

**CITY OF NEW HAVEN, CONNECTICUT**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**CITY OF NEW HAVEN, CONNECTICUT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2008**

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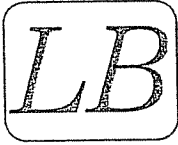
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## LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
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### INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board of  
Aldermen of the City of New Haven  
New Haven, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of New Haven, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the New Haven Parking Authority and the New Haven Solid Waste Authority, component units of the City, which represent 4.44 percent, 4.92 percent and 3.46 percent, respectively, of the assets, net assets, and revenues of the City of New Haven, Connecticut. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Haven Parking Authority and the New Haven Solid Waste Authority is based on the report of the other auditors.

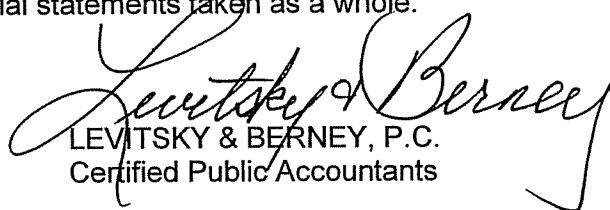
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the New Haven Parking Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, on our consideration of the City of New 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3a through 3i is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Haven, Connecticut's basic financial statements. The combining and individual non-major fund statements and schedules, and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

December 23, 2008



**CITY OF NEW HAVEN**  
**DEPARTMENT OF FINANCE**



John DeStefano Jr.  
*Mayor*

Mark Pietrosimone  
*City Controller*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of New Haven, we offer readers of the City of New Haven's financial statements this narrative overview and analysis of the financial activities of the City of New Haven for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our letter of transmittal.

**Overview of Financial Statements**

**Government-Wide Financial Statements**

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

The analysis of the City as a whole begins on Exhibit A and B of the following audit. The statement of net assets presents information on all of the City of New Haven's assets and liabilities, with the difference between the two reported as net assets. The statements reflect the accrual basis of accounting, which is similar to accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements report the City's assets and changes in them. The City's net assets, the difference between assets and liabilities are a way to monitor the City's financial health. Over time, increases and decreases in net assets does serve as an indicator of whether the financial position of the City of New Haven has changed.

In the statement of net assets and the statement of activities the City reports its activities:

**Governmental Activities** – The City of New Haven's basic service are reported here, including education, public safety, public works, health and welfare, culture and recreation and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

**Business Type Activities** – The business type activities of the City of New Haven consist of the Water Pollution Control Authority, Golf Course Enterprise Fund, Skating Rink Enterprise Fund, Radio Tower Enterprise Fund and the Transfer Station Enterprise Fund.

**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. All of the funds of the City of New Haven can be grouped 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 inflow and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**Proprietary Funds:** The City of New Haven has two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of New Haven uses enterprise funds to account for its Water pollution Control Authority, Golf Course, Skating Rink, Golf Course and Radio Tower funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of New Haven's various functions. The City of New Haven uses internal service funds to account for Self-Insurance Liability, Medical Self-Insurance and Workers Compensation. Because these funds predominately benefit governmental rather than business-type activities, they have been included within the governmental activities in the government-wide financial statements.

**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 statement because the resources of those funds are not available to support the City of New Haven's governmental or business type activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found later in the schedules of audited financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of New Haven's combined net assets increased from a year ago by about \$47.5 million to \$598,876,858. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

