113,452	16,548
Administration	68,000	-	68,000	27,558	40,442
Utilities, insurance, and equipment	951,077	(15,000)	936,077	884,756	51,321
Debt service	-	-	-	14,849	(14,849)
Total expenditures	<u>8,038,313</u>	<u>-</u>	<u>8,038,313</u>	<u>8,029,424</u>	<u>8,889</u>
Excess (deficiency) of revenues over expenditures	1,145,000	-	1,145,000	1,159,680	14,680
Other financing sources (uses):					
Transfers out	<u>(1,145,000)</u>	<u>-</u>	<u>(1,145,000)</u>	<u>(1,145,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	14,680	<u>\$ 14,680</u>
Fund balance - July 1, 2022				<u>4,136,278</u>	
Fund balance - June 30, 2023				<u>\$ 4,150,958</u>	

City of West Haven, Connecticut

Allingtown Fire Department
Report of Tax Collector
For the Year Ended June 30, 2023

Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2006	\$ 4,805	\$ -	\$ -	\$ 4,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	4,894	-	-	-	-	4,894	295	766	1,061	4,599
2008	18,030	-	-	-	-	18,030	356	851	1,207	17,674
2009	18,512	-	-	-	-	18,512	372	819	1,191	18,140
2010	8,967	-	-	-	-	8,967	932	959	1,891	8,035
2011	9,916	-	-	-	-	9,916	1,034	1,850	2,884	8,882
2012	14,367	-	-	-	-	14,367	1,035	1,664	2,699	13,332
2013	19,514	-	-	-	-	19,514	1,081	1,548	2,629	18,433
2014	21,509	-	-	-	-	21,509	1,187	1,485	2,672	20,322
2015	16,728	-	-	-	-	16,728	1,193	1,274	2,467	15,535
2016	17,899	-	-	150	-	17,749	1,200	1,198	2,398	16,549
2017	20,365	-	14	168	-	20,211	892	684	1,576	19,319
2018	24,851	-	140	168	-	24,823	1,578	1,876	3,454	23,245
2019	77,850	-	465	579	44,689	33,047	9,322	3,031	12,353	23,725
2020	<u>132,634</u>	<u>-</u>	<u>2,931</u>	<u>29,793</u>	<u>-</u>	<u>105,772</u>	<u>18,199</u>	<u>8,565</u>	<u>26,764</u>	<u>87,573</u>
Subtotal	410,841	-	3,550	35,663	44,689	334,039	38,676	26,570	65,246	295,363
2021	<u>-</u>	<u>6,936,152</u>	<u>4,384</u>	<u>36,608</u>	<u>-</u>	<u>6,903,928</u>	<u>6,810,390</u>	<u>34,327</u>	<u>6,844,717</u>	<u>93,538</u>
Total	<u>\$ 410,841</u>	<u>\$ 6,936,152</u>	<u>\$ 7,934</u>	<u>\$ 72,271</u>	<u>\$ 44,689</u>	<u>\$ 7,237,967</u>	<u>\$ 6,849,066</u>	<u>\$ 60,897</u>	<u>\$ 6,909,963</u>	388,901
								Interest and liens receivable		335,732
								Allowance for doubtful accounts		<u>(360,577)</u>
								Taxes, interest and liens receivable (net)		<u>\$ 364,056</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
Sports Facilities	Charges for services	Sports programs
Miscellaneous Grants	Grants and contributions	Miscellaneous City programs
Public Safety	Grants and charges for services	Public safety programs
Health and Welfare	Grants and contributions	Health and welfare programs
Savin Rock	Grants and contributions	Recreation projects and programs
School Lunch Program	Grants and charges for services	Operations of the child nutrition program
School Activity	Activity fees	Student activity funds and school scholarships
Career and Adult Education	Grants and charges for services	Adult education programs

Capital Projects Fund

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

Fund	Funding Source	Function
Capital and Nonrecurring	Property taxes	Capital purchases

City of West Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

Special Revenue Funds

	Community Development Block Grant	Document Preservation	Sports Facilities	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
<u>Assets</u>							
Cash	\$ 1,748,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables (net):							
Intergovernmental	341,183	-	-	5,346,068	-	-	-
Loans	1,384,736	-	-	-	-	-	-
Other	-	-	-	-	213,355	-	-
Due from other funds	-	146,620	404,060	-	1,140,739	107,104	79,833
Total assets	<u>\$ 3,474,409</u>	<u>\$ 146,620</u>	<u>\$ 404,060</u>	<u>\$ 5,346,068</u>	<u>\$ 1,354,094</u>	<u>\$ 107,104</u>	<u>\$ 79,833</u>
<u>Liabilities</u>							
Accounts payable	\$ 518,969	\$ -	\$ 38,040	\$ 251,352	\$ 2,960	\$ 13,866	\$ 268
Retainage payable	-	-	-	14,020	-	-	-
Due to other funds	526,675	-	-	6,238,237	-	-	-
Unearned revenue	-	-	-	218,138	-	-	-
Total liabilities	<u>1,045,644</u>	<u>-</u>	<u>38,040</u>	<u>6,721,747</u>	<u>2,960</u>	<u>13,866</u>	<u>268</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue							
Intergovernmental	-	-	-	939,338	-	-	-
<u>Fund Balances</u>							
Restricted	2,428,765	146,620	-	-	254,656	-	-
Committed	-	-	366,020	17,794	1,096,478	93,238	79,565
Unassigned	-	-	-	(2,332,811)	-	-	-
Total fund balances	<u>2,428,765</u>	<u>146,620</u>	<u>366,020</u>	<u>(2,315,017)</u>	<u>1,351,134</u>	<u>93,238</u>	<u>79,565</u>
Total liabilities and fund balances	<u>\$ 3,474,409</u>	<u>\$ 146,620</u>	<u>\$ 404,060</u>	<u>\$ 5,346,068</u>	<u>\$ 1,354,094</u>	<u>\$ 107,104</u>	<u>\$ 79,833</u>

(Continued)

City of West Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds			Capital Project Fund	Total Other Governmental Funds	
	School Lunch Program	School Activity	Career and Adult Education	Total Special Revenue Funds		Capital and Nonrecurring
<u>Assets</u>						
Cash	\$ 1,260	\$ 590,390	\$ -	\$ 2,340,140	\$ -	\$ 2,340,140
Receivables (net):						
Intergovernmental	674,839	-	-	6,362,090	-	6,362,090
Loans	-	-	-	1,384,736	-	1,384,736
Other	-	-	-	213,355	-	213,355
Due from other funds	<u>1,212,733</u>	<u>-</u>	<u>179,535</u>	<u>3,270,624</u>	<u>1,991,427</u>	<u>5,262,051</u>
Total assets	<u>\$ 1,888,832</u>	<u>\$ 590,390</u>	<u>\$ 179,535</u>	<u>\$ 13,570,945</u>	<u>\$ 1,991,427</u>	<u>\$ 15,562,372</u>
<u>Liabilities</u>						
Accounts payable	\$ 692,746	\$ -	\$ 2,156	\$ 1,520,357	\$ 92,209	\$ 1,612,566
Retainage payable	-	-	-	14,020	-	14,020
Due to other funds	-	-	-	6,764,912	-	6,764,912
Unearned revenue	<u>9,101</u>	<u>-</u>	<u>113,855</u>	<u>341,094</u>	<u>-</u>	<u>341,094</u>
Total liabilities	<u>701,847</u>	<u>-</u>	<u>116,011</u>	<u>8,640,383</u>	<u>92,209</u>	<u>8,732,592</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue						
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>939,338</u>	<u>-</u>	<u>939,338</u>
<u>Fund Balances</u>						
Restricted	1,186,985	66,062	-	4,083,088	-	4,083,088
Committed	-	524,328	63,524	2,240,947	1,899,218	4,140,165
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,332,811)</u>	<u>-</u>	<u>(2,332,811)</u>
Total fund balances	<u>1,186,985</u>	<u>590,390</u>	<u>63,524</u>	<u>3,991,224</u>	<u>1,899,218</u>	<u>5,890,442</u>
Total liabilities and fund balances	<u>\$ 1,888,832</u>	<u>\$ 590,390</u>	<u>\$ 179,535</u>	<u>\$ 13,570,945</u>	<u>\$ 1,991,427</u>	<u>\$ 15,562,372</u>

