

City of West Haven, Connecticut

Annual Financial Report
June 30, 2015

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Introductory Section

City of West Haven, Connecticut

Principal Officials June 30, 2015

Mayor

Edward M. O'Brien

City Council

Nicholas Pascale, Chairman
Ronald Quagliani
Gail S. Burns
Nicholas Ruickoldt
Ralph Eberle
Tracy Morrissey
James P. O'Brien
David Riccio
Nancy Rossi
Sean P. Ronan
Mitchell Galignano
Brent Watt
Michael P. Last

Administration

Adult Day Care Director	Ethel Anderson
Assessor.....	Ann Marie Gradoia
Building Official	Frank Gladwin
City Clerk.....	Deborah Collins
Community Development Agency.....	Mark Bisaccia
Corporation Counsel	Vincent Amendola, Esq.
Director of Finance.....	Kevin McNabola
Engineering	Abdul Quadir
Health Director	Maureen B. Lillis
Information Technology.....	David Richards
Library	Colleen Bailie
Parks and Recreation.....	William Slater
Planning and Development.....	Joseph Riccio
Public Works Director.....	Dominic Perrotti
Police Chief	John Karajanis
Purchasing and Risk Management	Robert Sandella
Senior Center Director	Sharon Mancini
Tax Collector	Marianne E. Gambardella
Youth and Family Services	Robert Morton
WPCA Administrator	Terri Pelletier
Director of Personnel.....	Beth Sabo

Board of Education

Neil C. Cavallaro, Superintendent of Schools

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Financial Section



Independent Auditor's Report

RSM US LLP

City Council
City of West Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut, as of June 30, 2015, 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.

Emphasis of Matter—Adoption of Standards

As disclosed in the Summary of Significant Accounting Policies in the notes to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, which resulted in the City restating net position for recognition of the City's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with "*Government Auditing Standards*," we have also issued our report dated March 31, 2016, on our consideration of the City of West Haven, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "*Government Auditing Standards*" in considering the City of West Haven, Connecticut's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
March 31, 2016

City of West Haven, Connecticut
Management's Discussion and Analysis - Unaudited
June 30, 2015

As management of the City of West Haven, Connecticut, we offer readers of the City of West Haven's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015.

Financial Highlights

- As of July 1, 2014, the City was required to implement GASB Statement Nos. 68 and 71 related to pensions. These Statements required that the unrestricted net position of the statement of net position as of July 1, 2014 be restated and decreased in the amount of \$59,626,429. The decrease did not result from a change in benefits offered to employees, only the recognition of the total liability on the statement of net position.
- On a government-wide basis, the liabilities and deferred inflows of resources exceeded its assets and deferred outflow of resources at the close of the most recent fiscal year by \$(49,460,739) (net position (deficit)). Unrestricted net position (deficit), the amount that should be available to meet the City's ongoing obligations to citizens and creditors, was a deficit balance of \$(153,446,871) at June 30, 2015.
- On a government-wide basis, the City's total net position decreased by \$550,050.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances (deficits) of \$(17,652,699), a decrease of \$979,842 in comparison with the prior year.
- At the end of the current fiscal year, fund balance (deficit) for the general fund was a deficit of \$(10,197,097). This deficit increased by \$1,703,102. Had it not been for the \$1,462,040 related to Healthcare Claims & Worker's Compensation and \$201,361 for the BOE ARRA Grant which had to be recorded within the General Fund the City's General Fund would have broken even for Fiscal Year 2015.
- The City of West Haven's total bond/note debt decreased by a net of \$7,979,046 (5.7%) during the current fiscal year due to scheduled principal payments made during the year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of West Haven's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position (deficit). 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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 a 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.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Improvement Fund, and Allingtown Fire District, which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund and Allingtown Fire District Fund. A budgetary comparison statement has been provided for the general fund and Allingtown Fire District to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension plans, budgetary information and OPEB information. Required supplementary information can be found following the notes.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(49,460,739).

By far the largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are 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.

City of West Haven, Connecticut Summary Statement of Net Position

	June 30, 2015	June 30, 2014
Current and other assets	\$ 24,908,870	\$ 59,181,282
Capital assets	202,886,796	200,610,073
Total assets	227,795,666	259,791,355
Deferred outflows of resources	7,565,465	741,960
Long-term liabilities outstanding	249,329,974	211,945,604
Other liabilities	26,862,665	30,499,151
Total liabilities	276,192,639	242,444,755
Deferred inflows of resources	8,629,231	7,372,820
Net investment in capital assets	103,786,476	93,015,386
Restricted	199,656	143,257
Unrestricted	(153,446,871)	(82,442,903)
Total net position (deficit)	\$ (49,460,739)	\$ 10,715,740

An additional portion of the City's net position (deficit) of \$199,656 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(153,446,871).

The City's net position decreased by \$550,050 (after restatement) during the current fiscal year.

City of West Haven, Connecticut
Changes in Net Position (Deficit)

	Year Ended June 30, 2015	Year Ended June 30, 2014
Revenues		
Program revenues:		
Charges for services	\$ 18,206,034	\$ 18,517,641
Operating grants and contributions	70,338,355	68,763,572
Capital grants and contributions	6,224,629	3,365,792
General revenues:		
Property taxes	92,973,074	93,549,828
Grants not restricted to specific purposes	7,593,745	7,369,539
Investment income	7,766	8,491
Gain on sale of assets	1,448,500	59,274
Miscellaneous	278,459	579,405
Total revenues	197,070,562	192,213,542
Expenses		
General government	7,477,278	7,987,973
Public Safety	34,474,682	34,391,960
Public Works	25,086,632	21,635,683
Health and Welfare	2,768,874	2,540,066
Parks and Recreation	1,968,356	1,959,279
Education	120,520,940	123,106,721
Library	1,798,324	1,867,189
Interest expense	3,525,526	7,392,322
Total expenses	197,620,612	200,881,193
Changes in net position	(550,050)	(8,667,651)
Net Position (Deficit), Beginning	(48,910,689) *	19,383,391
Net Position (Deficit), Ending	\$ (49,460,739)	\$ 10,715,740

* as restated for GASB No. 68

- Operating grants, capital grants and contributions increased by \$4,433,620 mainly due to the Campbell Avenue Project.
- Property taxes revenue decreased \$576,754 mainly due to the slower collection rate on older property tax receivables.
- Gain on sale of assets increased by \$1,389,226 mainly due to the selling of a parcel of land and a fire truck.
- Public works expenses increased by \$3,450,949 mainly due to an increase in benefits expense in the City.

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 spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending deficit fund balances of \$(17,652,699), an increase in the deficit of \$979,842 in comparison with the prior year. The increase in the deficit was due substantially to the increased expenditures in the current year.

Unassigned fund balance (deficit) totals (\$26,047,527), which includes the \$(16,313,098) from the General Fund, \$(3,094,284) for the Capital Improvement Fund, \$(1,992,937) for the Sewer Fund and \$(2,143,857) for the Allingtown Fire District. The remainder of the fund balance is classified as follows: Nonspendable \$8,195,172 and Restricted \$199,656.

The *General Fund* is the operating fund of the City. At the end of the current fiscal year, unassigned deficit fund balance of the General Fund was \$(16,313,098), while total deficit fund balance was \$(10,197,097).

The *Capital Improvement Fund* recorded intergovernmental revenues totaling \$6,018,724 during the year. Expenditures totaled \$7,255,117 for capital outlay. The fund balance (deficit) increased by \$66,205 to \$(3,094,284) at June 30, 2015. The deficit will be eliminated when all of the projects are permanently financed.

The *Allingtown Fire District* Fund recorded property tax revenue of \$4,918,971. Expenditures in the fund totaled \$6,499,824. The deficit fund balance increased by \$127,124 to \$(1,772,103) at June 30, 2015.

The *Sewer Fund* recorded revenue of \$11,070,650. Expenditures in the fund totaled \$10,061,444. The deficit fund balance decreased by \$268,200 to \$(1,851,354) at June 30, 2015.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget. Significant budgetary variances were as follows:

- Building and electrical permits were over budget by \$364,853 and \$135,951, respectively, due to increased renovations at Yale University.
- Benefits and insurance was over budget by \$1,462,040 due to an increase in Health Insurance Claims and Workers' Compensation claims.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$202,866,304 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, building and improvements, vehicles, machinery and equipment, and infrastructure. The increase in the City's net capital assets for the current fiscal year was \$3,294,067 or 1.7%.

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased \$1,399,966 mainly due to Campbell Avenue project and due to the start of the new West Haven High School.

**City of West Haven, Connecticut
Capital Assets - Net**

	June 30, 2015	June 30, 2014
Land	\$ 16,356,092	\$ 16,319,189
Construction in progress	12,704,567	14,104,533
Land improvements	9,100,048	9,414,327
Buildings and improvements	108,803,377	107,551,065
Vehicles	1,842,050	1,540,899
Machinery and equipment	9,877,664	7,052,791
Infrastructure	44,182,506	43,589,433
Total	\$ 202,866,304	\$ 199,572,237

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

Long-term debt. At the end of the current fiscal year, the City had total bonds and notes outstanding of \$132,923,196. The debt is backed by the full faith and credit of the City.

**City of West Haven, Connecticut
Governmental Activities
General Obligation Bonds/Notes**

	June 30, 2015	June 30, 2014
General obligation bonds	\$ 102,270,000	\$ 109,550,000
Clean Water notes payable	30,653,196	31,352,242
Total long term debt	\$ 132,923,196	\$ 140,902,242

The City's total debt decreased by \$7,979,046 (5.7%) during the current fiscal year due to scheduled principal payments.

The City of West Haven has received a Baal rating from Moody's Investors Service and a rating of BBB/Stable from Standard and Poor's.

The City's short-term debt decreased to \$0 during the year due to the repayment of bond anticipation notes related to the various construction projects. In addition, the Clean Water bonds decreased \$699,046 due to principal payments on clean water notes.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the City is \$659,635,452, 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 2.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City was 8.3%, which is a decrease from last year's rate of 10.0%. This is comparable to the state's average unemployment rate of 6.6%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

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 Director of Finance, City of West Haven, 355 Main Street, West Haven, Connecticut 06516.

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Basic Financial Statements

Statement of Net Position (Deficit)
June 30, 2015

	Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 11,293,223
Receivables, net:	
Property taxes	4,528,887
Sewer use	2,928,651
Intergovernmental	1,518,317
Loan	2,046,789
Other	962,803
Prepaid	1,305,848
Due from fiduciary funds	324,352
Capital assets:	
Capital assets, nondepreciable	29,060,659
Capital assets, net of accumulated depreciation	173,826,137
Total assets	\$ 227,795,666
Deferred Outflows of Resources	
Deferred charge on refunding	1,951,021
Pension amounts	5,614,444
Total deferred outflows of resources	7,565,465
Liabilities	
Accounts payable	\$ 20,494,693
Accrued payroll and related liabilities	4,443,791
Accrued interest payable	1,554,684
Unearned revenue	131,464
Other	238,033
Long-term liabilities:	
Due within one year	20,956,241
Due in more than one year	228,373,733
Total current liabilities	276,192,639
Deferred Inflows of Resources	
Advance collections	7,763,065
Pension amounts	866,166
Total deferred inflows of resources	8,629,231
Net Position	
Net investment in capital assets	103,786,476
Restricted for:	
Health and Welfare	199,656
Unrestricted (deficit)	(153,446,871)
Total net position (deficit)	\$ (49,460,739)

See Notes to Financial Statements.

City of West Haven, Connecticut

Exhibit B

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position (Deficit)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
General government	\$ 7,477,278	\$ 742,464	\$ 103,921	\$ -	\$ (6,630,893)
Public Safety	34,474,682	2,089,617	746,881	-	(31,638,184)
Public Works	25,086,632	13,164,265	1,000,694	6,224,629	(4,697,044)
Health and Welfare	2,768,874	334,002	727,175	-	(1,707,697)
Parks and Recreation	1,968,356	958,168	31,979	-	(978,209)
Education	120,520,940	917,518	67,727,705	-	(51,875,717)
Library	1,798,324	-	-	-	(1,798,324)
Interest expense	3,525,526	-	-	-	(3,525,526)
Total governmental activities	\$ 197,620,612	\$ 18,206,034	\$ 70,338,355	\$ 6,224,629	(102,851,594)
		General Revenues			
		Property taxes			92,973,074
		Grants and contributions not restricted to specific programs			7,593,745
		Investment income			7,766
		Gain on sale of property			1,448,500
		Miscellaneous			278,459
		Total general revenues			102,301,544
		Change in net position (deficit)			(550,050)
		Net Position (deficit) - July 1, 2014, as restated (Note 1)			(48,910,689)
		Net Position (deficit) - June 30, 2015			\$ (49,460,739)

See Notes to Financial Statements.

**Balance Sheet - Governmental Funds
June 30, 2015**

	General Fund	Allingtown Fire District Fund	Capital Improvement Fund	Sewer Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 10,872,650	\$ -	\$ -	\$ 140,157	\$ 280,416	\$ 11,293,223
Receivables, net:						
Property taxes	4,109,395	419,492	-	-	-	4,528,887
Sewer use	-	-	-	2,928,651	-	2,928,651
Intergovernmental	273,982	-	227,937	-	1,016,398	1,518,317
Loan	-	-	-	-	2,046,789	2,046,789
Other	724,003	2,173	537	80	236,010	962,803
Advances to other funds	5,323,490	-	-	-	1,565,834	6,889,324
Prepaid assets	792,511	371,754	-	141,583	-	1,305,848
Total assets	\$ 22,096,031	\$ 793,419	\$ 228,474	\$ 3,210,471	\$ 5,145,447	\$ 31,473,842
Liabilities						
Accounts payable	15,031,637	299,322	1,865,532	1,355,649	1,942,553	20,494,693
Accrued payroll	4,443,791	-	-	-	-	4,443,791
Unearned revenue	85,596	-	684	45,184	-	131,464
Other	173,567	64,466	-	-	-	238,033
Advances from other funds	1,873,951	1,379,019	1,456,542	158,588	1,696,872	6,564,972
Total liabilities	21,608,542	1,742,807	3,322,758	1,559,421	3,639,425	31,872,953
Deferred Inflows of Resources						
Unavailable revenue - property taxes	3,909,618	395,807	-	-	-	4,305,425
Advance property tax collections	6,762,404	426,908	-	-	-	7,189,312
Advance collections	-	-	-	573,753	-	573,753
Unavailable revenue-loans	-	-	-	-	2,046,789	2,046,789
Unavailable revenue-charges for services	12,564	-	-	2,928,651	197,094	3,138,309
Total deferred inflows of resources	10,684,586	822,715	-	3,502,404	2,243,883	17,253,588
Fund Balances (Deficits)						
Nonspendable	6,116,001	371,754	-	141,583	1,565,834	8,195,172
Restricted	-	-	-	-	199,656	199,656
Unassigned (deficits)	(16,313,098)	(2,143,857)	(3,094,284)	(1,992,937)	(2,503,351)	(26,047,527)
Total fund balances (deficits)	(10,197,097)	(1,772,103)	(3,094,284)	(1,851,354)	(737,861)	(17,652,699)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 22,096,031	\$ 793,419	\$ 228,474	\$ 3,210,471	\$ 5,145,447	\$ 31,473,842

(Continued)

**Reconciliation of Fund Balance (Deficit) to Net Position (Deficit) of Governmental Activities
For the Year Ended June 30, 2015**

Amounts reported for governmental activities in the Statement of Net Position (Deficit) (Exhibit A) are different from the Governmental Fund Balance Sheet. The details of this difference are as follows:

Total fund balance (deficit) (Exhibit C, Page 1)	\$ (17,652,699)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	364,693,794
Less accumulated depreciation	<u>(161,806,998)</u>
Net capital assets	<u>202,886,796</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds:	
Property tax and interest and lien fees	4,305,425
Sewer use and other	3,138,309
Loans	<u>2,046,789</u>
	<u>9,490,523</u>
Changes in deferred inflows and outflows related to pension amounts, not reported in the funds:	4,748,278
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(132,923,196)
Capital leases - City	(307,507)
Capital leases - Allingtown Fire District	(380,980)
Deferred charge on refunding	1,951,021
Bond premium	(2,693,143)
Other legal claims	(392,000)
Heart and hypertension - Allingtown Fire District	(10,970)
Compensated absences - City	(11,402,955)
Risk management activities - City	(24,243,395)
Compensated absences - Allingtown Fire District	(527,902)
Net pension liability - City	(16,869,674)
Net pension liability - Allingtown	(20,329,265)
Net OPEB obligation - City	(34,950,177)
Net OPEB obligation - Allingtown Fire District	(4,298,810)
Accrued interest payable	<u>(1,554,684)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (49,460,739)</u>

See Notes to Financial Statements.