**Table 1**  
**Net Assets**

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current And Other Assets	181,811,243	185,387,731	2,061,142	2,019,761	183,872,385	187,407,492
Capital Assets	1,190,047,635	1,085,151,799	-	2,045,833	1,190,047,635	1,087,197,632
<b>Total Assets</b>	<b>1,371,858,878</b>	<b>1,270,539,530</b>	<b>2,061,142</b>	<b>4,065,594</b>	<b>1,373,920,020</b>	<b>1,274,605,124</b>
Other Liabilities	159,974,982	142,500,435	275,578	229,745	160,250,560	142,730,180
Long-term debt outstanding	614,792,602	580,536,830	-	-	614,792,602	580,536,830
<b>Total Liabilities</b>	<b>774,767,584</b>	<b>723,037,265</b>	<b>275,578</b>	<b>229,745</b>	<b>775,043,162</b>	<b>723,267,010</b>
<b>Net Assets:</b>						
Invested in capital assets (net of	690,783,952	590,164,856	-	2,045,833	690,783,952	592,210,689
Restricted	15,289,232	27,821,177	-	-	15,289,232	27,821,177
Unrestricted	(108,981,890)	(70,483,768)	1,785,564	1,790,016	(107,196,326)	(68,693,752)
					-	-
<b>Total net Assets</b>	<b>597,091,294</b>	<b>547,502,265</b>	<b>1,785,564</b>	<b>3,835,849</b>	<b>598,876,858</b>	<b>551,338,114</b>

As of the close of the current fiscal year the City of New Haven's governmental funds reported combined total net assets of \$597,091,294 million, an increase of \$49.6 million in comparison with the prior year.

The change in governmental net assets is illustrated in the table on the following page:

Table 2  
Changes in Net Assets

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	65,209,673	69,016,817	1,779,914	1,699,893	66,989,587	70,716,710
Operating Grants and Contributions	310,303,937	230,990,261	-	-	310,303,937	230,990,261
Capital Grants and Contributions	108,404,390	123,116,731	-	-	108,404,390	123,116,731
<b>General Revenues:</b>						
Property Taxes	189,489,128	179,455,921	-	-	189,489,128	179,455,921
Grants and Contributions not restricted to specific purposes	56,177,412	58,812,019	-	-	56,177,412	58,812,019
Investment Earnings	3,068,272	4,925,231	5,729	6,432	3,074,001	4,931,663
Gain on sale of Transfer Station	-	-	4,046,169	-	4,046,169	-
Transfers	6,110,000	110,000	(6,110,000)	(110,000)	-	-
<b>Total Revenues</b>	<b>738,762,812</b>	<b>666,426,980</b>	<b>(278,188)</b>	<b>1,596,325</b>	<b>738,484,624</b>	<b>668,023,305</b>
<b>Expenses:</b>						
<b>Program Expense:</b>						
General Government	37,693,461	32,110,858	-	-	37,693,461	32,110,858
Education	345,341,470	267,469,133	-	-	345,341,470	267,469,133
Public Safety	68,514,288	64,576,785	-	-	68,514,288	64,576,785
Public Works	24,673,176	25,542,135	-	-	24,673,176	25,542,135
Public Services	42,186,718	35,211,562	-	-	42,186,718	35,211,562
Employee Benefits and Insurance	114,344,620	82,174,588	-	-	114,344,620	82,174,588
Culture and Recreation	9,927,948	9,273,135	-	-	9,927,948	9,273,135
Other	21,962,659	23,549,651	-	-	21,962,659	23,549,651
Interest on long-term Debt	24,529,443	20,141,346	-	-	24,529,443	20,141,346
Other	-	-	1,772,097	1,379,843	1,772,097	1,379,843
<b>Total Expenses</b>	<b>689,173,783</b>	<b>560,049,193</b>	<b>1,772,097</b>	<b>1,379,843</b>	<b>690,945,880</b>	<b>561,429,036</b>
<b>Increase in Net Assets</b>	<b>49,589,029</b>	<b>106,377,787</b>	<b>(2,050,285)</b>	<b>216,482</b>	<b>47,538,744</b>	<b>106,594,269</b>
<b>Net Assets 6/30/07</b>	<b>547,502,265</b>	<b>441,124,478</b>	<b>3,835,849</b>	<b>3,619,367</b>	<b>551,338,114</b>	<b>444,743,845</b>
<b>Net Assets 6/30/08</b>	<b>597,091,294</b>	<b>547,502,265</b>	<b>1,785,564</b>	<b>3,835,849</b>	<b>598,876,858</b>	<b>551,338,114</b>

