

Annual Financial Report
of the
City of West Haven, Connecticut
Year Ended June 30, 2013

CITY OF WEST HAVEN, CONNECTICUT

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2013

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Introductory Section

CITY OF WEST HAVEN, CONNECTICUT

PRINCIPAL OFFICIALS
JUNE 30, 2013

MAYOR

John M. Picard

CITY COUNCIL

Stephen W. DeCrescenzo, Chairman
Gail S. Burns
David C. Forsyth
John W. Lewis
Tracy Morrissey
James P. O'Brien
Nicholas Pascale
Nancy Rossi
William Conlon
Mitchell Galignano
Brent Watt
Michael Last
Thomas McCarthy

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	Peter Barrett, Esq.
Director of Finance	Joseph Mancini
Engineering	Abdul Quadir
Health Director	Maureen B. Lillis
Human Resources	AnneMarie Paone-Mullin
Information Technology	Alan Olenick
Library	Kathy Giotsas
Parks and Recreation	William Slater
Planning and Development	Meredith L. Allen
Public Works Director	Beth Sabo
Police Chief	John Karajanis
Purchasing and Risk Management	Mark Bisaccia
Senior Center Director	Sharon Mancini
Tax Collector	Marianne E. Gambardella
Youth and Family Services	Robert Morton
WPCA Administrator	William Norton

BOARD OF EDUCATION

Neil C. Cavallaro, Superintendent of Schools

Financial Section

Independent Auditor's Report

City Council
City of West Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Haven, Connecticut, as of and for the year ended June 30, 2013, 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the Allingtown Fire District fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of Funding Progress and Employer Contributions - West Haven Retirement System and Other Post Employment Benefit Plans on pages 5-11 and pages 64-67, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2014, 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.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Farmington, Connecticut
March 3, 2014



Department of Finance

City of West Haven
355 Main Street
West Haven, Connecticut 06516

Joseph P. Mancini
Finance Director

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

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, 2013.

Financial Highlights

- On a government-wide basis, the assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$19,383,391 (*net position*). *Unrestricted net position*, the amount that may be used to meet the City's ongoing obligations to citizens and creditors, was a deficit balance of \$(64,127,305) at June 30, 2013.
- On a government-wide basis, the City's total net position increased by \$5,513,406. The most significant factors contributing to the increase were significant capital additions in excess of depreciation of \$8,053,542 offset by the \$1,216,492 deficit in the internal service funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending deficit fund balances of \$(16,336,378), an increase of \$25,751,218 in comparison with the prior year. The increase was due substantially to the permanent financing of the interim funding obligation in the Clean Water Fund.
- At the end of the current fiscal year, fund balance for the general fund was a deficit of \$(7,776,649). This deficit decreased by \$2,760,017 from the prior year.
- The City of West Haven's total bond/note debt increased by a net of \$16,900,355 (12.8%) during the current fiscal year due to scheduled principal payments made during the year which were offset by the new permanently financed clean water note.

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 liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, Clean Water 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.

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

The data for the internal service funds is provided in Exhibits H, I, and J of this report.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 progress in funding its obligation to provide pension benefits to its employees. 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, assets exceeded liabilities by \$19,383,391 at the close of the most recent fiscal year.

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.

SUMMARY STATEMENT OF NET POSITION

	2013	2012
Current and other assets.....	\$ 62,442,824	\$ 67,747,530
Capital assets (net).....	196,797,495	187,621,900
TOTAL ASSETS.....	259,240,319	255,369,430
Long-term liabilities outstanding.....	184,194,812	162,042,189
Other liabilities.....	52,227,686	74,129,150
TOTAL LIABILITIES.....	236,422,498	236,171,339
Deferred inflows of resources.....	3,434,430	3,251,333
Net investment in capital assets	83,270,506	69,375,594
Restricted.....	240,190	164,562
Unrestricted.....	(64,127,305)	(53,593,398)
TOTAL NET POSITION.....	\$ 19,383,391	\$ 15,946,758

An additional portion of the City's net position of \$240,190 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$(64,127,305).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The City's net position increased by \$5,513,406 during the current fiscal year. The most significant factors contributing to the increase were significant capital additions in excess of depreciation of \$8,053,542 offset by the \$1,216,492 deficit in the internal service funds.

CHANGES IN NET POSITION

	2013	2012
REVENUES:		
Program revenues:		
Charges for services.....	\$ 15,387,250	\$ 13,694,711
Operating grants and contributions.....	64,923,248	63,074,004
Capital grants and contributions.....	5,134,306	5,518,859
General revenues:		
Property taxes.....	94,905,686	89,791,210
Grants and contributions not restricted to specific programs.....	8,820,355	6,513,841
Investment income.....	12,968	19,877
Gain on sale of assets.....	451,999	
Miscellaneous.....	247,020	847,822
TOTAL REVENUES.....	189,882,832	179,460,324
EXPENSES:		
General government.....	9,896,396	9,581,831
Public safety.....	37,158,465	32,589,270
Public works.....	18,615,619	22,120,936
Health and welfare.....	2,478,153	2,699,044
Parks and recreation.....	2,090,380	2,006,774
Education.....	106,168,675	104,924,164
Library.....	1,603,717	1,603,717
Interest expense.....	6,358,021	6,941,602
TOTAL EXPENSES.....	184,369,426	182,467,338
CHANGE IN NET POSITION.....	5,513,406	(3,007,014)
NET POSITION - (AS RESTATED).....	13,869,985	18,953,772
NET POSITION - JUNE 30.....	\$ 19,383,391	\$ 15,946,758

- Operating grants and contributions increased by \$1,849,244 mainly due to a new education grants during the current year.
- Property taxes revenue increased \$5,114,476 mainly due to the inclusion of the Allingtown Fire District in the reporting entity and the related property tax revenue of \$4,828,715.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Grants and contributions not restricted to specific programs increased by \$2,306,514 mainly due to the inclusion of \$709,130 from the Allingtown Fire District in the reporting entity as well as an increase in the PILOT – colleges and hospital grant of \$1,723,099 from prior year.
- Public safety expenses increased by \$4,569,195 mainly due to the inclusion of the Allingtown Fire District in the reporting entity.
- Public works expenses decreased 3,505,317 mainly due to the capitalization of certain construction projects in progress into buildings and improvements and infrastructure.
- Education expenses increased by \$1,244,511 mainly due to an increase in the budget for the current year.

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of 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 \$(16,336,378), a decrease in the deficit of \$25,751,218 in comparison with the prior year. The decrease in the deficit was due substantially to the issuance of \$28,250,103 of clean water notes.

Unassigned fund balance totals (\$22,588,061), which includes the \$(13,313,968) from the General Fund, (\$677,834) for the Clean Water fund, \$(5,364,300) for the Capital Improvement Fund and \$(1,554,737) for the Allingtown Fire District. The remainder of the fund balance is not available for appropriation or spending by the City and is classified as follows: Nonspendable \$5,537,319, Restricted \$240,190 and Committed \$474,174.

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 \$(13,313,968), while total deficit fund balance was \$(7,776,649).

The *Clean Water Fund* recorded issuance of debt of \$28,250,103. Expenditures totaled \$1,692,205 relating to the construction at the Water Pollution Control Facility. There was also \$366,036 of interim funding obligations outstanding at June 30, 2013 relating to the construction projects. The fund balance increased from \$(27,235,732) to \$(677,834) at June 30, 2013 due to the issuance of debt.

The *Capital Improvement Fund* recorded intergovernmental revenues totaling \$3,265,481 during the year. Expenditures totaled \$7,712,809 for capital outlay. The fund balance decreased by \$4,390,502 to \$(5,364,300) at June 30, 2013. The deficit will be eliminated when bonds are issued.

The *Allingtown Fire District Fund* recorded property tax revenue of \$4,828,715. Expenditures in the fund totaled \$5,886,456. The fund balance decreased by \$233,023 to \$(1,554,737) at June 30, 2013.

Proprietary fund. Unrestricted net position of the Internal Service Funds at the end of the year amounted to a deficit of \$(8,908,793), a decrease of \$1,216,492 from the balance at June 30, 2012 of \$(7,692,301). This decrease is mainly due to claims for workers' compensation.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

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

- Property tax revenues were under budget by \$2,486,831 primarily due to lower than expected collection of the prior year delinquent taxes and less than expected lien sales.
- Intergovernmental revenues were over budget by \$3,507,654 primarily due to the receipt of additional PILOT – colleges and hospitals of \$1,623,099 as well as FEMA of \$1,091,938.
- Benefits and insurance was under budget by \$304,904 due to decreased negotiated rates.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$196,797,495 (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 \$9,175,595 or 4.9%.

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

- Construction in progress decreased \$43,519,883 mainly due to the completion of the water pollution control facility which also contributed to the increase in buildings and improvements.
- Infrastructure increased \$3,153,527 due to several streetscaping projects as well as a upgrades to a pump station.

**CITY OF WEST HAVEN
CAPITAL ASSETS - NET**

	2013	2012
Land.....	\$ 16,356,092	\$ 16,319,190
Construction in progress.....	9,072,540	52,592,423
Land improvements.....	9,090,421	5,519,856
Buildings and improvements..	109,048,917	63,116,022
Vehicles.....	1,811,988	1,448,015
Machinery and equipment.....	7,562,504	7,924,888
Infrastructure.....	43,855,033	40,701,506
TOTAL.....	\$ 196,797,495	\$ 187,621,900

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term debt. At the end of the current fiscal year, the City had total bonds and notes outstanding of \$149,093,403. The debt is backed by the full faith and credit of the City.

City of West Haven, Connecticut

**Governmental Activities
General Obligation Bonds/Notes**

	<u>2013</u>	<u>2012</u>
General obligation bonds.....	\$114,125,000	\$123,860,000
Clean Water notes payable.....	<u>34,968,403</u>	<u>8,333,048</u>
Total.....	<u>\$ 149,093,403</u>	<u>\$132,193,048</u>

The City’s total debt increased by \$16,900,355 (12.8%) during the current fiscal year due to the issuance of clean water debt of \$28,250,103 which is offset by scheduled principal payments.

The City of West Haven has received a Baa1 rating from Moody’s Investors Service and a rating of BBB/negative from Standard and Poor’s.

The City’s short-term debt increased to \$9,635,000 during the year due to the issuance of bond anticipation notes related to the various construction projects. In addition, the Clean Water interim funding obligation decreased from \$26,853,239 to \$366,036 due to issuance of clean water notes noted above.

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 \$783,549,060, which is significantly in excess of the City’s outstanding general obligation debt.

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

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the City was 10.0%, which is a decrease from last year’s rate of 10.9%. This is comparable to the state’s average unemployment rate of 8.0%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City’s budget for the 2014 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.

Basic Financial Statements

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 6,384,179
Investments.....	350,306
Receivables:	
Property taxes.....	1,837,416
Sewer use.....	412,430
Intergovernmental.....	2,450,879
Loan.....	1,033,880
Other.....	1,348,244
Other assets.....	4,926,881
Total current assets.....	18,744,215
Noncurrent assets:	
Receivables (net):	
Property taxes.....	3,981,797
Sewer use.....	1,639,421
Loan.....	847,579
Other.....	268,000
Total receivables (net).....	6,736,797
Other noncurrent assets:	
Net pension asset.....	36,961,812
Capital assets (net of accumulated depreciation):	
Land.....	16,356,092
Construction in progress.....	9,072,540
Land improvements.....	9,090,421
Buildings and improvements.....	109,048,917
Vehicles.....	1,811,988
Machinery and equipment.....	7,562,504
Infrastructure.....	43,855,033
Total capital assets (net of accumulated depreciation).....	196,797,495
Total noncurrent assets.....	240,496,104
TOTAL ASSETS.....	259,240,319

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>LIABILITIES</u>	
Current liabilities:	
Cash overdraft.....	\$ 480,338
Accounts payable.....	14,455,828
Accrued payroll and related liabilities.....	3,196,880
Claims payable.....	90,252
Accrued interest payable.....	1,834,742
Unearned revenue.....	450,544
Bond anticipation notes and interim funding obligation.....	10,001,036
Other.....	257,829
Bonds and notes payable.....	14,326,032
Capital leases.....	143,563
Heart and hypertension.....	281,441
Compensated absences.....	2,744,228
Risk management.....	3,964,973
	52,227,686
Total current liabilities.....	
Noncurrent liabilities:	
Bonds and notes payable and related liabilities.....	135,516,196
Claims and judgments.....	242,000
Heart and hypertension.....	5,203,356
Compensated absences.....	11,243,112
Net OPEB obligation.....	27,046,327
Risk management.....	4,943,821
	184,194,812
Total noncurrent liabilities.....	
TOTAL LIABILITIES.....	236,422,498
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	1,091,334
Advance property tax collections.....	2,343,096
	3,434,430
TOTAL DEFERRED INFLOWS OF RESOURCES.....	
<u>NET POSITION</u>	
Net investment in capital assets.....	83,270,506
Restricted for:	
Public works.....	115,929
Health and welfare.....	78,161
General government.....	46,100
Unrestricted.....	(64,127,305)
	19,383,391
TOTAL NET POSITION.....	\$ 19,383,391

(Concluded)

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUES (EXPENSES) AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 9,896,396	\$ 551,292	\$	\$	\$ (9,345,104)
Public safety.....	37,158,465	2,022,764	268,410		(34,867,291)
Public works.....	18,615,619	10,431,335		5,134,306	(3,049,978)
Health and welfare.....	2,478,153	223,963	842,669		(1,411,521)
Parks and recreation.....	2,090,380	1,060,204			(1,030,176)
Education.....	106,168,675	1,097,692	63,812,169		(41,258,814)
Library.....	1,603,717				(1,603,717)
Interest expense.....	6,358,021				(6,358,021)
TOTAL GOVERNMENTAL ACTIVITIES.....	\$ 184,369,426	\$ 15,387,250	\$ 64,923,248	\$ 5,134,306	\$ (98,924,622)
GENERAL REVENUES:					
Property taxes.....					\$ 94,905,686
Grants and contributions not restricted to specific programs.....					8,820,355
Investment income.....					12,968
Gain on sale of assets.....					451,999
Miscellaneous.....					247,020
TOTAL GENERAL REVENUES.....					104,438,028
CHANGE IN NET POSITION.....					5,513,406
NET POSITION - JULY 1, 2012 (AS RESTATED).....					13,869,985
NET POSITION - JUNE 30, 2013.....					\$ 19,383,391