(Concluded)

City of West Haven, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds						
	Community Development Block Grant	Document Preservation	Sports Facilities	Miscellaneous Grants	Public Safety	Health and Welfare	Savin Rock
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	983,629	-	-	1,928,753	93,425	989,649	-
Charges for services	17,557	16,717	402,259	1,750	1,160,551	-	-
Contributions	-	-	2,000	2,250	-	-	1,300
Income from investments	14,575	-	-	-	-	-	-
Other	-	-	-	84,473	-	-	-
Total revenues	<u>1,015,761</u>	<u>16,717</u>	<u>404,259</u>	<u>2,017,226</u>	<u>1,253,976</u>	<u>989,649</u>	<u>1,300</u>
Expenditures:							
Current:							
General government	-	-	-	1,285,131	-	-	-
Public safety	-	-	-	38,910	600,718	-	-
Public works	-	-	-	1,402,643	-	-	-
Human resources and health and welfare	514,336	-	-	173,521	-	967,320	-
Parks and recreation	-	-	389,971	-	-	-	18,304
Education	-	-	-	-	-	-	-
Capital outlay	518,896	-	-	1,471,418	-	-	-
Total expenditures	<u>1,033,232</u>	<u>-</u>	<u>389,971</u>	<u>4,371,623</u>	<u>600,718</u>	<u>967,320</u>	<u>18,304</u>
Excess (deficiency) of revenues over expenditures	(17,471)	16,717	14,288	(2,354,397)	653,258	22,329	(17,004)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Net change in fund balances	(17,471)	16,717	14,288	(2,354,397)	653,258	22,329	(17,004)
Fund balances - July 1, 2022	<u>2,446,236</u>	<u>129,903</u>	<u>351,732</u>	<u>39,380</u>	<u>697,876</u>	<u>70,909</u>	<u>96,569</u>
Fund balances - June 30, 2023	<u>\$ 2,428,765</u>	<u>\$ 146,620</u>	<u>\$ 366,020</u>	<u>\$ (2,315,017)</u>	<u>\$ 1,351,134</u>	<u>\$ 93,238</u>	<u>\$ 79,565</u>

(Continued)

City of West Haven, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds			Capital Project Fund	Total Other Governmental Funds	
	School Lunch Program	School Activity	Career and Adult Education	Total Special Revenue Funds		Capital and Nonrecurring
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 462,045	\$ 462,045
Intergovernmental	4,535,530	-	53,740	8,584,726	-	8,584,726
Charges for services	85,302	1,056,883	21,829	2,762,848	-	2,762,848
Contributions	-	-	11,627	17,177	-	17,177
Income from investments	-	-	-	14,575	-	14,575
Other	-	-	-	84,473	-	84,473
Total revenues	4,620,832	1,056,883	87,196	11,463,799	462,045	11,925,844
Expenditures:						
Current:						
General government	-	-	-	1,285,131	-	1,285,131
Public safety	-	-	-	639,628	-	639,628
Public works	-	-	-	1,402,643	72,671	1,475,314
Human resources and health and welfare	-	-	-	1,655,177	-	1,655,177
Parks and recreation	-	-	-	408,275	-	408,275
Education	4,453,328	1,046,462	75,927	5,575,717	-	5,575,717
Capital outlay	-	-	-	1,990,314	701,252	2,691,566
Total expenditures	4,453,328	1,046,462	75,927	12,956,885	773,923	13,730,808
Excess (deficiency) of revenues over expenditures	167,504	10,421	11,269	(1,493,086)	(311,878)	(1,804,964)
Other financing sources (uses):						
Transfers in	-	-	-	-	1,145,000	1,145,000
Net change in fund balances	167,504	10,421	11,269	(1,493,086)	833,122	(659,964)
Fund balances - July 1, 2022	1,019,481	579,969	52,255	5,484,310	1,066,096	6,550,406
Fund balances - June 30, 2023	<u>\$ 1,186,985</u>	<u>\$ 590,390</u>	<u>\$ 63,524</u>	<u>\$ 3,991,224</u>	<u>\$ 1,899,218</u>	<u>\$ 5,890,442</u>

(Concluded)

Internal Service Funds

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

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

City of West Haven, Connecticut
Internal Service Funds
Combining Statement of Net Position
June 30, 2023

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<u>Assets</u>				
Current assets:				
Due from other funds	<u>\$3,365,920</u>	<u>\$ 11,334</u>	<u>\$ 2,278,956</u>	<u>\$ 5,656,210</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	30,501	7,696	128,652	166,849
Claims payable	<u>371,000</u>	<u>253,542</u>	<u>2,736,366</u>	<u>3,360,908</u>
Total current liabilities	401,501	261,238	2,865,018	3,527,757
Noncurrent liability:				
Claims payable	<u>-</u>	<u>174,676</u>	<u>7,111,736</u>	<u>7,286,412</u>
Total liabilities	<u>401,501</u>	<u>435,914</u>	<u>9,976,754</u>	<u>10,814,169</u>
<u>Net Position</u>				
Restricted for OPEB	525,000	-	-	525,000
Unrestricted	<u>2,439,419</u>	<u>(424,580)</u>	<u>(7,697,798)</u>	<u>(5,682,959)</u>
Total net position	<u>\$2,964,419</u>	<u>\$ (424,580)</u>	<u>\$ (7,697,798)</u>	<u>\$ (5,157,959)</u>

City of West Haven, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	<u>Medical</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 11,931,150	\$ 787,098	\$ 3,924,296	\$ 16,642,544
Contributions - OPEB	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total operating revenues	<u>12,131,150</u>	<u>787,098</u>	<u>3,924,296</u>	<u>16,842,544</u>
Operating expenses:				
Claims	9,547,493	545,744	1,987,428	12,080,665
Administration	<u>969,140</u>	<u>160,584</u>	<u>174,996</u>	<u>1,304,720</u>
Total operating expenses	<u>10,516,633</u>	<u>706,328</u>	<u>2,162,424</u>	<u>13,385,385</u>
Change in net position	1,614,517	80,770	1,761,872	3,457,159
Net position - July 1, 2022	<u>1,349,902</u>	<u>(505,350)</u>	<u>(9,459,670)</u>	<u>(8,615,118)</u>
Net position - June 30, 2023	<u>\$ 2,964,419</u>	<u>\$ (424,580)</u>	<u>\$ (7,697,798)</u>	<u>\$ (5,157,959)</u>

City of West Haven, Connecticut

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

	Medical	General Liability	Workers' Compensation	Total
Cash flows from (used in) operating activities:				
Cash received for charges	\$ 10,630,923	\$ 779,323	\$ 2,059,696	\$ 13,469,942
Cash paid for claims and other	(9,701,493)	(621,559)	(1,998,545)	(12,321,597)
Cash paid for administration	(969,140)	(160,584)	(61,151)	(1,190,875)
Cash paid for insurance	-	2,820	-	2,820
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net increase (decrease) in cash	(39,710)	-	-	(39,710)
Cash - July 1, 2022	<u>39,710</u>	<u>-</u>	<u>-</u>	<u>39,710</u>
Cash - June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:				
Operating income (loss)	\$ 1,614,517	\$ 80,770	\$ 1,761,872	\$ 3,457,159
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	3,552	-	-	3,552
Due from other funds	(1,503,779)	(7,775)	(1,864,600)	(3,376,154)
Increase (decrease) in:				
Accounts payable	-	2,820	113,845	116,665
Claims payable	(154,000)	(75,815)	(11,117)	(240,932)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash from (used in) operating activities	<u>\$ (39,710)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,710)</u>