(Concluded)

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Allingtown Fire District Fund	Capital Improvement Fund	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 89,293,315	\$ 4,918,971	\$ -	\$ -	\$ -	\$ 94,212,286
Intergovernmental	66,698,261	426,081	6,018,724	137,602	10,972,360	84,253,028
Charges for services	4,220,750	275,574	25,878	11,070,650	2,595,469	18,188,321
Contributions	-	106,568	-	-	9,712	116,280
Income from investments	5,244	-	-	-	2,522	7,766
Other	237,909	-	-	-	-	237,909
Total revenues	160,455,479	5,727,194	6,044,602	11,208,252	13,580,063	197,015,590
Expenditures						
Current:						
General government	5,503,726	-	-	-	6,332	5,510,058
Public Safety	14,698,060	6,483,261	-	-	972,280	22,153,601
Public Works	10,186,626	-	2,376,644	6,986,625	-	19,549,895
Benefits and Insurance	15,890,748	-	-	-	-	15,890,748
Health and Welfare	1,130,451	-	-	-	1,122,626	2,253,077
Library and other	1,630,001	-	-	-	-	1,630,001
Parks and Recreation	869,583	-	-	-	759,958	1,629,541
Education	96,506,345	-	-	-	11,155,665	107,662,010
Capital outlay	-	16,563	7,255,117	1,375,819	1,342,006	9,989,505
Debt service:						
Principal retirement	13,140,694	-	6,110,000	1,699,000	-	20,949,694
Interest expense and fiscal charges	4,123,543	-	-	-	-	4,123,543
Total expenditures	163,679,777	6,499,824	15,741,761	10,061,444	15,358,867	211,341,673
Revenues over (under) expenditures	(3,224,298)	(772,630)	(9,697,159)	1,146,808	(1,778,804)	(14,326,083)
Other Financing Sources (Uses)						
Issuance of general obligation bonds	-	-	9,520,000	-	1,425,544	10,945,544
Issuance of capital leases	-	371,754	243,364	-	-	615,118
Proceeds from the sale of assets	920,500	528,000	-	-	-	1,448,500
Deposit to refunding escrow	(38,377,921)	-	-	-	-	(38,377,921)
Issuance of refunding bonds	38,715,000	-	-	-	-	38,715,000
Transfers in	1,460,977	-	-	-	1,197,360	2,658,337
Transfers out	(1,197,360)	-	-	(1,415,008)	(45,969)	(2,658,337)
Total other financing sources (uses)	1,521,196	899,754	9,763,364	(1,415,008)	2,576,935	13,346,241
Change in fund balances (deficits)	(1,703,102)	127,124	66,205	(268,200)	798,131	(979,842)
Fund Balances (Deficits), Beginning	(8,493,995)	(1,899,227)	(3,160,489)	(1,583,154)	(1,535,992)	(16,672,857)
Fund Balances (Deficits), Ending	\$ (10,197,097)	\$ (1,772,103)	\$ (3,094,284)	\$ (1,851,354)	\$ (737,861)	\$ (17,652,699)

See Notes to Financial Statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
(Deficits) of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2015**

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

Net change in fund balances (deficits) - total governmental funds (Exhibit D)	<u>\$ (979,842)</u>
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	8,615,131
Loss on disposal	(514,678)
Depreciation expense	<u>(5,823,730)</u>
Total	<u>2,276,723</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, sewer use and community development block grant receivable including interest - accrual basis change	(1,430,882)
Other receivable	<u>37,354</u>
Total	<u>(1,393,528)</u>

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

Debt issued or incurred:

Issuance of general obligation bonds	(9,100,000)
Issuance of clean water fund notes	(1,425,544)
Issuance of refunding bonds	(38,715,000)
Issuance of capital lease - City	(243,364)
Issuance of capital lease - Allingtown	(371,754)

Principal repayments:

General obligation bonds	18,970,000
Clean water fund notes	2,124,590
Refunded debt	36,125,000
Bond premium	448,857
Capital lease payable - City	207,009
Capital lease payable - Allingtown	<u>8,661</u>
Total	<u>8,028,455</u>

(Continued)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
of Governmental Funds to Statement of Activities (Continued)
For the Year Ended June 30, 2015**

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

Heart and hypertension - Allingtown	\$ 8,280
Compensated absences - City	3,162,111
Compensated absences - Allingtown Fire District	(37,010)
Net pension liability - City	(5,980,362)
Net pension liability - Allingtown	(657,403)
Net OPEB obligation - City	(5,558,669)
Net OPEB obligation - Allingtown	(760,915)
Pension expense	5,614,444
Pension credit	(866,166)
Risk management activities	(6,377,683)
Accrued interest payable	412,454
Other legal claims	1,350,000
Deferred charges	1,209,061
Total	<u><u>(8,481,858)</u></u>

Change in Net Position (Deficit) of Governmental Activities (Exhibit B) \$ (550,050)

See Notes to Financial Statements.

(Concluded)

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2015

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$ 2,629,213	\$ 72,692	\$ 282,428
Investments, at fair value			
Mutual funds:			
Money market	30,719	-	-
Equity	50,264,711	-	-
Common stock	34,472,199	-	-
Corporate bonds	13,706,404	-	-
U.S. government securities	1,423,180	-	-
U.S. government agency securities	652,520	-	-
Private equity limited partnerships	12,903,565	-	-
Fixed income funds	1,058,111	-	-
Annuities	4,252,886	-	-
Total investments	118,764,295	-	-
Interest and dividends receivable	175,430	-	-
Total assets	121,568,938	72,692	282,428
Liabilities			
Accounts payable	-	-	282,428
Advances to other funds	324,352	-	-
Total liabilities	324,352	-	282,428
Net Position			
Restricted for pension and other purposes	\$ 121,244,586	\$ 72,692	\$ -

See Notes to Financial Statements.

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2015

	Pension Trust Funds	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 2,842,024	\$ -
Plan members	752,339	-
Total contributions	<u>3,594,363</u>	<u>-</u>
Investment income:		
Change in fair value of investments	700,433	-
Interest and dividends	1,905,521	3,892
Total investment income	<u>2,605,954</u>	<u>3,892</u>
Less investment expenses	611,870	-
Net investment income	<u>1,994,084</u>	<u>3,892</u>
Total additions	<u>5,588,447</u>	<u>3,892</u>
Deductions		
Benefits	8,120,946	-
Administration	26,820	-
Awards	-	7,213
Total deductions	<u>8,147,766</u>	<u>7,213</u>
Changes in net position	(2,559,319)	(3,321)
Net Position - Restricted for pension and other purposes		
Beginning	<u>123,803,905</u>	<u>76,013</u>
Ending	<u>\$ 121,244,586</u>	<u>\$ 72,692</u>

See Notes to Financial Statements.

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

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 district has a separate tax rate and the City has two other fire districts with separate tax rates that are not part of the City, state statutes require that all costs related to the fire district be charged to the Allingtown Fire District fund and that City funds cannot be used to support the district's operations.

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

The City adopted the following accounting standards in the current year:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment*, GASB Statement No. 71, were implemented on July 1, 2014. These statements revised and established new accounting and financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their total obligation for pension benefits as a liability for the first time and calls for recognition of more pension expense than is currently required. The effects of the implementation of these statements are as follows: The beginning net position was decreased by \$59,626,429, a net pension liability of \$30,561,174 was added and a net pension asset of \$29,065,255 was removed. Details can be found in Note 3. The adoption of these GASB standards also provided additional disclosures for the State Teachers' Retirement Plan in which the City has no liability as it is a special funding situation.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the City's financial statements.

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

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 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.

The various types of funds included in the financial statements are described below:

Governmental Funds: Governmental Funds are those through which most governmental functions typically are financed.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City's government. The General Fund is used to account for and report all financial resources and expenditures not accounted for and reported in another fund.

The Allingtown Fire District Fund is used to account for all the financial resources and expenditures of the Allingtown Fire District. The types of revenues recorded in this fund are taxes, grants, and charges for services. Fund did not meet major fund requirement. Management determined fund is to be reported as major for public interest purposes.

The Capital Project Fund is used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments. Fund did not meet major fund requirement. Management determined fund is to be reported as major for public interest purposes.

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

Additionally, the City reports the following fund types:

Governmental Funds

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

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

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fiduciary Funds

Private-Purpose Trust Funds: Private-purpose trust funds account for the receipt of private donations to be used for student awards.

Agency Funds: Agency Funds account for monies held as a custodian for outside student and senior groups. Agency Funds use the accrual basis of accounting, and have no measurement focus.

Pension Trust Funds: Pension Trust Funds consist of the City Employees', the Police and Fire, and other miscellaneous retirement funds.

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 fiduciary fund financial statements. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency fund financial statements are on the accrual basis with no measurement focus.

The governmental fund financial statements are recognized 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 (60 days). Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as debt service payments and expenditures related to compensated absences, pension liabilities and other post-employment obligations and claims and judgments, are recognized only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues, when eligibility requirements have been met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. 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, primarily licenses and fees, are considered to be measurable only when cash is received.

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

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

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

For Pension investment disclosures, see Note 3.

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).

Property taxes, other receivables and allowance for uncollectible amounts: In the financial statements, all trade, property tax, sewer use and loan receivables are reported net of an allowance for uncollectibles. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay. The majority of this amount relates to taxes receivable.

In the governmental fund financial statements, property tax revenues are recognized when budgeted for and when they became available. Taxes collected within 60-days of year end are recognized 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. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

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

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

Capital assets: Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Capital assets of the City are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

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

City	
<u>Assets</u>	<u>Years</u>
Land improvements	40
Buildings	50-75
Building improvements	40
Vehicles	5-25
Machinery and equipment	7-50
Infrastructure	25-100

Allingtown Fire District	
<u>Assets</u>	<u>Years</u>
Buildings	39
Building improvements	15-20
Fire truck and vehicles	5-10
Equipment	5-10

Compensated absences: City employees accumulate vacation and sick time for subsequent use or for payment of all or a portion of the earned but unused balance upon termination or retirement. A liability for these amounts has been recorded in the government wide financial statements. In governmental funds a liability is reported only when amounts become due, like as a result of employee retirement or termination. The General Fund is the primary source to liquidate compensated absences.

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

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

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. The City also reports deferred outflows related to pension in the government-wide statement of net position. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advanced property tax collections and sewer use charges in this category in the government-wide statements. The City also reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available, in accordance with the modified accrual basis of accounting.

Net position flow assumption: 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 resources to have been depleted before unrestricted resources is applied.

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Net investment in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances (net of unspent bond proceeds) of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position: This category represents the net position of the City which is not restricted and which is not reported in the other two categories. A deficit will require future funding.

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: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed: This category presents amounts that can be used only for specific purposes determined by a formal action of 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. Under the City's fund balance policy, the City Council has by resolution authorized the Finance Director to assign fund balance.

Unassigned: This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other governmental fund that has a residual fund balance deficit. Deficits will require future funding.

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.

City of West Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

OPEB Trust: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan. Plan members began contributing on July 1, 2007.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The City contributes on a pay-as-you-go basis. The post-employment benefits are paid from the City's General Fund.

Accounting estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosures in the financial statements. Actual results could differ from those estimates.

Note 2. Detailed Notes

Cash, cash equivalents and investments:

Deposits - custodial credit risk: Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$10,346,152 of the City's bank balance of \$13,425,461 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,405,593
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	940,559
Total amount subject to custodial credit risk	<u><u>\$ 10,346,152</u></u>

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Interest rate risk: The City and the Pension Plans do 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. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt-type investments primarily held in pension trust funds to this risk using the time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1 - 5	5 - 10	Over 10
Corporate bonds	\$ 13,706,404	\$ 113,514	\$ 182,089	\$ 1,694,341	\$ 11,107,328	\$ 609,132
U.S. government securities	1,423,180	-	-	912,434	510,746	-
U.S. government agency securities	652,520	-	-	167,984	44,024	440,512
Fixed income funds	1,058,111	-	-	581,125	105,031	371,955
Total	\$ 16,840,215	\$ 113,514	\$ 182,089	\$ 3,355,884	\$ 11,767,129	\$ 1,421,599

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The table below provides a summary of the City's investments primarily held in pension trust funds (excluding U.S. Governmental Guaranteed Obligations) as rated by a nationally recognized rating organization.