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL FUND	CLEAN WATER FUND	CAPITAL IMPROVEMENT FUND	ALLINGTOWN FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Cash.....	\$ 5,792,834	\$ 1	\$	\$ 34,091	\$ 557,253	\$ 6,384,179
Investments.....	350,306					350,306
Receivables, net:						
Property taxes.....	8,508,829			855,384		9,364,213
Sewer use.....					2,566,852	2,566,852
Intergovernmental.....	1,719,823	81,215	99,690	110,000	440,151	2,450,879
Loan.....					2,097,484	2,097,484
Other.....	436,634		19,046	50,100	561,270	1,067,050
Due from other funds.....	1,818,928		5,444,349		1,863,657	9,126,934
Advances to other funds.....	610,440					610,440
Prepays.....	4,926,879					4,926,879
TOTAL ASSETS.....	\$ 24,164,673	\$ 81,216	\$ 5,563,085	\$ 1,049,575	\$ 8,086,667	\$ 38,945,216
<u>LIABILITIES</u>						
Cash overdraft.....	\$	\$	\$	\$ 480,338	\$	\$ 480,338
Accounts payable.....	9,912,016	70,698	1,272,655	274,152	2,269,178	13,798,699
Claims payable.....				90,252		90,252
Accrued payroll.....	3,196,880					3,196,880
Due to other funds.....	7,815,677	322,316		705,986	482,404	9,326,383
Unearned revenue.....	299,924		19,730	9,559	568,831	898,044
Bond anticipation notes.....			9,635,000			9,635,000
Interim funding obligation.....		366,036				366,036
Other.....	192,614			65,215		257,829
Advances from other funds.....					610,440	610,440
TOTAL LIABILITIES.....	21,417,111	759,050	10,927,385	1,625,502	3,930,853	38,659,901
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue - property taxes.....	8,236,667			823,728		9,060,395
Unavailable revenue - advance property tax collections.....	2,188,014			155,082		2,343,096
Unavailable revenue - loans.....					2,097,484	2,097,484
Unavailable revenue - charges for services.....	99,530				3,021,188	3,120,718
TOTAL DEFERRED INFLOWS OF RESOURCES.....	10,524,211	-	-	978,810	5,118,672	16,621,693
<u>FUND BALANCES</u>						
Nonspendable.....	5,537,319					5,537,319
Restricted.....					240,190	240,190
Committed.....					474,174	474,174
Unassigned.....	(13,313,968)	(677,834)	(5,364,300)	(1,554,737)	(1,677,222)	(22,588,061)
TOTAL FUND BALANCES.....	(7,776,649)	(677,834)	(5,364,300)	(1,554,737)	(962,858)	(16,336,378)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 24,164,673	\$ 81,216	\$ 5,563,085	\$ 1,049,575	\$ 8,086,667	\$ 38,945,216

CITY OF WEST HAVEN, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$ (16,336,378)
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets - City.....	187,621,900
Beginning capital assets - Allingtown Fire District.....	1,122,054
Current capital asset additions - City.....	12,716,354
Current capital asset additions - Allingtown Fire District.....	224,802
Depreciation expense - City.....	(4,734,617)
Depreciation expense - Allingtown Fire District.....	(152,997)
Disposal of assets.....	(1)

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:

Property tax and sewer use interest and lien fee.....	4,802,900
Property tax, sewer use and loan receivable - accrual basis change.....	9,746,711
Allowance for doubtful accounts.....	(4,276,025)
Other receivable.....	268,000
Net pension asset.....	36,961,812

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF INSURANCE PREMIUMS TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.....	(8,908,793)
--	-------------

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.....	(149,093,403)
Capital leases - City.....	(95,573)
Capital leases - Allingtown Fire District.....	(47,990)
Deferred charge on refunding.....	(1,091,334)
Bond premium.....	(748,825)
Claims and judgments.....	(242,000)
Heart and hypertension - City.....	(5,465,547)
Heart and hypertension - Allingtown Fire District.....	(19,250)
Compensated absences- City.....	(13,414,207)
Compensated absences - Allingtown Fire District.....	(573,133)
Net OPEB obligation - City.....	(24,244,899)
Net OPEB obligation - Allingtown Fire District.....	(2,801,428)
Accrued interest payable.....	(1,834,742)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	<u>\$ 19,383,391</u>
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(Concluded)

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2013

	GENERAL FUND	CLEAN WATER FUND	CAPITAL IMPROVEMENT FUND	ALLINGTOWN FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes.....	\$ 88,645,476	\$	\$	\$ 4,828,715	\$ 407,013	\$ 93,881,204
Intergovernmental.....	62,176,447		3,265,481	482,980	12,726,851	78,651,759
Charges for services.....	2,949,557		56,826	115,566	12,215,917	15,337,866
Contributions.....				226,150		226,150
Income from investments.....	11,023			22	1,923	12,968
Other.....	247,020					247,020
TOTAL REVENUES.....	154,029,523	-	3,322,307	5,653,433	25,351,704	188,356,967
EXPENDITURES:						
Current:						
General government.....	6,074,994				3,856	6,078,850
Public safety.....	14,156,458			5,661,654	1,104,469	20,922,581
Public works.....	10,771,539	31,578			7,090,916	17,894,033
Benefits and insurance.....	12,431,531					12,431,531
Health and welfare.....	1,042,884				1,062,958	2,105,842
Library.....	1,603,717					1,603,717
Parks and recreation.....	861,297				731,780	1,593,077
Education.....	89,015,764				12,709,050	101,724,814
Capital outlay.....		604,601	7,712,809	224,802	393,797	8,936,009
Debt service.....	16,961,372	1,056,026				18,017,398
TOTAL EXPENDITURES.....	152,919,556	1,692,205	7,712,809	5,886,456	23,096,826	191,307,852
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,109,967	(1,692,205)	(4,390,502)	(233,023)	2,254,878	(2,950,885)
OTHER FINANCING SOURCES (USES):						
Issuance of debt.....		28,250,103				28,250,103
Sale of assets.....	452,000					452,000
Transfers in.....	2,178,416				980,366	3,158,782
Transfers out.....	(980,366)				(2,178,416)	(3,158,782)
NET OTHER FINANCING SOURCES (USES).....	1,650,050	28,250,103	-	-	(1,198,050)	28,702,103
NET CHANGE IN FUND BALANCES.....	2,760,017	26,557,898	(4,390,502)	(233,023)	1,056,828	25,751,218
FUND BALANCES - JULY 1, 2012 (AS RESTATED).....	(10,536,666)	(27,235,732)	(973,798)	(1,321,714)	(2,019,686)	(42,087,596)
FUND BALANCES - JUNE 30, 2013.....	\$ (7,776,649)	\$ (677,834)	\$ (5,364,300)	\$ (1,554,737)	\$ (962,858)	\$ (16,336,378)

CITY OF WEST HAVEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 25,751,218

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 - City.....	12,716,354
Capital outlay - Allingtown Fire District.....	224,802
Depreciation expense - City.....	(4,734,617)
Depreciation expense.....	<u>(152,997)</u>

Total..... 8,053,542

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

(1)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the statement of activities:

Change in property tax, sewer use and community development block grant receivable including interest - accrual basis change.....	1,417,457
Change in property tax and sewer use allowance for uncollectible accounts.....	(266,092)
Other receivable.....	<u>(77,500)</u>

Total 1,073,865

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 debt.....	(28,250,103)
Principal repayments:	
General obligation bonds/notes.....	11,349,748
Capital lease payable - City.....	91,239
Capital lease payable - Allingtown.....	<u>46,012</u>

Total (16,763,104)

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

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:

Net pension asset.....	\$ (8,266,073)
Heart and hypertension - City.....	273,271
Heart and hypertension - Allingtown Fire District.....	34,200
Compensated absences - City.....	(266,202)
Compensated absences - Allingtown Fire District.....	(46,327)
Net OPEB obligation - City.....	(2,702,974)
Net OPEB obligation - Allingtown.....	(721,146)
Accrued interest payable.....	226,394
Deferred charges.....	20,833
Bond premium.....	62,402
Total	<u>(11,385,622)</u>
Internal Service Funds are used by management to charge costs of various self-insured risk premiums to individual departments.....	<u>(1,216,492)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ 5,513,406</u>
	(Concluded)

CITY OF WEST HAVEN, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 91,132,307	\$ 91,132,307	\$ 88,645,476	\$ (2,486,831)
Intergovernmental.....	50,651,272	50,651,272	54,158,926	3,507,654
Charges for services.....	2,991,777	2,991,777	2,949,557	(42,220)
Investment income.....	25,000	25,000	11,023	(13,977)
Other revenues.....	215,000	215,000	247,020	32,020
TOTAL REVENUES.....	145,015,356	145,015,356	146,012,002	996,646
EXPENDITURES:				
Current:				
General government.....	6,992,529	6,287,803	6,077,654	210,149
Public safety.....	13,183,506	14,175,645	14,156,458	19,187
Public works.....	9,499,936	11,056,685	10,771,539	285,146
Health and welfare.....	1,123,676	1,123,676	1,042,884	80,792
Parks and recreation.....	945,974	945,974	836,110	109,864
Board of Education.....	82,424,049	81,443,683	80,998,243	445,440
Benefits and insurance.....	13,553,595	12,736,435	12,431,531	304,904
Library.....	1,603,717	1,603,717	1,603,717	-
Debt service.....	17,988,374	16,961,372	16,961,372	-
TOTAL EXPENDITURES.....	147,315,356	146,334,990	144,879,508	1,455,482
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,300,000)	(1,319,634)	1,132,494	2,452,128
OTHER FINANCING SOURCES (USES):				
Sale of property.....			452,000	452,000
Cancellation of prior year encumbrances.....			76	76
Transfers in.....	2,300,000	2,300,000	2,178,416	(121,584)
Transfers out - Board of Education.....		(980,366)	(980,366)	-
NET OTHER FINANCING SOURCES (USES).....	2,300,000	1,319,634	1,650,126	330,492
NET CHANGE IN FUND BALANCES.....	\$ -	\$ -	2,782,620	\$ 2,782,620
FUND BALANCE - JULY 1, 2012.....			(10,723,359)	
FUND BALANCE - JUNE 30, 2013.....			\$ (7,940,739)	

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUT

ALLINGTOWN FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 4,860,400	\$ 4,860,400	\$ 4,828,715	\$ (31,685)
Intergovernmental revenues.....	492,000	492,000	482,980	(9,020)
Contributions and local grants.....	160,000	160,000	226,150	66,150
Charges for services.....	145,640	145,640	115,566	(30,074)
Interest income.....	100	100	22	(78)
Other revenues.....	6,000	6,000		(6,000)
TOTAL REVENUES.....	5,664,140	5,664,140	5,653,433	(10,707)
EXPENDITURES:				
Current:				
Personnel.....	4,550,051	4,550,051	4,918,366	(368,315)
Operating.....	699,589	699,589	566,337	133,252
Administrative.....	113,500	113,500	126,898	(13,398)
Capital outlay.....	250,000	250,000	224,802	25,198
Debt service.....	51,000	51,000	50,053	947
TOTAL EXPENDITURES.....	5,664,140	5,664,140	5,886,456	(222,316)
NET CHANGE IN FUND BALANCES.....	\$ -	\$ -	(233,023)	\$ (233,023)
FUND BALANCE - JULY 1, 2012.....			(1,321,714)	
FUND BALANCE - JUNE 30, 2013.....			<u>\$ (1,554,737)</u>	

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUTSTATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>INTERNAL SERVICE FUNDS</u>
<u>ASSETS</u>	
Accounts receivable.....	\$ 192,602
Due from other funds.....	<u>507,671</u>
TOTAL ASSETS.....	<u>700,273</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable.....	657,128
Claims and judgments payable.....	3,964,973
Due to other funds.....	<u>43,144</u>
Total current liabilities.....	4,665,245
Noncurrent liability:	
Claims and judgments payable.....	<u>4,943,821</u>
TOTAL LIABILITIES.....	<u>9,609,066</u>
<u>NET POSITION</u>	
Unrestricted.....	<u>\$ (8,908,793)</u>

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUNDS
OPERATING REVENUES:	
Charges for services.....	\$ 24,517,397
OPERATING EXPENSES:	
Claims incurred.....	22,848,824
Administration.....	2,885,065
TOTAL OPERATING EXPENSES.....	25,733,889
CHANGE IN NET POSITION	(1,216,492)
NET POSITION - JULY 1, 2012.....	(7,692,301)
NET POSITION - JUNE 30, 2013.....	\$ (8,908,793)

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>INTERNAL SERVICE FUNDS</u>
<hr/>	
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received for charges for services.....	\$ 24,517,397
Cash paid for benefits and claims.....	(21,632,331)
Cash paid for administration.....	<u>(2,885,066)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	-
CASH - JULY 1, 2012.....	<u>-</u>
CASH - JUNE 30, 2013.....	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)/change in net position.....	\$ (1,216,492)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable.....	(95,553)
Due from other funds.....	4,032,703
Increase (decrease) in:	
Claims payable.....	<u>(2,720,658)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ -</u>

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	PENSION TRUST FUNDS	PRIVATE - PURPOSE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>			
Cash.....	\$	\$	\$ 284,044
Investments at fair value:			
Mutual funds:			
Money market.....	132,095		
Equity.....	37,905,327		
Certificates of deposit.....		74,374	
Bank money market.....	11,104,174		
Common stock.....	28,746,421		
Corporate bonds.....	16,273,312		
U.S. Government securities.....	838,293		
U.S. Government agency securities.....	1,024,605		
Private equity limited partnerships.....	10,883,124		
Fixed income funds.....	837,018		
Private equity funds.....	4,154,765		
Annuities.....	2,122,836		
Total Investments.....	114,021,970	74,374	-
Due from general fund.....	59,274		
TOTAL ASSETS.....	114,081,244	74,374	284,044
<u>LIABILITIES</u>			
LIABILITIES:			
Accounts payable.....			284,044
Due to other funds.....	324,352		
TOTAL LIABILITIES.....	324,352	-	284,044
<u>NET POSITION</u>			
NET POSITION HELD IN TRUST FOR PENSION AND OTHER PURPOSES.....	\$ 113,756,892	\$ 74,374	\$ -

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013

	PENSION TRUST FUNDS	PRIVATE - PURPOSE TRUST FUND
ADDITIONS:		
Contributions:		
Employer.....	\$ 2,803,086	\$
Plan members.....	768,459	
Total contributions.....	3,571,545	-
Investment income (loss):		
Change in fair value of investments.....	6,942,113	
Interest and dividends.....	1,956,432	223
Total investment income (loss).....	8,898,545	223
Less investment expenses.....	494,401	
Net investment income (loss).....	8,404,144	223
TOTAL ADDITIONS.....	11,975,689	223
DEDUCTIONS:		
Benefits.....	7,507,353	
Administration.....	12,500	
Awards.....		13,892
TOTAL DEDUCTIONS.....	7,519,853	13,892
CHANGES IN NET POSITION.....	4,455,836	(13,669)
NET POSITION - JULY 1, 2012 (AS RESTATED).....	109,301,056	88,043
NET POSITION - JUNE 30, 2013.....	\$ 113,756,892	\$ 74,374

See Notes to Financial Statements.

CITY OF WEST HAVEN, CONNECTICUTNOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013**HISTORY AND ORGANIZATION**

The City of West Haven (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 residences. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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, proprietary 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.

Reporting Entity

As of July 1, 2012, the City 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.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus but are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *Clean Water Fund* accounts for the construction and upgrade of the City's wastewater treatment plant. The types of revenues recorded in this fund are state grants. Additional funding is provided by State of Connecticut interim funding obligations.

The *Capital Improvement Fund* accounts for the revenues used for major capital assets purchases or construction. The types of revenues recorded in this fund are state or federal grants and charges for services.