## **Financial Highlights**

- The City finished the FY 08 General Fund budget (primary operating fund) with an operating surplus of \$785,708.
- The City revised its FY 08 budget through the submission of the June 2008 Monthly Report, which was approved by the Board of Aldermen on October 6, 2008.
- The budget was amended from \$442,983,888 to \$445,440,244.
- The City's mill rate decreased to 42.21 (per thousand) in FY08 as compared to a FY06 mill rate of 44.85 (per thousand).
- The City's FY08, total gross taxable grand list increased to \$4,450,571,438 as compared to FY 07 total gross taxable grand list of \$4,192,456,244.

### Fund Balance, Ratings and City Debt

A positive fund balance would allow the City to meet unexpected expenditure demands or revenue declines if the current City budget was unable to meet such demands without suddenly having a mid-year tax increase.

The year ending audited Fund Balance for FY 08 is \$15,508,258, which reflects a .05% increase over the previous year.

Rating Agencies look to fund balance as a barometer of fiscal health for the City. These rating agencies rate the risk for investors willing to buy debt issued for the purpose of financing the City's capital projects. The higher ratings translate into lower interest costs on capital borrowings. The City sold \$45.0 million in general obligation bonds in March 08. To do so, the City's current financial health was reviewed by several rating agencies.

The ratings are as follows:

Moody's Investment Services	A3 rating, issued and maintained since 1999
Standard and Poor's	A- rating, issued and maintained since 2001
Fitch Investors Services	A- rating, issued and maintained since 2001

Ratings issued in October 2008.

The rating agencies have attributed their maintaining of these ratings to the City's strong financial management, property tax collection rates, strong cost cutting procedures, stable economic base that is bolstered by higher education, health care, pharmaceuticals and a growing biotechnology industry. However, each rating agency does show concern over the City's reliance on State Aid, below average wealth and income indicators, non-growth of the City's tax base and high debt burden.

In November 2008, the City refinanced \$32,250,000 in bonds maturing in the years 2008 through 2022. Based on that sale, the interest rates and prices obtained, the City will achieve a net present value debt services savings of \$813,065.97 on an aggregate principal amount of \$35,626,514 of previously issued General Obligation Bonds of the City, or 2.5199%.

The City's bonds outstanding, as of June 30, 2008 totaled \$497,007,908 compared to June 30, 2007 total of \$490,896,510.

Bonds outstanding at year end	
June 30, 2006	\$503,307,879
June 30, 2005	\$525,278,746
June 30, 2004	\$500,848,442
June 30, 2003	\$428,682,276

The City's current debt service requirements attribute 57% of its costs to the City's Board of Education (includes both School construction and non school construction capital cost) and 43% of its cost to other City capital expenses

#### FY 08 General Fund Budget

The Board of Aldermen originally approved the FY 08 City General Fund Budget on May 29, 2007 in compliance with City Charter requirements. The Connecticut State Legislature had not yet completed the State's budget. After the State budget process was completed, certain State Revenue items listed in the City's recently adopted budget needed to be changed. The City revised its FY 08 budget and received approval from the Board of Aldermen on October 6<sup>th</sup> 2008.

About 38% of the total budget is for the Board of Education. Of the City's entire \$445,440,214 general funded budget, \$170,634,297 is budgeted for the Board of Education and \$274,805,917 is non-Education related.

Beginning with the submission of the August 2007 Monthly Report, City Administrators projected several deficit areas in the general fund budget. In accordance with City Ordinance Section 2-389, "Action to eliminate a Projected Deficit", the monthly report contained a plan of action to avert the potential deficit areas as indicated by City Administrators and to balance the budget. The plan included a strict expenditure controls program, including a freeze on personnel hiring, stricter oversight over Police and Fire overtime spending, and pre-approval of all non personnel spending. In addition, initiatives were established on the revenue side of the budget. Sustain property tax collections program, initiation of a personal property tax audit program, increase the parking tag collection program and the sale of certain City assets.