Concentrations of credit risk: The City and Pension Plans do not have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer. There are no issuers with greater than 5% of the portfolio.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

The Pension Plan's debt type investments subject to credit risk have average ratings by Moody's as follows:

Type of Investment	U.S. Government Agency Securities	Fixed Income Funds	Corporate Bonds
AAA	\$ -	\$ 636,901	\$ -
AA+	167,984	-	437,623
AA	-	-	69,993
AA-	-	-	949,282
A+	-	-	1,114,860
A	-	-	2,781,162
A-	-	-	1,127,814
BBB+	-	-	1,249,891
BBB	-	-	1,185,033
BBB-	-	-	1,283,666
BB+	-	-	789,524
BB	-	-	382,985
BB-	-	-	816,444
B+	-	-	661,650
B	-	-	450,425
B-	-	-	266,513
CCC	-	-	50,500
Unrated	484,536	421,210	89,039
Total	\$ 652,520	\$ 1,058,111	\$ 13,706,404

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

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

Investment securities are held by the counterparties' or trusts' name, therefore are subject to custodial credit risk.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

The following is a summary of cash and cash equivalents and investments:

Cash and cash equivalents	
Deposits with financial institutions	\$ 14,277,556
Total cash and cash equivalents	<u>14,277,556</u>
Investments	
Pension Trust Funds:	
Mutual funds:	
Money market	30,719
Equity	50,264,711
Common stock	34,472,199
Corporate bonds	13,706,404
U.S. government securities	1,423,180
U.S. government agency securities	652,520
Private equity limited partnerships	12,903,565
Fixed income funds	1,058,111
Annuities	4,252,886
Total pension trust funds	<u>118,764,295</u>
Total investments	<u>118,764,295</u>
Total cash, cash equivalents and investments	<u><u>\$ 133,041,851</u></u>
Statement of Net Position	
Cash and cash equivalents	\$ 11,293,223
	<u>11,293,223</u>
Fiduciary Funds	
Cash and cash equivalents	2,984,333
Investments	118,764,295
	<u>121,748,628</u>
Total cash, cash equivalents and investments	<u><u>\$ 133,041,851</u></u>

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Receivables: Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the City's governmental fund financial statements with allowances for uncollectible accounts as of June 30, 2015, including the applicable allowances for uncollectible accounts, are presented below:

	General	Allingtown Fire District Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Property taxes and interest	\$ 6,634,395	\$ 694,492	\$ -	\$ -	\$ 7,328,887
Sewer use	-	-	-	3,183,651	3,183,651
Intergovernmental	273,982	-	227,947	727,355	1,229,284
Loans	-	-	-	2,046,789	2,046,789
Other	415,664	2,173	537	730,481	1,148,855
Gross receivables	7,324,041	696,665	228,484	6,688,276	14,937,466
Allowance for doubtful accounts	(2,525,000)	(275,000)	-	(749,392)	(3,549,392)
Total receivables, net	\$ 4,799,041	\$ 421,665	\$ 228,484	\$ 5,938,884	\$ 11,388,074

Capital assets:

City: Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities				
Capital Assets, not being depreciated:				
Land	\$ 16,319,189	\$ -	\$ -	\$ 16,319,189
Construction in progress	14,104,533	6,942,120	8,342,086	12,704,567
Total capital assets, not being depreciated	30,423,722	6,942,120	8,342,086	29,023,756
Capital assets, being depreciated:				
Land improvements	15,745,477	119,356	-	15,864,833
Buildings and improvements	190,882,779	4,129,412	300,000	194,712,191
Vehicles	7,317,860	200,886	317,359	7,201,387
Machinery and equipment	26,167,432	3,947,259	2,289,349	27,825,342
Infrastructure	84,908,731	1,618,184	-	86,526,915
Total capital assets being depreciated	325,022,279	10,015,097	2,906,708	332,130,668
Less accumulated depreciation for:				
Land improvements	6,331,150	433,635	-	6,764,785
Buildings and improvements	83,331,714	3,330,463	300,000	86,362,177
Vehicles	5,776,961	119,791	301,807	5,594,945
Machinery and equipment	19,114,641	671,489	1,814,853	17,971,277
Infrastructure	41,319,298	1,154,157	-	42,473,455
Total accumulated depreciation	155,873,764	5,709,535	2,416,660	159,166,639
Total capital assets, being depreciated, net	169,148,515	4,305,562	490,048	172,964,029
Governmental activities capital assets, net	\$ 199,572,237	\$ 11,247,682	\$ 8,832,134	\$ 201,987,785

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

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

General government	\$ 1,398,222
Public Safety	462,490
Public Works	1,653,987
Health and Welfare	283,132
Parks and Recreation	170,540
Board of Education	1,741,164
Total depreciation expense	\$ 5,709,535

Allington Fire District: Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 36,903	\$ -	\$ -	\$ 36,903
Capital assets, being depreciated				
Buildings and improvements	702,454	-	-	702,454
Machinery and equipment	143,308	-	2,559	140,749
Fire trucks and vehicles	2,061,723	-	722,814	1,338,909
Infrastructure - hydrants	367,097	-	-	367,097
Fire equipment	980,489	-	27,231	953,258
Total capital assets being depreciated	4,255,071	-	752,604	3,502,467
Less accumulated depreciation for:				
Buildings and improvements	227,284	21,807	-	249,091
Machinery and equipment	119,016	2,755	1,514	120,257
Fire trucks and vehicles	1,746,964	55,566	699,229	1,103,301
Infrastructure - hydrants	226,631	11,420	-	238,051
Fire equipment	934,243	22,647	27,231	929,659
Total accumulated depreciation	3,254,138	114,195	727,974	2,640,359
Total capital assets, being depreciated, net	1,000,933	(114,195)	24,630	862,108
Governmental activities capital assets, net	\$ 1,037,836	\$ (114,195)	\$ 24,630	\$ 899,011

Depreciation expense was charged to the Public Safety function.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Interfund accounts:

Advanced payables and receivables: A summary of interfund advances as of June 30, 2015 is as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 5,323,490	\$ 1,873,951
Allingtown Fire District Fund	-	1,379,019
Capital Improvement Fund	-	1,456,542
Sewer Fund	-	158,588
Nonmajor Funds	1,565,834	2,021,224
Total	<u>\$ 6,889,324</u>	<u>\$ 6,889,324</u>

The advances between funds relate to working capital loans made between the general fund and various nonmajor governmental funds. None of the balances are scheduled to be collected in the subsequent year.

Interfund transfers: A summary of interfund transfers as of June 30, 2015 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 1,460,977	\$ 1,197,360
Sewer Fund	-	1,415,008
Nonmajor Funds	1,197,360	45,969
Total general fund	<u>\$ 2,658,337</u>	<u>\$ 2,658,337</u>

Transfers are used to move monies from the sewer fund to the general fund for the payment of debt service and the monies from other funds to the general fund for activity related to certain department activities. The transfer out of the general fund is for clean water fund debt payments and other capital expenditures.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Deferred inflows of resources/unearned revenues: Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds and governmental activities were as follows:

	Deferred Inflows	Unearned
General Fund		
Taxes and accrued interest on delinquent property taxes	\$ 3,909,618	\$ -
Other	-	85,596
Miscellaneous receivable	12,564	-
Advance tax collections	6,762,404	-
Allingtown Fire District Fund		
Fire district taxes	395,807	-
Advance tax collections	426,908	-
Capital Improvement Fund		
Other	-	684
Sewer Fund		
Sewer use fees	2,928,651	45,184
Nonmajor Governmental Funds		
Loans receivable	2,046,789	-
Advance tax collections	573,753	-
Miscellaneous receivable	197,094	-
Total	\$ 17,253,588	\$ 131,464

Short-term obligations: The City is using bond anticipation notes during the renovation of City Hall and the school boiler replacement prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2015 was as follows:

Type of Obligation	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Bond anticipation notes				
General purpose/schools	\$ 2,325,000	\$ -	\$ 2,325,000	\$ -
Clean Water Interim Funding obligation				
	\$ 876,522	\$ -	\$ 876,522	\$ -

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Changes in long-term obligations:

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate (%)	Balance July 1, 2014	Additions	Deductions	Balance Outstanding June 30, 2015	Current Portion
Bonds									
General obligation bond	\$ 21,540,000	02/01/02	02/01/20	5.0-6.75%	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -
Refunding bond	32,245,000	5/11/05	07/01/24	2.5-5.0%	4,940,000	-	2,460,000	2,480,000	2,480,000
General obligation bond	11,716,000	03/31/10	02/15/25	5.05%	8,580,000	-	780,000	7,800,000	780,000
Refunding bond	7,420,000	04/01/10	08/01/15	3.27%	4,510,000	-	2,975,000	1,535,000	1,535,000
General obligation bond	3,685,000	05/31/12	08/01/26	3.0-5.0%	3,500,371	-	195,000	3,305,371	195,000
Refunding bond	47,410,000	05/31/12	08/01/26	3.0-5.0%	45,034,629	-	1,550,000	43,484,629	1,560,000
General obligation bond	9,100,000	09/03/14	09/01/34	3.0-5.0%	-	9,100,000	-	9,100,000	525,000
Total general purpose, school and sewer bonds	133,116,000				67,315,000	9,100,000	8,710,000	67,705,000	7,075,000
Bond anticipation notes	6,100,000	10/1/13	8/25/14	2.0%	6,110,000	-	6,110,000	-	-
Pension obligation bond	38,715,000	09/03/14	03/15/22	0.985-4.164%	-	38,715,000	4,150,000	34,565,000	3,700,000
Pension obligation bond	67,305,000	09/24/02	03/15/22	2.27-5.84%	36,125,000	-	36,125,000	-	-
Total bonds	245,236,000				109,550,000	47,815,000	55,095,000	102,270,000	10,775,000
Clean Water Notes Payable									
State of CT Series Note CWF167-D	293,596	10/31/1996	4/30/2016	2.00%	31,759	-	17,179	14,580	14,580
State of CT Series Note CWF167-C	4,858,956	10/30/1998	10/31/2017	2.00%	941,563	-	275,913	665,650	281,482
State of CT Series Note CWF347-C	1,618,947	5/31/2000	11/30/2019	2.00%	499,440	-	88,182	411,258	89,962
State of CT Series Note CWF444-C	1,603,000	3/31/2001	9/30/2020	2.00%	565,972	-	85,872	480,100	87,605
State of CT Series Note CWF348-C	4,407,222	11/30/2001	11/30/2020	2.00%	1,613,980	-	235,307	1,378,673	240,057
State of CT Series Note CWF346-C	801,945	12/31/2003	12/31/2022	2.00%	376,720	-	41,071	335,649	41,900
State of CT Series Note CWF348-C1	1,728,831	12/31/2003	12/31/2022	2.00%	817,932	-	88,541	729,391	90,328
State of CT Series Note CWF348-CD1	617,707	9/29/2006	11/30/2020	2.00%	304,656	-	44,483	260,173	45,381
State of CT Series Note CWF346-CD2	801,055	5/31/2007	12/31/2022	2.00%	436,939	-	51,405	385,534	51,405
State of CT Series Note CWF549-C	28,250,103	7/1/2013	7/1/2032	2.00%	25,763,281	-	1,196,637	24,566,644	1,218,759
State of CT Series Note CWF 549-CD2	1,425,544	6/30/2015	7/1/2032	2.00%	-	1,425,544	-	1,425,544	71,125
Total water notes	46,406,906				31,352,242	1,425,544	2,124,590	30,653,196	2,232,584
Total bonds/notes	<u>\$ 291,642,906</u>				140,902,242	49,240,544	57,219,590	132,923,196	13,007,584
Premium					3,142,000	-	448,857	2,693,143	-
Total bonds/notes and related liabilities					144,044,242	49,240,544	57,668,447	135,616,339	13,007,584

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate (%)	Balance July 1, 2014 *	Additions	Deductions	Balance Outstanding June 30, 2015	Current Portion
Other legal claims					1,742,000	-	1,350,000	392,000	392,000
Compensated Absences					14,565,066	222,087	3,384,198	11,402,955	3,000,000
Capital Leases					271,152	243,364	207,009	307,507	157,095
Net pension liability					10,889,312	5,980,362	-	16,869,674	-
Other Post-Employment Benefit Obligation					29,391,508	5,558,669	-	34,950,177	-
Risk Management Activities					17,865,712	34,704,215	28,326,532	24,243,395	4,304,340
Total long-term obligations					\$ 218,768,992	\$ 95,949,241	\$ 90,936,186	\$ 223,782,047	\$ 20,861,019

* as restated for GASB No. 68

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

	Balance July 1, 2014*	Additions	Deductions	Balance June 30, 2015	Current Portion
Capital lease payable	\$ 17,887	\$ 371,754	\$ 8,661	\$ 380,980	\$ 79,385
Heart and hypertension	19,250	-	8,280	10,970	-
Compensated absences	490,892	37,010	-	527,902	15,837
Net pension liability	19,671,862	657,403	-	20,329,265	-
Net other post-employment benefit obligation	3,537,895	760,915	-	4,298,810	-
Total long-term obligations	\$ 23,737,786	\$ 1,827,082	\$ 16,941	\$ 25,547,927	\$ 95,222

* as restated for GASB No. 68

2015 general obligation refunding bond in-substance defeasance: In August 2014, the City issued \$38,715,000 of general obligation pension refunding bonds with interest rates of 2.5 to 5%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation pension bond of the City (the Refunding Bonds). Net proceeds of \$38,535,474 (after payment of expenses of \$179,526), was placed in an irrevocable trust under an Escrow Agreement dated August 2014 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,555,494, and a cash savings of \$2,554,441 between the old debt payments and the new debt payments.

The balance of the defeased bonds was approximately \$36,125,000 million at June 30, 2015. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2 Detailed Notes (Continued)

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30,	Bond Principal	Bond Interest	Notes Principal	Notes Interest	Total Maturities
2016	\$ 10,775,000	\$ 4,016,186	\$ 2,232,584	\$ 592,125	\$ 17,615,895
2017	11,995,000	3,632,906	2,261,736	547,231	18,436,873
2018	12,515,000	3,195,385	2,110,393	502,730	18,323,508
2019	12,710,000	2,749,933	2,052,993	461,694	17,974,620
2020	12,045,000	2,295,577	2,036,310	420,552	16,797,439
2021	11,100,000	1,826,514	1,777,635	381,479	15,085,628
2022	11,340,000	1,330,149	1,654,671	347,995	14,672,815
2023	3,400,000	868,526	1,584,910	315,031	6,168,467
2024	4,930,000	659,339	1,513,492	284,495	7,387,326
2025	4,980,000	410,761	1,544,041	253,946	7,188,748
2026	2,695,000	208,406	1,575,206	222,781	4,701,393
2027	725,000	128,013	1,607,001	190,986	2,651,000
2028	395,000	108,575	1,639,437	158,550	2,301,562
2029	395,000	95,491	1,672,528	125,459	2,288,478
2030	395,000	81,913	1,706,287	91,700	2,274,900
2031	380,000	67,400	1,740,727	57,260	2,245,387
2032	380,000	52,200	1,775,863	22,124	2,230,187
2033	380,000	37,000	167,382	236	584,618
2034	380,000	21,800	-	-	401,800
2035	355,000	7,100	-	-	362,100
	<u>\$ 102,270,000</u>	<u>\$ 21,793,174</u>	<u>\$ 30,653,196</u>	<u>\$ 4,976,374</u>	<u>\$ 159,692,744</u>

Claims and judgments: The City is a defendant in various liability claims and lawsuits relating to deaths and personal injuries, civil rights violations, contractual obligations and other matters, which are incidental to performing governmental functions. The City has determined that it is probable that it has potential liability of approximately \$392,000 for such claims. The City's liabilities for claims and judgments were based on information available. It is reasonably possible that, as the cases evolve, the resulting estimates will be adjusted significantly in the near term.

Heart and hypertension: The City has certain police officers or their widows receiving benefits under the State's Heart and Hypertension statutes. Additionally, the City pays for medical costs for other officers under the same statutes. The statutes require that the City pay monthly amounts to the officer or surviving spouse for life. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Capital leases: At June 30, 2015, the City is committed under capital leases for vehicles at a cost of \$786,811 net of \$484,264 in accumulated depreciation. This year, \$270,823 was included in depreciation expense.

At June 30, 2015, the Allingtown Fire District is committed under capital leases for vehicles at a cost of \$399,152, net of \$33,514 in accumulated depreciation. This year, \$86,880 was included in depreciation expense.

The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments at June 30, 2015.

Year Ending June 30,	City	Allingtown
2016	\$ 168,761	\$ 90,762
2017	156,371	80,943
2018	-	80,943
2019	-	80,943
2020	-	80,943
Total	325,132	414,534
Less: amount representing interest	(17,625)	(33,554)
Present value of minimum lease payments	\$ 307,507	\$ 380,980

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	Debt Limit	Net Indebtedness	Balance
General government	\$ 212,025,681	\$ 60,295,435	\$ 151,730,246
Schools	424,051,362	70,802,016	353,249,346
Sewer	353,376,135	4,078,604	349,297,531
Urban renewal	306,259,317	-	306,259,317
Pension deficit	282,700,908	34,565,000	248,135,908

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$659,635,452.

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.

Authorized/unissued bonds: The amount of authorized, unissued bonds is \$147,701,404, less expected reimbursements of \$99,073,828 for school; \$2,845,604 for sewers; \$25,735,875 for general purpose.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Prior years advance refunding: In the prior year, the City defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in a trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the City's financial statements. As of June 30, 2015, the amount of defeased debt outstanding but removed from the City's financial statements amounted to \$97,915,000.

Restricted net position: The amount of restricted net position, which was restricted by enabling legislation, totaled \$266,627 at June 30, 2015.