The *Allingtown Fire District Fund* accounts for all financial resources of the Allingtown Fire District. The types of revenues recorded in this fund are taxes, grants and charges for services.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for risk financing activities for medical insurance benefits, workers' compensation benefits and general liability claims.

The *Pension Trust Funds* account for the activities of the Police Retirement System Plan and the Fire District Retirement System which accumulates resources for pension benefit payments to qualified police officers and firefighters.

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

The *Agency Funds* account for monies held on behalf of students.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges to City Departments for various types of self-insurance. Operating expenses for the internal service funds includes the cost of insurance and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

Deposits - 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.

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.

The City's pension plan investment policy has set the following targets and ranges for asset sub-classes as follows:

<u>Asset Sub-Class</u>	<u>Target</u>	<u>Range</u>
Equity	46.0%	30-60%
Fixed Income	28.0%	15-50%
Alternative Investments	22.0%	10-33%
Cash	4.0%	3-25%

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**1. Deposits and Investments (Continued)**

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.

2. Receivables and Payables**a. Interfunds**

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 5 to 50 percent of outstanding receivable balances and are calculated based upon prior collections history.

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

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.

3. 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 (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Capital Assets (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.

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

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

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

4. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections and the deferred charge on refunding in this category in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**4. Deferred Outflows/Inflows of resources (Continued)**

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

5. 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 – net position to have been depleted before unrestricted – net position is applied.

6. Compensated Absences

City employees accumulate vacation and sick time for subsequent use or for payment of all or a portion of the used balance upon termination or retirement. A liability for these amounts has been recorded in the government wide financial statements. The General Fund is the primary source to liquidate compensated absences.

For the Allingtown Fire District, employees are paid by prescribed formula for absences due to vacation and sickness. It is the District's policy to recognize compensated absences' expenditures at the time payments are made.

7. Long-Term Obligations

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**8. Fund Equity and Net Position**

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable

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

Restricted

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

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action 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. Intent is expressed by the passage of a resolution by the Council by a properly approved purchase order.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**8. Fund Equity and Net Position (Continued)****Unassigned**

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

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

9. Use of Estimates

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

10. Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgets and Budgetary Accounting**

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

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- 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.
- 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.

B. Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures and fund balance between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (Exhibit F) is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, (EXHIBIT F) - JUNE 30, 2013.....	\$ 146,012,002	\$ 144,879,508	\$ (7,940,739)
Encumbrances outstanding at June 30, 2012 liquidating during the year June 30, 2013.....		186,617	
Encumbrances outstanding at June 30, 2013 charged to budgetary expenditures		(164,090)	164,090
State Teachers' Retirement on-behalf payment.....	<u>8,017,521</u>	<u>8,017,521</u>	
BALANCE, GAAP BASIS (EXHIBIT D), JUNE 30, 2013	<u>\$ 154,029,523</u>	<u>\$ 152,919,556</u>	<u>\$ (7,776,649)</u>

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Capital Projects Authorizations

The following is a summary of Capital Projects at June 30, 2013:

<u>PROJECT NAME</u>	<u>PROJECT AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2013</u>
WPCA Plant – Clean Water Fund Project	\$ 44,000,000	\$ 43,050,825	\$ 949,175

D. Deficit Equity

At June 30, 2013, the City had deficit equity balances in the following funds:

General Fund \$ 7,776,649

The City is implementing certain methods for future budgets to begin to reduce the fund balance deficit in the General Fund. These plans include adopting a conservative budget including deficit reduction line item in the annual budget, tax lien sales and personal property audits.

Clean Water Fund \$ 677,834

This fund deficit will be eliminated when the interim funding obligation is permanently financed.

Allingtown Fire District Fund \$ 1,554,737

This fund deficit will be eliminated by future tax increases and budget savings.

Capital Improvement Fund \$ 5,364,300

The above deficit will be eliminated with future bond proceeds.

Miscellaneous Grants	\$ 2,396
Public Safety	156,157
Sewer Fund	722,655
Health & Welfare	23,239
Career and Adult Education	387,903
Train Site	8,695
Capital and Nonrecurring	341,524

The above deficits will be funded with future charges for services and/or transfers.

Medical Insurance	\$ 1,355,640
General Liability	1,602,319
Workers' Compensation	5,950,834

The City plans to gradually eliminate these deficits with increased premiums in future year's budgets.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$14,120,866 of the City's bank balance of \$15,726,780 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,596,175
Uninsured and collateral held by the pledging bank's trust department, not in the City's name.....	<u>1,524,691</u>
Total amount subject to custodial credit risk	<u>\$ 14,120,866</u>

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

At June 30, 2013, the City's investments consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)				
		N/A	LESS THAN 1	1-5	5-10	OVER 10
Mutual Funds:						
Equity.....	\$ 37,905,327	\$ 37,905,327	\$	\$	\$	\$
Money Market.....	132,095		132,095			
Bank Money Market.....	11,104,545		11,104,545			
Certificates of Deposit	74,374		74,374			
Pooled Fixed Income	349,935		349,935			
Common Stock.....	28,746,421	28,746,421				
Annuities.....	2,122,836	2,122,836				
U.S. Government Securities.....	838,293			242,513	368,495	227,285
U.S. Government Agency Securities.....	1,024,605			296,412	339,280	388,913
Private Equity Limited Partnerships	10,883,124	10,883,124				
Fixed Income Funds	837,018		5,691	321,170	469,862	40,295
Private Equity Funds	3,045,125	3,045,125				
Real Estate Investment Trusts ..	1,109,640	1,109,640				
Corporate Bonds	16,273,312		110,650	6,244,181	9,135,057	783,424
TOTAL.....	<u>\$ 114,446,650</u>	<u>\$ 83,812,473</u>	<u>\$11,777,290</u>	<u>\$ 7,104,276</u>	<u>\$10,312,694</u>	<u>\$ 1,439,917</u>

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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

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

The City's investments subject to credit risk have average ratings by Moody's as follows:

	POOLED FIXED INCOME	MONEY MARKET MUTUAL FUNDS	U.S. GOV'T SECURITIES	U.S. GOV'T AGENCY SECURITIES	FIXED INCOME FUNDS	CORPORATE BONDS
AAA.....	\$ 349,935	\$ 132,095	\$ 838,293	\$	\$ 837,018	\$ 2,051,135
AA.....				405,905		3,967,368
A.....						1,159,274
B.....						595,423
BB.....						1,762,917
BBB.....						3,068,847
Unrated.....				618,700		3,668,348
TOTAL.....	<u>\$ 349,935</u>	<u>\$ 132,095</u>	<u>\$ 838,293</u>	<u>\$ 1,024,605</u>	<u>\$ 837,018</u>	<u>\$ 16,273,312</u>

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

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

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

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
Common Stock.....	\$ 28,746,421	\$ 500,000	\$ 28,246,421
Corporate Bonds.....	16,273,312		16,273,312
U.S. Government Securities.....	838,293		838,293
U.S. Government Agency Securities.....	1,024,605		1,024,605
TOTAL.....	<u>\$ 46,882,631</u>	<u>\$ 500,000</u>	<u>\$ 46,382,631</u>

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the City's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2013, including the applicable allowances for uncollectible accounts, are presented below.

	<u>CITY PROPERTY TAXES</u>			
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion	\$ 1,289,535	\$ 349,117	\$ 1,638,652	
Long-term Portion.....	\$ 3,868,605	\$ 3,001,572	\$ 6,870,177	
Less Allowance for Uncollectibles	<u>(1,550,000)</u>	<u>(1,675,000)</u>	<u>(3,225,000)</u>	
Net Long-term Portion	<u>\$ 2,318,605</u>	<u>\$ 1,326,572</u>	<u>\$ 3,645,177</u>	
	<u>ALLINGTOWN PROPERTY TAXES</u>			
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion	\$ 144,405	\$ 54,359	\$ 198,764	
Long-term Portion.....	\$ 353,542	\$ 303,078	\$ 656,620	
Less Allowance for Uncollectibles	<u>(150,000)</u>	<u>(170,000)</u>	<u>(320,000)</u>	
Net Long-term Portion	<u>\$ 203,542</u>	<u>\$ 133,078</u>	<u>\$ 336,620</u>	
	<u>SEWER USE</u>			
	<u>USE FEES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	<u>CDBG LOANS</u>
Current Portion	\$ 307,222	\$ 105,208	\$ 412,430	\$ 1,033,880
Long-term Portion.....	\$ 1,164,855	\$ 989,566	\$ 2,154,421	\$ 1,063,604
Less Allowance for Uncollectibles	<u>(75,000)</u>	<u>(440,000)</u>	<u>(515,000)</u>	<u>(216,025)</u>
Net Long-term Portion	<u>\$ 1,089,855</u>	<u>\$ 549,566</u>	<u>\$ 1,639,421</u>	<u>\$ 847,579</u>

Police Outside Services receivable totaled \$454,336, net of an allowance of \$176,486.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

City

Capital asset activity for the year ended June 30, 2013 was as follows:

	BALANCE JULY 1, 2012	INCREASES	DECREASES	BALANCE JUNE 30, 2013
Capital Assets, not being Depreciated:				
Land	\$ 16,319,190	\$	\$ 1	\$ 16,319,189
Construction in progress.....	52,592,423	3,789,789	47,309,672	9,072,540
Total Capital Assets, not being Depreciated	68,911,613	3,789,789	47,309,673	25,391,729
Capital Assets, being Depreciated:				
Land improvements	11,070,511	3,931,876		15,002,387
Buildings and improvements	140,560,698	48,140,967		188,701,665
Vehicles	7,017,598	48,865		7,066,463
Machinery and equipment	26,058,640	31,832		26,090,472
Infrastructure.....	79,850,262	4,082,697		83,932,959
Total Capital Assets, being Depreciated	264,557,709	56,236,237	-	320,793,946
Total Capital Assets	333,469,322	60,026,026	47,309,673	346,185,675
Less Accumulated Depreciation for:				
Land improvements	5,550,655	361,311		5,911,966
Buildings and improvements	77,444,676	2,705,049		80,149,725
Vehicles	5,569,583	96,490		5,666,073
Machinery and equipment	18,133,752	490,711		18,624,463
Infrastructure.....	39,148,756	1,081,056		40,229,812
Total Accumulated Depreciation.....	145,847,422	4,734,617	-	150,582,039
Total Capital Assets, being Depreciated, net	118,710,287	51,501,620	-	170,211,907
Governmental Activities Capital Assets, net	\$ 187,621,900	\$ 55,291,409	\$ 47,309,673	\$ 195,603,636

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

General government.....	\$ 1,390,460
Public safety.....	277,657
Public works	1,060,671
Health and welfare	129,203
Parks and recreation.....	176,624
Board of Education	1,700,002
Total Depreciation Expense	\$ 4,734,617

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

C. **Capital Assets (Continued)**

Allingtown Fire District

Capital asset activity for the year ended June 30, 2013 was as follows:

	BALANCE JULY 1, 2012	INCREASES	DECREASES	BALANCE JUNE 30, 2013
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 36,903	\$	\$	\$ 36,903
<u>Capital Assets, being Depreciated:</u>				
Buildings and improvements	702,454			702,454
Machinery and equipment	143,308			143,308
Fire trucks and vehicles	1,852,191	224,802	15,270	2,061,723
Infrastructure - hydrants	367,097			367,097
Fire equipment	987,385		6,896	980,489
Total Capital Assets, being Depreciated	4,052,435	224,802	22,166	4,255,071
Total Capital Assets	4,089,338	224,802	22,166	4,291,974
<u>Less Accumulated Depreciation for:</u>				
Buildings and improvements	183,670	21,807		205,477
Machinery and equipment	113,505	2,755		116,260
Fire trucks and vehicles	1,577,773	87,622	15,270	1,650,125
Infrastructure - hydrants	203,792	11,419		215,211
Fire equipment	888,544	29,394	6,896	911,042
Total Accumulated Depreciation	2,967,284	152,997	22,166	3,098,115
Total Capital Assets, being Depreciated, net	1,085,151	71,805	-	1,156,956
Governmental Activities Capital Assets, net	\$ 1,122,054	\$ 71,805	\$ -	\$ 1,193,859

Depreciation expense was charged to the public safety function.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Construction Commitments

At June 30, 2013, the City had the following construction commitments:

City Hall Renovations.....	\$ 463,000
Campbell Avenue Revitalization	5,469,097

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2013 is as follows:

<u>MAJOR FUNDS</u>	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
GENERAL FUND:			
Clean Water Fund.....	N/A	\$ 322,316	\$
Document Preservation Fund.....	N/A		46,077
Health and Welfare Fund.....	N/A		25,751
Educational Grant Fund.....	N/A		1,268,386
Board of Education Contingency Fund.....	N/A		200,000
Career and Adult Education.....	N/A	77,253	
Community Development Block Grant Funds	N/A	62,720	
Savin Rock Funds.....	N/A		91,869
Public Safety Funds.....	N/A	152,582	
School Lunch Program Fund.....	N/A	189,849	
Sports Facilities.....	N/A		73,345
Town Aid Road.....	N/A		128,531
Brownsfields Fund	N/A		25,552
Capital Improvement Fund	N/A		5,444,349
Redevelopment Fund	N/A		4,146
Medical Insurance	N/A	43,144	
General Liability	N/A		288,771
Workers' Compensation	N/A		218,900
Pension Fund.....	N/A	324,352	
Allingtown Fire District	N/A	646,712	
TOTAL GENERAL FUND.....		1,818,928	7,815,677
CLEAN WATER FUND.....	N/A		322,316
CAPITAL IMPROVEMENT FUND	N/A	5,444,349	
ALLINGTOWN FIRE DISTRICT:			
General Fund.....	N/A		646,712
Allingtown Pension	N/A		59,274
TOTAL ALLINGTOWN FIRE DISTRICT		-	705,986
<u>NONMAJOR FUNDS</u>			
SPECIAL REVENUE FUNDS:			
Document Preservation	General Fund	46,077	
School Lunch Program	General Fund		189,849
Public Safety Funds.....	General Fund		152,582
Town Aid Road.....	General Fund	128,531	
Educational Grant Fund.....	General Fund	1,268,386	
Board of Education Contingency Fund.....	General Fund	200,000	

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

A summary of interfund balances as of June 30, 2013 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
Health and Welfare Funds.....	General Fund	\$ 25,751	\$
Career and Adult Education	General Fund		77,253
Community Development Block Grant Funds	General Fund		62,720
Savin Rock Funds.....	General Fund	91,869	
Sports Facilities.....	General Fund	73,345	
TOTAL SPECIAL REVENUE FUNDS.....		<u>1,833,959</u>	<u>482,404</u>
CAPITAL PROJECTS FUNDS:			
Brownfields Fund	General Fund	25,552	
Redevelopment Fund	General Fund	4,146	
TOTAL CAPITAL PROJECTS FUNDS		<u>29,698</u>	-
TOTAL NONMAJOR GOVERNMENTAL FUNDS		<u>1,863,657</u>	<u>482,404</u>
INTERNAL SERVICE FUNDS:			
Medical Insurance.....	General Fund		43,144
General Liability	General Fund	288,771	
Workers' Compensation	General Fund	218,900	
TOTAL INTERNAL SERVICE FUNDS.....		<u>507,671</u>	<u>43,144</u>
FIDUCIARY FUNDS:			
Pension Trust Fund.....	General Fund		324,352
Allingtown Pension Trust Fund.....	Allingtown	59,274	
TOTAL FIDUCIARY FUNDS		<u>59,274</u>	<u>324,352</u>
GRAND TOTAL		<u>\$ 9,693,879</u>	<u>\$ 9,693,879</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided and when payments between funds are made.