### Internal Service Funds:

The City's internal service funds are for Self-Insurance, Medical Self -Insurance and Worker's Compensation.

#### Self Insurance:

The City's self insurance fund has a negative fund balance of \$16,569,048. Of which, \$7.7 million is attributed to case reserves. Approximately \$8.9 million represents an under-funded liability for the City. The total negative fund balance is slightly higher than the previous year total which was reported as \$14,147,680. Case reserves increased from \$4.3 million to \$7.7 million and increase of \$3.4 million and the under-funded liability decreased from \$9.8 million to \$8.9 million a decrease of slightly under \$1.0 million.

Recognizing the need for additional financial resources into this account, the City increased its annual Public Liability appropriation from \$1.7 million in 2005 to \$2.5 million in 2006 and \$2.5 million in FY 2007 and \$2.75 million in 2008, with longer term plans for subsequent years' appropriations to be budgeted at similar appropriation amounts as FY 07 and 08 or higher.

In addition, in order to further control or limit its liability, the City has initiated and has (conducted refresher courses) in many of its risk related training programs for its' employees in the areas of Defensive Driver training, confined space, blood borne pathogen, lock out/tag out, hazardous communication, electricity, machine guarding, bucket trucks, truck and street sweeping and other training programs meeting general industry and construction standards. The City has also developed a collaborative relationship with the State's OSHA, by jointly developing safety programs and taking a proactive approach for the safety of its employees. The City also participates in the State and Federal sponsored training exercises for Homeland Security.

Since 1998, the City has purchased insurance for property loss and public officials' liability (including commercial excess insurance when applicable). This will prevent significant exposure for the City resulting from a catastrophic event or accident.

#### Medical Self -Insurance:

As a self insured entity, the City covers all associated costs for its employees medical insurance, Anthem Health Care Plans is the Third Party Administrator and the City uses the Anthem Health Care network. The Medical Self Insurance account ended with a slight surplus of \$43,215 for the year ending June 30, 2008. There was a .067% increase in total expenditures from \$66,195,383 spent in FY 07 to \$70,639,952 spent in FY 2008. Besides inflationary factors, the increase in cost is mainly due to utilization and to a lesser degree to an increase in cost per service. Annually, the City solicits proposals from Insurance Companies interested in providing excess "stop loss" medical benefit insurance. The City has been able to obtain this insurance for FY 2008, with a stop gap limit of \$1 million.

#### Worker's Compensation:

The Worker's Compensation account shows a deficit of \$3,319,512. Most of this deficit belongs to one claim, which the City's Office of the Corporation Counsel has initiated subrogation to recoup these costs for the City. FY 08 expenses for this claim were \$841,849. The City also purchases excess "stop loss" workers compensation insurance to limit its liability.

### Capital Project Funds:

The City and Board of Education's capital projects are primarily funded through the City's Capital Project Fund Budget. Funds are borrowed to finance the cost of capital improvements throughout the City, Board of Education and City's share of the cost for the City Wide School Construction Program. Capital debt is amortized and its annual payments are appropriated in the City's General Fund Budget.

The Office of the Controller enforces certain spending controls in its administration and expenses for Capital Projects. All Capital expenditures must be appropriate in their use as stated in the capital funds narrative. The City implemented the Capital Funds Borrowing Plan in fiscal year 2003. This plan initiated a review of all outstanding capital appropriations for their importance and priority. It also defines the life of a capital appropriations and established procedures so that capital borrowings meet the financial parameters established in the Capital Funds Borrowing Plan. The review of capital appropriations successfully resulted in the closing out of various capital accounts when projects were completed and funds remained unspent and un-obligated. This review completed the reconciling of expenditures and revenue in all, previously authorized capital authorizations.