Trend Information

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

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

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

City of West Haven, Connecticut

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

June 30

	<u>2023</u>	<u>2022</u> (as restated)	<u>2021</u>	<u>2020</u> (as restated)	<u>2019</u>	<u>2018</u> (as restated)	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net investment in capital assets	\$ 234,676,427	\$ 233,609,310	\$ 211,688,503	\$ 159,518,899	\$ 157,436,719	\$ 119,362,746	\$ 113,820,843	\$ 110,165,292	\$ 103,786,476	\$ 93,015,386
Restricted	14,267,339	14,215,930	22,856,672	9,216,122	6,551,358	4,557,472	1,008,845	1,450,430	199,656	143,257
Unrestricted	<u>(349,390,882)</u>	<u>(350,136,833)</u>	<u>(349,426,645)</u>	<u>(300,272,413)</u>	<u>(322,929,859)</u>	<u>(304,748,526)</u>	<u>(312,365,310)</u>	<u>(323,319,157)</u>	<u>(153,446,871)</u>	<u>(82,442,903)</u>
Total net position	<u><u>\$(100,447,116)</u></u>	<u><u>\$(102,311,593)</u></u>	<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>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
General government	\$ 16,207,996	\$ 11,650,010	\$ 12,053,894	\$ 9,957,315	\$ 10,694,871	\$ 11,565,167	\$ 9,351,824	\$ 7,774,273	\$ 7,477,278	\$ 7,987,973
Public safety	49,534,573	44,791,584	35,501,307	43,468,810	35,490,850	32,404,160	30,531,663	32,061,576	34,474,682	34,391,960
Public works	28,877,021	29,818,621	27,453,929	25,830,193	25,885,886	25,371,336	21,665,363	23,875,064	25,086,632	21,635,683
Human resources and health and welfare	4,339,986	4,246,746	5,304,807	2,622,275	3,754,865	3,824,643	3,694,157	2,549,216	2,768,874	2,540,066
Parks and recreation	2,121,692	1,569,197	1,033,156	966,240	1,771,034	1,841,119	2,310,370	2,186,667	1,968,356	1,959,279
Library	1,171,323	1,435,692	1,443,266	1,421,000	1,546,000	1,596,000	1,596,000	1,778,657	1,798,324	1,867,189
Education	150,320,467	141,592,100	142,739,437	121,573,391	134,703,644	125,631,324	120,668,671	122,678,656	120,520,940	123,106,721
Interest	2,729,918	2,005,854	1,650,927	6,014,918	3,910,292	4,230,136	3,295,938	4,719,812	3,525,526	7,392,322
Total expenses	255,302,976	237,109,804	227,180,723	211,854,142	217,757,442	206,463,885	193,113,986	197,623,921	197,620,612	200,881,193
Program revenues:										
Charges for services:										
General government	3,740,728	3,407,409	2,817,905	913,317	2,779,906	2,749,383	2,018,005	830,937	742,464	655,798
Public safety	2,389,754	2,751,728	2,544,709	2,466,353	2,796,049	2,557,729	2,723,298	2,500,890	2,089,617	2,130,821
Public works	13,273,358	12,249,832	12,040,275	13,661,767	12,071,740	11,933,542	9,489,397	13,468,371	13,164,265	13,470,649
Human resources and health and welfare	140,062	101,957	120,735	42,330	237,135	171,249	191,118	335,370	334,002	289,573
Parks and recreation	287,604	276,994	27,180	488,518	699,612	793,148	914,321	904,347	958,168	950,469
Education	1,566,273	1,188,617	1,000,919	150,866	273,378	669,194	796,945	766,938	917,518	1,020,331
Operating grants and contributions	96,885,476	94,602,274	83,415,164	80,729,008	76,788,567	79,059,267	78,204,022	69,612,238	70,338,355	68,763,572
Capital grants and contributions	10,507,612	12,345,918	24,514,278	22,100,714	27,405,117	10,273,017	4,397,033	6,670,007	6,224,629	3,365,792
Total program revenues	128,790,867	126,924,729	126,481,165	120,561,043	123,051,504	108,206,529	98,742,309	95,089,098	94,769,018	90,647,005
Net expenses	(126,512,109)	(110,185,075)	(100,699,558)	(91,293,099)	(94,705,938)	(98,257,356)	(94,371,677)	(102,534,823)	(102,851,594)	(110,234,188)
General revenues and other changes in net position:										
Property taxes	114,633,763	113,190,707	110,852,952	107,670,568	105,253,727	100,126,868	100,126,868	95,079,278	92,973,074	93,549,828
Grants and contributions not restricted to specific programs	11,645,101	9,939,160	7,135,069	10,143,646	12,027,245	8,192,236	8,192,236	7,553,442	7,593,745	7,369,539
Income from investments	1,780,291	121,317	46,637	349,478	381,979	11,508	11,508	6,718	7,766	8,491
Gain on sale of assets	317,431	550,799	299,757	225,571	298,807	317,431	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	1,448,500	59,274
Other	-	-	-	-	-	217,048	217,048	1,043,784	278,459	579,405
Total general revenues	128,376,586	123,801,983	118,334,415	118,389,263	117,961,758	108,865,091	108,547,660	103,683,222	102,301,544	101,566,537
Extraordinary item:										
Casualty loss	-	(265,257)	(978,935)	-	-	-	-	-	-	-
Change in net position	\$ 1,864,477	\$ 13,351,651	\$ 16,655,922	\$ 27,096,164	\$ 23,255,820	\$ 10,607,735	\$ 14,175,983	\$ 1,148,399	\$ (550,050)	\$ (8,667,651)

Source: Current and prior year financial statements.

City of West Haven, Connecticut

Governmental Funds
Fund Balances
Last Ten Years
(Unaudited)

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
				(as restated)		(as restated)				
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 346,540	\$ -	\$ -	\$ -	\$ 152,351	\$ 6,116,001	\$ 1,760,849
Assigned	-	-	-	27,720	-	-	-	-	-	-
Unassigned	14,758,946	7,983,134	5,666,367	3,201,411	1,358,918	11,360	(18,138,674)	(16,888,415)	(16,313,098)	(10,254,844)
Total general fund	14,758,946	7,983,134	5,666,367	3,575,671	1,358,918	11,360	(18,138,674)	(16,736,064)	(10,197,097)	(8,493,995)
All other governmental funds:										
Nonspendable	149,832	149,832	149,832	149,832	149,832	1,787,973	-	149,832	2,079,171	-
Restricted	14,267,339	14,215,930	11,473,737	9,258,988	6,551,358	2,769,499	1,008,845	1,450,430	199,656	200,587
Committed	9,531,185	6,930,520	13,651,425	48,726,987	1,006,050	450,734	1,387,873	-	-	402,098
Unassigned	(27,642,550)	(25,786,829)	(33,525,523)	(84,871,472)	(25,799,025)	(3,232,103)	(866,460)	(2,661,727)	(9,734,429)	(8,781,547)
Total all other governmental funds	(3,694,194)	(4,490,547)	(8,250,529)	(26,735,665)	(18,091,785)	1,776,103	1,530,258	(1,061,465)	(7,455,602)	(8,178,862)
Grand total	<u>\$ 11,064,752</u>	<u>\$ 3,492,587</u>	<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>

Source: Current and prior year financial statements.

Notes:

General fund:

 Unassigned Increase due to positive operations in current year.

All other governmental funds:

 Committed Increase due to increase in commitment for Beach Street roadway and capital and nonrecurring fund offset by decrease in the amount committed for the high school project.

 Unassigned Decrease due to positive operations in the capital improvement fund related to issuance of bonds and increase in miscellaneous fund unassigned balance due to intergovernmental receivable write off.