2. Advances Payables and Receivables

A summary of interfund advances as of June 30, 2013 is as follows:

<u>MAJOR FUNDS</u>	CORRESPONDING FUND	DUE FROM	DUE TO
<u>GENERAL FUND:</u>			
Miscellaneous Grants Funds.....	N/A	\$ 396	\$
Career and Adult Education Funds	N/A	295,289	
Capital and Nonrecurring.....	N/A	306,060	
Train Site Fund.....	N/A	8,695	
TOTAL GENERAL FUND.....		<u>610,440</u>	-
<u>NONMAJOR FUNDS</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
Miscellaneous Grants Funds.....	General Fund		396
Career and Adult Education Funds	General Fund		295,289
TOTAL SPECIAL REVENUE FUNDS.....		<u>-</u>	<u>295,685</u>

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Advances Payables and Receivables (Continued)

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
CAPITAL PROJECTS FUNDS:			
Capital and Nonrecurring.....	General Fund	\$	\$ 306,060
Train Site Fund.....	General Fund		8,695
TOTAL CAPITAL PROJECTS.....		-	314,755
GRAND TOTAL		\$ 610,440	\$ 610,440

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.

3. Interfund Transfers

A summary of interfund transfers as of June 30, 2013 is as follows:

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
<u>MAJOR FUNDS:</u>			
<u>GENERAL FUND:</u>			
Public Safety	N/A	\$ 53,443	\$
Education Grant Fund.....	N/A		312,107
Board of Education Contingency Fund.....	N/A		200,000
School Lunch Program Fund.....	N/A		83,182
Sports Facilities.....	N/A		385,077
Sewer Fund.....	N/A	2,124,973	
TOTAL GENERAL FUND.....		2,178,416	980,366
<u>NONMAJOR FUNDS:</u>			
Sewer Fund.....	General Fund		2,124,973
Public Safety	General Fund		53,443
Education Grant Fund.....	General Fund	312,107	
Board of Education Contingency Fund.....	General Fund	200,000	
School Lunch Program Fund.....	General Fund	83,182	
Sports Facilities.....	General Fund	385,077	
TOTAL NONMAJOR FUNDS.....		980,366	2,178,416
GRAND TOTAL		\$ 3,158,782	\$ 3,158,782

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.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. 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, 2013 was as follows:

<u>TYPE OF OBLIGATION</u>	<u>BALANCE JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 2013</u>
Bond Anticipation Notes:				
General purpose/schools	\$ 6,150,000	\$ 9,635,000	\$ 6,150,000	\$ 9,635,000
Clean water interim funding obligation	\$ 26,853,239	\$ 1,762,900	\$ 28,250,103	\$ 366,036

The bond anticipation notes mature in February 2014 and carry an interest rate of 3.0%.

The City is currently incurring an interim funding obligation for a clean water project. At the completion of the project, the interim funding obligation will be permanently financed with the State of Connecticut into a 20-year note at 2%. The interim funding obligation also carries an interest rate of 2%.

In February 2014, the City reissued bond anticipation notes in the amount of \$8,435,000 with an interest rate of 1.51% maturing in October 2014.

F. Changes in Long-Term Obligations

1. Summary of Changes

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

<u>DESCRIPTION</u>	<u>ORIGINAL AMOUNT</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>DEDUC- TIONS</u>	<u>BALANCE JUNE 30, 2013</u>	<u>CURRENT PORTION</u>
BONDS									
GENERAL PURPOSE, SCHOOL AND SEWER:									
General obligation bond	\$ 21,540,000	02/01/02	02/01/20	5.0-6.75%	\$ 1,000,000	\$	\$ 125,000	\$ 875,000	\$ 125,000
Refunding bond.....	11,075,000	09/15/04	01/15/19	2.0-4.0%	1,435,000		1,435,000	-	
Refunding bond.....	32,245,000	05/11/05	07/01/24	2.5-5.0%	10,395,000		2,555,000	7,840,000	2,900,000
General obligation bond	32,130,000	12/15/05	12/15/25	3.75-5.75%	1,500,000		1,500,000	-	
General obligation bond	11,716,000	03/31/10	02/15/25	5.05%	10,140,000		780,000	9,360,000	780,000
Refunding bond.....	7,420,000	04/01/10	08/01/15	3.27%	5,345,000		10,000	5,335,000	825,000
General obligation bond	3,685,000	05/31/12	08/01/26	3.0-5.0%	3,685,000			3,685,000	184,629
Refunding bond.....	47,410,000	05/31/12	08/01/26	3.0-5.0%	47,410,000			47,410,000	2,375,371
Total General Purpose, School and Sewer.....	167,221,000				80,910,000	-	6,405,000	74,505,000	7,190,000
Pension obligation.....	67,305,000	09/24/02	03/15/22	2.27-5.84%	42,950,000		3,330,000	39,620,000	3,495,000
Total Bonds	234,526,000				123,860,000	-	9,735,000	114,125,000	10,685,000

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1 2012	ADDITIONS	DEDUC- TIONS	BALANCE JUNE 30, 2013	CURRENT PORTION
Clean Water Notes Payable:									
State of CT Serial Note CWF 166-C	\$ 9,213,384	04/29/94	10/31/13	2.00%	\$ 728,445	\$	\$ 544,510	\$ 183,935	\$ 183,935
State of CT Serial Note CWF 166-CDI	2,769,461	01/01/96	10/31/13	2.00%	236,291		176,627	59,664	59,664
State of CT Serial Note CWF 167-D	293,596	10/31/96	04/30/16	2.00%	65,104		16,506	48,598	16,839
State of CT Serial Note CWF 167-C	4,858,956	10/30/98	10/31/17	2.00%	1,477,120		265,103	1,212,017	270,454
State of CT Serial Note CWF 347-C	1,618,947	05/31/00	11/30/19	2.00%	670,605		84,727	585,878	86,438
State of CT Serial Note CWF 444-C	1,603,000	03/31/01	09/30/20	2.00%	732,651		82,507	650,144	84,173
State of CT Serial Note CWF 348-C	4,407,222	11/30/01	11/30/20	2.00%	2,051,662		226,088	1,825,574	230,652
State of CT Serial Note CWF 346-C	801,945	12/31/03	12/31/22	2.00%	456,440		39,462	416,978	40,258
State of CT Serial Note CWF 348-C1	1,728,831	12/31/03	12/31/22	2.00%	983,981		85,072	898,909	86,789
State of CT Serial Note CWF 348-CD1	617,707	09/29/06	11/30/20	2.00%	391,000		42,741	348,259	43,603
State of CT Serial Note CWF 346-CD2	801,055	05/31/07	12/31/22	2.00%	539,749		51,405	488,344	51,405
State of CT Serial Note CWF 549-C	<u>28,250,103</u>	07/01/13	07/01/32	2.00%		<u>28,250,103</u>		<u>28,250,103</u>	<u>2,486,822</u>
Total Water Notes	<u>56,964,207</u>				<u>8,333,048</u>	<u>28,250,103</u>	<u>1,614,748</u>	<u>34,968,403</u>	<u>3,641,032</u>
TOTAL BOND/NOTES ...	<u>\$ 291,490,207</u>				<u>132,193,048</u>	<u>28,250,103</u>	<u>11,349,748</u>	<u>149,093,403</u>	<u>14,326,032</u>
PREMIUM					<u>811,227</u>		<u>62,402</u>	<u>748,825</u>	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					<u>133,004,275</u>	<u>28,250,103</u>	<u>11,412,150</u>	<u>149,842,228</u>	<u>14,326,032</u>
CLAIMS, JUDGMENTS AND OTHER					<u>242,000</u>			<u>242,000</u>	
HEART AND HYPERTENSION					<u>5,738,818</u>		<u>273,271</u>	<u>5,465,547</u>	<u>270,941</u>
COMPENSATED ABSENCES					<u>13,148,005</u>	<u>3,024,021</u>	<u>2,757,819</u>	<u>13,414,207</u>	<u>2,629,601</u>
CAPITAL LEASES					<u>186,812</u>		<u>91,239</u>	<u>95,573</u>	<u>95,573</u>
OTHER POST EMPLOYMENT BENEFIT OBLIGATION					<u>21,541,925</u>	<u>9,609,104</u>	<u>6,906,130</u>	<u>24,244,899</u>	
RISK MANAGEMENT CLAIMS					<u>7,692,301</u>	<u>24,295,631</u>	<u>23,079,138</u>	<u>8,908,794</u>	<u>3,964,973</u>
TOTAL LONG-TERM OBLIGATIONS					<u>\$ 181,554,136</u>	<u>\$ 65,178,859</u>	<u>\$ 44,519,747</u>	<u>\$ 202,213,248</u>	<u>\$ 21,287,120</u>

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Current Portion
Capital lease payable	\$ 94,002	\$	\$ 46,012	\$ 47,990	\$ 47,990
Heart and hypertension	53,450		34,200	19,250	10,500
Compensated absences	526,806	162,601	116,274	573,133	114,627
Net other post employment benefit obligation	2,080,282	1,356,146	635,000	2,801,428	
Total long-term obligations	<u>\$2,754,540</u>	<u>\$1,518,747</u>	<u>\$831,486</u>	<u>\$ 3,441,801</u>	<u>\$173,117</u>

The following is a summary of bond and note maturities:

FISCAL YEAR ENDED JUNE 30,	BOND PRINCIPAL	BOND INTEREST	NOTES PRINCIPAL	NOTES INTEREST
2014	\$ 10,685,000	\$ 5,513,252	\$ 3,641,031	\$ 887,732
2015	11,775,000	5,006,353	2,122,599	607,095
2016	10,575,000	4,469,810	2,161,460	564,265
2017	11,120,000	3,940,814	2,189,175	520,805
2018	11,470,000	3,386,943	2,036,369	477,769
2019	11,780,000	2,848,114	1,977,471	438,228
2020	11,230,000	2,288,154	1,959,267	398,609
2021	10,395,000	1,743,823	1,702,183	361,091
2022	10,730,000	1,178,579	1,574,486	329,194
2023	2,875,000	655,320	1,503,107	297,849
2024	4,405,000	472,383	1,430,037	268,964
2025	4,455,000	250,055	1,458,901	240,099
2026	2,300,000	70,700	1,488,348	210,652
2027	330,000		1,518,389	180,611
2028			1,549,037	149,963
2029			1,580,303	118,697
2030			1,612,201	86,799
2031			1,644,742	54,258
2032			1,677,940	21,060
2033			141,357	236
	<u>\$114,125,000</u>	<u>\$ 31,824,300</u>	<u>\$ 34,968,403</u>	<u>\$ 6,213,976</u>

All long-term liabilities listed above after bonds and notes are generally liquidated by the General Fund.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Claims and Judgments

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

3. 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.

4. Capital Leases

At June 30, 2013, the City is committed under capital leases for vehicles at a cost of \$528,925, net of \$180,508 in accumulated depreciation. This year, \$24,808 was included in depreciation expense.

At June 30, 2013, the Allingtown Fire District is committed under capital leases for vehicles at a cost of \$1,029,615, net of \$905,795 in accumulated depreciation. This year \$70,756 was included in depreciation expense.

The lease agreements qualify as capital leases for accounting purposes and, therefore, has 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, 2013.

YEAR ENDING JUNE 30,	<u>CITY</u>	<u>ALLINGTOWN FIRE DISTRICT</u>
2014	\$ 100,113	\$ 50,053
Less: amount representing interest	<u>(4,540)</u>	<u>(2,063)</u>
Present value of minimum lease payments	<u>\$ 95,573</u>	<u>\$ 47,990</u>

5. Statutory Debt Limitations

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

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
General purpose.....	\$ 251,855,055	\$ 54,573,671	\$ 197,281,384
Schools.....	503,710,110	27,523,329	476,186,781
Sewer	419,758,425	2,043,000	417,715,425
Urban renewal	363,790,635		363,790,635
Pension deficit.....	335,806,740	39,620,000	296,186,740

III. DETAILED NOTES (CONTINUED)**F. Changes in Long-Term Obligations (Continued)****5. Statutory Debt Limitations (Continued)**

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, \$783,549,060.

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.

6. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is \$16,543,603 for school, \$19,738,441 for sewers, \$27,235,875 for general purposes and \$12,590,000 for refunding issues.

7. 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, 2013, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$51,095,000.

G. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$46,100 at June 30, 2013.

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. Fund Balance Classifications

As of June 30, 2013, fund balances are composed of the following:

FUND BALANCE COMPONENT	GENERAL FUND	CLEAN WATER	CAPITAL IMPROVEMENTS	ALLINGTOWN FIRE DISTRICT	NONMAJOR FUNDS	TOTAL
<u>NONSPENDABLE:</u>						
Inventory/Prepaid Items.....	\$ 4,926,879	\$	\$	\$	\$	\$ 4,926,879
Advances.....	610,440					610,440
TOTAL NONSPENDABLE.....	5,537,319	-	-	-	-	5,537,319
<u>RESTRICTED:</u>						
Historic documents.....					46,100	46,100
Grant purposes - road maintenance.....					115,929	115,929
Community Development Block Grant....					78,161	78,161
TOTAL RESTRICTED.....	-	-	-	-	240,190	240,190
<u>COMMITTED:</u>						
State seized asset program.....	-				34,653	34,653
Approved projects.....					24,726	24,726
Savin Rock activities.....					89,850	89,850
Education.....					324,945	324,945
TOTAL COMMITTED.....	-	-	-	-	474,174	474,174
UNASSIGNED.....	(13,313,968)	(677,834)	(5,364,300)	(1,554,737)	(1,677,222)	(22,588,061)
TOTAL.....	\$ (7,776,649)	\$ (677,834)	\$ (5,364,300)	\$ (1,554,737)	\$ (962,858)	\$ (16,336,378)

IV. OTHER INFORMATION

A. Risk Management

Except for the purchase of 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, 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 is exposed to various risks for which it has retained the risk of loss including torts; theft of, damage to, and destruction of assets; natural disaster; general liability; workers' compensation; and employee and post-retiree group medical. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The City utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss. The fund 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.

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

All City, Board of Education and agencies are charged premiums by the Internal Service Fund to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the City's best estimate based on available information.

The claims liability reported in the fund 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.