### Pension Funds:

The City of New Haven is the administrator of two single employer public retirement systems established by the City to provide pension benefits for its employees. The Public employee retirement systems are considered part of the City of New Haven's financial reporting entity and are included in the City's financial reports as pension trust funds. The City provides benefits through a single employer, contributory, defined benefit plan in which practically all full time employees of the general fund, including non-certified Board of Education employees are eligible under the City Employees Retirement Fund (CERF) while all policemen and firemen are eligible in the Policemen and Firemen Retire Fund (P&F). CERF was established in 1938. The Policemen and Firemen's fund was created in 1958 as a replacement for separate police and fire pension funds. The former Policemen's Relief Fund and the Firemen's Relief Fund were merged into the combined fund in 1990. Retirements benefits for certified teachers are provided by the Connecticut State Teacher's Retirement System. The City does not contribute to this plan.

Since the approval of the FY 95 budget, the City has contributed 100% of the actuarial recommendations to its two employee retirement funds. The City Employees Retirement Fund's (CERF) market value of plan assets has grown from \$84,075,100 (as of 6-30-92) to \$197,178,193 (as of November 30, 2008). The Police & Fire Retirement Fund (P&F) market value of plan assets has grown from \$115,987,200 (as of 6-30-92) to \$290,406,000 (as of September 30, 2008). Per actuarial evaluation.

The FY 08 budgeted pension appropriation for the CERF was \$10,396,025, the FY 08 budgeted Police and Fire appropriation was \$15,000,000.

There are 1,037 retirees and beneficiaries receiving benefits from CERF with 1,176 active plan members. There are 1,054 retirees and beneficiaries receiving benefits from P & F with 739 active plan members.

The funded ratio's, which is defined to be the percentage that is obtained when the plan assets are divided by the total accrued liability of the plan, are for CERF 60.6% in 2007 and for P&F 60.6% in 2007.

### Tax Collections

#### Current Taxes

The City's tax collection rate for FY 08 was 98.30%, a slight decrease from last year's rate of 98.61%.

Individually, real estate collections were \$152,600,375 personal property collections were \$16,460,025 Motor Vehicle collections were \$11,759,384 and supplemental motor vehicle collections were \$2,198,715.

#### Conclusion:

The preparation of this report could not have been accomplished if it were not for the dedicated services of the staffs of the Department of Finance, Office of Management and Budget and members of other City departments who assisted in its compilation, to which I hereby express my heartfelt appreciation. I also extend this appreciation to Mayor John DeStefano, Jr., Board of Aldermen President Carl Goldfield, Finance Committee Chair Yusuf I. Shah and the Board of Aldermen for their interest and support in the conducting of the financial operations of this City in a responsible and progressive manner.

Mark Pietrosimone,  
Controller

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2008

ASSETS	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total *
Cash and Cash Equivalents	\$ 83,149,795	1,798,007	84,947,802
Investments	8,939,447		8,939,447
Receivables (Net of Allowance For Uncollectibles)	84,684,498	263,135	84,947,633
Inventories	137,122		137,122
Prepaid Expenses	4,822,306		4,822,306
Deferred Charges			-
Due From Component Units	78,075		78,075
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents			-
Investments			
Capital Assets (Net of Accumulated Depreciation):			
Land	44,140,306		44,140,306
Building and System, Including Improvements	661,671,433		661,671,433
Improvements Other Than Buildings	273,636		273,636
Vehicles, Machinery and Equipment	11,659,773		11,659,773
Infrastructure	76,152,637		76,152,637
Construction In Progress	396,149,850		396,149,850
<b>Total Assets</b>	<b>\$ 1,371,858,878</b>	<b>2,061,142</b>	<b>1,373,920,020</b>

\* After internal balances have been eliminated.