Fund balance classifications: As of June 30, 2015, fund balances are composed of the following:

Fund Balance Component	General Fund	Allingtown Fire District Fund	Capital Improvement Fund	Sewer Fund	Nonmajor Funds	Total
Nonspendable						
Inventory/prepaid items	\$ 792,511	\$ 371,754	\$ -	141,583	\$ -	\$ 1,305,848
Advances	5,323,490	-	-	-	1,565,834	6,889,324
Total nonspendable	6,116,001	371,754	-	141,583	1,565,834	8,195,172
Restricted						
Community development						
Block grant	-	-	-	-	199,656	199,656
Total restricted	-	-	-	-	199,656	199,656
Unassigned (deficit)	(16,313,098)	(2,143,857)	(3,094,284)	(1,992,937)	(2,503,351)	(26,047,527)
Total	\$ (10,197,097)	\$ (1,772,103)	\$ (3,094,284)	\$ (1,851,354)	\$ (737,861)	\$ (17,652,699)

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

Deficit equity: At June 30, 2015, the City had deficit equity balances in the following funds:

General Fund \$ 10,197,097

The City is has put in place for the next Budget cycle realistic and conservative revenues and we are addressing expenditures by not funding over \$700,000 of positions within the City's Budget. On the Revenue side the City has taken proactive measures to reduce over \$1.0M of Revenues which were not obtainable and lowered our Tax Collection Rate from 98.7% to 98.5% based on a more realistic figure and last year's actual. The City also has some sizeable Economic Development in the pipeline which will contribute to Grand List Growth this coupled with restored efforts on Tax Collections, Tax Lien Assignments, implementation of the Tax Boot Program for Motor Vehicles and finally working on Legal Foreclosures to get properties back on the tax rolls. All of these items will put the City on a better financial footing. The Administration is also planning on some large operational efficiencies within City Departments is implementing certain methods for future budgets to begin to reduce the fund balance deficit in the General Fund. These plans include including deficit financing for our General Fund Deficit along with the \$1.5M for the Capital Fund and Capital Non Recurring Fund. The City is also looking to take action on the following Funds listed below which are currently in a Deficit.

Clean Water Fund \$ 352,133
This fund deficit will be eliminated when the interim funding obligation is permanently financed.

Allingtown Fire District Fund \$ 1,772,103
This fund deficit will be eliminated by future tax increases and budget savings.

Sewer Fund \$ 1,851,354
This fund deficit will be eliminated by future tax increases and budget savings.

Capital Improvement Fund \$ 3,094,284
The above deficit will be eliminated with future bond proceeds.

Miscellaneous grants	\$ 9,042
School lunch	617,741
Sports facilities	211,916
Career and adult education	629,932
Train site	8,695
Brownfields	5,972

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

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 and employee medical and prescriptions claims. The City contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the City's liability for worker's compensation, general liability, heart and hypertension and medical claims. Major City claims are recorded at the government-wide level.

The City purchases commercial insurance coverage for all City buildings (flood, fire and casualty), errors and omissions, general liability umbrella policy with a retention limit of \$250,000 per incident, law enforcement liability insurance policy with a deductible of \$100,000 and per claim limit of \$1,000,000, and workers' compensation excess policy with a retention limit of \$500,000 per incident and employee group medical claims in excess of \$250,000.

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

The claims liability reported is based upon the provisions of GASB Statements No, 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded, 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 societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries, the claim accrual does not include other allocated or unallocated claims adjustment expenses. In the prior years, the City used internal services funds to report the activity related to the various self-insurance programs below. See Note 2, Changes in long-term obligations.

City of West Haven, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes (Continued)

The following is a summary of risk management activities:

	Medical Insurance			
	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
City & Allingtown				
2013-2014	\$ 1,445,894	\$ 25,528,990	\$ 25,633,872	\$ 1,341,012
2014-2015	1,341,013	22,987,298	22,800,966	1,527,345
	General Liability			
	Liability July 1,	Current Year Claim and Changes In Estimates	Claim Payments	Liability June 30,
2013-2014	\$ 1,602,319	\$ 1,086,563	\$ 1,161,097	\$ 1,527,785
2014-2015	1,527,785	741,616	1,597,401	672,000
	Workers' Compensation			
	Liability July 1,	Current Year Claim and Changes In Estimates	Claim Payments	Liability June 30,
2013-2014	5,950,833	5,274,263	2,615,825	8,609,271
2014-2015	8,609,271	2,561,882	3,699,718	7,471,435
	Heart and Hypertension			
	Liability July 1,	Current Year Claim and Changes In Estimates	Claim Payments	Liability June 30,
2013-2014	5,465,547	1,150,634	228,538	6,387,643
2014-2015	6,387,643	8,413,419	228,447	14,572,615
	Total Risk Management Activities			
	Liability July 1,	Current Year Claim and Changes In Estimates	Claim Payments	Liability June 30,
2013-2014	14,464,593	33,040,450	29,639,332	17,865,711
2014-2015	17,865,712	34,704,215	28,326,532	24,243,395

Management discontinued the use of internal service funds for reporting its self-insurance risk on July 1, 2014. The impact of the discontinuance of the internal service funds on the General Fund's operations was approximately \$30,000.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information

Contingencies: Amounts received or receivable from the 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.

Pension Plans:

Summary: The City administers two single-employer, contributory, defined benefit pension plans (City of West Haven Police and Allingtown Fire District). The City benefits and contribution requirements are established by plan documents adopted July 1, 2010, by approval of the City Council. Allingtown Fire District 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 two pension trust funds. The plans do not issue separate standalone financial reports. Both plans are closed to new participants.

Summary of significant accounting policies and plan asset matters:

Basis of accounting: The Police Pension and Allingtown Fire District Pension trust funds' financial statements are accounted for using the accrual basis of accounting. Contributions are recognized when they are due, pursuant to formal commitments and contractual requirements. Investment income is recognized when earned. Expenses (benefits, administration, and refunds) are recognized when they are due and payable in accordance with the terms of the plan.

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

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

The Police Pension and Allingtown Fire District 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.

Classes of employees covered: As of January 1, 2014 for the Police, and July 1, 2013 for Allingtown, the date of the last actuarial valuation, the memberships in the Plans are comprised of the following:

	Police	Allingtown Fire District
Retirees and beneficiaries currently receiving benefits	142	30
Active plan members	100	22
Total	242	52

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Benefit provisions:

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

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

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

Employer contributions:

Police: The Police's contribution is actuarially determined by using the projected unit credit cost method. The Police contribution was \$590,403. In 2015, the City contributed approximately \$1,274,950 to the plan. Administrative costs are generally financed through investment earnings.

Allingtown Fire District: The District's contribution is actuarially determined by using the entry age normal method. The Fire Fighters' contribution was \$161,936. In 2015, the City contributed approximately \$1,567,074 to the plan. Administrative costs are generally financed through investment earnings.

Employee contributions:

Police: Police officers were required to contribute 9% of their earnings for the current year.

The contribution rate was increased from 8.5% in 2014 and will ultimately be 9.5% effective July 1, 2016.

Allingtown Fire District: Employees are required to contribute 9% of their earnings for the current fiscal year if hired before July 1, 1998 and 11% if hired after June 30, 1998.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Actuarial assumptions: The data presented in the schedule of contributions was determined as part of the actuarial valuation at the date indicated. Additional information for the plan as of the latest valuation date is as follows:

	<u>Police</u>	<u>Allingtown Fire District</u>
Valuation date	January 1, 2014	July 1, 2013
Actuarial cost method	Projected Unit Credit	Entry Age Normal Method
Amortization method	Level Percent Closed	Level Percent Closed, 30 Years
Remaining amortization period	5 years	20 years
Asset valuation method	Fair Value	Fair Value
Actuarial Assumptions		
Investment rate of return	7.375%	7.50%
Projected salary increases		
Merit	3.50%	2.00%
Inflation	2.75%	2.00%
Cost-of-living adjustments	3.00% for members hired before 6/30/93 1.75% for members hired after 6/30/93	2.00%

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

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Plan statements:

**Statement of Fiduciary Net Position
June 30, 2015**

	Pension Trust Funds		
	Police Pension	Allingtown Fire District	Total
Assets			
Cash and cash equivalents	\$ 2,621,915	\$ 7,298	\$ 2,629,213
Investments, at fair value:			
Mutual funds:			
Money market	-	30,719	30,719
Equity	50,264,711	-	50,264,711
Common stock	33,845,556	626,643	34,472,199
Corporate bonds	13,706,404	-	13,706,404
U.S. government securities	1,423,180	-	1,423,180
U.S. government agency securities	652,520	-	652,520
Private equity limited partnerships	12,475,084	428,481	12,903,565
Fixed income funds	1,058,111	-	1,058,111
Annuities	-	4,252,886	4,252,886
Total investments	113,425,566	5,338,729	118,764,295
Interest and dividends receivable	175,430	-	175,430
Total assets	116,222,911	5,346,027	121,568,938
Liability			
Due to other funds	324,352	-	324,352
Net Position			
Net position restricted for pension benefits	\$ 115,898,559	\$ 5,346,027	\$ 121,244,586

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015**

	Pension Trust Funds		
	Police Pension	Allington Fire District	Total
Additions			
Contributions:			
Employer	\$ 1,274,950	\$ 1,567,074	\$ 2,842,024
Plan members	590,403	161,936	752,339
Total contributions	1,865,353	1,729,010	3,594,363
Investment income:			
Change in fair value of investments	929,592	(229,159)	700,433
Interest and dividends	1,729,384	176,137	1,905,521
Total investment income	2,658,976	(53,022)	2,605,954
Less investment expenses	591,572	20,298	611,870
Net investment income	2,067,404	(73,320)	1,994,084
Total additions	3,932,757	1,655,690	5,588,447
Deductions			
Benefits	6,758,653	1,362,293	8,120,946
Administration	26,720	100	26,820
Transfers out	-	-	-
Total deductions	6,785,373	1,362,393	8,147,766
Change in net position	(2,852,616)	293,297	(2,559,319)
Net Position			
Beginning	118,751,175	5,052,730	123,803,905
Ending	\$ 115,898,559	\$ 5,346,027	\$ 121,244,586

Police Pension Plan

Plan administration: The City's pension plan is separately administered by its 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 comprises 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.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Concentrations: The City does not have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

There are no investments in the Police Pension Plan that represent more than 5% of the plan's net position as of June 30, 2015.

Net pension liability: The components of the net pension liability of the City at June 30, 2015 were as follows:

<u>Net Pension Liability - Police Pension Plan</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 133,092,587	\$ 129,964,841
Plan fiduciary net position	116,222,913	119,075,529
Net pension liability	\$ 16,869,674	\$ 10,889,312
Plan fiduciary net position as a percentage of total pension liability	87.32%	91.62%
Covered payroll	\$ 7,160,460	\$ 7,191,938
Net pension liability as a percentage of covered payroll	235.59%	151.41%

Rate of return: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 1.43%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2014, using actuarial assumptions disclosed above, rolled forward to the measurement date of June 30, 2015:

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus a closed amortization of the plan's unfunded liability over 5 years from January 1, 2014, as a level percentage of pay.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2013. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	4.08%	0.50%	0.49%
Core Fixed Income	13.84%	2.20%	1.95%
Non-U.S. Fixed Income	2.03%	1.32%	0.73%
Broad U.S. Equities	50.89%	6.12%	4.49%
Developed Foreign Equities	10.62%	6.29%	4.39%
Emerging Market Equities	3.69%	8.94%	4.88%
Private Equity	3.27%	9.15%	5.37%
Hedge Funds/Absolute Return	8.57%	3.37%	2.93%
Real Estate (REITS)	3.01%	5.59%	3.90%
	100.00%		
Assumed Inflation - Mean		2.75%	2.75%
Assumed Inflation - Standard Deviation		2.00%	2.00%
Portfolio Mean Return		8.01%	7.12%
Portfolio Standard Deviation			13.91%
Long-Term Expected Rate of Return			7.375%

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2015 was 7.375%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the City of West Haven contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members (retired and active employees who qualify under the Plan) and their beneficiaries are included.

Based on the plan's current contribution policy, the plan's net fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the 7.375% interest rate assumption was used to discount plan liabilities.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of West Haven Police Pension Plan, calculated using the discount rate of 7.375% as well as what the City of West Haven Police Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

Police Pension Plan	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
Net pension liability	\$ 34,154,638	\$ 16,869,674	\$ 2,623,486

Changes in the Net Pension Liability

	Police Pension		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 129,964,841	\$ 119,075,529	\$ 10,889,312
Changes for the year:			
Service cost	1,615,531	-	1,615,531
Interest	9,377,636	-	9,377,636
Effect of economic/demographic gains or losses	(1,106,768)	-	(1,106,768)
Contributions - employer	-	1,274,950	(1,274,950)
Contributions - members	-	590,403	(590,403)
Net investment income	-	2,067,404	(2,067,404)
Benefit payments, including refunds of employee contributions	(6,758,653)	(6,758,653)	-
Administrative expense	-	(26,720)	26,720
Net changes	3,127,746	(2,852,616)	5,980,362
Balances at 6/30/15	\$ 133,092,587	\$ 116,222,913	\$ 16,869,674

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$2,892,504. As of June 30, 2015, the City's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (866,166)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	5,228,974	-
Total	\$ 5,228,974	\$ (866,166)

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

<u>Year Ended June 30,</u>	<u>Police Pension Plan</u>
2016	\$ 1,066,642
2017	1,066,642
2018	1,066,642
2019	1,162,882
2020	-
Thereafter	-

Allingtown Pension Plan:

Concentrations: The City does not have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

Investments of greater than 5% of Allingtown Fire District total assets in any one organization were as follows:

KBS Real Estate Investment Trust	<u>\$ 268,283</u>
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City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Net pension liability: The components of the net pension liability of the Allingtown Pension Plan at June 30, 2015 were as follows:

<u>Net Pension Liability - Allingtown Pension Plan</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 25,659,225	\$ 24,724,569
Plan fiduciary net position	5,329,960	5,052,707
Net pension liability	\$ 20,329,265	\$ 19,671,862
Plan fiduciary net position as a percentage of total pension liability	20.77%	20.44%
Covered payroll	\$ 1,678,136	\$ 1,645,791
Net pension liability as a percentage of covered payroll	1211.42%	1195.28%

Rate of return: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (1.70)%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the actuarial assumptions above, rolled forward to the measurement date of June 30, 2015:

The District's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus a closed amortization of the plan's unfunded liability over 30 years from July 1, 2013, as a level percentage of pay.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2013. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	0.76%	0.50%	0.49%
Large Cap Equities	18.19%	5.86%	4.39%
Developed Foreign Equities	4.46%	6.29%	4.39%
Real Estate (REITS)	13.50%	5.59%	3.90%
Annuities	63.09%	3.74%	3.17%
	100.00%		
Assumed Inflation - Mean		2.75%	2.75%
Assumed Inflation - Standard Deviation		2.00%	2.00%
Portfolio Mean Return		4.47%	3.99%
Portfolio Nominal Mean Return		7.23%	6.74%
Portfolio Standard Deviation		10.32%	10.32%
Long-Term Expected Rate of Return			7.50%

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2015 was 7.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members (retired and active employees who qualify under the Plan) and their beneficiaries are included.