City of West Haven, Connecticut

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

Fiscal Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property taxes	\$105,440,569	\$105,419,834	\$ 103,334,930	\$ 99,858,280	\$ 97,509,642	\$ 95,880,234	\$ 94,300,417	\$ 90,455,343	\$ 89,195,459	\$ 89,089,508
Intergovernmental	57,490,802	55,838,540	52,913,217	55,741,342	57,948,396	60,551,502	54,442,288	55,457,785	56,342,261	55,506,537
Charges for services	5,189,267	4,950,862	4,258,037	3,676,119	4,458,444	4,459,358	3,586,549	3,589,044	3,925,914	3,365,573
Contributions	505,015	466,715	444,796	444,561	437,317	427,290	422,652	413,060	411,127	405,606
Income from investments	1,765,716	120,555	44,064	348,190	381,638	193,375	7,199	3,946	5,244	4,839
Other	160,754	148,417	54,640	204,699	220,033	138,275	198,803	630,723	1,139,974	579,405
Total revenues	170,552,123	166,944,923	161,049,684	160,273,191	160,955,470	161,650,034	152,957,908	150,549,901	151,019,979	148,951,468
Expenditures:										
Current:										
General government	7,434,019	6,517,569	6,293,655	5,628,028	5,686,760	6,025,857	5,582,281	5,613,257	5,523,725	5,867,510
Public safety	18,324,256	16,818,097	15,876,544	15,545,783	15,206,742	15,513,579	15,037,051	14,648,759	14,698,060	14,192,501
Public works	10,927,390	11,898,139	11,235,174	10,307,368	10,090,546	10,399,951	10,741,857	10,530,433	10,186,627	10,604,939
Benefits and insurance	21,716,873	18,864,103	17,368,172	16,284,924	16,167,113	17,120,879	16,281,933	16,420,785	15,921,252	13,591,703
Human resources and health and welfare	1,212,239	1,171,481	799,012	1,072,935	1,065,621	1,160,864	1,162,719	1,113,962	1,130,451	1,100,338
Parks and recreation	978,940	874,536	667,981	759,459	869,606	885,004	869,743	844,947	869,583	870,443
Library	1,575,374	1,435,692	1,321,680	1,421,000	1,546,000	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000
Education	89,960,421	89,960,421	87,224,298	89,139,235	90,526,821	89,602,256	87,778,458	87,666,923	86,351,705	85,004,012
Debt service	12,443,434	17,900,579	18,132,932	18,498,828	18,926,611	17,401,021	16,731,010	15,817,910	16,927,158	17,573,204
Total expenditures	164,572,946	165,440,617	158,919,448	158,657,560	160,085,820	159,705,411	155,781,052	154,252,976	153,238,562	150,434,650
Excess (deficiency) of revenues over expenditures	5,979,177	1,504,306	2,130,236	1,615,631	869,650	1,944,623	(2,823,144)	(3,703,075)	(2,218,583)	(1,483,182)
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	16,135,000	-	-	-	-
Premium	-	-	-	-	-	1,040,796	-	-	-	-
Sale of assets	317,431	550,800	309,608	12,000	298,807	199,200	308,450	-	-	-
Transfers in	479,204	548,785	903,313	1,284,122	1,709,734	1,303,546	1,796,865	1,655,231	1,460,977	2,150,518
Transfers out	-	(21,867)	(273,526)	(695,000)	(111,246)	(303,342)	(684,781)	(438,291)	(976,000)	(1,204,747)
Net other financing sources (uses)	796,635	1,077,718	939,395	601,122	1,897,295	18,375,200	1,420,534	1,216,940	484,977	945,771
Extraordinary item:										
Casualty loss	-	(265,257)	(978,935)	-	-	-	-	-	-	-
Net change in fund balances	\$ 6,775,812	\$ 2,316,767	\$ 2,090,696	\$ 2,216,753	\$ 2,766,945	\$ 20,319,823	\$ (1,402,610)	\$ (2,486,135)	\$ (1,733,606)	\$ (537,411)
Debt service as a percentage of expenditures	7.56%	10.82%	11.41%	14.70%	11.82%	10.90%	10.74%	10.25%	11.05%	11.68%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property taxes	\$ 112,891,360	\$ 113,112,017	\$ 111,205,380	\$ 107,161,361	\$ 105,055,923	\$ 102,157,929	\$ 99,833,820	\$ 95,978,106	\$ 94,212,286	\$ 94,202,314
Intergovernmental	116,830,444	116,015,101	114,439,063	106,136,189	122,803,344	103,359,452	90,254,995	93,208,317	84,253,028	79,386,506
Charges for services	21,164,635	19,798,570	18,445,802	17,697,504	18,726,972	19,258,590	18,734,961	18,007,328	18,188,324	17,558,937
Contributions	622,192	704,049	565,353	544,561	542,758	567,392	113,144	6,718	7,766	8,491
Income from investments	1,780,291	121,317	46,637	349,478	381,979	198,896	11,508	178,812	116,280	76,150
Other	261,913	168,202	60,095	510,872	240,862	217,148	642,200	628,784	237,909	579,405
Total revenues	<u>253,550,835</u>	<u>249,919,256</u>	<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>
Expenditures:										
Current:										
General government	9,255,092	6,517,569	6,293,655	5,628,028	5,744,906	6,437,489	6,085,057	5,647,074	5,510,058	5,737,466
Public safety	28,350,983	26,746,583	25,953,206	23,550,628	22,735,353	22,668,951	22,508,563	22,317,496	22,153,601	20,666,182
Public works	23,995,757	19,984,685	18,168,308	17,812,221	17,546,777	17,374,271	17,698,206	20,136,638	19,549,895	17,357,922
Benefits and insurance	21,716,873	18,864,103	17,368,172	16,284,924	16,167,113	17,120,879	16,281,933	16,451,288	15,890,748	13,602,831
Human resources and health and welfare	2,973,166	2,911,651	3,890,967	1,899,482	2,446,765	2,872,254	2,636,816	2,076,300	2,253,077	1,946,985
Parks and recreation	1,881,173	1,343,436	822,036	772,571	1,279,744	1,355,793	1,814,119	1,832,991	1,629,541	1,563,951
Library	1,583,544	1,435,692	1,387,010	1,421,000	1,546,000	1,596,000	1,596,000	1,596,000	1,630,001	1,630,000
Education	137,896,904	133,829,042	121,510,371	116,132,611	126,290,818	121,338,432	117,578,132	118,107,395	107,662,010	105,512,213
Capital outlay	10,962,697	23,647,338	49,199,937	35,225,764	50,332,471	15,215,614	11,500,844	2,389,770	9,989,505	9,474,379
Debt service	14,549,825	20,026,028	20,453,083	20,416,259	21,111,734	19,279,951	18,666,440	17,688,591	25,073,237	20,825,627
Total expenditures	<u>253,166,014</u>	<u>255,306,127</u>	<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>
Excess (deficiency) of revenues over expenditures	<u>384,821</u>	<u>(5,386,871)</u>	<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>
Other financing sources (uses):										
Issuance of refunding debt	-	-	-	-	-	-	-	-	38,715,000	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(38,377,921)	(6,392,319)
Issuance of debt	6,822,048	8,160,192	39,152,933	-	-	16,354,311	9,635,000	-	11,560,662	-
Premium	47,865	3,017,885	2,376,641	6,869,913	-	1,690,997	-	-	-	-
Sale of assets	317,431	550,800	309,608	-	298,807	199,200	308,450	415,000	1,448,500	-
Transfers in	2,824,204	610,572	1,426,839	1,979,122	1,889,809	1,606,888	2,481,646	6,055,392	2,658,337	3,235,880
Transfers out	(2,824,204)	(610,572)	(1,426,839)	(1,979,122)	(1,889,809)	(1,606,888)	(2,481,646)	(6,379,744)	(2,658,337)	(3,176,606)
Net other financing sources (uses)	<u>7,187,344</u>	<u>11,728,877</u>	<u>41,839,182</u>	<u>6,869,913</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>
Extraordinary item:										
Casualty loss	-	(265,257)	(978,935)	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 7,572,165</u>	<u>\$ 6,076,749</u>	<u>\$ 20,575,832</u>	<u>\$ 126,390</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>
Debt service as a percentage of noncapital expenditures	<u>6.08%</u>	<u>8.78%</u>	<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>

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	
2014	31.25	2012	\$ 88,395,137	\$ 86,723,519	98.11%	\$ 1,581,049	\$ 88,304,568	99.90%	\$ 90,569
2015	31.25	2013	88,651,979	87,340,812	98.52%	1,164,980	88,505,792	99.84%	146,187
2016	31.25	2014	89,720,548	88,555,278	98.70%	1,001,496	89,556,774	99.82%	163,774
2017	35.26	2015	94,194,456	92,520,326	98.22%	1,563,826	94,084,152	99.88%	110,304
2018	35.26	2016	94,716,054	93,225,076	98.43%	1,333,737	94,558,813	99.83%	157,241
2019	35.26	2017	97,161,771	95,560,257	98.35%	1,499,273	97,059,530	99.89%	102,241
2020	36.26	2018	99,474,011	97,332,822	97.85%	2,018,921	99,351,743	99.88%	122,268
2021	37.48	2019	102,396,456	100,704,047	98.35%	1,549,518	102,253,565	99.86%	142,891
2022	34.00	2020	105,045,752	103,197,138	98.24%	676,125	103,873,263	98.88%	1,172,489
2023	34.00	2021	106,607,588	103,391,672	96.98%	-	103,391,672	96.98%	3,215,916