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN <u>ESTIMATES</u>	CLAIMS <u>PAID</u>	CLAIMS PAYABLE <u>JUNE 30</u>
<u>MEDICAL INSURANCE</u>				
<u>CITY</u>				
2011-2012	\$ 1,211,920	\$18,494,966	\$18,376,818	\$ 1,330,068
2012-2013	1,330,068	19,369,129	19,343,555	1,355,642
<u>ALLINGTOWN</u>				
2011-2012	\$ 68,301	\$ 941,071	\$ 934,320	\$ 75,052
2012-2013	75,052	679,030	663,830	90,252
<u>GENERAL LIABILITY</u>				
2011-2012	\$ 1,901,124	\$ 1,018,795	\$ 1,191,417	\$ 1,728,502
2012-2013	1,728,502	623,619	749,802	1,602,319
<u>WORKERS' COMPENSATION</u>				
2011-2012	\$ 3,345,239	\$ 2,904,228	\$ 1,615,736	\$ 4,633,731
2012-2013	4,633,731	2,856,076	1,538,974	5,950,833

B. 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.

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans

1. Plan Description

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 stand alone financial reports.

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

The City 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.

b. Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. Certain investments which are part of the City and Allingtown Fire District's investment in hedge funds are valued at the last trade price or recent appraisals. Investments of greater than 5% of Allingtown Fire District total assets in any one organization were as follows:

Chambers Real Estate Investment Trust	\$454,400
KBS Real Estate Investment Trust.....	<u>443,379</u>
Total.....	<u>\$897,779</u>

3. Classes of Employees Covered

As of January 1, 2011 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:

	<u>POLICE</u>	<u>ALLINGTOWN FIRE DISTRICT</u>
Retirees and beneficiaries currently receiving benefits.....	143	30
Active plan members.....	<u>105</u>	<u>22</u>
TOTAL.....	<u>248</u>	<u>52</u>

IV. OTHER INFORMATION (CONTINUED)**C. Pension Plans (Continued)****4. Benefit Provisions****a. 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.

b. Employer Contributions**Police**

The Police's contribution is actuarially determined by using the projected unit credit cost method. The Police contribution was \$1,286,500. 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 \$1,516,586. Administrative costs are generally financed through investment earnings.

c. Employee Contributions**Police**

Police officers were required to contribute 8% of their earnings for the current fiscal year.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

The contribution rate was increased from 7.5% in 2011 and will ultimately be 9.5% effective July 1, 2016. The impact of the increase in the employee contribution rate on the current year ARC was approximately \$33,000 (beginning of the year) to \$35,000 (end of the year).

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.

5. Funded Status and Funding Progress

Police

The funded status of the plan as of January 1, 2011 was as follows:

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
January 1, 2011	\$ 110,509,793	\$ 120,389,438	\$ (9,879,645)	91.8%	\$ 7,008,211	(141.0)%

Allingtown Fire District

The funded status of the plan as of July 1, 2013 was as follows:

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
July 1, 2013	\$ 4,379,827	\$ 22,738,356	\$ (18,358,529)	19.3%	\$ 1,678,136	(1,094.0)%

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 schedule of funding progress ("RSI"), immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarially accrued liability for benefits.

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

6. Actuarial Assumptions

The data presented in the schedule of funding progress and schedule 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>POLICE</u>	<u>ALLINGTOWN FIRE DISTRICT</u>
VALUATION DATE	January 1, 2011	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
ASSET VALUATION METHOD	Fair Value	Market Value
<u>ACTUARIAL ASSUMPTIONS:</u>		
INVESTMENT RATE OF RETURN	8.5%	7.5%
PROJECTED SALARY INCREASES		
Merit	2.5%	2.0%
Inflation	2.5%	2.0%
COST-OF-LIVING ADJUSTMENTS	4.25% for members hired before 7/1/93	2.0%
	2.5% for members hired after 6/30/93	

* 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 to take actions 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 since the last valuation (January 1, 2008).

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

7. Annual Pension Cost and Net Pension Asset (NPA)

The changes in the NPA of the City plans were as follows:

	<u>POLICE</u>	<u>ALLINGTOWN FIRE DISTRICT</u>
Annual required contribution	\$ 3,141,846	\$ 1,460,986
Interest on net pension obligation	(3,808,733)	(31,445)
Adjustment to annual required contribution.	<u>10,277,207</u>	<u>29,298</u>
Annual pension cost	9,610,320	1,458,839
Contributions made	<u>1,286,500</u>	<u>1,516,586</u>
(Increase) decrease in net pension asset ...	8,323,820	(57,747)
Net pension asset - July 1, 2012	<u>(44,808,625)</u>	<u>(419,260)</u>
Net pension asset - June 30, 2013.....	<u>\$ (36,484,805)</u>	<u>\$ (477,007)</u>

8. Three Year Trend Information

Police

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset	Actual Contribution
2011	\$ 13,641,662	8%	\$ (54,538,533)	\$ 1,050,000
2012	11,014,908	12%	(44,808,625)	1,285,000
2013	9,610,320	13%	(36,484,805)	1,286,500

Allingtown Fire District

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset	Actual Contribution
2011	\$ 1,272,402	112.4%	\$ (329,560)	\$ 1,430,341
2012	1,402,375	106.4%	(419,260)	1,492,075
2013	1,458,839	104.0%	(477,007)	1,516,586

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

9. Plan Statements

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 JUNE 30, 2013

	POLICE PENSION	ALLINGTOWN FIRE DISTRICT	TOTAL
<u>ASSETS</u>			
Investments at fair value:			
Mutual funds:			
Money market.....	\$	\$ 132,095	\$ 132,095
Equity.....	36,890,046	1,015,281	37,905,327
Bank money market.....	11,104,174		11,104,174
Common stock.....	28,746,421		28,746,421
Corporate bonds.....	16,273,312		16,273,312
U.S. Government securities.....	838,293		838,293
U.S. Government agency securities.....	1,024,605		1,024,605
Private equity limited partnerships.....	10,883,124		10,883,124
Fixed income funds.....	837,018		837,018
Private equity funds.....	3,045,125	1,109,640	4,154,765
Annuities.....		2,122,836	2,122,836
Total Investments.....	109,642,118	4,379,852	114,021,970
Due from general fund.....		59,274	59,274
TOTAL ASSETS.....	109,642,118	4,439,126	114,081,244
<u>LIABILITY</u>			
LIABILITY:			
Due to other funds.....	324,352		324,352
<u>NET POSITION</u>			
NET POSITION HELD IN TRUST FOR PENSION BENEFITS.....	\$ 109,317,766	\$ 4,439,126	\$ 113,756,892

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

9. Plan Statements

CITY OF WEST HAVEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 YEAR ENDED JUNE 30, 2013

	POLICE PENSION	ALLINGTOWN FIRE DISTRICT	TOTAL
ADDITIONS:			
Contributions:			
Employer.....	\$ 1,286,500	\$ 1,516,586	\$ 2,803,086
Plan members.....	587,454	181,005	768,459
Total contributions.....	1,873,954	1,697,591	3,571,545
Investment income (loss):			
Change in fair value of investments.....	6,714,354	227,759	6,942,113
Interest and dividends.....	1,848,625	107,807	1,956,432
Total investment income (loss).....	8,562,979	335,566	8,898,545
Less investment expenses.....	494,257	144	494,401
Net investment income (loss).....	8,068,722	335,422	8,404,144
TOTAL ADDITIONS.....	9,942,676	2,033,013	11,975,689
DEDUCTIONS:			
Benefits.....	6,194,543	1,312,810	7,507,353
Administration.....	12,500		12,500
TOTAL DEDUCTIONS.....	6,207,043	1,312,810	7,519,853
CHANGES IN NET POSITION.....	3,735,633	720,203	4,455,836
NET POSITION - JULY 1, 2012 (AS RESTATED)....	105,582,133	3,718,923	109,301,056
NET POSITION - JUNE 30, 2013.....	\$ 109,317,766	\$ 4,439,126	\$ 113,756,892

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

10. 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 credited 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 \$1,221,203 and employee contributions totaled \$2,248,782.

D. Other Post-Employment Benefit Plans

1. 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 stand alone financial report.

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plans (Continued)

1. Plan Description (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 stand alone financial report.

2. Classes of Employees Covered

As of July 1, 2011, the date of the last actuarial valuation for the City and Board of Education and June 30, 2010 for the Allingtown Fire District, the plans' membership consisted of:

	CITY	BOARD OF EDUCATION	ALLINGTOWN FIRE DISTRICT
Retirees and beneficiaries currently receiving benefits	270	268	50
Active plan members.....	311	874	23
TOTAL.....	<u>581</u>	<u>1,142</u>	<u>73</u>

3. Benefit Provisions

a. Benefit Provisions

The City plans 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 the District.

b. 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 \$6,906,130.

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 \$635,000.

c. Employee Contributions

There are no employee contributions to the plan. Retiree contributions to the Board of Education plan totaled \$852,015 based upon terms in union contracts.

IV. OTHER INFORMATION (CONTINUED)

c. Employee Contributions (Continued)

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 Teacher's Retirement plan. These teachers are required to contribute the cost of the issuance to the District.

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011 was as follows:

Police

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
July 1, 2011	\$ -	\$ 136,899,137	\$ (136,899,137)	0%	N/A	N/A

Allingtown Fire District

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
June 30, 2010	\$ -	\$ 16,717,000	\$ (16,717,000)	0%	N/A	N/A

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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

5. 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.

CITY OF WEST HAVEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

5. Actuarial Methods and Assumptions (Continued)

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, 2011	June 30, 2010
ACTUARIAL COST METHOD	Projected Unit Credit	Projected Unit Credit
AMORTIZATION METHOD	30 year, Open	25 year, Open
REMAINING AMORTIZATION PERIOD	24 years	22 years
<u>ACTUARIAL ASSUMPTIONS:</u>		
Investment rate of return	4.0%	4.0%
Healthcare inflation rate:		
Initial	9%	6.5%
Ultimate	5%	4.7%
Inflation Rate	N/A	N/A

6. Annual OPEB Cost and Net OPEB Obligation (NOO)

The changes in the NOO were as follows:

	<u>City</u>	<u>Allingtown</u>
Annual required contribution (ARC)	\$ 9,588,218	\$ 1,367,000
Interest on net OPEB obligation	861,677	83,211
Adjustment to annual required contribution .	<u>(840,791)</u>	<u>(94,065)</u>
Annual OPEB cost (AOC)	9,609,104	1,356,146
Contributions made	<u>6,906,130</u>	<u>635,000</u>
Change in net OPEB obligation.....	2,702,974	721,146
Net OPEB obligation - July 1, 2012	<u>21,541,925</u>	<u>2,080,282</u>
Net OPEB obligation - June 30, 2013	<u>\$ 24,244,899</u>	<u>\$ 2,801,428</u>

CITY OF WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

7. Three Year Trend Information

<u>City</u>				
YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION	TOTAL CONTRIBUTIONS
2011	\$ 9,065,425	56.8%	\$ 18,128,847	\$ 5,144,676
2012	9,481,822	64.0%	21,541,925	6,068,744
2013	9,609,104	71.9%	24,244,899	6,906,130

<u>Allingtown Fire District</u>				
YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION	TOTAL CONTRIBUTIONS
2011	\$ 1,201,859	45.1%	\$ 1,372,859	\$ 542,000
2012	1,277,423	44.6%	2,080,282	570,000
2013	1,356,146	46.8%	2,801,428	635,000

E. On-Behalf Payments

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the City's teachers was \$8,017,521.

F. Prior Period Adjustment

The government-wide, Allingtown Fire District major fund and the pension trust funds' net position and fund balance were restated as follows:

	Government- Wide	Allingtown Fire District Fund	Pension Trust Funds
Fund balance/net position as previously reported at June 30, 2012.....	\$ 15,946,758	\$	\$ 105,582,133
To add the Allingtown Fire District to the reporting entity.....	(2,076,773)	(1,321,714)	
To add the Allingtown Fire District Pension Trust Fund to the reporting entity.....			3,718,923
Fund Balance/net position as restated as of July 1, 2012.....	\$ 13,869,985	\$ (1,321,714)	\$ 109,301,056

**Required
Supplementary
Information**

CITY OF WEST HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

WEST HAVEN RETIREMENT SYSTEM AND OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS
SCHEDULES OF FUNDING PROGRESS

POLICE PENSION PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
1/1/2004	\$ 92,722,515	\$ 90,703,954	\$ 2,018,561	102.2%	\$ 6,554,897	30.8%
1/1/2006	103,670,417	99,357,450	4,312,967	104.3%	7,373,220	58.5%
1/1/2008	118,784,141	112,464,527	6,319,614	105.6%	7,812,621	80.9%
1/1/2010	103,217,463	116,990,872	(13,773,409)	88.2%	7,074,123	- (194.7%)
1/1/2011	110,509,793	120,389,438	(9,879,645)	91.8%	7,008,211	- (141.0%)

CITY OPEB PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
7/1/2007	\$ -	\$ 114,359,970	\$ (114,359,970)	0.0%	N/A	N/A
7/1/2009	-	127,963,458	(127,963,458)	0.0%	N/A	N/A
7/1/2011	-	136,899,137	(136,899,137)	0.0%	N/A	N/A

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

WEST HAVEN RETIREMENT SYSTEM AND OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS
SCHEDULES OF FUNDING PROGRESS

ALLINGTOWN FIRE DISTRICT PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
7/1/2003	\$ 1,047,612	\$ 17,045,654	\$ (15,998,042)	6.1%	\$ 1,211,679	-1320.3%
7/1/2005	1,758,630	18,193,790	(16,435,160)	9.7%	1,238,339	-1327.2%
7/1/2008	2,902,414	18,846,154	(15,943,740)	15.4%	1,341,760	-1188.3%
7/1/2011	3,550,545	21,313,549	(17,763,004)	16.7%	1,645,791	-1079.3%
7/1/2013	4,379,827	22,738,356	(18,358,529)	19.3%	1,678,136	-1094.0%

ALLINGTOWN FIRE DISTRICT OPEB PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
6/30/2010	\$ -	\$ 16,717,000	\$ (16,717,000)	0.0%	N/A	N/A

(Concluded)

CITY OF WEST HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

WEST HAVEN RETIREMENT SYSTEM AND OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS
SCHEDULES OF EMPLOYER CONTRIBUTIONS

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
<u>POLICE PENSION PLAN</u>			
2008	\$ 1,111,822	\$ 1,111,822	100.0%
2009	1,157,342	611,822	53.0%
2010	1,157,342	1,157,342	100.0%
2011	3,950,896	1,050,000	26.6%
2012	3,141,846	1,285,000	40.9%
2013	3,141,846	1,286,500	40.9%

CITY OTHER POST-EMPLOYMENT BENEFIT PLAN

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%

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

ALLINGTOWN FIRE DISTRICT RETIREMENT SYSTEM AND OTHER POST-EMPLOYMENT
BENEFIT (OPEB) PLANS SCHEDULES OF EMPLOYER CONTRIBUTIONS

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
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ALLINGTOWN FIRE DISTRICT PENSION PLAN

POLICE

2008	\$ 1,249,120	\$ 1,360,156	100.0%
2009	1,178,166	875,780	53.0%
2010	1,225,293	1,343,174	100.0%
2011	1,274,304	1,430,341	112.2%
2012	1,404,794	1,492,075	106.2%
2013	1,460,986	1,516,586	103.8%