Based on the plan's current contribution policy, the plan's net fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the 7.50% interest rate assumption was used to discount plan liabilities.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of West Haven Allingtown Pension Plan, calculated using the discount rate of 7.50% as well as what the City of West Haven Allingtown Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Allingtown Pension Plan	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 23,487,359	\$ 20,329,265	\$ 17,710,692

Changes in the Net Pension Liability

	Allingtown Pension Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 24,724,569	\$ 5,052,707	\$ 19,671,862
Changes for the year:			
Service cost	462,468	-	462,468
Interest	1,838,710	-	1,838,710
Effect of economic/demographic gains or losses	-	-	-
Contributions - employer	-	1,571,325	(1,571,325)
Contributions - members	-	161,935	(161,935)
Net investment income	-	(89,385)	89,385
Benefit payments, including refunds of employee contributions	(1,366,522)	(1,366,522)	-
Administrative expense	-	(100)	100
Net changes	934,656	277,253	657,403
Balances at 6/30/15	\$ 25,659,225	\$ 5,329,960	\$ 20,329,265

For the year ended June 30, 2015, the City recognized pension expense of \$1,843,258. As of June 30, 2015, the City's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

Allingtown Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	385,470	-
Total	\$ 385,470	\$ -

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

<u>Year Ended June 30,</u>	<u>Allingtown Pension Plan</u>
2016	\$ 96,368
2017	96,368
2018	96,368
2019	96,366
2020	-
Thereafter	-

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

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

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

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

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

During the year, the employer contributions were \$1,413,921 and employee contributions totaled \$1,871,485.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Connecticut State Teachers' Retirement System:

All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. These employees are eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are serviced in the public schools of Connecticut.

Description of system: Eligible employees within the City's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the City does not have a liability.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$10,356,000 as payments made by the State of Connecticut on-behalf of the City. The City does not have any liability for teacher pensions.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Employees are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$11,332,656 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$41,052,000.

Employers are not required to make contributions to the Plan.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The long-term expected rate of return on pension 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Large cap U.S. equities	21.00%	7.30%
Developed non-U.S. equities	18.00%	7.50%
Emerging markets (non-U.S.)	9.00%	8.60%
Core fixed income	7.00%	1.70%
Inflation linked bond fund	3.00%	1.30%
Emerging market bond	5.00%	4.80%
High yield bonds	5.00%	3.70%
Real estate	7.00%	5.90%
Private equity	11.00%	10.90%
Alternative investments	8.00%	0.70%
Liquidity fund	6.00%	0.40%
	<u>100.00%</u>	

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Discount rate: The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State's proportionate share of the net pension liability (NPL) associated with the City, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate. The City has no accrued any of the liability as the responsibility for the liability is with the State.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's portion of the NPL associated with the City	\$ 134,145,378	\$ 105,117,977	\$ 80,443,826

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the State net pension liability that was associated with the City was \$105,117,977 and 100% of the collective net pension liability is allocated to the State. The City has no proportionate share of the liability.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based.

The City recognized the total pension expense associated with the City as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the City. For the fiscal year ended June 30, 2015, the City recognized \$7,886,854 as the amount expended by the State on behalf of the City to meet the State's funding requirements in the Statement of Activities.

Other information: Additional information is included in the required supplementary section of the financial statements.

Other Post-Employment Benefit Plans:

Plan description: The City currently provides to certain former employees Other Post-Employment Benefit (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.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

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

Classes of employees covered: As of July 1, 2013, the date of the last actuarial valuation for the City, Board of Education and for the Allingtown Fire District, the plans' membership consisted of:

	City	Board of Education	Allingtown Fire District
Retirees and beneficiaries currently receiving benefits	331	362	58
Active plan members	364	720	22
Total	695	1,082	80

Benefit provisions:

Benefit provisions: The City plans to provide 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 District's plan provides for health and life insurance benefits for all eligible District retirees and their spouses. Benefits are established by contract and may be amended by union negotiations.

Employer contributions: The City's recommended contributions are actuarially determined on an annual basis using the projected unit credit method. Contributions are established by contract and may be amended by union negotiations. The City and Board of Education's total plan contribution was \$7,418,078.

The Allingtown Fire District'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 District. The District's plan contribution was \$639,429.

Employee contributions: There are no employee contributions to the plan. Retiree contributions to the Board of Education plan totaled \$0 based upon terms in union contracts.

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 District.

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Funded status and funding progress: The funded status of the plan as of July 1, 2013 was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Over (Under) Funded AAL (A-B)	Funded AAL Ratio (A/B)	Covered Payroll (C)	AAL as a Percentage of Covered Payroll [(A-B)/C]
<u>City</u>						
July 1, 2013	\$ -	\$ 188,688,760	\$ (188,688,760)	0%	\$ 79,517,322	-237.3%
<u>Allingtown Fire District</u>						
July 1, 2013	\$ -	\$ 19,201,569	\$ (19,201,569)	0%	\$ 1,678,136	0.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedules of funding progress (RSI-1), immediately following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for the plan as of the latest valuation date is as follows:

	<u>City</u>	<u>Allingtown Fire District</u>
Valuation date	July 1, 2013	July 1, 2013
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	30 Year, Open	25 Year, Open
Remaining amortization period	24 years	22 years

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

	City	Allingtown Fire District
Actuarial assumptions:		
Investment rate of return	4.0%	4.0%
Projected salary increases		
Merit	9.0%	6.5%
Inflation	3.0%	4.7%
Cost-of-living adjustments	N/A	N/A
Health care cost trend rates:		
Initial	8.5%	4.32%
Ultimate	5.0%	0.88%

Annual OPEB cost and net OPEB obligation (NOO): The changes in the NOO were as follows:

	City	Allingtown Fire District
Annual required contribution (ARC)	\$ 12,948,251	\$ 1,434,038
Interest on net OPEB obligation	1,175,660	141,516
Adjustment to annual required contribution	(1,147,164)	(175,210)
Annual OPEB cost (AOC)	12,976,747	1,400,344
Contributions made	(7,418,078)	(639,429)
Change in net OPEB obligation	5,558,669	760,915
Net OPEB obligation - July 1, 2014	29,391,508	3,537,895
Net OPEB obligation - June 30, 2015	\$ 34,950,177	\$ 4,298,810

City of West Haven, Connecticut

Notes to Financial Statements

Note 3. Other Information (Continued)

Three-year trend information: The changes in the NOO were as follows:

Year Ending June 30,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation	Total Contributions
City				
2013	\$ 9,609,104	71.9%	\$ 24,244,899	\$ 6,906,130
2014	12,840,079	59.9%	29,391,508	7,693,470
2015	12,976,747	57.2%	34,950,177	7,418,078
Allingtown Fire District				
2013	\$ 1,356,146	46.8%	\$ 2,801,428	\$ 635,000
2014	1,321,933	44.3%	3,537,895	585,466
2015	1,400,344	45.7%	4,298,810	639,429

Note 4. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB No. 75, which will most likely have a material impact, even though the amount has not yet been determined:

- GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.

Notes to Financial Statements

Note 4. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
 - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
 - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

Notes to Financial Statements

Note 4. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this Statement are effective for financial statements for periods beginning after beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. Earlier application is encouraged.

City of West Haven, Connecticut

Notes to Financial Statements

Note 4. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

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**Required Supplementary
Information - Unaudited**

**Required Supplementary Information - Unaudited
Schedules of Employer Contributions
Last Ten Fiscal Years
June 30, 2015**

Schedule of Employer Contributions - Police

Year Ended	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
2006	\$ 1,103,584	\$ 1,100,000	\$ 3,584	\$ 6,554,897	16.78%
2007	1,111,822	1,111,822	-	7,373,220	15.08%
2008	1,111,822	1,111,822	-	7,373,220	15.08%
2009	1,157,342	611,822	545,520	7,812,621	7.83%
2010	1,157,342	1,157,342	-	7,812,621	14.81%
2011	3,950,896	1,050,000	2,900,896	7,074,123	14.84%
2012	3,141,846	979,292	2,162,554	7,008,211	13.97%
2013	3,141,846	1,285,750	1,856,096	7,008,211	18.35%
2014	3,312,178	1,157,000	2,155,178	7,191,938	16.09%
2015	2,342,798	1,274,950	1,067,848	7,160,460	17.81%

Schedule of Employer Contributions - Allingtown Fire District

Year Ended	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
2006	\$ 1,154,882	\$ 1,293,618	(138,736)	\$ 1,238,339	104.46%
2007	1,201,077	1,222,182	(21,105)	1,238,339	98.70%
2008	1,249,120	1,360,156	(111,036)	1,238,339	109.84%
2009	1,178,166	875,780	302,386	1,341,760	65.27%
2010	1,225,293	1,343,174	(117,881)	1,341,760	100.11%
2011	1,274,304	1,430,341	(156,037)	1,341,760	106.60%
2012	1,404,794	1,492,075	(87,281)	1,645,791	90.66%
2013	1,460,986	1,516,586	(55,600)	1,645,791	92.15%
2014	1,519,425	1,495,339	24,086	1,645,791	90.86%
2015	1,536,083	1,571,325	(35,242)	1,678,136	93.64%

Notes to schedule:

	Police	Allingtown Fire District
Valuation date	1/1/2014	7/1/2013
Actuarial cost method	Projected unit credit	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	5 years	20 years
Asset valuation method	Fair Value	Fair Value
Inflation	2.75%	2.00%
Salary increases	3.50%	2.00%
Investment rate of return	7.375%	7.50%

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability and Related Ratios (in 1,000s)
Last Two Fiscal Years

Changes in Net Pension Liability - Police Pension Plan	2015	2014
Total Pension Liability		
Service cost	\$ 1,616	\$ 1,627
Interest on total pension liability	9,378	9,147
Effect of economic/demographic gains or losses	(1,107)	-
Benefit payments	(6,759)	(6,311)
Net change in total pension liability	3,128	4,463
Total Pension Liability, Beginning	129,964	125,501
Total pension liability, ending (a)	133,092	129,964
Fiduciary Net Position		
Employer contributions	1,275	1,157
Member contributions	590	583
Investment income net of investment expenses	2,068	14,029
Benefit payments	(6,759)	(6,311)
Administrative expenses	(27)	(25)
Net change in plan fiduciary net position	(2,853)	9,433
Fiduciary Net Position, Beginning	119,075	109,642
Fiduciary net position, ending (b)	116,222	119,075
Net pension liability, ending = (a) - (b)	\$ 16,870	\$ 10,889
Fiduciary Net Position as a % of Total Pension Liability	87.32%	91.62%
Covered Payroll	\$ 7,160	\$ 7,192
Net Pension Liability as a % of Covered Payroll	235.61%	151.40%

Required Supplementary Information - Unaudited
Schedule of Investment Returns
June 30, 2015

	2015	2014
Annual money-weighted rate of return, net of investment expense	1.43%	13.13%

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability and Related Ratios (in 1,000s)
Last Two Fiscal Years

Changes in Net Pension Liability - Allingtown Fire District Plan	2015	2014
Total Pension Liability		
Service cost	\$ 463	\$ 430
Interest on total pension liability	1,839	1,768
Effect of economic/demographic gains or losses	-	1,009
Benefit payments	(1,367)	(1,221)
Net change in total pension liability	935	1,986
Total Pension Liability, Beginning	24,724	22,738
Total pension liability, ending (a)	25,659	24,724
Fiduciary Net Position		
Employer contributions	1,571	1,495
Member contributions	162	153
Investment income net of investment expenses	(90)	252
Benefit payments	(1,366)	(1,221)
Administrative expenses	-	(6)
Net change in plan fiduciary net position	277	673
Fiduciary Net Position, Beginning	5,053	4,380
Fiduciary net position, ending (b)	5,330	5,053
Net pension liability, ending = (a) - (b)	\$ 20,329	\$ 19,671
Fiduciary Net Position as a % of Total Pension Liability	20.77%	20.44%
Covered Payroll	\$ 1,678	\$ 1,678
Net Pension Liability as a % of Covered Payroll	1211.50%	1172.29%
Required Supplementary Information - Unaudited Schedule of Investment Returns June 30, 2015	2015	2014
Annual money-weighted rate of return, net of investment expense	-1.70%	5.47%

Required Supplementary Information - Unaudited
Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers' Retirement System
For the Year Ended June 30, 2015

City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>\$ 105,117,977</u>
Total	<u>\$ 105,117,977</u>
City's covered-employee payroll	<u>\$ 39,232,000</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>
System fiduciary net position as a percentage of the total pension liability	<u>61.51%</u>

Notes to Schedule

Change in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Methods and assumptions used in calculations of actuarially determined contributions	The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00%
Salary Increase	3.75-7.00%, including inflation
Investment Rate of Return	8.50%, net of investment expense

**Required Supplementary Information - Unaudited
Schedules of Funding Progress and Employer Contributions -
City Other Post-Employment Benefit Plan
June 30, 2015**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) Projected Unit Credit B	(Over) (Under) Funded AAL (A-B)	Funded AAL Ratio (A/B)	Covered Payroll C	Over/Under Funded AAL as a Percentage of Covered Payroll [(A-B)/C]
7/2/1007	\$ -	\$ 114,359,970	\$ 114,359,970	0.0%	\$ 62,667,713	182.5%
7/1/2009	-	127,963,458	127,963,458	0.0%	65,801,099	194.5%
7/1/2011	-	136,899,137	136,899,137	0.0%	69,091,154	198.1%
7/1/2013	-	188,688,760	188,688,760	0.0%	79,517,322	237.3%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 8,027,501	\$ 3,240,266	41.2%
2009	8,450,815	3,829,852	45.3%
2010	8,633,569	3,846,140	44.5%
2011	9,051,649	5,144,676	56.8%
2012	9,464,246	6,068,744	64.1%
2013	9,588,218	6,906,130	72.0%
2014	12,816,573	7,693,470	60.0%
2015	12,948,251	7,418,078	57.3%

**Required Supplementary Information - Unaudited
Schedules of Funding Progress and Employer Contributions -
Allingtown Fire District OPEB Plan
June 30, 2015**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) Projected Unit Credit B	(Over) (Under) Funded AAL (A-B)	Funded AAL Ratio (A/B)	Covered Payroll C	Over/Under Funded AAL as a Percentage of Covered Payroll [(A-B)/C]
06/30/2010	\$ -	\$ 16,717,000	\$ (16,717,000)	0.0%	\$ 1,341,760	N/A
07/01/2013	-	19,201,569	(19,201,569)	0.0%	1,678,136	N/A

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 1,203,000	\$ 490,000	41.0%
2011	1,203,000	542,000	45.0%
2012	1,282,000	570,000	44.5%
2013	1,367,000	635,000	46.5%
2014	1,342,307	585,466	43.6%
2015	1,434,038	639,429	44.6%

Required Supplementary Information - Unaudited
Statement of Revenues and Expenditures - Budgetary Basis - Budget and Actual -
General Fund
For the Year Ended June 30, 2015

	Original	Revised Final	Actual Budgetary Basis	Variance With Final Budget
Revenues				
Property taxes, interest and lien fees	\$ 88,935,020	\$ 88,935,020	\$ 89,195,459	\$ 260,439
Intergovernmental	56,636,977	56,636,977	56,342,261	(294,716)
Investment income	25,000	25,000	5,244	(19,756)
Charges for services	3,345,763	3,345,763	3,925,914	580,151
Other local income	1,342,000	1,342,000	1,551,101	209,101
Total revenues	150,284,760	150,284,760	151,019,979	735,219
Expenditures				
General government	6,836,817	5,523,725	5,523,725	-
Public Safety	14,196,889	14,698,060	14,698,060	-
Public Works	9,719,828	10,186,589	10,186,627	(38)
Health and Welfare	1,119,095	1,130,451	1,130,451	-
Parks and Recreation	920,138	869,583	869,583	-
Education	86,359,981	86,359,981	86,351,705	8,276
Benefits and Insurance	12,794,321	14,459,212	15,921,252	(1,462,040)
Library and other	1,630,000	1,630,001	1,630,001	-
Debt service	18,207,691	16,927,158	16,927,158	-
Total expenditures	151,784,760	151,784,760	153,238,562	(1,453,802)
Revenue under expenditures	(1,500,000)	(1,500,000)	(2,218,583)	(718,583)
Other Financing Sources (Uses)				
Transfers in	1,500,000	1,500,000	1,460,977	(39,023)
Total other financing sources (uses)	1,500,000	1,500,000	1,460,977	(39,023)
Revenue and other financing sources (uses) under expenditures	\$ -	\$ -	\$ (757,606)	\$ (757,606)

See Notes to Required Supplementary Information.