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 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	
2014	8.38	2012	\$ 4,526,447	\$ 4,393,485	97.06%	\$ 119,630	\$ 4,513,115	99.71%	\$ 13,332
2015	8.63	2013	4,887,391	4,762,781	97.45%	106,177	4,868,958	99.62%	18,433
2016	9.44	2014	5,420,240	5,292,934	97.65%	106,984	5,399,918	99.63%	20,322
2017	11.07	2015	5,175,224	5,120,275	98.94%	39,414	5,159,689	99.70%	15,535
2018	12.52	2016	5,923,717	5,866,250	99.03%	40,918	5,907,168	99.72%	16,549
2019	13.06	2017	7,076,508	6,946,268	98.16%	110,921	7,057,189	99.73%	19,319
2020	14.02	2018	7,223,858	7,060,077	97.73%	140,536	7,200,613	99.68%	23,245
2021	14.02	2019	7,059,795	6,934,269	98.22%	101,801	7,036,070	99.66%	23,725
2022	11.62	2020	7,198,523	7,065,889	98.16%	45,061	7,110,950	98.78%	87,573
2023	11.61	2021	6,903,928	6,810,390	98.65%	-	6,810,390	98.65%	93,538

Source: Current and prior year financial statements.

Notes:

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

City of West Haven, Connecticut

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

Year Ended June 30	General Obligation Bonds	Permanently Financed Bond Anticipation Notes	Pension Bonds	Premium	(2) Notes	Leases	Subscriptions	Total	(1) Population	Debt Per Capita
2014	\$ 67,315,000	\$6,110,000	\$ 36,125,000	\$ 3,142,000	\$ 31,641,281	\$ -	\$ -	\$ 144,333,281	55,046	\$ 2,622
2015	67,705,000	-	34,565,000	2,693,143	31,341,683	-	-	136,304,826	56,172	2,427
2016	60,630,000	-	30,865,000	2,244,286	28,872,619	-	-	122,611,905	56,172	2,183
2017	53,230,000	9,635,000	26,270,000	1,795,429	26,386,024	-	-	117,316,453	54,516	2,152
2018	71,480,000	-	21,275,000	2,935,672	24,183,209	-	-	119,873,881	54,843	2,186
2019	62,280,000	-	16,150,000	2,384,918	22,078,068	-	-	102,892,986	54,879	1,875
2020	53,090,000	-	10,870,000	1,834,165	19,988,845	-	-	85,783,010	54,879	1,563
2021	62,975,000	13,000,000	5,540,000	3,541,220	23,769,808	449,006	-	109,275,034	55,584	1,966
2022	74,300,000	-	-	6,083,125	21,122,533	867,418	1,610,678	103,983,754	55,294	1,881
2023	65,465,000	6,200,000	-	5,716,995	20,442,051	725,328	1,211,139	99,760,513	55,004	1,814

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, 2023
(Unaudited)

Tax base:

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

City	\$ 105,363,026
Allingtown Fire Department	7,241,746
West Shore Fire District	10,592,816
First Fire District	<u>15,309,554</u>

Total base

\$ 138,507,142

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 311,641,070	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	623,282,139	-	-	-
3 3/4 times base	-	-	519,401,783	-	-
3 1/4 times base	-	-	-	450,148,212	-
3 times base	-	-	-	-	415,521,426
Total debt limitation	<u>311,641,070</u>	<u>623,282,139</u>	<u>519,401,783</u>	<u>450,148,212</u>	<u>415,521,426</u>
Indebtedness:					
Bonds payable	30,532,112	32,468,888	2,464,000	-	-
Bond anticipation notes - long term	-	6,200,000	-	-	-
Bond anticipation notes - short term	-	330,000	-	-	-
West Shore Fire District	-	-	-	-	-
First Fire Taxation District	-	-	-	-	-
Total indebtedness	<u>30,532,112</u>	<u>38,998,888</u>	<u>2,464,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 281,108,958</u>	<u>\$ 584,283,251</u>	<u>\$ 516,937,783</u>	<u>\$ 450,148,212</u>	<u>\$ 415,521,426</u>
The total net indebtedness above amounts to:					<u>\$ 71,995,000</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 969,549,994</u>

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, 2023**

City of West Haven, Connecticut
For the Year Ended June 30, 2023

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2024.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004 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
May 28, 2024

**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

Opinion on Each Major Federal Program

We have audited the City of West Haven, Connecticut's ("City") compliance with the types of compliance requirements identified as subject to audit 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, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 2023-005 and 2023-006. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 a 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated May 28, 2024, which contained unmodified opinions on those financial statements.

Our audit was performed 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

City of West Haven, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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	\$ -	\$ 992,701
National School Lunch Program	10.555	State Department of Education	12060-SDE64370-20560	-	2,893,804
National School Lunch Program - Commodities	10.555	State Department of Administrative Services	N/A	-	122,250
Fresh Fruit and Vegetable Program	10.582	State Department of Administrative Services	N/A	-	<u>174,997</u>
Total Child Nutrition Cluster					\$ 4,183,752
State Administrative Expenses for Child Nutrition	10.560	State Department of Education	12060-SDE64370-23126	-	152,824
COVID-19 Pandemic EBT Administrative Costs	10.649	State Department of Education	12060-SDE64370-29802	-	8,787
Urban Agriculture and Innovative Production	10.935	Direct Program	N/A	-	<u>41,830</u>
Total U.S. Department of Agriculture					<u>4,387,193</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	-	883,818
COVID-19 Community Development Block Grants/Entitlement Grant		Direct Program	N/A	-	<u>99,811</u>
Total U.S. Department of Housing and Urban Development	14.218				<u>983,629</u>
<u>U.S. Department of Justice</u>					
Equitable Sharing Program	16.922	Direct Program	N/A	-	<u>113,691</u>
<u>U.S. Department of the Treasury</u>					
Coronavirus State and Local Fiscal Recovery Funds		Direct Program	N/A	-	6,039,766
Coronavirus State and Local Fiscal Recovery Funds - Free Meals for Students		State Department of Education	12060-SDE64370-28105	-	74,414
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act - School Readiness Enrollment Grants - Priority Enrollment-based		State Office of Early Childhood	12060-OEC64845-28227	-	231,632
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act - School Readiness Enrollment Grants - Priority Admin Funds Enhancement		State Office of Early Childhood	12060-OEC64845-28227	-	<u>28,361</u>
Total U.S. Department of the Treasury	21.027				<u>6,374,173</u>
<u>U.S. Department of Education</u>					
Adult Education - Basic Grants to States	84.002	State Department of Education	12060-SDE64370-20784-2023	-	30,000
Title I Grants to Local Educational Agencies	84.010	State Department of Education	12060-SDE64370-20679-2023	-	2,943,930
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B) - Special Education Activities		State Department of Education	12060-SDE64370-20977-2021	-	10,000
Special Education - Grants to States (IDEA, Part B) - Paraeducator Professional Development Activities		State Department of Education	12060-SDE64370-20977-2021	-	5,000
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2023	-	1,824,002
Special Education - Grants to States (IDEA, Part B) - CT SEDS Implementation Stipend		State Department of Education	12060-SDE64370-20977-2023	-	31,500
COVID-19 American Rescue Plan - Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-23083-2022	-	<u>182,871</u>
Total Special Education-Grants to States (IDEA Part B)	84.027				<u>2,053,373</u>
Special Education - Preschool Grants (IDEA Preschool)		State Department of Education	12060-SDE64370-20983-2023	-	60,436
COVID-19 American Rescue Plan - Special Education - Preschool Grants (IDEA Preschool)		State Department of Education	12060-SDE64370-29684-2022	-	<u>17,388</u>
Total Special Education - Preschool Grants (IDEA Preschool)	84.173				<u>77,824</u>
Total Special Education Cluster (IDEA)					2,131,197

See Notes to Schedule of Expenditures of Federal Awards.