ALLINGTOWN FIRE DISTRICT OTHER POST-EMPLOYMENT BENEFIT PLAN

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%

(Concluded)

General Fund

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

CITY OF WEST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Current levy and supplement	\$ 87,323,307	\$ 87,323,307	\$ 85,852,630	\$ (1,470,677)
Prior year levies.....	1,500,000	1,500,000	662,267	(837,733)
Interest and liens.....	1,250,000	1,250,000	1,018,251	(231,749)
Suspense tax and interest.....	250,000	250,000	260,688	10,688
Housing Authority - PILOT	290,000	290,000	325,588	35,588
Telephone access line.....	125,000	125,000	120,790	(4,210)
Yale contributions.....	394,000	394,000	405,262	11,262
TOTAL PROPERTY TAXES.....	91,132,307	91,132,307	88,645,476	(2,486,831)
INTERGOVERNMENTAL:				
Educational cost sharing.....	41,399,303	41,399,303	41,361,658	(37,645)
Transportation.....	614,943	614,943	638,950	24,007
Excess cost-student based.....	1,600,000	1,600,000	2,395,624	795,624
Commitments for school construction.....	268,710	268,710	175,382	(93,328)
Health services.....	200,000	200,000	157,999	(42,001)
PILOT - colleges and hospitals.....	3,913,595	3,913,595	5,536,694	1,623,099
Manufacturer's machinery and equipment.....	130,000	130,000	122,244	(7,756)
Property tax-relief - elderly.....	400,000	400,000	376,384	(23,616)
Property tax-relief.....	875,000	875,000	692,033	(182,967)
Mashantucket Pequot grant.....	853,279	853,279	1,046,532	193,253
Property tax relief - totally disabled.....	8,000	8,000	7,650	(350)
PILOT - state owned property.....	21,542	21,542	20,427	(1,115)
Federal emergency management.....			1,091,938	1,091,938
Boat grant.....	6,900	6,900		(6,900)
State miscellaneous grants.....	100,000	100,000	264,635	164,635
SCCRWA - PILOT grant.....	260,000	260,000	270,776	10,776
TOTAL INTERGOVERNMENTAL.....	50,651,272	50,651,272	54,158,926	3,507,654

(Continued)

CITY OF WEST HAVEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
CHARGES FOR SERVICES:				
Animal licenses.....	\$ 13,000	\$ 13,000	\$ 12,042	\$ (958)
Marriage licenses.....	3,000	3,000	2,615	(385)
Amusement and sporting licenses.....	5,000	5,000	402	(4,598)
Building permits.....	460,000	460,000	480,075	20,075
Electrical permits.....	90,000	90,000	97,536	7,536
Excavation permits.....	6,000	6,000	7,190	1,190
Plumbing and heating permits.....	105,000	105,000	176,840	71,840
Zoning permits.....	65,000	65,000	74,979	9,979
Alcoholic beverages licenses.....	200	200	158	(42)
Police licenses and protection permits.....	17,000	17,000	19,071	2,071
City clerk fees.....	7,000	7,000	8,915	1,915
Dog pound releases.....	6,000	6,000	8,684	2,684
Health licenses and restaurant permits.....	75,000	75,000	76,375	1,375
Parking tags.....	100,000	100,000	65,293	(34,707)
Fines and penalties - tax.....	1,000	1,000	1,628	628
Rents royalties and concessions	200	200	10	(190)
Rent from city facilities.....	35,000	35,000	17,530	(17,470)
Record legal instruments.....	625,000	625,000	478,990	(146,010)
Public works.....	77,500	77,500	78,168	668
General government.....	75,000	75,000	2,279	(72,721)
Miscellaneous - schools.....			161,182	161,182
Parks and recreation.....	380,000	380,000	332,471	(47,529)
Police service charges.....	13,100	13,100	10,961	(2,139)
All other public works.....	10,000	10,000	1,949	(8,051)
Sewer fee collection expense.....	36,777	36,777	36,777	-
Quigle/Yale parking.....	25,000	25,000	39,017	14,017
Fire district share of ERS.....	726,000	726,000	714,857	(11,143)
Organic recycling/compost.....	35,000	35,000	43,563	8,563
TOTAL CHARGES FOR SERVICES.....	2,991,777	2,991,777	2,949,557	(42,220)
INVESTMENT INCOME.....	25,000	25,000	11,023	(13,977)
OTHER REVENUES:				
Insurance proceeds.....	165,000	165,000	71,112	(93,888)
Miscellaneous.....	50,000	50,000	175,908	125,908
TOTAL OTHER REVENUES.....	215,000	215,000	247,020	32,020
TOTAL REVENUES.....	145,015,356	145,015,356	146,012,002	996,646
OTHER FINANCING SOURCES:				
Sale of property.....			452,000	452,000
Cancellation of prior year encumbrances.....			76	76
Transfers in.....			53,443	53,443
Transfers in - sewer.....	2,300,000	2,300,000	2,124,973	(175,027)
TOTAL OTHER FINANCING SOURCES.....	2,300,000	2,300,000	2,630,492	330,492
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 147,315,356	\$ 147,315,356	\$ 148,642,494	\$ 1,327,138

(Concluded)

CITY OF WEST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
City Council.....	\$ 87,430	\$ 91,872	\$ 91,872	\$ -
Mayor's office.....	336,875	372,575	365,761	6,814
Corporation Counsel.....	633,359	633,359	560,767	72,592
Personnel Department.....	158,571	166,165	166,165	-
Telephone Administration.....	180,000	530,707	530,707	-
City Clerk.....	297,358	307,741	307,741	-
Registrar of Voters.....	146,560	171,247	171,247	-
Probate Court.....	5,520	6,497	6,497	-
Planning and Development.....	401,016	401,016	364,396	36,620
Grants Administration.....	59,009	62,446	62,446	-
Building Department.....	453,659	453,659	386,119	67,540
Treasurer.....	7,600	7,600	7,600	-
Comptroller's Office.....	759,095	760,117	760,117	-
Purchasing Department.....	192,258	198,215	198,215	-
Data Processing Department.....	559,804	613,336	613,336	-
Central Services.....	307,271	314,019	314,019	-
Department of Assessments.....	400,130	400,130	376,400	23,730
Board of Tax Appeals.....	5,850	5,850	3,000	2,850
Department of Tax Collections.....	366,760	397,674	397,674	-
Reserve for Deficit Reduction.....	1,000,000	-	-	-
Unallocated Contingency.....	417,404	206,730	206,730	-
Primary Expense.....	25,000	17,876	17,876	-
Election Expense.....	5,000	-	-	-
Actuarial Valuation.....	15,000	5,684	5,684	-
Mileage Allowance Reimbursements.....	7,000	7,067	7,067	-
Bank Service Fees.....	110,000	73,931	73,931	-
Bridges Community Support.....	5,000	-	-	-
Miscellaneous.....	50,000	82,290	82,287	3
TOTAL GENERAL GOVERNMENT.....	6,992,529	6,287,803	6,077,654	210,149
PUBLIC SAFETY:				
ERS Department.....	1,615,259	1,728,076	1,728,076	-
Police Administration.....	821,648	884,799	884,078	721
Police Operations.....	9,538,747	10,278,968	10,278,968	-
Police Department Support.....	932,880	932,880	916,530	16,350
Animal Control.....	255,292	262,748	262,748	-
Dog Fund Report.....	-	68,494	68,494	-
Civil Preparedness.....	19,680	19,680	17,564	2,116
TOTAL PUBLIC SAFETY.....	13,183,506	14,175,645	14,156,458	19,187
PUBLIC WORKS:				
Public Works Administration.....	299,212	299,212	279,257	19,955
Engineering.....	165,586	144,586	133,077	11,509
Vehicle Maintenance.....	1,027,123	1,072,123	1,023,646	48,477
Compost Site.....	45,981	45,981	37,756	8,225
Solid Waste.....	2,989,618	2,989,618	2,801,668	187,950
Grounds Maintenance.....	22,050	22,050	20,346	1,704
Building Maintenance.....	1,187,240	1,316,745	1,316,745	-
Highways and Parks Administration.....	3,362,276	3,503,371	3,503,066	305
Parks Maintenance.....	136,735	175,330	175,330	-
Outside Contractors.....	70,760	70,760	70,659	101
FEMA.....	2,500	717,084	717,084	-
FEMA.....	-	508,970	508,970	-
Trees.....	190,855	190,855	183,935	6,920
TOTAL PUBLIC WORKS.....	9,499,936	11,056,685	10,771,539	285,146

(Continued)

CITY OF WEST HAVEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
HEALTH AND WELFARE:				
Department of Human Resources.....	\$ 296,172	\$ 296,172	\$ 272,471	\$ 23,701
Department of Elderly Services.....	442,278	442,278	429,837	12,441
Health Department.....	385,226	385,226	340,576	44,650
TOTAL HEALTH AND WELFARE.....	1,123,676	1,123,676	1,042,884	80,792
PARKS AND RECREATION:				
Recreational Services.....	649,944	649,944	583,038	66,906
Day Camp Program.....	114,800	114,800	108,174	6,626
Bennett Rink Programs.....	55,000	55,000	40,000	15,000
Aquatic Programs.....	126,230	126,230	104,898	21,332
TOTAL PARKS AND RECREATION.....	945,974	945,974	836,110	109,864
BOARD OF EDUCATION.....	82,424,049	81,443,683	80,998,243	445,440
BENEFITS AND INSURANCE:				
City granted benefits.....	10,657,674	9,798,700	9,772,008	26,692
State mandated benefits.....	1,455,000	1,496,814	1,496,814	-
C-Med Programs.....	112,193	112,193	106,520	5,673
City Insurance Premiums.....	422,728	533,531	533,531	-
City Insurance Retention.....	906,000	795,197	522,658	272,539
TOTAL BENEFITS AND INSURANCE.....	13,553,595	12,736,435	12,431,531	304,904
LIBRARY.....	1,603,717	1,603,717	1,603,717	-
DEBT SERVICE.....	17,988,374	16,961,372	16,961,372	-
TOTAL EXPENDITURES.....	147,315,356	146,334,990	144,879,508	1,455,482
OTHER FINANCING USES:				
Transfer out - Board of Education.....		980,366	980,366	-
TOTAL OTHER FINANCING USES.....	-	980,366	980,366	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 147,315,356	\$ 147,315,356	\$ 145,859,874	\$ 1,455,482

(Concluded)

CITY OF WEST HAVEN, CONNECTICUT

REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2013

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2012	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS				UNCOLLECTED TAXES JUNE 30, 2013	
			ADDITIONS	DEDUCTIONS		TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST, LIENS & OTHER FEES		TOTAL
1996	\$ 79,072	\$	\$	\$ 79,072	\$ -	\$	\$	\$ -	\$	\$ -	\$ -
1997	106,009			1,139	104,870	2,175		2,175	4,254	6,429	102,695
1998	129,229			1,133	128,096	3,252		3,252	5,028	8,280	124,844
1999	122,881			1,133	121,748	2,558		2,558	5,058	7,616	119,190
2000	105,362			723	104,639	1,259		1,259	2,238	3,497	103,380
2001	118,772			755	118,017	1,551		1,551	2,468	4,019	116,466
2002	117,190				117,190	1,578		1,578	1,992	3,570	115,612
2003	122,819			1,387	121,432	7,229		7,229	2,511	9,740	114,203
2004	123,449				123,449	3,250		3,250	2,977	6,227	120,199
2005	262,545			898	261,647	17,574		17,574	29,229	46,803	244,073
2006	141,698		273	671	141,300	8,945		8,945	8,556	17,501	132,355
2007	138,580		50	755	137,875	10,136		10,136	10,771	20,907	127,739
2008	629,204		650	33,635	596,219	29,531		29,531	40,359	69,890	566,688
2009	731,523		4,762	47,682	688,603	90,808		90,808	70,446	161,254	597,795
2010	1,885,159		24,173	538,832	1,370,500	498,858		498,858	199,456	698,314	871,642
TOTAL PRIOR YEARS	4,813,492	-	29,908	707,815	4,135,585	678,704	-	678,704	385,343	1,064,047	3,456,881
2011		88,903,322	80,622	872,231	88,111,713	86,611,821	201,367	86,410,454	632,908	87,043,362	1,701,259
TOTAL ALL YEARS	\$ 4,813,492	\$ 88,903,322	\$ 110,530	\$ 1,580,046	\$ 92,247,298	\$ 87,290,525	\$ 201,367	\$ 87,089,158	\$ 1,018,251	\$ 88,107,409	\$ 5,158,140

**Allingtown Fire
District**

CITY OF WEST HAVEN, CONNECTICUT

ALLINGTOWN FIRE DISTRICT FUND
 SCHEDULE OF REVENUES
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Current property taxes.....	\$ 4,626,400	\$ 4,626,400	\$ 4,557,753	\$ (68,647)
Prior year property taxes.....	200,000	200,000	142,419	(57,581)
Interest and lien fees.....			89,817	89,817
Regional Water Authority - PILOT.....	34,000	34,000	38,726	4,726
TOTAL PROPERTY TAXES.....	4,860,400	4,860,400	4,828,715	(31,685)
INTERGOVERNMENTAL REVENUES:				
State grants - PILOT.....	370,000	370,000	372,980	2,980
Rescue unit.....	110,000	110,000	110,000	-
CDA grant.....	12,000	12,000		(12,000)
TOTAL INTERGOVERNMENTAL REVENUES.....	492,000	492,000	482,980	(9,020)
CONTRIBUTIONS AND LOCAL GRANTS:				
University of New Haven/Yale donations.....	160,000	160,000	206,150	46,150
Other contributions.....			20,000	20,000
TOTAL CONTRIBUTIONS AND LOCAL GRANTS..	160,000	160,000	226,150	66,150
CHARGES FOR SERVICES:				
Permits, plan reviews and inspection fees.....	25,000	25,000	115,307	90,307
Medical copay.....	68,640	68,640		(68,640)
Volunteer housing.....	25,000	25,000		(25,000)
Bundle billing.....	12,000	12,000	259	(11,741)
SPS reimbursements.....	15,000	15,000		(15,000)
TOTAL CHARGES FOR SERVICES.....	145,640	145,640	115,566	(30,074)
INTEREST INCOME.....	100	100	22	(78)
OTHER REVENUES:				
Insurance recovery.....	1,000	1,000		(1,000)
Sale of equipment.....	5,000	5,000		(5,000)
TOTAL OTHER REVENUES.....	6,000	6,000	-	(6,000)
TOTAL REVENUES.....	\$ 5,664,140	\$ 5,664,140	\$ 5,653,433	\$ (10,707)