Required Supplementary Information - Unaudited
Statement of Revenues and Expenditures - Budgetary Basis - Budget and Actual -
Allingtown Fire District
For the Year Ended June 30, 2015

	Original	Revised Final	Actual Budgetary Basis	Variance With Final Budget
Revenues				
Property taxes, interest and lien fees	\$ 4,945,590	\$ 4,945,590	\$ 4,918,971	\$ 26,619
Intergovernmental	400,636	400,636	426,081	(25,445)
Charges for services	32,000	32,000	235,627	(203,627)
Other local income	221,400	221,400	674,515	(453,115)
Total revenues	5,599,626	5,599,626	6,255,194	(655,568)
Expenditures				
Personnel	4,741,702	4,741,702	5,381,746	-
Operating	809,124	809,124	1,059,538	250,414
Administrative	48,800	48,800	58,540	9,740
Total expenditures	5,599,626	5,599,626	6,499,824	260,154
Revenue under expenditures	\$ -	\$ -	\$ (244,630)	\$ (244,630)

See Notes to Required Supplementary Information.

**Note to Required Supplementary Information - Unaudited
June 30, 2015**

Note 1. Stewardship, Compliance and Accountability

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

- By Charter, the Mayor's recommended budget for the fiscal year beginning July 1 is presented to the City Council no later than the third Thursday in March, with Council action mandated on or before the first Thursday in May.
- After adoption of the original budget, budget transfer, amounts less than \$1,500 within departments require the approval of both the Mayor and the Director of Finance. Budget transfer amounts exceeding \$1,500 require the approval of the City Council.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is the department level for the general fund and the fund level for the Allingtown Fire District.
- Budgets are adopted on a modified accrual basis of accounting, except that encumbrances are treated as budgetary expenditures in the year of incurrence of the commitment to purchase and on-behalf payments are not budgeted.
- The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and City Council approval.
- There were no additional appropriations made during the year.
- Unexpended appropriations lapse at the end of the fiscal year, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when the project extends more than one fiscal year.

During the year ended June 30, 2015, the following line items for the City over expended their appropriations:

City Granted Benefits	\$1,462,040
Public Works	38

During the year ended June 30, 2015, the following line items for the Allingtown Fire District over expended their appropriations:

Overtime and vacation pay	\$585,085
FICA	2,161
Pension contributions	69,412
Medical and life insurance	102,836
Workers comp	301,054
Uniforms	1,857
Equipment maintenance	4,516
Miscellaneous	3,986
Trucks	527,948
Training	17,803

**Note to Required Supplementary Information - Unaudited
June 30, 2015**

Note 1. Stewardship, Compliance and Accountability (Continued)

A reconciliation of General Fund operations presented on a budgetary basis to the amounts presented in the fund financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
General Fund		
Balance, Budgetary Basis	\$ 152,480,956	\$ 154,214,562
Risk management costs not in budget	-	(30,504)
Refunding, net	-	337,079
State Teachers Retirement Payments Made by State Department of Education on Behalf of the City, not Recognized for Budgetary Purposes	10,356,000	10,356,000
Balance, GAAP basis	\$ 162,836,956	\$ 164,877,137
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Allingtown Fire District		
Balance, Budgetary Basis	\$ 6,255,194	\$ 6,499,824
Balance, GAAP basis	\$ 6,255,194	\$ 6,499,824

**Individual and Combining Fund
Statements and Other Schedules**

General Fund

General Fund

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

**Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
Property Taxes				
Current levy and supplement	\$ 86,455,020	\$ 86,455,020	\$ 87,551,031	\$ 1,096,011
Prior year levies	1,025,000	1,025,000	546,602	(478,398)
Interest and liens	1,125,000	1,125,000	795,416	(329,584)
Suspense tax and interest	330,000	330,000	302,410	(27,590)
Total property taxes	88,935,020	88,935,020	89,195,459	260,439
Intergovernmental				
Educational cost sharing	45,387,212	45,387,212	45,135,396	(251,816)
Transportation	652,032	652,032	659,085	7,053
Excess cost-student based	1,750,000	1,750,000	1,909,553	159,553
Mashantucket Pequot	997,564	997,564	981,721	(15,843)
Health services	175,000	175,000	40,523	(134,477)
PILOT - colleges and hospitals	5,475,168	5,475,168	5,476,449	1,281
Municipal revenue sharing	158,000	158,000	138,739	(19,261)
Property tax relief - elderly	400,000	400,000	461,213	61,213
Property tax relief	151,000	151,000	103,274	(47,726)
FEMA	-	-	241,416	241,416
PILOT - state owned property	49,162	49,162	-	(49,162)
Property tax relief - totally disabled	7,500	7,500	6,317	(1,183)
Town aid road	623,599	623,599	621,676	(1,923)
Telephone access line	117,740	117,740	100,356	(17,384)
State miscellaneous grants	150,000	150,000	147,061	(2,939)
SCCRWA - PILOT grant	253,000	253,000	278,971	25,971
PILOT - housing authority	140,000	140,000	-	(140,000)
Housing authority	150,000	150,000	-	(150,000)
State task force	-	-	40,511	40,511
Total intergovernmental	56,636,977	56,636,977	56,342,261	(294,716)
Charges for Services				
Animal licenses	15,000	15,000	14,159	(841)
Marriage licenses	3,000	3,000	8,185	5,185
Amusement and sporting licenses	5,000	5,000	318	(4,682)
Building permits	650,000	650,000	1,014,853	364,853
Electrical permits	90,000	90,000	225,951	135,951
Excavation permits	5,000	5,000	5,855	855
Plumbing and heating permits	175,000	175,000	262,559	87,559
Zoning permits	80,000	80,000	106,665	26,665
Alcoholic beverages licenses	200	200	134	(66)
Police licenses and protection permits	17,000	17,000	15,793	(1,207)
City Clerk fees	7,100	7,100	6,815	(285)
Dog pound releases	3,600	3,600	3,796	196
Health licenses and restaurant permits	72,000	72,000	85,500	13,500

(Continued)

Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for Services, Continued:				
Parking tags	\$ 60,000	\$ 60,000	\$ 40,554	\$ (19,446)
Fines and penalties - tax	1,200	1,200	97,856	96,656
Rents, royalties and concessions	100	100	10	(90)
Rent from City facilities	29,500	29,500	20,250	(9,250)
Public works	6,600	6,600	4,525	(2,075)
General government	48,500	48,500	84,625	36,125
Thompson School	60,000	60,000	-	(60,000)
Miscellaneous parks and recreation	324,000	324,000	350,808	26,808
Police service charges	12,500	12,500	9,120	(3,380)
Miscellaneous public works	78,000	78,000	37,741	(40,259)
Sewer fee collection expense	36,777	36,777	55,166	18,389
Miscellaneous - schools	-	-	147,406	147,406
Quigle/Yale parking	40,000	40,000	43,603	3,603
Fire District share of ERS	778,486	778,486	715,891	(62,595)
Parking meter revenue	20,000	20,000	13,755	(6,245)
Organic recycling/compost	35,000	35,000	23,399	(11,601)
Legal instruments	550,000	550,000	512,148	(37,852)
Sundry	200	200	42	(158)
Insurance reimbursement	142,000	142,000	18,432	(123,568)
Total charges for services	3,345,763	3,345,763	3,925,914	580,151
Investment Income	25,000	25,000	5,244	(19,756)
Other Revenues				
Voluntary CAD contribution	7,000	7,000	-	(7,000)
Miscellaneous	300,000	300,000	219,474	(80,526)
Sale of property	625,000	625,000	920,500	295,500
Yale contribution	410,000	410,000	411,127	1,127
Total other revenues	1,342,000	1,342,000	1,551,101	209,101
Total revenues	150,284,760	150,284,760	151,019,979	735,219
Other Financing Sources				
Transfers in - various	-	-	45,969	45,969
Transfers in - Sewer Fund	1,500,000	1,500,000	1,415,008	(84,992)
Total other financing sources	1,500,000	1,500,000	1,460,977	(39,023)
Total revenues and other financing sources	\$ 151,784,760	\$ 151,784,760	\$ 152,480,956	\$ 696,196

Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
General Government				
City Council	\$ 88,930	\$ 88,804	\$ 88,804	\$ -
Mayor's Office	333,115	311,460	311,460	-
Corporation Counsel	600,302	579,049	579,049	-
Personnel Department	159,864	165,241	165,241	-
Telephone Administration	250,000	244,959	244,959	-
City Clerk	285,526	284,890	284,890	-
Registrar of Voters	162,420	161,722	161,722	-
Probate Court	5,520	3,660	3,660	-
Planning and Development	395,674	374,395	374,395	-
Grants Administration	62,961	61,789	61,789	-
Building Department	467,744	454,712	454,712	-
Treasurer	7,600	7,600	7,600	-
Comptroller's Office	800,186	891,044	891,044	-
Purchasing Department	197,258	197,962	197,962	-
Data Processing Department	551,031	501,990	501,990	-
Central Services	305,015	229,113	229,113	-
Department of Assessments	408,354	425,199	425,199	-
Board of Tax Appeals	5,600	3,701	3,701	-
Department of Tax Collections	402,217	376,911	376,911	-
Unallocated contingency	1,347,500	159,524	159,524	-
Total general government	6,836,817	5,523,725	5,523,725	-
Public Safety				
ERS Department	1,734,987	1,740,573	1,740,573	-
Police administration	987,213	978,027	978,027	-
Police operations	10,227,453	10,707,732	10,707,732	-
Police Department support	951,387	982,574	982,574	-
Animal Control	279,403	276,441	276,441	-
Civil Preparedness	16,446	12,713	12,713	-
Total public safety	14,196,889	14,698,060	14,698,060	-
Board of Education	86,359,981	86,359,981	86,351,705	8,276

(Continued)

Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Works				
Public Works administration	\$ 572,432	\$ 580,508	\$ 580,546	\$ (38)
Engineering	176,536	187,570	187,570	-
Vehicle maintenance	1,097,855	1,327,387	1,327,387	-
Compost site	42,981	29,084	29,084	-
Solid waste	2,713,010	2,616,010	2,616,010	-
Grounds maintenance	24,105	20,947	20,947	-
Building maintenance	1,259,014	1,306,512	1,306,512	-
Highways and Parks administration	3,379,985	3,695,057	3,695,057	-
Highways and Parks	4,380	3,462	3,462	-
Parks maintenance	175,910	151,861	151,861	-
Outside contractors	78,965	70,461	70,461	-
Trees	194,655	197,730	197,730	-
Total public works	9,719,828	10,186,589	10,186,627	(38)
Health and Welfare				
Department of Human Resources	293,279	295,984	295,984	-
Department of Elderly Services	468,343	465,992	465,992	-
Health Department	357,473	368,475	368,475	-
Total health and welfare	1,119,095	1,130,451	1,130,451	-
Parks and Recreation				
Recreational services	610,936	597,349	597,349	-
Day camp program	139,920	124,952	124,952	-
Bennett Rink programs	40,000	40,000	40,000	-
Aquatic programs	129,282	107,282	107,282	-
Total parks and recreation	920,138	869,583	869,583	-
Benefits and Insurance				
City granted benefits	9,918,400	11,734,972	13,197,012	(1,462,040)
State mandated benefits	1,445,000	1,869,569	1,869,569	-
C-Med programs	112,193	127,753	127,753	-
City insurance premiums	422,728	477,637	477,637	-
City insurance retention	896,000	249,281	249,281	-
Total benefits and insurance	12,794,321	14,459,212	15,921,252	(1,462,040)

(Continued)

Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Library	\$ 1,630,000	\$ 1,630,001	\$ 1,630,001	-
Debt Service	18,207,691	16,927,158	16,927,158	-
Total expenditures	151,784,760	151,784,760	153,238,562	(1,453,802)
Other Financing Uses				
Transfer out to Capital Nonrecurring	-	-	976,000	(976,000)
Total expenditures and other financing sources	\$ 151,784,760	\$ 151,784,760	\$ 154,214,562	\$ (2,429,802)

Schedule of Revenues and Other Financing Sources - Allingtown Fire District
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Property Taxes				
Current property taxes	\$ 4,745,590	\$ 4,745,590	\$ 4,728,697	\$ 16,893
Prior year property taxes	200,000	200,000	105,230	94,770
Interest and lien fees	-	-	85,044	(85,044)
Regional Water Authority - PILOT	-	-	-	-
Total property taxes	4,945,590	4,945,590	4,918,971	26,619
Intergovernmental				
State grants - PILOT	400,636	400,636	425,041	(24,405)
Miscellaneous	-	-	1,040	(1,040)
Total intergovernmental	400,636	400,636	426,081	(25,445)
Contributions and Local Grants				
University of New Haven/Yale donations	100,000	100,000	100,000	-
Total contributions and local grants	100,000	100,000	100,000	-
Charges for Services				
Miscellaneous fees	-	-	207,462	(207,462)
Medical copay	2,000	2,000	1,510	490
Bundle billing	15,000	15,000	12,455	2,545
SPS reimbursements	-	-	-	-
Extra duty	15,000	15,000	14,200	800
Total charges for services	32,000	32,000	235,627	(203,627)
Other Revenues				
Insurance recovery	-	-	6,568	(6,568)
Sale of property	-	-	528,000	(528,000)
Miscellaneous	121,400	121,400	39,947	81,453
Total other revenues	121,400	121,400	574,515	(453,115)
Other Financing Sources				
Transfer in	-	-	-	-
Total other financing sources	-	-	-	-
Total revenues	\$ 5,599,626	\$ 5,599,626	\$ 6,255,194	\$ (655,568)

**Schedule of Expenditures and Other Financing Uses - Budget and Actual - Allingtown Fire District Fund
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Personnel Department				
Salaries	\$ 2,050,869	\$ 2,050,869	\$ 1,730,462	\$ (320,407)
Overtime and vacation pay	-	-	585,085	585,085
FICA	4,500	4,500	6,661	2,161
Pension contributions	1,507,473	1,507,473	1,576,885	69,412
Medical and life insurance	945,360	945,360	1,048,196	102,836
Workers comp	50,000	50,000	351,054	301,054
General liability insurance	33,000	33,000	32,489	(511)
Uniforms	10,000	10,000	11,857	1,857
Personal computers	18,000	18,000	16,563	(1,437)
Financial services	12,500	12,500	8,990	(3,510)
Heart and Hypertension	18,000	18,000	13,354	(4,646)
Educational incentives	92,000	92,000	150	(91,850)
Total personnel	4,741,702	4,741,702	5,381,746	640,044
Operating				
Telephone	312,320	312,320	225,200	(87,120)
Electric	19,000	19,000	17,382	(1,618)
Water	141,400	141,400	141,013	(387)
Gas and heat	11,000	11,000	9,555	(1,445)
Fuel	21,000	21,000	12,529	(8,471)
Building maintenance	18,000	18,000	14,813	(3,187)
Equipment maintenance	25,000	25,000	29,516	4,516
Contingency	50,000	50,000	-	(50,000)
Reserve deficit	150,000	150,000	20,629	(129,371)
Miscellaneous	14,904	14,904	18,890	3,986
Trucks	28,000	28,000	555,948	527,948
Medical testing and equipment	18,500	18,500	14,064	(4,436)
Total operating	809,124	809,124	1,059,538	250,414
Administrative				
Office supplies and printing	6,000	6,000	5,320	(680)
Training	16,800	16,800	34,603	17,803
Business expense	11,000	11,000	8,522	(2,478)
Professional fees	8,000	8,000	3,208	(4,792)
Miscellaneous	7,000	7,000	6,887	(113)
Total administrative	48,800	48,800	58,540	9,740
Total expenditures	\$ 5,599,626	\$ 5,599,626	\$ 6,499,824	\$ 900,198

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes.