(Continued)

City of West Haven, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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>					
Career and Technical Education - Basic Grants to States	84.048	State Department of Education	12060-SDE64370-20742-2023	\$ -	\$ 137,852
Education for Homeless Children and Youth	84.196	State Department of Education	12060-SDE64370-20770-2022	-	120,000
English Language Acquisition State Grants		State Department of Education	12060-SDE64370-20868-82075-2023	-	\$ 133,016
English Language Acquisition State Grants		State Department of Education	12060-SDE64370-20868-82076-2023	-	<u>6,250</u>
Total English Language Acquisition State Grants	84.365				139,266
Supporting Effective Instruction State Grants	84.367	State Department of Education	12060-SDE64370-20858-2023	-	269,342
Student Support and Academic Enrichment Program (Title IV)	84.424	State Department of Education	12060-SDE64370-22854-2023	-	221,349
Education Stabilization Fund (ESF):					
Elementary and Secondary School Emergency Relief Fund - ESSER II Bonus Special Populations \$25K Recovery Grant	D	State Department of Education	12060-SDE64370-29571-2021	-	25,000
Elementary and Secondary School Emergency Relief Fund - ESSER II Special Education Recovery Activities Grant	D	State Department of Education	12060-SDE64370-29571-2021	-	60,000
Elementary and Secondary School Emergency Relief Fund - ESSER II Bonus Dyslexia Recovery Grant	D	State Department of Education	12060-SDE64370-29571-2021	-	5,525
Elementary and Secondary School Emergency Relief Fund - ESSER II Funds	D	State Department of Education	12060-SDE64370-29571-2021	-	4,356,426
Elementary and Secondary School Emergency Relief Fund - ESSER II State Set-Aside	D	State Department of Education	12060-SDE64370-29571-2021	-	153,227
Elementary and Secondary School Emergency Relief Fund - Family Resource Center - ESSER II	D	State Department of Education	12060-SDE64370-29571-2021	-	12,500
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	U	State Department of Education	12060-SDE64370-29636-2021	-	2,888,831
Elementary and Secondary School Emergency Relief Fund - ARP ESSER Homeless Children and Youth (HCY) I	W	State Department of Education	12060-SDE64370-29650-2021	-	120,000
Elementary and Secondary School Emergency Relief Fund - ARP ESSER Homeless Children and Youth (HCY) II	W	State Department of Education	12060-SDE64370-29650-2021	-	<u>59,140</u>
Total Education Stabilization Fund (ESF)	84.425				<u>7,680,649</u>
Total U.S. Department of Education					<u>13,673,585</u>
<u>U.S. Election Assistance Commission</u>					
Help America Vote Act Requirements Payments	90.401	Secretary of the State	12060-SOS12500-21465	-	<u>10,671</u>
<u>U.S. Department of Health and Human Services</u>					
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	State Department of Public Health	12060-DPH48557-29582	-	<u>71,982</u>
<u>U.S. Department of Homeland Security</u>					
Emergency Management Performance Grants	97.042	State Department of Emergency Services and Public Protection	12060-DPS32160-21881	-	38,909
Assistance to Firefighters Grant		Direct Program	N/A	-	316,235
Assistance to Firefighters Grant		West Haven First Fire Taxation District	N/A	-	23,284
Assistance to Firefighters Grant		West Haven First Fire Taxation District	N/A	-	<u>22,120</u>
Total Assistance for Firefighters Grant	97.044				<u>361,639</u>
Total U.S. Department of Homeland Security					<u>400,548</u>
Total Expenditures of Federal Awards				<u>\$ -</u>	<u>\$26,015,472</u>

N/A - Not applicable or not available.

(Concluded)

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, 2023**

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 the following noncash awards:

USDA donated commodities:	
National School Lunch Program	\$ 122,250
Fresh Fruit and Vegetable Program	174,997

City of West Haven, Connecticut

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

Finding 2022-001 Vendor Approval (Material Weakness) – 2021

Condition

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.

Current status

This finding has been repeated as finding 2023-001.

Reason for recurrence

The City experienced staffing shortages within the Finance Department, which prevented implementation of the corrective action from the previous audit and a repeat occurrence.

Finding 2022-002 Segregation of Duties (Significant Deficiency) – City – 2021

Condition

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.

Current status

This finding has been repeated as finding 2023-003.

Reason for recurrence

The City experienced staffing shortages within the Finance Department, which prevented implementation of the corrective action from the previous audit and a repeat occurrence.

Finding 2022-003 Segregation of Duties (Significant Deficiency) – Education Department – 2021

Condition

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.

Current status

This finding has been repeated as finding 2023-004.

Reason for recurrence

Due to the delays in prior audits, implementation of corrective action has been implemented and will be reflected in the 2024 audit.

City of West Haven, Connecticut

**Summary Schedule of Prior Year Audit Findings (Continued)
For the Year Ended June 30, 2023**

Finding 2022-004 Procurement and Suspension and Debarment (Compliance) – 2020

Condition

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

Current status

This finding has been repeated as finding 2023-005.

Reason for recurrence

The Purchasing Department did not have adequate staffing to address this finding.

Finding 2022-005 Coronavirus Relief Fund – Cash Disbursements (Material Weakness) – 2021

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.

Current status

This finding has been resolved as the grant was completed as of June 30, 2022.

Finding 2022-006 Education Stabilization Fund (ESF) (Compliance) – 2022

Condition

The Education Department did not obtain and review the certified payrolls to verify the contractor's compliance with the prevailing wage rates requirements.

Current status

This finding has been resolved.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

II. Findings – Financial Statement Audit

Finding 2023-001 Vendor Approval (Material Weakness) – 2021

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

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.

Effect

Payments may be processed to fictitious vendors.

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.

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 has implemented procedures based on the corrective action plan submitted with the 2022 audit. The corrective action plan included a formal vendor approval process and updated system rights for employees who manage the vendor master file.

With regards to repeating the finding from the 2022 audit, the City experienced staffing shortages within the Finance Department, which prevented the implementation of the corrective action as submitted from the previous audit. The Finance Department had three vacancies during fiscal year 2023. Due to the vacancies, some employees were performing multiple job functions. The City has initiated to hire the necessary replacements and is close to full staff currently. The City hired a Senior Buyer/Analyst and a permanent Finance Director for the latter part of the 2024 fiscal year. With the Finance Director expertise in MUNIS, the Finance Department is in the stages of working with City consultants and staff to update the procedures listed in the corrective action plan including but not limited to maintain vendor file, workflow approval process, W-9 and vendor information retention for annual review.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

Finding 2023-002 Bank Reconciliations (Material Weakness) – 2023

Criteria

The City should have internal controls and related policies and procedures in place to ensure timely (within 30 days) and accurate bank reconciliations. The policies and procedures should include proper recording of identified reconciling items including wires and ACH deposits.

Condition

The City did not perform bank reconciliations on a timely basis for certain accounts. Also, for certain accounts, the City did not complete the bank reconciliations prior to closing the general ledger for the year. Audit adjustments were required to record deposit activity for multiple funds for the entire fiscal year.

Context

Deposits that were not recorded during the year totaled approximately \$1,300,000.

Effect

Monthly bank reconciliations may not be accurate as errors may not be detected and corrected on a timely basis. In addition, activity was not properly recorded during the year and, therefore, the City is relying on reports to manage current operations that are neither timely nor accurate.

Cause

Lack of adequate resources.

Recommendation

The City should develop and implement formal monthly bank reconciliation procedures that include review and recording of deposit activity in the month it was received. The process should include the required procedures and analysis to be performed and the timeline in which they must be performed and completed. The procedures should include detailed analysis, reconciliation, supporting schedules, and proper recording of identified reconciling items.

Views of responsible officials and planned corrective actions

Management agrees with the finding. Staff turnover and lack of adequate resources impacted the City's ability to perform timely reconciliations.

The City has initiated hiring the necessary positions to fulfill this corrective action item. The City agrees that bank reconciliation is critical to get detailed visibility into cash availability, achieve accurate reporting, and get to a faster financial closing. The City is in the process of formally updating an internal policy for the fiscal month end that will verify that every transaction sums to the correct ending account balance.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

Finding 2023-003 Segregation of Duties (Significant Deficiency) – City – 2021

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

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 that govern the process between Payroll and Human Resources. Segregation of duties will exist between authorizing/hiring (creating master file and entering payrates) and payroll processing. The policy will include Payroll having the authority and responsibility to create, implement, monitor, modify, and enforce operating procedures and internal control processes.