CITY OF WEST HAVEN, CONNECTICUT

ALLINGTOWN FIRE DISTRICT FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PERSONNEL:				
Salaries.....	\$ 1,613,651	\$ 1,613,651	\$ 1,871,905	\$ (258,254)
Overtime and vacation pay.....	240,000	240,000	145,508	94,492
Pension contributions.....	1,447,000	1,447,000	1,516,586	(69,586)
Medical and life insurance.....	951,400	951,400	1,197,555	(246,155)
Insurance.....	170,000	170,000	56,627	113,373
Taxes.....	4,000	4,000	1,856	2,144
Uniforms.....	8,000	8,000	8,170	(170)
Emergency Reporting System.....			83,939	(83,939)
Heart and hypertension.....	26,000	26,000	35,830	(9,830)
Educational incentives.....	90,000	90,000	390	89,610
TOTAL PERSONNEL.....	4,550,051	4,550,051	4,918,366	(368,315)
OPERATING:				
Telephone.....	250,289	250,289	174,497	75,792
Electric.....	12,000	12,000	13,719	(1,719)
Water.....	121,500	121,500	198,238	(76,738)
Gas and heat.....	10,000	10,000	26,681	(16,681)
Expendable equipment.....	84,100	84,100	7,892	76,208
Building maintenance.....	10,000	10,000	3,699	6,301
Equipment maintenance.....	134,000	134,000	85,938	48,062
Radio maintenance.....			3,189	(3,189)
Miscellaneous.....	37,700	37,700		37,700
Insurance.....	35,000	35,000	45,331	(10,331)
Medical testing and equipment.....	5,000	5,000	7,153	(2,153)
TOTAL OPERATING.....	699,589	699,589	566,337	133,252
ADMINISTRATIVE:				
Office supplies and printing.....	13,500	13,500	3,045	10,455
Training.....	15,000	15,000	12,736	2,264
Legal fees and settlements.....	5,000	5,000		5,000
Professional fees.....	7,000	7,000	34,194	(27,194)
Miscellaneous.....	73,000	73,000	76,923	(3,923)
TOTAL ADMINISTRATIVE.....	113,500	113,500	126,898	(13,398)
CAPITAL OUTLAY:				
New rescue truck.....	250,000	250,000	224,802	25,198
DEBT SERVICE:				
New tower/pumper purchase.....	51,000	51,000	50,053	947
TOTAL EXPENDITURES	\$ 5,664,140	\$ 5,664,140	\$ 5,886,456	\$ (222,316)

CITY OF WEST HAVEN, CONNECTICUT

ALLINGTOWN FIRE DISTRICT
 REPORT OF TAX COLLECTOR
 YEAR ENDED JUNE 30, 2013

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2012	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS				UNCOLLECTED TAXES JUNE 30, 2013	
			ADDITIONS	DEDUCTIONS		TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST, LIENS & OTHER FEES		TOTAL
1997	\$ 14,358	\$	\$	\$	\$ 14,358	\$ 672	\$	\$ 672	\$ 1,130	\$ 1,802	\$ 13,686
1998	13,494				13,494	679		679	1,128	1,807	12,815
1999	13,658				13,658	599		599	1,008	1,607	13,059
2000	9,981				9,981	358		358	537	895	9,623
2001	13,351				13,351	444		444	606	1,050	12,907
2002	12,733				12,733	444		444	548	992	12,289
2003	12,350				12,350	528		528	621	1,149	11,822
2004	12,831				12,831	826		826	677	1,503	12,005
2005	41,674			193	41,481	3,756		3,756	6,012	9,768	37,725
2006	13,644				13,644	1,708		1,708	5,405	7,113	11,936
2007	48,507			11	48,518	7,536		7,536	5,788	13,324	40,982
2008	59,712			52	59,469	5,285		5,285	3,078	8,363	54,184
2009	71,130			388	67,919	9,670		9,670	4,095	13,765	58,249
2010	144,423			4,016	126,773	61,090		61,090	14,929	76,019	65,683
TOTAL PRIOR YEARS	481,846	-		4,467	460,560	93,595		93,595	45,562	139,157	366,965
2011		4,775,712		3,809	4,727,093	4,598,627	2,516	4,596,111	44,255	4,640,366	130,982
TOTAL ALL YEARS	\$ 481,846	\$ 4,775,712	\$	\$ 8,276	\$ 5,187,653	\$ 4,692,222	\$ 2,516	\$ 4,689,706	\$ 89,817	\$ 4,779,523	\$ 497,947

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.

CITY OF WEST HAVEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS							
	DOCUMENT PRESERVATION	EDUCATIONAL GRANT FUND	BOARD OF EDUCATION CONTINGENCY FUND	MISCELLANEOUS GRANTS	SCHOOL LUNCH PROGRAM	PUBLIC SAFETY	TOWN AID ROAD	SEWER FUND
ASSETS								
Cash.....	\$	\$	\$	\$	\$	\$	\$	\$ 394,935
Receivables:								
Sewer use.....								2,566,852
Intergovernmental.....		3,300			391,048			
Loan.....								
Other.....	183	13,512			637	454,336		70,080
Due from other funds.....	46,077	1,268,386	200,000			-	128,531	
TOTAL ASSETS.....	\$ 46,260	\$ 1,285,198	\$ 200,000	\$ -	\$ 391,685	\$ 454,336	\$ 128,531	\$ 3,031,867
LIABILITIES								
Accounts payable.....	\$ 160	\$ 1,030,504	\$	\$ 2,000	\$ 201,836	\$ 3,575	\$ 12,602	\$ 790,335
Due to other funds.....					189,849	152,582		
Unearned revenue.....		129,749						397,335
Advances from other funds.....				396				
TOTAL LIABILITIES.....	160	1,160,253	-	2,396	391,685	156,157	12,602	1,187,670
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - loans.....								
Unavailable revenue - charges for services.....						454,336		2,566,852
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	-	-	-	-	454,336	-	2,566,852
FUND BALANCES								
Restricted.....	46,100						115,929	
Committed.....		124,945	200,000			34,653		
Unassigned.....				(2,396)		(190,810)		(722,655)
TOTAL FUND BALANCES.....	46,100	124,945	200,000	(2,396)	-	(156,157)	115,929	(722,655)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 46,260	\$ 1,285,198	\$ 200,000	\$ -	\$ 391,685	\$ 454,336	\$ 128,531	\$ 3,031,867

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS					TOTAL SPECIAL REVENUE FUNDS
	HEALTH AND WELFARE	CAREER AND ADULT EDUCATION	COMMUNITY DEVELOPMENT BLOCK GRANT	SAVIN ROCK	SPORTS FACILITIES	
<u>ASSETS</u>						
Cash.....	\$	\$	\$ 162,318	\$	\$	\$ 557,253
Receivables:						
Sewer use.....						2,566,852
Intergovernmental.....	14,227		31,576			440,151
Loan.....			2,097,484			2,097,484
Other.....		20,485		2,037		561,270
Due from other funds.....	25,751			91,869	73,345	1,833,959
TOTAL ASSETS.....	\$ 39,978	\$ 20,485	\$ 2,291,378	\$ 93,906	\$ 73,345	\$ 8,056,969
<u>LIABILITIES</u>						
Accounts payable.....	\$ 21,470	\$ 35,846	\$ 53,013	\$ 4,056	\$ 73,345	\$ 2,228,742
Due to other funds.....		77,253	62,720			482,404
Unearned revenue.....	41,747					568,831
Advances from other funds.....		295,289				295,685
TOTAL LIABILITIES.....	63,217	408,388	115,733	4,056	73,345	3,575,662
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue - loans.....			2,097,484			2,097,484
Unavailable revenue - charges for services.....						3,021,188
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	-	2,097,484	-	-	5,118,672
<u>FUND BALANCES</u>						
Restricted.....			78,161			240,190
Committed.....				89,850		449,448
Unassigned.....	(23,239)	(387,903)				(1,327,003)
TOTAL FUND BALANCES.....	(23,239)	(387,903)	78,161	89,850	-	(637,365)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 39,978	\$ 20,485	\$ 2,291,378	\$ 93,906	\$ 73,345	\$ 8,056,969

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	CAPITAL PROJECT FUNDS				TOTAL CAPITAL PROJECT	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BROWNFIELDS	CAPITAL AND NONRECURRING	REDEVELOPMENT FUND	TRAIN SITE		
<u>ASSETS</u>						
Cash.....	\$	\$	\$	\$	\$ -	\$ 557,253
Receivables:						
Sewer use.....					-	2,566,852
Intergovernmental.....					-	440,151
Loan.....					-	2,097,484
Other.....					-	561,270
Due from other funds.....	25,552		4,146		29,698	1,863,657
TOTAL ASSETS.....	\$ 25,552	\$ -	\$ 4,146	\$ -	\$ 29,698	\$ 8,086,667
<u>LIABILITIES</u>						
LIABILITIES:						
Accounts payable.....	\$ 4,972	\$ 35,464	\$	\$	\$ 40,436	\$ 2,269,178
Due to other funds.....					-	482,404
Unearned revenue.....					-	568,831
Advances from other funds.....		306,060		8,695	314,755	610,440
TOTAL LIABILITIES.....	4,972	341,524	-	8,695	355,191	3,930,853
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue - loans.....					-	2,097,484
Unavailable revenue - charges for services.....					-	3,021,188
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	-	-	-	-	5,118,672
<u>FUND BALANCES</u>						
Restricted.....					-	240,190
Committed.....	20,580		4,146		24,726	474,174
Unassigned.....		(341,524)		(8,695)	(350,219)	(1,677,222)
TOTAL FUND BALANCES.....	20,580	(341,524)	4,146	(8,695)	(325,493)	(962,858)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 25,552	\$ -	\$ 4,146	\$ -	\$ 29,698	\$ 8,086,667

(Concluded)

CITY OF WEST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS							
	DOCUMENT PRESERVATION	EDUCATIONAL GRANT FUND	BOARD OF EDUCATION CONTINGENCY FUND	MISCELLANEOUS GRANTS	SCHOOL LUNCH PROGRAM	PUBLIC SAFETY	TOWN AID ROAD	SEWER FUND
REVENUES:								
Intergovernmental.....	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services.....	8,821	8,414,538 102,712		125,725 14,000	2,007,457 369,796	42,260 1,125,137	312,765 436	9,127,821
TOTAL REVENUES.....	8,821	8,517,250	-	139,725	2,377,253	1,167,397	313,201	9,127,821
EXPENDITURES:								
Current:								
General government.....	906			2,950				
Public safety.....				10,500		1,093,969		
Public works.....							197,272	6,893,644
Health and welfare.....				15,451				
Education.....		8,739,199	200,000		2,456,353			
TOTAL EXPENDITURES.....	906	8,739,199	200,000	28,901	2,456,353	1,093,969	197,272	6,893,644
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	7,915	(221,949)	(200,000)	110,824	(79,100)	73,428	115,929	2,234,177
OTHER FINANCING SOURCES (USES):								
Transfers in.....		312,107	200,000		83,182			
Transfers out.....						(53,443)		(2,124,973)
NET OTHER FINANCING SOURCES (USES).....	-	312,107	200,000	-	83,182	(53,443)	-	(2,124,973)
NET CHANGE IN FUND BALANCES.....	7,915	90,158	-	110,824	4,082	19,985	115,929	109,204
FUND BALANCES - JULY 1, 2012.....	38,185	34,787	200,000	(113,220)	(4,082)	(176,142)		(831,859)
FUND BALANCES - JUNE 30, 2013.....	\$ 46,100	\$ 124,945	\$ 200,000	\$ (2,396)	\$ -	\$ (156,157)	\$ 115,929	\$ (722,655)

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS					TOTAL SPECIAL REVENUE FUNDS
	HEALTH AND WELFARE	CAREER AND ADULT EDUCATION	COMMUNITY DEVELOPMENT BLOCK GRANT	SAVIN ROCK	SPORTS FACILITIES	
REVENUES:						
Intergovernmental.....	\$ 175,111	\$ 801,039	\$ 509,559	\$	\$	\$ 12,388,454
Charges for services.....	128,668	450,002	160,791	167,212	560,521	12,215,917
Income from investments.....			1,923			1,923
TOTAL REVENUES.....	303,779	1,251,041	672,273	167,212	560,521	24,606,294
EXPENDITURES:						
Current:						
General government.....						3,856
Public safety.....						1,104,469
Public works.....						7,090,916
Health and welfare.....	335,231		712,276			1,062,958
Parks and recreation.....				95,349	563,766	659,115
Education.....		1,313,498				12,709,050
TOTAL EXPENDITURES.....	335,231	1,313,498	712,276	95,349	563,766	22,630,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(31,452)	(62,457)	(40,003)	71,863	(3,245)	1,975,930
OTHER FINANCING SOURCES (USES):						
Transfers in.....					385,077	980,366
Transfers out.....	-					(2,178,416)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	385,077	(1,198,050)
NET CHANGE IN FUND BALANCES.....	(31,452)	(62,457)	(40,003)	71,863	381,832	777,880
FUND BALANCES - JULY 1, 2012.....	8,213	(325,446)	118,164	17,987	(381,832)	(1,415,245)
FUND BALANCES - JUNE 30, 2013.....	\$ (23,239)	\$ (387,903)	\$ 78,161	\$ 89,850	\$ -	\$ (637,365)

(Continued)

CITY OF WEST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	CAPITAL PROJECT FUNDS				TOTAL CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BROWNFIELDS	CAPITAL AND NONRECURRING	REDEVELOPMENT FUND	TRAIN SITE		
REVENUES:						
Property taxes.....	\$	\$ 407,013	\$	\$	\$ 407,013	\$ 407,013
Intergovernmental.....	265,002	73,395			338,397	12,726,851
Charges for services.....					-	12,215,917
Income from investments.....					-	1,923
TOTAL REVENUES.....	265,002	480,408	-	-	745,410	25,351,704
EXPENDITURES:						
Current:						
General government.....					-	3,856
Public safety.....					-	1,104,469
Public works.....					-	7,090,916
Health and welfare.....					-	1,062,958
Parks and recreation.....	72,665				72,665	731,780
Education.....					-	12,709,050
Capital outlay.....		393,797			393,797	393,797
TOTAL EXPENDITURES.....	72,665	393,797	-	-	466,462	23,096,826
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	192,337	86,611	-	-	278,948	2,254,878
OTHER FINANCING SOURCES (USES):						
Transfers in.....					-	980,366
Transfers out.....					-	(2,178,416)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	(1,198,050)
NET CHANGE IN FUND BALANCES.....	192,337	86,611	-	-	278,948	1,056,828
FUND BALANCES - JULY 1, 2012.....	(171,757)	(428,135)	4,146	(8,695)	(604,441)	(2,019,686)
FUND BALANCES - JUNE 30, 2013.....	\$ 20,580	\$ (341,524)	\$ 4,146	\$ (8,695)	\$ (325,493)	\$ (962,858)

(Concluded)

Internal Service Funds

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

Medical Insurance Fund - Accounts for the cost of medical, dental and life insurance benefits for the City's employees and retirees. Contribution amounts are based upon historical experience of claims incurred and paid.

General Liability - Accounts for the receipt of contributions to fund general government and education incurred general liability claims. Contribution amounts are based on historical experience of claims incurred and paid.

Workers' Compensation - Accounts for the receipt of contributions to fund general government and education incurred workers' compensation claims. Contribution amounts are based on historical experience of claims incurred and paid.