Capital Projects

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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City of West Haven, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 Year ended June 30, 2015

	Special Revenue Funds			
	Document Preservation	Education Grant Fund	Miscellaneous Grants	School Lunch Program
Assets				
Cash	\$ -	\$ -	\$ -	\$ 1,260
Receivables				
Intergovernmental	-	388,332	-	541,344
Loan	-	-	-	-
Other	319	-	-	2,640
Advances to other funds	67,092	909,660	26,670	-
Total assets	\$ 67,411	\$ 1,297,992	\$ 26,670	\$ 545,244
Liabilities				
Accounts payable	\$ 440	\$ 927,653	\$ 35,712	\$ 527,885
Advances from other funds	-	-	-	635,100
Total liabilities	440	927,653	35,712	1,162,985
Deferred Inflows of Resources				
Unavailable revenue - loans	-	-	-	-
Unavailable revenue - charges for services	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances (Deficits)				
Nonspendable	67,092	909,660	26,670	-
Restricted	-	-	-	-
Unassigned	(121)	(539,321)	(35,712)	(617,741)
Total fund balances (deficits)	66,971	370,339	(9,042)	(617,741)
Total liabilities, deferred inflows of resources and fund balances (deficits)				
	\$ 67,411	\$ 1,297,992	\$ 26,670	\$ 545,244

Schedule 5

Special Revenue Funds						
Public Safety	Health and Welfare	Career and Adult Education	Community Development Block Grant	Savin Rock	Sports Facilities	Total Special Revenue
\$ -	\$ -	\$ -	\$ 279,156	\$ -	\$ -	\$ 280,416
-	-	-	72,277	-	-	1,001,953
-	-	-	2,046,789	-	-	2,046,789
197,094	2,482	30,518	-	2,957	-	236,010
25,919	25,484	-	-	179,404	-	1,234,229
<u>\$ 223,013</u>	<u>\$ 27,966</u>	<u>\$ 30,518</u>	<u>\$ 2,398,222</u>	<u>\$ 182,361</u>	<u>\$ -</u>	<u>\$ 4,799,397</u>
\$ 1,875	\$ 9,366	\$ 21,979	\$ 43,899	\$ 29,246	\$ 40,867	1,638,922
-	-	638,471	107,878	-	171,049	1,552,498
<u>1,875</u>	<u>9,366</u>	<u>660,450</u>	<u>151,777</u>	<u>29,246</u>	<u>211,916</u>	<u>3,191,420</u>
-	-	-	2,046,789	-	-	2,046,789
197,094	-	-	-	-	-	197,094
<u>197,094</u>	<u>-</u>	<u>-</u>	<u>2,046,789</u>	<u>-</u>	<u>-</u>	<u>2,243,883</u>
25,919	25,484	-	-	179,404	-	1,234,229
-	-	-	199,656	-	-	199,656
(1,875)	(6,884)	(629,932)	-	(26,289)	(211,916)	(2,069,791)
<u>24,044</u>	<u>18,600</u>	<u>(629,932)</u>	<u>199,656</u>	<u>153,115</u>	<u>(211,916)</u>	<u>(635,906)</u>
<u>\$ 223,013</u>	<u>\$ 27,966</u>	<u>\$ 30,518</u>	<u>\$ 2,398,222</u>	<u>\$ 182,361</u>	<u>\$ -</u>	<u>\$ 4,799,397</u>

(Continued)

City of West Haven, Connecticut

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 Year ended June 30, 2015

	Capital Project Funds		
	Clean Water Fund	Brownfields	Capital and Nonrecurring
Assets			
Cash	\$ -	\$ -	\$ -
Receivables			
Intergovernmental	14,445	-	-
Loan	-	-	-
Other	-	-	-
Advances to other funds	-	15,359	312,100
Total assets	\$ 14,445	\$ 15,359	\$ 312,100
Liabilities			
Accounts payable	\$ 230,976	\$ 21,331	\$ 51,324
Advances from other funds	135,602	-	77
Total liabilities	366,578	21,331	51,401
Deferred Inflows of Resources			
Unavailable revenue - loans	-	-	-
Unavailable revenue - charges for services	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances (Deficits)			
Nonspendable	-	15,359	312,100
Restricted	-	-	-
Unassigned	(352,133)	(21,331)	(51,401)
Total fund balances (deficits)	(352,133)	(5,972)	260,699
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 14,445	\$ 15,359	\$ 312,100

Schedule 5

Capital Project Funds			Total Nonmajor Governmental Funds
Redevelopment Fund	Train Site	Total Capital Project	
\$ -	\$ -	\$ -	\$ 280,416
-	-	14,445	1,016,398
-	-	-	2,046,789
-	-	-	236,010
4,146	-	331,605	1,565,834
<u>\$ 4,146</u>	<u>\$ -</u>	<u>\$ 346,050</u>	<u>\$ 5,145,447</u>
\$ -	\$ -	\$ 303,631	1,942,553
-	8,695	144,374	1,696,872
-	8,695	448,005	3,639,425
-	-	-	2,046,789
-	-	-	197,094
-	-	-	2,243,883
4,146	-	331,605	1,565,834
-	-	-	199,656
-	(8,695)	(433,560)	(2,503,351)
<u>4,146</u>	<u>(8,695)</u>	<u>(101,955)</u>	<u>(737,861)</u>
<u>\$ 4,146</u>	<u>\$ -</u>	<u>\$ 346,050</u>	<u>\$ 5,145,447</u>

City of West Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds			
	Document Preservation	Education Grant Fund	Miscellaneous Grants	School Lunch Program
Revenues				
Intergovernmental	\$ -	\$ 7,422,204	\$ 103,921	\$ 2,076,385
Charges for services	12,575	-	6,635	601,808
Interest income	-	-	-	-
Contributions	-	9,712	-	-
Total revenues	12,575	7,431,916	110,556	2,678,193
Expenditures				
Current:				
General government	2,934	-	3,398	-
Public Safety	-	-	-	-
Health and Welfare	-	-	118,244	-
Education	-	7,451,045	-	3,180,894
Parks and Recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,934	7,451,045	121,642	3,180,894
Excess (deficiency) of revenues over expenditures	9,641	(19,129)	(11,086)	(502,701)
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Transfers in	-	201,360	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	201,360	-	-
Net change in fund balances	9,641	182,231	(11,086)	(502,701)
Fund Balances (Deficits), Beginning	57,330	188,108	2,044	(115,040)
Fund Balances (Deficits), Ending	\$ 66,971	\$ 370,339	\$ (9,042)	\$ (617,741)

Schedule 6

Special Revenue Funds						Special Revenue Funds
Public Safety	Health and Welfare	Career and Adult Education	Community Development Block Grant	Savin Rock	Sports Facilities	Total Special Revenue
\$ 95,576	\$ 172,703	\$ 245,347	\$ 618,340	\$ 31,979	\$ -	\$ 10,766,455
1,000,841	133,011	124,701	108,856	159,861	447,181	2,595,469
-	-	-	2,522	-	-	2,522
-	-	-	-	-	-	9,712
1,096,417	305,714	370,048	729,718	191,840	447,181	13,374,158
-	-	-	-	-	-	6,332
972,280	-	-	-	-	-	972,280
-	340,452	-	540,343	-	-	999,039
-	-	523,726	-	-	-	11,155,665
-	-	-	-	179,882	580,076	759,958
-	-	-	132,976	-	-	132,976
972,280	340,452	523,726	673,319	179,882	580,076	14,026,250
124,137	(34,738)	(153,678)	56,399	11,958	(132,895)	(652,092)
-	-	-	-	-	-	-
20,000	-	-	-	-	-	221,360
(45,969)	-	-	-	-	-	(45,969)
(25,969)	-	-	-	-	-	175,391
98,168	(34,738)	(153,678)	56,399	11,958	(132,895)	(476,701)
(74,124)	53,338	(476,254)	143,257	141,157	(79,021)	(1,742,359)
\$ 24,044	\$ 18,600	\$ (629,932)	\$ 199,656	\$ 153,115	\$ (211,916)	\$ (635,906)

(Continued)

City of West Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)

Nonmajor Governmental Funds

June 30, 2015

	Capital Project Funds		
	Clean Water Fund	Brownfields	Capital and Nonrecurring
Revenues			
Intergovernmental	\$ 25,905	\$ -	\$ -
Charges for services	-	-	-
Interest Income	-	-	-
Contributions	-	-	-
Total revenues	25,905	-	-
Expenditures			
Current:			
General government	-	-	-
Public Safety	-	-	-
Health and Welfare	123,587	-	-
Education	-	-	-
Parks and Recreation	-	-	-
Capital outlay	521,904	19,277	487,849
Total expenditures	645,491	19,277	487,849
Excess (deficiency) of revenues over expenditures	(619,586)	(19,277)	(487,849)
Other Financing Sources (Uses)			
Issuance of debt	1,425,544	-	-
Transfers in	-	-	976,000
Transfers out	-	-	-
Total other financing sources (uses)	1,425,544	-	976,000
Net change in fund balances	805,958	(19,277)	488,151
Fund Balances (Deficits), Beginning	(1,158,091)	13,305	(227,452)
Fund Balances (Deficits), Ending	\$ (352,133)	\$ (5,972)	\$ 260,699

Schedule 6

Capital Project Funds			Total Nonmajor Governmental Funds
Redevelopment Fund	Train Site	Total Capital Project	
\$ -	\$ 180,000	\$ 205,905	\$ 10,972,360
-	-	-	2,595,469
-	-	-	2,522
-	-	-	9,712
-	180,000	205,905	13,580,063
-	-	-	6,332
-	-	-	972,280
-	-	123,587	1,122,626
-	-	-	11,155,665
-	-	-	759,958
-	180,000	1,209,030	1,342,006
-	180,000	1,332,617	15,358,867
-	-	(1,126,712)	(1,778,804)
-	-	1,425,544	1,425,544
-	-	976,000	1,197,360
-	-	-	(45,969)
-	-	2,401,544	2,576,935
-	-	1,274,832	798,131
4,146	(8,695)	(1,376,787)	(3,119,146)
\$ 4,146	\$ (8,695)	\$ (101,955)	\$ (737,861)

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Fiduciary Funds

Fiduciary Funds

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities)

**Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash				
Student activity funds	\$ 260,644	\$ 881,116	\$ 859,332	\$ 282,428
Liabilities				
Accounts Payable				
Student activity funds	\$ 260,644	\$ 881,116	\$ 859,332	\$ 282,428

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Other Schedules

Report of Tax Collector
For the Year Ended June 30, 2015

Grand List Year	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections				Uncollected Taxes June 30, 2015
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Total	Overpayments	
1999	\$ 117,344	\$ -	\$ -	\$ (20,094)	\$ (347)	\$ 96,903	\$ 1,218	\$ 199	\$ 1,417	\$ -	\$ 95,685
2000	102,471	-	-	(13,128)	(98)	89,245	603	991	1,594	-	88,642
2001	114,975	-	-	(13,721)	(398)	100,856	-	-	-	-	100,856
2002	114,074	-	44	(22,018)	-	92,100	119	173	292	-	91,981
2003	111,835	-	-	(19,379)	-	92,456	107	583	690	-	92,349
2004	119,656	-	59	(20,286)	(291)	99,138	207	377	584	-	98,931
2005	199,682	-	-	(11,361)	(412)	187,909	916	1,435	2,351	-	186,993
2006	131,635	-	635	(11,361)	(273)	120,636	19,274	6,347	25,621	-	101,362
2007	124,317	-	486	(11,361)	(140)	113,302	4,079	4,551	8,630	-	109,223
2008	539,176	-	-	(13,445)	(352,570)	173,161	15,718	17,038	32,756	-	157,443
2009	547,644	-	162	(15,907)	(321,682)	210,217	20,256	20,870	41,126	-	189,961
2010	694,100	-	1,033	(19,638)	(409,548)	265,947	72,473	48,261	120,734	-	193,474
2011	890,353	-	5,623	(48,063)	(466,183)	381,730	141,140	90,629	231,769	(23,694)	216,896
2012	1,671,618	-	17,047	(93,013)	-	1,595,652	721,887	238,072	959,959	(71,807)	801,958
Total prior yrs.	5,478,880	-	25,089	(332,775)	(1,551,942)	3,619,252	997,997	429,526	1,427,523	(95,501)	2,525,754
2013	-	88,890,699	78,207	(316,927)	-	88,651,979	87,340,812	556,287	87,897,099	142,597	1,453,764
Total all years	\$ 5,478,880	\$ 88,890,699	\$ 103,296	\$ (649,702)	\$ (1,551,942)	\$ 92,271,231	\$ 88,338,809	\$ 985,813	\$ 89,324,622	\$ 47,096	\$ 3,979,518

Report of Tax Collector
 Allingtown Fire District
 For the Year Ended June 30, 2015

Grand List Year	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers to Suspende	Adjusted Amount Collectible	Collections				Uncollected Taxes June 30, 2015
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Total	Overpayments	
1999	\$ 12,610	\$ -	\$ -	\$ (4,895)	\$ (23)	\$ 7,692	\$ 137	\$ 20	\$ 157	\$ -	\$ 7,555
2000	9,593	-	-	(3,217)	-	6,376	-	-	-	-	6,376
2001	12,870	-	-	(3,987)	(61)	8,822	-	-	-	-	8,822
2002	12,252	-	-	(3,987)	-	8,265	-	-	-	-	8,265
2003	11,786	-	-	(3,852)	-	7,934	-	91	91	-	7,934
2004	12,036	-	-	(3,852)	(71)	8,113	-	-	-	-	8,113
2005	28,302	-	-	(1,881)	-	26,421	132	196	328	-	26,289
2006	11,933	-	-	(1,881)	-	10,052	821	516	1,337	-	9,231
2007	37,332	-	-	(1,881)	(30)	35,421	811	888	1,699	-	34,610
2008	52,880	-	-	(2,509)	(21,591)	28,780	2,155	2,015	4,170	-	26,625
2009	55,619	-	24	(2,800)	(22,022)	30,821	1,413	1,219	2,632	-	29,408
2010	62,892	-	98	(2,769)	(25,585)	34,636	5,731	3,249	8,980	-	28,905
2011	93,660	-	196	(3,677)	(36,265)	53,914	12,996	5,771	18,767	-	40,918
2012	120,030	-	559	(6,375)	-	114,214	53,840	10,405	64,245	(36,690)	23,684
Total prior yrs.	533,795	-	877	(47,563)	(105,648)	381,461	78,036	24,370	24,370	(36,690)	266,735
2013	-	4,905,471	5,751	(23,831)	-	4,887,391	4,762,781	31,827	4,794,608	1,183	125,793
Total all years	\$ 533,795	\$ 4,905,471	\$ 6,628	\$ (71,394)	\$ (105,648)	\$ 5,268,852	\$ 4,840,817	\$ 56,197	\$ 4,897,014	\$ (35,507)	\$ 392,528

Statistical Section

**Net Position (Deficit) By Component
Last Nine Fiscal Years (unaudited)
(Accrual Basis of Accounting)**

	Fiscal Year								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities									
Net investment in capital assets	\$ 103,786,476	\$ 93,015,386	\$ 83,270,506	\$ 69,375,594	\$ 61,266,156	\$ 57,222,245	\$ 52,450,723	\$ 48,023,222	\$ 45,790,447
Restricted	199,656	143,257	240,190	164,562	233,921	602,822	319,210	1,397,482	1,416,693
Unrestricted	(153,446,871)	(82,442,903)	(64,127,305)	(53,593,398)	(42,546,305)	(22,031,405)	(11,821,432)	(7,769,825)	(8,174,029)
Total governmental activities net position (deficit)	\$ (49,460,739)	\$ 10,715,740	\$ 19,383,391	\$ 15,946,758	\$ 18,953,772	\$ 35,793,662	\$ 40,948,501	\$ 41,650,879	\$ 39,033,111