The City has also initiated the segregation of duties within the Finance Payroll Department. There are now policies and procedures for reviewing payroll prior to processing which include the Assistant Finance Director or Finance Director. In addition, as submitted as part of the fiscal year 2022 corrective action plan, the City reviewed user rights in the payroll system to modify access rights.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

Finding 2023-004 Segregation of Duties (Significant Deficiency) – Education Department – 2021

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

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 is in the process of revising policies and procedures that govern the process between Payroll and Human Resources. Segregation of duties will exist between authorizing/hiring (creating master file and entering payrates) and payroll processing. The policy will include Payroll having the authority and responsibility to create, implement, monitor, modify, and enforce operating procedures and internal control processes.

The Education Department has also initiated the segregation of duties within the Finance Payroll Department. There are now policies and procedures for reviewing payroll change report prior to processing which include the Finance Director.

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

III. Findings – Major Federal Award Programs

Finding 2023-005 Procurement and Suspension and Debarment (Compliance) – 2020

Program

All Federal Programs

Criteria

The City must comply with procurement standards set out at 2 CFR sections 200.318 through 200.326 within the 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. The City has initiated to hire an adequate amount of staffing which will allow the Purchasing Department to enforce the suspension and debarment process during the procurement process; which will include checking sam.gov and other appropriate federal resources to check for vendor suspension and debarment.

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Finding 2023-006 Coronavirus State and Local Fiscal Recovery Funds (Compliance) – 2023

Program

Federal Agency	U.S. Department of the Treasury
Federal Program	Coronavirus State and Local Fiscal Recovery Funds
AL Number	21.027

Criteria

The City is required to complete the project and expenditure report quarterly for obligations and expenditures. The report is required to include current period obligations, cumulative obligations, current period expenditures and cumulative expenditures.

Conditions

- The amount reported in the June 30, 2023 project and expenditure report for current period expenditures was not able to be reconciled to the amounts expended in the City's general ledger.
- One project totaling \$2,000,000 was reported as current period expenditures in both the September 30, 2023 quarter and the June 30, 2023 quarter project and expenditure report.

Questioned costs

None noted.

Context

Not applicable.

Effect

The City was not in compliance with the reporting requirements.

Cause

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

Recommendation

We recommend the City implement procedures to ensure reporting is properly reconciled to the general ledger expenditures in accordance with the grant requirements.

Views of responsible official and planned corrective actions

Management agrees with this finding. The City will implement procedures to ensure reports are based upon the City's general ledger and properly reconciled and in compliance with U.S. Treasury guidelines.

**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

Opinion on Each Major State Program

We have audited the City of West Haven, Connecticut's ("City") compliance with the types of compliance requirements identified as subject to audit 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, 2023. The City's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 2023-005, 2023-006 and 2023-007. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 a 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated May 28, 2024, which contained unmodified opinions on those financial statements.

Our audit was performed 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

City of West Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2023**

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	\$ -	\$ 10,551
School Based Diversion Initiative and "Second Chance Society"	11000-SDE64370-12587	-	65,250
Non Sheff Transportation	11000-SDE64370-12632	-	186,675
Family Resource Centers	11000-SDE64370-16110	-	101,725
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	32,720
Healthy Foods Initiative	11000-SDE64370-16212	-	59,076
Adult Education	11000-SDE64370-17030	-	235,388
Health Services	11000-SDE64370-17034	-	74,185
Alliance District	11000-SDE64370-17041	-	9,899,377
Bilingual Education	11000-SDE64370-17042	-	75,776
School Breakfast	11000-SDE64370-17046	-	23,958
Department of Children and Families:			
Youth Services Bureau	11000-DCF91141-17052	-	21,822
Youth Services Bureau Enhancement	11000-DCF91141-17107	-	11,145
Department of Labor:			
Passed through Workforce Alliance, Inc.:			
Connecticut's Youth Employment Program	11000-DOL40000-12205	114,040	114,040
Department of Economic and Community Development:			
Brownfield Remediation and Development	12060-ECD46260-35533	-	970
Urban Action Bonds	13019-ECD46000-41240	-	1,286
Department of Justice:			
Youth Violence Prevention Initiative	11000-JUD96114-12555	-	9,273
Office of Early Childhood:			
Child Day Care	11000-OEC64841-16274	751,668	751,668
School Readiness Quality Enhancement	11000-OEC64845-16158	-	24,973
School Readiness in Priority School Districts	11000-OEC64845-16274	2,146,900	2,146,900
Connecticut State Library:			
Connecticut Education Network	12052-CSL66011-43649	-	10,276
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500
Department of Transportation:			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	310,515
Town Aid Road Grants Transportation Fund- STO	13033-DOT57131-43459	-	310,515
Office of Policy and Management:			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	4,018
Property Tax Relief for Veterans	11000-OPM20600-17024	-	98,437
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	-	7,422,442
Municipal Revenue Sharing	12060-OPM20600-35458	-	1,084,924
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	-	2,005,712
Local Capital Improvement Program	12050-OPM20600-40254	-	446,539
Body Worn Camera/Dashboard Camera Reimbursement Program	12052-OPM20350-43760	-	192,845
Municipal Grants-in-Aid	12052-OPM20600-43587	-	169,031
Department of Emergency Services and Public Protection:			
Drug Asset Forfeiture	12060-DPS32155-35142	-	11,995
Telecommunications Fund	12060-DPS32741-35190	-	248,400

(Continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

City of West Haven, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2023**

<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 Energy and Environmental Protection:			
Curbside Food Scrap and Unit-Based Pricing Co-Collection Pilot Program	11000-DEP44920-12488	\$ -	\$ 1,281,615
Municipal Loan Land Acquisition	12052-DEP43153-43615	-	411
Urban Forestry Equity through Capacity Building	12060-DEP44165-35402	-	8,038
Community Conservation and Development	13019-DEP43310-41239	-	429,724
Community Conservation and Development	13019-DEP43720-41239	-	939,338
Clean Water Revenue Bonds - Loans	21015-DEP43720-42318	-	942,339
Clean Water Revenue Bonds - Grant	21015-DEP43720-42318	-	235,585
Department of Public Health:			
Local and District Departments of Health	11000-DPH48500-17009	-	107,184
Department of Social Services:			
Medicaid	11000-DSS60000-16020	-	<u>415,884</u>
Total State Assistance Before Exempt Programs			<u>30,530,025</u>
<u>Exempt Programs:</u>			
Department of Education:			
Education Cost Sharing	11000-SDE64370-17041	-	42,079,088
Special Education - Excess Costs Student Based and Equity	11000-SDE64370-17047	-	3,077,498
Office of Policy and Management:			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	807,097
Municipal Transition Grant	11000-OPM20600-17103	-	<u>1,334,487</u>
Total Exempt Programs			<u>47,298,170</u>
Total State Financial Assistance		<u>\$ 3,012,608</u>	<u>\$ 77,828,195</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, 2023

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, 2023**

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, 2022	Additions	Retired	Balance June 30, 2023
CWF 346-C	12/31/2003	2.00%	\$ 801,945	\$ 23,975	\$ -	\$ 23,975	\$ -
CWF 348-C1	12/31/2003	2.00%	1,728,831	51,685	-	51,685	-
CWF 346-CD2	5/31/2007	2.00%	801,055	25,703	-	25,703	-
CWF 549-C	7/1/2013	2.00%	28,250,103	15,502,989	-	1,401,743	14,101,246
CWF 549-CD2	6/30/2015	2.00%	1,425,544	896,486	-	81,804	814,682
CWF 223-CSL	11/30/2021	2.00%	586,545	570,141	-	25,020	545,121
CWF 222-CSL	6/30/2022	2.00%	3,925,943	3,729,646	-	163,007	3,566,639
CWF 225-CSL	1/31/2023	2.00%	781,774	781,774	-	16,475	765,299
CWF 226-CSL	6/9/2023	2.00%	(1)	-	530,901	-	530,901
CWF 228-CSL	11/30/2023	2.00%	(1) (2)	-	516,241	-	516,241
Total				\$ 21,582,399	\$ 1,047,142	\$ 1,789,412	\$ 20,840,129

(1) Loan is an interim funding obligation

(2) Loan was permanently financed after year end

City of West Haven, Connecticut

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

Finding 2022-001 Vendor Approval (Material Weakness) – 2021

Condition

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.