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

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COMPONENT UNITS		
<u>Parking Authority</u>	<u>Solid Waste Authority</u>	<u>Coliseum Authority</u>
8,798,286		11,954
906,801		
418,960		
481,253		
9,143,707	700,047	
2,910,151	3,587,964	
106,000		
29,517,635	6,000,000	
400,839		
<u>749,717</u>		
<u>53,433,349</u>	<u>10,288,011</u>	<u>11,954</u>

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2008

LIABILITIES	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total *
Accounts Payable and Accrued Liabilities	\$ 128,042,611	257,193	128,299,804
Accrued Interest Payable	5,589,461		5,589,461
Due To Primary Government			-
Internal Balances	(18,385)	18,385	-
Deferred Revenue	2,453,902		2,453,902
Other Liabilities	23,907,393		23,907,393
Non-Current Liabilities:			
Due Within One Year	102,500,909		102,500,909
Due In More Than One Year	512,291,693		512,291,693
<b>Total Liabilities</b>	<b>\$ 774,767,584</b>	<b>275,578</b>	<b>775,043,162</b>
<b>NET ASSETS</b>			
Invested In Capital Assets, Net of Related Debt	\$ 690,783,952		690,783,952
Restricted For:			
Special Revenues	11,269,980		11,269,980
Permanent Funds	2,992,757		2,992,757
Debt Service	1,026,495		1,026,495
Other	(108,981,890)	1,785,564	(107,196,326)
Unrestricted	597,091,294	1,785,564	598,876,858
<b>Total Net Assets</b>	<b>\$ 597,091,294</b>	<b>1,785,564</b>	<b>598,876,858</b>

\* After internal balances have been eliminated.

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

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COMPONENT UNITS

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<u>Parking Authority</u>	<u>Solid Waste Authority</u>	<u>Coliseum Authority</u>
2,934,397		153,575
84,422		
78,075		
220,381		
2,081,773	10,293	
17,082,176	10,283,842	
<u>22,481,224</u>	<u>10,294,135</u>	<u>153,575</u>
12,091,495		
10,308,331		
8,552,299	(6,124)	(141,621)
<u>30,952,125</u>	<u>(6,124)</u>	<u>(141,621)</u>

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 37,693,461	39,746,337	15,787,634	108,404,390
Education	345,341,470	5,103,181	294,516,303	
Public Safety	68,514,288	9,153,760		
Public Works	24,673,176	249,216		
Public Services	42,186,718	10,723,209		
Employee Benefits and Insurance	114,344,620			
Culture and Recreation	9,927,948	233,970		
Other	21,962,659			
Interest On Long-Term Debt	24,529,443			
<b>Total Governmental Activities</b>	<b>\$ 689,173,783</b>	<b>65,209,673</b>	<b>310,303,937</b>	<b>108,404,390</b>
<b>Business-Type Activities:</b>				
Other	\$ 1,772,097	1,779,914		
<b>Total Business-Type Activities</b>	<b>\$ 1,772,097</b>	<b>1,779,914</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 690,945,880</b>	<b>66,989,587</b>	<b>310,303,937</b>	<b>108,404,390</b>
<b>Component Units:</b>				
Parking Authority	\$ 17,094,353	19,174,890		
Solid Waste Authority	6,171			
Coliseum Authority	4,045			
<b>Total Component Units</b>	<b>\$ 17,104,569</b>	<b>19,174,890</b>	<b>-</b>	<b>-</b>