**Changes In Net Position (Deficit)
Last Nine Fiscal Years (unaudited)
(Accrual Basis of Accounting)**

	Fiscal Year								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses									
Governmental activities:									
General government	\$ 7,477,278	\$ 7,987,973	\$ 9,896,396	\$ 9,581,831	\$ 10,517,508	\$ 10,156,411	\$ 9,798,519	\$ 11,527,972	\$ 9,679,595
Public Safety	34,474,682	34,391,960	37,158,465	32,589,270	33,535,109	13,660,389	15,408,852	13,988,187	13,500,748
Public Works	25,086,632	21,635,683	18,615,619	22,120,936	20,127,111	18,660,033	17,838,937	18,930,346	18,415,513
Health and Welfare	2,768,874	2,540,066	2,478,153	2,699,044	3,045,950	3,591,450	3,596,121	3,574,043	3,039,223
Parks and Recreation	1,968,356	1,959,279	2,090,380	2,006,774	2,090,228	2,088,704	2,163,519	1,881,953	1,885,977
Education	120,520,940	123,106,721	106,168,675	104,924,164	105,779,731	114,733,755	113,420,176	105,810,392	97,966,883
Library	1,798,324	1,867,189	1,603,717	1,603,717	1,603,717	1,978,359	2,038,883	-	-
Interest expense	3,525,526	7,392,322	6,358,021	6,941,602	6,835,336	7,328,303	7,708,564	8,034,364	9,039,140
Total governmental activities expenses	197,620,612	200,881,193	184,369,426	182,467,338	183,534,690	172,197,404	171,973,571	163,747,257	153,527,079
Program Revenue									
Charges for services:									
General government	742,464	655,798	551,292	585,478	506,594	1,075,493	1,494,083	1,294,789	2,435,707
Public Safety	2,089,617	2,130,821	2,022,764	1,545,500	1,452,708	1,331,757	1,043,740	1,072,780	981,636
Public Works	13,164,265	13,470,649	10,431,335	9,290,665	8,078,109	6,989,208	6,082,949	5,994,330	4,414,827
Health and Welfare	334,002	289,573	223,963	220,959	1,005,016	184,970	338,981	235,940	620,756
Parks and Recreation	958,168	950,469	1,060,204	911,020	905,706	901,411	831,258	931,838	871,004
Education	917,518	1,020,331	1,097,692	1,141,089	978,600	451,161	538,074	541,188	2,222,420
Operating grants and contributions	70,338,355	68,763,572	64,923,248	63,074,004	61,057,889	65,595,454	64,637,666	60,030,561	48,073,722
Capital grants and contributions	6,224,629	3,365,792	5,134,306	5,518,859	10,290,716	4,406,669	6,396,584	4,775,814	2,712,191
Total governmental activities program revenue	94,769,018	90,647,005	85,444,804	82,287,574	84,275,338	80,936,123	81,363,335	74,877,240	62,332,263
Net expenses	(102,851,594)	(110,234,188)	(98,924,622)	(100,179,764)	(99,259,352)	(91,261,281)	(90,610,236)	(88,870,017)	(91,194,816)
General Revenues									
Property taxes	92,973,074	93,549,828	94,905,686	89,791,210	84,350,418	80,619,411	85,343,581	86,847,919	85,020,063
Grants and contributions not restricted to specific programs	7,593,745	7,369,539	8,820,355	6,513,841	5,680,141	5,428,729	4,391,529	4,066,705	4,694,281
Investment income	7,766	8,491	12,968	19,877	29,048	58,032	172,748	573,161	2,617,504
Gain on sale of assets	-	-	451,999	-	-	-	-	-	-
Transfers	1,448,500	59,274	-	-	-	-	-	-	-
Miscellaneous	278,459	579,405	247,020	847,822	579,440	-	-	-	-
Total general revenues	102,301,544	101,566,537	104,438,028	97,172,750	90,639,047	86,106,172	89,907,858	91,487,785	92,331,848
Changes in net position (deficit)	\$ (550,050)	\$ (8,667,651)	\$ 5,513,406	\$ (3,007,014)	\$ (8,620,305)	\$ (5,155,109)	\$ (702,378)	\$ 2,617,768	\$ 1,137,032

**Fund Balances (Deficits), Governmental Funds
Last Nine Fiscal Years (unaudited)
(Accrual Basis of Accounting)**

	Fiscal Year								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund									
Nonspendable	\$ 6,116,001	\$ 1,760,849	\$ 5,537,319	\$ 3,935,324	\$ 993,567	\$ 3,028,175	\$ 1,061,454	\$ -	\$ 2,912,037
Unassigned	(16,313,098)	(10,254,844)	(13,313,968)	(14,471,990)	(11,544,797)	(13,768,153)	(5,896,031)	(4,864,673)	(10,170,460)
Total general fund	(10,197,097)	(8,493,995)	(7,776,649)	(10,536,666)	(10,551,230)	(10,739,978)	(4,834,577)	(4,864,673)	(7,258,423)
All Other Governmental Funds									
Nonspendable	2,079,171	-	-	-	-	-	-	-	5,780,093
Restricted	199,656	200,587	240,190	164,562	233,921	602,822	319,210	1,397,482	1,416,693
Committed	-	402,098	474,174	222,133	4,146	4,146	4,146	4,146	869,843
Unassigned	(9,734,429)	(8,781,547)	(9,274,093)	(31,937,625)	(23,863,693)	(7,910,482)	(13,937,730)	(13,259,983)	(15,310,072)
Total all other governmental funds	(7,455,602)	(8,178,862)	(8,559,729)	(31,550,930)	(23,625,626)	(7,303,514)	(13,614,374)	(11,858,355)	(7,243,443)
Grand total	\$ (17,652,699)	\$ (16,672,857)	\$ (16,336,378)	\$ (42,087,596)	\$ (34,176,856)	\$ (18,043,492)	\$ (18,448,951)	\$ (16,723,028)	\$ (14,501,866)

**Changes in Fund Balances (Deficits), Governmental Funds
Last Nine Fiscal Years (unaudited)
(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues									
Property taxes	\$ 94,212,286	\$ 94,202,314	\$ 93,881,204	\$ 88,736,315	\$ 85,420,340	\$ 84,739,371	\$ 85,343,581	\$ 85,906,419	\$ 88,543,306
Intergovernmental revenues	84,253,028	79,386,506	78,651,759	75,183,807	75,024,583	75,795,597	72,728,301	67,231,796	63,098,713
Charges for services	18,188,321	17,558,937	15,337,866	13,320,135	11,895,703	10,165,167	10,160,102	9,931,794	8,958,507
Income from investments	116,280	76,150	12,968	19,877	29,048	58,032	172,748	573,161	795,914
Contributions	7,766	8,491	226,150	2,000	15,123	-	-	-	-
Contract settlement	-	-	-	-	300,000	-	-	-	-
Other	237,909	579,405	247,020	843,307	579,440	1,935,834	3,070,073	1,943,957	2,397,115
Total revenues	197,015,590	191,811,803	188,356,967	178,105,441	173,264,237	172,694,001	171,474,805	165,587,127	163,793,555
Expenditures									
Current:									
General government	5,510,058	5,737,466	6,078,850	5,671,255	5,405,726	5,355,904	5,235,808	4,899,318	4,820,417
Public Safety	22,153,601	20,666,182	20,922,581	14,666,101	13,819,243	13,610,437	14,204,302	13,916,881	13,241,365
Public Works	19,549,895	17,357,922	17,894,033	16,586,561	15,316,633	15,596,919	15,408,521	15,101,735	17,895,410
Benefits and Insurance	15,890,748	13,602,831	12,431,531	13,359,388	12,980,809	13,667,488	12,843,986	11,808,382	11,886,675
Health and Welfare	2,253,077	1,946,985	2,105,842	2,435,373	2,486,262	3,149,758	3,152,310	3,165,587	1,753,093
Library	1,630,001	1,630,000	1,603,717	1,603,717	1,603,717	1,810,410	1,751,335	1,927,079	1,777,521
Parks and Recreation	1,629,541	1,563,951	1,593,077	1,698,512	1,702,381	1,634,962	1,817,968	1,707,053	1,523,326
Education	107,662,010	105,512,213	101,724,814	99,862,121	98,972,044	100,486,319	96,910,228	92,278,424	88,627,391
Capital outlay	9,989,505	9,474,379	8,936,009	15,014,444	21,279,948	11,041,054	3,429,694	3,857,723	1,457,359
Debt service:									
Principal	20,949,694	15,213,760	11,349,748	11,593,783	11,689,499	10,591,607	10,779,544	11,177,261	9,893,547
Interest	4,123,543	5,611,867	6,667,650	7,088,281	6,841,339	7,355,074	7,667,032	7,968,846	9,273,744
Total expenditures	211,341,673	198,317,556	191,307,852	189,579,536	192,097,601	184,299,932	173,200,728	167,808,289	162,149,848
Excess of revenues (under) expenditures	(14,326,083)	(6,505,753)	(2,950,885)	(11,474,095)	(18,833,364)	(11,605,931)	(1,725,923)	(2,221,162)	1,643,707
Other Financing Sources (Uses)									
Issuance of debt	10,945,544	6,110,000	28,250,103	3,685,000	-	11,716,000	-	-	220,220
Issuance of refunding bonds	38,715,000	-	-	47,410,000	-	7,420,000	-	-	-
Capital leases	615,118	-	-	286,925	-	242,000	-	-	-
Payment to refunded bond escrow agent	(38,377,921)	-	-	(51,024,942)	-	(7,366,610)	-	-	-
Premium on bonds issued	-	-	-	4,523,571	-	-	-	-	-
Sale of assets	1,448,500	-	452,000	4,515	-	-	-	-	-
Transfers in	2,658,337	3,235,880	3,158,782	2,650,915	2,989,178	2,861,923	1,997,144	11,294,282	1,574,345
Transfers out	(2,658,337)	(3,176,606)	(3,158,782)	(2,650,915)	(2,989,178)	(2,861,923)	(1,997,144)	(11,294,282)	(1,574,345)
Total other financing sources (uses)	13,346,241	6,169,274	28,702,103	4,885,069	-	12,011,390	-	-	220,220
Net change in fund balance	\$ (979,842)	\$ (336,479)	\$ 25,751,218	\$ (6,589,026)	\$ (18,833,364)	\$ 405,459	\$ (1,725,923)	\$ (2,221,162)	\$ 1,863,927
Debt Service as a Percentage of Noncapital Expenditures	12%	5%	11%	12%	12%	12%	12%	13%	14%

City of West Haven, Connecticut

Table 5

Property Tax Rates, Levies and Collections
Last Nine Years
(Unaudited)

Year Ended June 30,	Mill Rate ⁽¹⁾	Total Adjusted Tax Levy (1)	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Collections in Subsequent Years	Total Collections to Date		Current Delinquent Balance	
						Amount	Percentage of Levy		
<u>City</u>									
2007	27.96	\$ 85,520,692	\$ 83,956,237	98.17%	\$ 1,320,382	\$ 85,276,619	99.71%	\$ 244,073	
2008	27.96	85,753,931	83,632,811	97.53%	1,988,765	85,621,576	99.85%	132,355	
2009	27.96	84,118,885	82,646,635	98.25%	1,344,511	83,991,146	99.85%	127,739	
2010	27.96	84,226,337	82,862,226	98.38%	797,423	83,659,649	99.33%	566,688	
2011	27.96	84,116,342	82,892,466	98.55%	626,081	83,518,547	99.29%	597,795	
2012	31.25	87,970,800	86,085,641	97.86%	1,013,517	87,099,158	99.01%	871,642	
2013	31.25	88,111,713	86,410,454	98.07%	803,566	87,214,020	98.98%	897,693	
2014	31.25	88,395,137	86,723,519	98.11%	959,959	87,683,478	99.19%	711,659	
2015	31.25	88,651,979	87,340,812	98.52%	-	87,340,812	98.52%	1,311,167	
<u>Allingtown Fire District</u>									
2013	8.38	4,727,093	4,596,111	97.23%	55,399	4,651,510	98.40%	130,982	
2014	8.38	4,526,447	4,393,485	97.06%	64,245	4,457,730	98.48%	68,717	
2015	8.63	4,887,391	4,762,781	97.45%	-	4,762,781	97.45%	124,610	

⁽¹⁾ Adjusted tax levy equals the tax levy after lawful corrections, abatements and transfers to suspense.

Source: City of West Haven Tax Office.

Town of West Haven, Connecticut

Table 6

Ratio of Outstanding Debt by Type
Last Nine Years
(Unaudited)

Year Ended June 30,	General Obligation Bonds	Bond Premium	Clean Water Notes	Capital Leases	Total	Population ⁽¹⁾	Per Capita
2007	\$ 158,865,000	\$ -	\$ 15,959,158	\$ 419,933	\$ 175,244,091	\$ 52,820	\$ 3,318.00
2008	149,400,000	-	14,488,783	178,047	164,066,830	52,676	3,115.00
2009	140,250,000	-	12,994,134	43,152	153,287,286	52,420	2,924.00
2010	142,876,000	-	11,470,330	157,849	154,504,179	53,007	2,915.00
2011	132,740,000	-	9,916,831	78,925	142,735,756	55,662	2,564.00
2012	123,860,000	811,227	8,333,048	186,812	133,191,087	55,477	2,401.00
2013	114,125,000	748,825	34,968,403	143,563	149,985,791	55,404	2,707.00
2014	103,440,000	3,142,000	31,352,242	289,039	138,223,281	55,046	2,511.05
2015	102,270,000	2,693,143	30,653,196	688,487	136,304,826	56,172	2,426.56

⁽¹⁾ Per Connecticut State Department of Health

**Computation of Legal Debt Limitation (unaudited)
June 30, 2015**

Total tax collections (including interest and lien fees) for the year ended June 30, 2015	\$ 89,324,622
Allingtown Fire District	4,897,014
Reimbursement for revenue loss: Tax relief for elderly freeze grant	<u>12,000</u>
Total Base	<u>\$ 94,233,636</u>
Debt limit	<u>\$ 659,635,452</u>

	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
Debt Limitation					
2-1/4 times base	\$ 212,025,681	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	424,051,362	-	-	-
3-3/4 times base	-	-	353,376,135	-	-
3-1/4 times base	-	-	-	306,259,317	-
3 times base	-	-	-	-	282,700,908
Total debt limitation	<u>212,025,681</u>	<u>424,051,362</u>	<u>353,376,135</u>	<u>306,259,317</u>	<u>282,700,908</u>
Debt as defined by statute					
Bonds	44,079,560	22,174,440	1,451,000	-	34,565,000
Bond anticipation notes	-	-	-	-	-
Bonds authorized but unissued	16,215,875	147,701,404	2,845,604	-	-
Intergovernmental revenue	-	-	(218,000)	-	-
School grants receivable	-	(99,073,828)	-	-	-
Total indebtedness	<u>60,295,435</u>	<u>70,802,016</u>	<u>4,078,604</u>	<u>-</u>	<u>34,565,000</u>
Debt Limitation in excess of indebtedness	<u>\$ 151,730,246</u>	<u>\$ 353,249,346</u>	<u>\$ 349,297,531</u>	<u>\$ 306,259,317</u>	<u>\$ 248,135,908</u>