Current status

This finding has been repeated as finding 2023-001.

Reason for recurrence

The City experienced staffing shortages within the Finance Department, which prevented implementation of the corrective action from the previous audit and a repeat occurrence.

Finding 2022-002 Segregation of Duties (Significant Deficiency) – City – 2021

Condition

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.

Current status

This finding has been repeated as finding 2023-003.

Reason for recurrence

The City experienced staffing shortages within the Finance Department, which prevented implementation of the corrective action from the previous audit and a repeat occurrence.

Finding 2022-003 Segregation of Duties (Significant Deficiency) – Education Department – 2021

Condition

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.

Current status

This finding has been repeated as finding 2023-004.

Reason for recurrence

Due to the delays in prior audits, implementation of corrective action has been implemented and will be reflected in the 2024 audit.

City of West Haven, Connecticut

**Summary Schedule of Prior Year Audit Findings (Continued)
For the Year Ended June 30, 2023**

Finding 2022-004 Child Day Care Subrecipient Monitoring (Compliance) – 2011

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 2023-005.

Reason for recurrence

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

Finding 2022-005 Reporting – Community Conservation and Development Grant (Compliance) – 2021

Condition

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

Current status

This finding has been repeated as finding 2023-006.

Reason for recurrence

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

Finding 2022-006 School Readiness Subrecipient Monitoring (Compliance) – 2021

Condition

The Education Department did not perform the following monitoring activities:

- Receive and review financial reports
- Review subrecipient audit reports and corrective action plans
- Verify that reported expenditures are reconciled to advances

Current status

This finding has been repeated as finding 2023-007.

Reason for recurrence

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

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

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: Unmodified opinion

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
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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	\$ 9,899,377
Office of Early Childhood:		
Child Day Care	11000-OEC64841-16274	751,668
Office of Policy and Management:		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	7,422,442
Municipal Revenue Sharing	12060-OPM20600-35458	1,084,924
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	2,005,712
Body Worn Camera/Dashboard Camera Reimbursement Program	12052-OPM20350-43760	192,845
Department of Energy and Environmental Protection:		
Curbside Food Scrap and Unit-Based Pricing Co-Collection Pilot Program	11000-DEP44920-12488	1,281,615
Clean Water Revenue Bonds - Loans	21015-DEP43720-42318	942,339
Clean Water Revenue Bonds - Grant	21015-DEP43720-42318	235,585

Dollar threshold used to distinguish between type A and type B programs: \$ 610,601

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

II. Findings – Financial Statement Audit

Finding 2023-001 Vendor Approval (Material Weakness) – 2021

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

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.

Effect

Payments may be processed to fictitious vendors.

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.

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 has implemented procedures based on the corrective action plan submitted with the 2022 audit. The corrective action plan included a formal vendor approval process and updated system rights for employees who manage the vendor master file.

With regards to repeating the finding from the 2022 audit, the City experienced staffing shortages within the Finance Department, which prevented the implementation of the corrective action as submitted from the previous audit. The Finance Department had three vacancies during fiscal year 2023. Due to the vacancies, some employees were performing multiple job functions. The City has initiated to hire the necessary replacements and is close to full staff currently. The City hired a Senior Buyer/Analyst and a permanent Finance Director for the latter part of the 2024 fiscal year. With the Finance Director expertise in MUNIS, the Finance Department is in the stages of working with City consultants and staff to update the procedures listed in the corrective action plan including but not limited to maintain vendor file, workflow approval process, W-9 and vendor information retention for annual review.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

Finding 2023-002 Bank Reconciliations (Material Weakness) – 2023

Criteria

The City should have internal controls and related policies and procedures in place to ensure timely (within 30 days) and accurate bank reconciliations. The policies and procedures should include proper recording of identified reconciling items including wires and ACH deposits.

Condition

The City did not perform bank reconciliations on a timely basis for certain accounts. Also, for certain accounts, the City did not complete the bank reconciliations prior to closing the general ledger for the year. Audit adjustments were required to record deposit activity for multiple funds for the entire fiscal year.

Context

Deposits that were not recorded during the year totaled approximately \$1,300,000.

Effect

Monthly bank reconciliations may not be accurate as errors may not be detected and corrected on a timely basis. In addition, activity was not properly recorded during the year and, therefore, the City is relying on reports to manage current operations that are neither timely nor accurate.

Cause

Lack of adequate resources.

Recommendation

The City should develop and implement formal monthly bank reconciliation procedures that include review and recording of deposit activity in the month it was received. The process should include the required procedures and analysis to be performed and the timeline in which they must be performed and completed. The procedures should include detailed analysis, reconciliation, supporting schedules, and proper recording of identified reconciling items.

Views of responsible officials and planned corrective actions

Management agrees with the finding. Staff turnover and lack of adequate resources impacted the City's ability to perform timely reconciliations.

The City has initiated hiring the necessary positions to fulfill this corrective action item. The City agrees that bank reconciliation is critical to get detailed visibility into cash availability, achieve accurate reporting, and get to a faster financial closing. The City is in the process of formally updating an internal policy for the fiscal month end that will verify that every transaction sums to the correct ending account balance.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

Finding 2023-003 Segregation of Duties (Significant Deficiency) – City – 2021

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

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 that govern the process between Payroll and Human Resources. Segregation of duties will exist between authorizing/hiring (creating master file and entering payrates) and payroll processing. The policy will include Payroll having the authority and responsibility to create, implement, monitor, modify, and enforce operating procedures and internal control processes.

The City has also initiated the segregation of duties within the Finance Payroll Department. There are now policies and procedures for reviewing payroll prior to processing which include the Assistant Finance Director or Finance Director. In addition, as submitted as part of the fiscal year 2022 corrective action plan, the City reviewed user rights in the payroll system to modify access rights.

City of West Haven, Connecticut

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023**

Finding 2023-004 Segregation of Duties (Significant Deficiency) – Education Department – 2021

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

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 is in the process of revising policies and procedures that govern the process between Payroll and Human Resources. Segregation of duties will exist between authorizing/hiring (creating master file and entering payrates) and payroll processing. The policy will include Payroll having the authority and responsibility to create, implement, monitor, modify, and enforce operating procedures and internal control processes.

The Education Department has also initiated the segregation of duties within the Finance Payroll Department. There are now policies and procedures for reviewing payroll change report prior to processing which include the Finance Director.

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

III. Findings – State Financial Assistance Findings and Questioned Costs

Finding 2023-005 Child Day Care Subrecipient Monitoring (Compliance) – 2011

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. The monitoring requirements include both financial and programmatic reports. Financial monitoring should include verifying that reported expenditures are reconciled to advances. Monitoring also includes review of the subrecipient's audit report and corrective action plan.

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

During the year, there were 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.

Cause

The cause is unknown.

Recommendation

We recommend the City development and implement a monitoring checklist that includes the all the required compliance requirements to ensure that the grant monies are expended in accordance with grant requirements and that reported expenditures are properly reconciled to advances.

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, 2023

Finding 2023-006 Reporting – Community Conservation and Development Grant (Compliance) – 2021

Grantor	Department of Energy and Environmental Protection
State Program Name	Community Conservation and Development
State Grant Program	13019-DEP43310-41239
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

Not applicable.

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 Finance Director was to implement procedures to ensure timely reporting based on the corrective action plan submitted with the 2022 audit. In fiscal year 2023, the City did not provide summaries for the Community Conservation and Development Grant. The City experienced staffing shortages within the Finance Department, which prevented the implementation of the corrective action as submitted from the previous audit. The City has initiated to hire the necessary replacements and is close to full staff currently. In addition, the Finance Department will work with the Grants Department to ensure reporting compliance.

City of West Haven, Connecticut

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Finding 2023-007 School Readiness Subrecipient Monitoring (Compliance) – 2021

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. The monitoring requirements include both financial and programmatic reports. Financial monitoring should include verifying that reported expenditures are reconciled to advances. Monitoring also includes review of the subrecipient's audit report and corrective action plan.

Condition

The Education Department did not perform the following financial related monitoring activities:

- Receive and review financial reports
- Review subrecipient audit reports and corrective action plans
- Verify that reported expenditures are reconciled to advances

Questioned Cost

None noted.

Context

Currently, there are no formal monitoring procedures in place to review and monitor financial related activities 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.

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.