## General Revenues:

Property Taxes

Grants &amp; Contributions Not Restricted To Specific Programs

Investment Earnings

Transfers

Total General Revenues and Transfers

Change In Net Assets Before Extraordinary Items

## Extraordinary Items:

Gain on Sale of Transfer Station Assets

Total Extraordinary Items

Change In Net Assets

Net Assets-Beginning

Net Assets-Ending

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

**Net (Expense) Revenue and  
Changes in Net Assets**

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Parking Authority	Solid Waste Authority	Coliseum Authority
126,244,900		126,244,900			
(45,721,986)		(45,721,986)			
(59,360,528)		(59,360,528)			
(24,423,960)		(24,423,960)			
(31,463,509)		(31,463,509)			
(114,344,620)		(114,344,620)			
(9,693,978)		(9,693,978)			
(21,962,659)		(21,962,659)			
(24,529,443)		(24,529,443)			
(205,255,783)	-	(205,255,783)	-	-	-
	7,817	7,817			
-	7,817	7,817	-	-	-
(205,255,783)	7,817	(205,247,966)	-	-	-
		-	2,080,537		
		-		(6,171)	
		-			(4,045)
-	-	-	2,080,537	(6,171)	(4,045)
189,489,128		189,489,128			
56,177,412		56,177,412			
3,068,272	5,729	3,074,001	719,115	47	
6,110,000	(6,110,000)	-			
254,844,812	(6,104,271)	248,740,541	719,115	47	-
49,589,029	(6,096,454)	43,492,575	2,799,652	(6,124)	(4,045)
	4,046,169	4,046,169			
-	4,046,169	4,046,169	-	-	-
49,589,029	(2,050,285)	47,538,744	2,799,652	(6,124)	(4,045)
547,502,265	3,835,849	551,338,114	28,152,473		(137,576)
597,091,294	1,785,564	598,876,858	30,952,125	(6,124)	(141,621)

CITY OF NEW HAVEN, CONNECTICUT

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 25,347,469	6,232,103	5,757,837
Investments	2,002,853	2,805,677	
Receivables (Net of Allowance For Uncollectibles)	6,861,986	1,923,677	2,453,926
Receivables From Other Governments	58,914,584	1,549,391	1,498,623
Due From Other Funds	39,411,980	301,022	244,291
Inventories			137,122
Prepaid Expenses	<u>33,555</u>	<u>47,272</u>	<u>612,657</u>
<b>Total Assets</b>	<u>\$ 132,572,427</u>	<u>12,859,142</u>	<u>10,704,456</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 19,901,249	1,575,577	1,994,904
Accrued Liabilities	8,266,350		1,332,110
Retainage Payable		88,077	
Due To Other Funds	18,945,233	2,826,552	7,094,479
Deferred Revenue	56,359,421	2,135,226	
Temporary Loans and Notes Payable			
Other Liabilities	<u>13,591,916</u>	<u>412,501</u>	
<b>Total Liabilities</b>	<u>\$ 117,064,169</u>	<u>7,037,933</u>	<u>10,421,493</u>

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

**EXHIBIT C**  
**Page 1 of 2**

<b>Capital Project Funds</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
30,952,145		11,645,556	79,935,110
		4,130,917	8,939,447
3,741,171		460,084	15,440,844
2,764,501		192,869	64,919,968
10,640,331	1,026,495	526,762	52,150,881
			137,122
710,509			1,403,993
<u>48,808,657</u>	<u>1,026,495</u>	<u>16,956,188</u>	<u>222,927,365</u>
15,869,277		1,677,262	41,018,269
7,559		25,828	9,631,847
		24,421	112,498
8,607,908		4,033,526	41,507,698
		318,676	58,813,323
68,788,000			68,788,000
1,069,503		2,717,910	17,791,830
<u>94,342,247</u>	<u>-</u>	<u>8,797,623</u>	<u>237,663,465</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	\$	4,572,603	
Debt Service			
Unreserved, Reported in:			
General Fund	15,508,258		
Special Revenue Funds		1,248,606	282,963
Capital Projects Funds			
Permanent Funds			
<b>Total Fund Balances</b>	\$ <u>15,508,258</u>	<u>5,821,209</u>	<u>282,963</u>
<b>Total Liabilities and Fund Balances</b>	\$ <u><u>132,572,427</u></u>	<u><u>12,859,142</u></u>	<u><u>10,704,456</u></u>

Amounts reported for governmental activities in the statement of net assets are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
- Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.
- Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

**Net Assets of Governmental Activities**

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

EXHIBIT C  
Page 2 of 2

<u>Capital Project Funds</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
149,242,399	1,026,495	7,728,337	161,543,339
			1,026,495
			15,508,258
		(2,562,529)	(1,030,960)
(194,775,989)			(194,775,989)
		2,992,757	2,992,757
<u>(45,533,590)</u>	<u>1,026,495</u>	<u>8,158,565</u>	<u>(14,736,100)</u>
<u>48,808,657</u>	<u>1,026,495</u>	<u>16,956,188</u>	

1,190,047,635

(5,589,461)