CITY OF WEST HAVEN, CONNECTICUTINTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	MEDICAL INSURANCE	GENERAL LIABILITY	WORKERS' COMPENSATION	TOTAL
<u>ASSETS</u>				
Accounts receivable.....	\$ 192,602	\$	\$	\$ 192,602
Due from other funds.....		288,771	218,900	507,671
TOTAL ASSETS.....	192,602	288,771	218,900	700,273
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	149,456	288,771	218,901	657,128
Claims and judgments payable.....	1,355,642	1,121,623	1,487,708	3,964,973
Due to other funds.....	43,144			43,144
Total current liabilities.....	1,548,242	1,410,394	1,706,609	4,665,245
Noncurrent liability:				
Claims and judgments payable.....		480,696	4,463,125	4,943,821
TOTAL LIABILITIES.....	1,548,242	1,891,090	6,169,734	9,609,066
<u>NET POSITION</u>				
Unrestricted.....	\$ (1,355,640)	\$ (1,602,319)	\$ (5,950,834)	\$ (8,908,793)

CITY OF WEST HAVEN, CONNECTICUT

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2013

	MEDICAL INSURANCE	GENERAL LIABILITY	WORKERS' COMPENSATION	TOTAL
OPERATING REVENUES:				
Charges for services.....	\$ 20,746,882	\$ 1,741,658	\$ 2,028,857	\$ 24,517,397
OPERATING EXPENSES:				
Claims incurred.....	19,369,129	623,619	2,856,076	22,848,824
Administration.....	1,403,326	991,856	489,883	2,885,065
TOTAL OPERATING EXPENSES.....	20,772,455	1,615,475	3,345,959	25,733,889
CHANGE IN NET POSITION.....	(25,573)	126,183	(1,317,102)	(1,216,492)
NET POSITION - JULY 1, 2012.....	(1,330,067)	(1,728,502)	(4,633,732)	(7,692,301)
NET POSITION - JUNE 30, 2013.....	\$ (1,355,640)	\$ (1,602,319)	\$ (5,950,834)	\$ (8,908,793)

CITY OF WEST HAVEN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013

	MEDICAL INSURANCE	GENERAL LIABILITY	WORKERS' COMPENSATION	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received for charges for services.....	\$ 20,746,882	\$ 1,741,658	\$ 2,028,857	\$24,517,397
Cash paid for benefits and claims.....	(19,343,555)	(749,802)	(1,538,974)	(21,632,331)
Cash paid for administration.....	(1,403,327)	(991,856)	(489,883)	(2,885,066)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES....	-	-	-	-
CASH - JULY 1, 2012.....				-
CASH - JUNE 30, 2013.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income(loss).....	\$ (25,573)	\$ 126,183	\$ (1,317,102)	\$ (1,216,492)
Adjustments to reconcile operating income(loss) to net cash provided by(used in) operating activities:				
(Increase) decrease in:				
Accounts receivable.....	(95,553)			(95,553)
Due from other funds.....	3,148,869	72,663	811,171	4,032,703
Increase (decrease) in:				
Claims payable.....	(3,027,743)	(198,846)	505,931	(2,720,658)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Fund

A fiduciary fund type used to report resources that are required to be held in trust for the member and beneficiaries of defined benefit pension plans.

The City has one pension plan covering police officers. The Plan is a contributory defined benefit plan.

Private-Purpose Trust Funds

To account for the activities of various restricted school awards.

Agency Funds

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

CITY OF WEST HAVEN, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2013

	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013
<u>ASSETS</u>				
CASH:				
Student Activity Funds.....	\$ 278,821	\$ 856,868	\$ 851,645	\$ 284,044
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Student Activity Funds.....	\$ 278,821	\$ 856,868	\$ 851,645	\$ 284,044

Trend Information

CITY OF WEST HAVEN, CONNECTICUT

NET POSITION BY COMPONENT
LAST SEVEN YEARS
(UNAUDITED)

	FISCAL YEAR						
	2013	2012	2011	2010	2009	2008	2007
GOVERNMENTAL ACTIVITIES:							
Net investment in capital assets.....	\$ 83,270,506	\$ 69,375,594	\$ 61,266,156	\$ 57,222,245	\$ 52,450,723	\$ 48,023,222	\$ 45,790,447
Restricted.....	240,190	164,562	233,921	602,822	319,210	1,397,482	1,416,693
Unrestricted.....	(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 POSITON	<u>\$ 19,383,391</u>	<u>\$ 15,946,758</u>	<u>\$ 18,953,772</u>	<u>\$ 35,793,662</u>	<u>\$ 40,948,501</u>	<u>\$ 41,650,879</u>	<u>\$ 39,033,111</u>

CITY OF WEST HAVEN, CONNECTICUT

CHANGES IN NET POSITION
LAST SEVEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED						
	2013	2012	2011	2010	2009	2008	2007
EXPENSES:							
Governmental activities:							
General government.....	\$ 9,896,396	\$ 9,581,831	\$ 10,517,508	\$ 10,156,411	\$ 9,798,519	\$ 11,527,972	\$ 9,679,595
Public safety.....	37,158,465	32,589,270	33,535,109	13,660,389	15,408,852	13,988,187	13,500,748
Public works.....	18,615,619	22,120,936	20,127,111	18,660,033	17,838,937	18,930,346	18,415,513
Health and welfare.....	2,478,153	2,699,044	3,045,950	3,591,450	3,596,121	3,574,043	3,039,223
Parks and recreation.....	2,090,380	2,006,774	2,090,228	2,088,704	2,163,519	1,881,953	1,885,977
Education.....	106,168,675	104,924,164	105,779,731	114,733,755	113,420,176	105,810,392	97,966,883
Library.....	1,603,717	1,603,717	1,603,717	1,978,359	2,038,883		
Interest expense.....	6,358,021	6,941,602	6,835,336	7,328,303	7,708,564	8,034,364	9,039,140
Total expenses.....	184,369,426	182,467,338	183,534,690	172,197,404	171,973,571	163,747,257	153,527,079
PROGRAM REVENUES:							
Charges for services:							
General government.....	551,292	585,478	506,594	1,075,493	1,494,083	1,294,789	2,435,707
Public safety.....	2,022,764	1,545,500	1,452,708	1,331,757	1,043,740	1,072,780	981,636
Public works.....	10,431,335	9,290,665	8,078,109	6,989,208	6,082,949	5,994,330	4,414,827
Health and welfare.....	223,963	220,959	1,005,016	184,970	338,981	235,940	620,756
Parks and recreation.....	1,060,204	911,020	905,706	901,411	831,258	931,838	871,004
Education.....	1,097,692	1,141,089	978,600	451,161	538,074	541,188	2,222,420
Operating grants and contributions.....	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.....	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 revenues.....	85,444,804	82,287,574	84,275,338	80,936,123	81,363,335	74,877,240	62,332,263
Net expenses.....	(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.....	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....	8,820,355	6,513,841	5,680,141	5,428,729	4,391,529	4,066,705	4,694,281
Investment income.....	12,968	19,877	29,048	58,032	172,748	573,161	2,617,504
Gain on sale of assets.....	451,999						
Miscellaneous.....	247,020	847,822	579,440				
Total general revenues.....	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.....	\$ 5,513,406	\$ (3,007,014)	\$ (8,620,305)	\$ (5,155,109)	\$ (702,378)	\$ 2,617,768	\$ 1,137,032

CITY OF WEST HAVEN, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN YEARS
(UNAUDITED)

	FISCAL YEAR						
	2013	2012	2011	2010	2009	2008	2007
GENERAL FUND:							
Nonspendable.....	\$ 5,537,319	\$ 3,935,324	\$ 993,567	\$ 3,028,175	\$ 1,061,454	\$	\$ 2,912,037
Unassigned.....	(13,313,968)	(14,471,990)	(11,544,797)	(13,768,153)	(5,896,031)	(4,864,673)	(10,170,460)
TOTAL GENERAL FUND.....	(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.....							5,780,093
Restricted.....	240,190	164,562	233,921	602,822	319,210	1,397,482	1,416,693
Committed.....	474,174	222,133	4,146	4,146	4,146	4,146	869,843
Unassigned.....	(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.....	(8,559,729)	(31,550,930)	(23,625,626)	(7,303,514)	(13,614,374)	(11,858,355)	(7,243,443)
GRAND TOTAL.....	\$ (16,336,378)	\$ (42,087,596)	\$ (34,176,856)	\$ (18,043,492)	\$ (18,448,951)	\$ (16,723,028)	\$ (14,501,866)

CITY OF WEST HAVEN, CONNECTICUT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST SEVEN YEARS
 (UNAUDITED)

	FISCAL YEAR ENDED						
	2013	2012	2011	2010	2009	2008	2007
REVENUES:							
Property taxes.....	\$ 93,881,204	\$ 88,736,315	\$ 85,420,340	\$ 84,739,371	\$ 85,343,581	\$ 85,906,419	\$ 88,543,306
Intergovernmental.....	78,651,759	75,183,807	75,024,583	75,795,597	72,728,301	67,231,796	63,098,713
Charges for services.....	15,337,866	13,320,135	11,895,703	10,165,167	10,160,102	9,931,794	8,958,507
Income from investments.....	12,968	19,877	29,048	58,032	172,748	573,161	795,914
Contributions.....	226,150	2,000	15,123				
Contract settlement.....			300,000				
Other.....	247,020	843,307	579,440	1,935,834	3,070,073	1,943,957	2,397,115
TOTAL REVENUES.....	188,356,967	178,105,441	23,117,199	172,694,001	171,474,805	165,587,127	163,793,555
EXPENDITURES:							
Current:							
General government.....	6,078,850	5,671,255	5,405,726	5,355,904	5,235,808	4,899,318	4,820,417
Public safety.....	20,922,581	14,666,101	13,819,243	13,610,437	14,204,302	13,916,881	13,241,365
Public works.....	17,894,033	16,586,561	15,316,633	15,596,919	15,408,521	15,101,735	17,895,410
Benefits and insurance.....	12,431,531	13,359,388	12,980,809	13,667,488	12,843,986	11,808,382	11,886,675
Health and welfare.....	2,105,842	2,435,373	2,486,262	3,149,758	3,152,310	3,165,587	1,753,093
Library.....	1,603,717	1,603,717	1,603,717	1,810,410	1,751,335	1,927,079	1,777,521
Parks and recreation.....	1,593,077	1,698,512	1,702,381	1,634,962	1,817,968	1,707,053	1,523,326
Education.....	101,724,814	99,862,121	98,972,044	100,486,319	96,910,228	92,278,424	88,627,391
Capital outlay.....	8,936,009	15,014,444	21,279,948	11,041,054	3,429,694	3,857,723	1,457,359
Debt service:							
Principal.....	11,349,748	11,593,783	11,689,499	10,591,607	10,779,544	11,177,261	9,893,547
Interest.....	6,667,650	7,088,281	6,841,339	7,355,074	7,667,032	7,968,846	9,273,744
TOTAL EXPENDITURES.....	191,307,852	189,579,536	192,097,601	184,299,932	173,200,728	167,808,289	162,149,848
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,950,885)	(11,474,095)	(16,133,364)	(11,605,931)	(1,725,923)	(2,221,162)	1,643,707
OTHER FINANCING SOURCES (USES):							
Issuance of debt.....	28,250,103	3,685,000		11,716,000			
Issuance of refunding bonds.....		47,410,000		7,420,000			
Capital leases.....		286,925		242,000			220,220
Payment to refunded bond escrow agent.....		(51,024,942)		(7,366,610)			
Premium.....		4,523,571					
Sale of assets.....	452,000	4,515					
Transfers in.....	3,158,782	2,650,915	2,989,178	2,861,923	1,997,144	11,294,282	1,574,345
Transfers out.....	(3,158,782)	(2,650,915)	(2,989,178)	(2,861,923)	(1,997,144)	(11,294,282)	(1,574,345)
NET OTHER FINANCING SOURCES (USES).....	28,702,103	4,885,069	-	12,011,390	-	-	220,220
NET CHANGE IN FUND BALANCES.....	\$ 25,751,218	\$ (6,589,026)	\$ (16,133,364)	\$ 405,459	\$ (1,725,923)	\$ (2,221,162)	\$ 1,863,927
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	9%	11%	11%	10%	11%	12%	12%

CITY OF WEST HAVEN, CONNECTICUT

PROPERTY TAX RATES, LEVIES AND COLLECTIONS
LAST SEVEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) MILL RATE	TOTAL ADJUSTED TAX LEVY (1)	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
<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%	-	86,410,454	98.07%	1,701,259
<u>ALLINGTOWN FIRE DISTRICT</u>								
2013	8.38	4,727,093	4,596,111	97.23%	-	4,596,111	97.23%	130,982

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

Source: City of West Haven Tax office.

CITY OF WEST HAVEN, CONNECTICUT

RATIO OF OUTSTANDING DEBT BY TYPE
LAST SEVEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	BOND PREMIUM	CLEAN WATER NOTES	CAPITAL LEASES	TOTAL	(1) POPULATION	PER CAPITA
2007	\$ 158,865,000	\$ -	\$ 15,959,158	\$ 419,933	\$ 175,244,091	52,820	\$ 3,318
2008	149,400,000	-	14,488,783	178,047	164,066,830	52,676	3,115
2009	140,250,000	-	12,994,134	43,152	153,287,286	52,420	2,924
2010	142,876,000	-	11,470,330	157,849	154,504,179	53,007	2,915
2011	132,740,000	-	9,916,831	78,925	142,735,756	55,662	2,564
2012	123,860,000	811,227	8,333,048	186,812	133,191,087	55,477	2,401
2013	114,125,000	748,825	34,968,403	143,563	149,985,791	55,404	2,707

(1) Per Connecticut State Department of Health.

CITY OF WEST HAVEN, CONNECTICUT
 SCHEDULE OF DEBT LIMITATION
 CONNECTICUT STATUTES, SECTION 7-374(b)
 YEAR ENDED JUNE 30, 2013
 (UNAUDITED)

TAX BASE:	
Total tax collections (including interest and lien fees).....	\$ 88,107,409
Allingtown Fire District.....	4,779,523
West Shore Fire District.....	8,352,278
West Haven Fire District.....	10,684,370
REIMBURSEMENT OF REVENUE LOST ON:	
Tax Relief for Elderly Freeze Grant.....	12,000
TOTAL BASE	\$ 111,935,580

	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 251,855,055		\$	\$	\$
4 1/2 times base.....		503,710,110			
3 3/4 times base.....			419,758,425		
3 1/4 times base.....				363,790,635	
3 times base.....					335,806,740
TOTAL LIMITATIONS	251,855,055	503,710,110	419,758,425	363,790,635	335,806,740
INDEBTEDNESS:					
Bonds.....	44,938,671	27,523,329	2,043,000		39,620,000
Bond anticipation notes.....	9,635,000				
NET INDEBTEDNESS	54,573,671	27,523,329	2,043,000	-	39,620,000
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	\$ 197,281,384	\$ 476,186,781	\$ 417,715,425	\$ 363,790,635	\$ 296,186,740
The total net indebtedness above amounts to:					\$ 123,760,000
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					\$ 783,549,060