62,050,382

(19,888,560)

(614,792,602)

\$ 597,091,294

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Revenues:</b>			
Property Taxes	\$ 186,365,020		
Licenses and Permits	15,747,687		
Intergovernmental	289,221,907	15,174,608	67,598,365
Charges for Services		1,678,602	653,118
Fines	5,316,063		
Investment Earnings	2,808,124	218,539	12
Payment in Lieu of Taxes	2,596,308		
Other	14,799,598	820,560	4,429,186
<b>Total Revenues</b>	<u>\$ 516,854,707</u>	<u>17,892,309</u>	<u>72,680,681</u>
<b>Expenditures:</b>			
Current:			
General Government	\$ 27,431,981		
Public Safety	67,413,221		
Public Works	17,944,810		
Public Services	7,408,779	19,305,120	
Culture and Recreation	9,367,840		
Employee Benefits and Insurance	84,643,661		
Education	256,210,171		74,856,467
Other Expenditures			
Debt Service:			
Principal	35,916,870	890,000	
Interest	15,731,666	365,323	
Capital Outlay:			
Other Capital Assets			
<b>Total Expenditures</b>	<u>\$ 522,068,999</u>	<u>20,560,443</u>	<u>74,856,467</u>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<u>\$ (5,214,292)</u>	<u>(2,668,134)</u>	<u>(2,175,786)</u>

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

Capital Project Funds	Debt Service	Other Governmental Funds	Total Governmental Funds
			186,365,020
			15,747,687
108,404,390		12,875,076	493,274,346
			2,331,720
			5,316,063
		41,597	3,068,272
			2,596,308
951,967		5,341,508	26,342,819
109,356,357	-	18,258,181	735,042,235
		6,334,242	33,766,223
			67,413,221
		339,145	18,283,955
		15,472,819	42,186,718
			9,367,840
			84,643,661
21,962,659			331,066,638
			21,962,659
	3,780,260		40,587,130
6,000,000	19,740		22,116,729
127,803,979			127,803,979
155,766,638	3,800,000	22,146,206	799,198,753
(46,410,281)	(3,800,000)	(3,888,025)	(64,156,518)

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Other Financing Sources (Uses):</b>			
Capital Related Debt Issued	\$		
Refunding Bonds Issued			
Bond Issue Premium			
Payment of Refunded Bond Agent Escrow			
Transfer In	6,000,000		
Transfer Out			
<b>Total Other Financing Sources (Uses)</b>	\$ <u>6,000,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	\$ 785,708	(2,668,134)	(2,175,786)
<b>Fund Balances - Beginning</b>	<u>14,722,550</u>	<u>8,489,343</u>	<u>2,458,749</u>
<b>Fund Balances - Ending</b>	\$ <u><u>15,508,258</u></u>	<u><u>5,821,209</u></u>	<u><u>282,963</u></u>

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

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<b>Capital Project Funds</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
45,000,000			45,000,000
32,250,000			32,250,000
2,824,324			2,824,324
(35,074,324)			(35,074,324)
110,000			6,110,000
			-
<u>45,110,000</u>	<u>-</u>	<u>-</u>	<u>51,110,000</u>
(1,300,281)	(3,800,000)	(3,888,025)	(13,046,518)
<u>(44,233,309)</u>	<u>4,826,495</u>	<u>12,046,590</u>	<u>(1,689,582)</u>
<u>(45,533,590)</u>	<u>1,026,495</u>	<u>8,158,565</u>	<u>(14,736,100)</u>

## CITY OF NEW HAVEN, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ (13,046,518)
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.	104,895,836
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,389,423)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,563,212)
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.	(34,087,652)
Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>(3,220,002)</u>
Change in net assets of governmental activities (Exhibit B)	\$ <u><u>49,589,029</u></u>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 186,473,394	187,223,394	186,365,020	(858,374)
Education Grants	151,002,319	148,633,550	146,319,781	(2,313,769)
Other Governmental Grants	64,947,012	57,396,261	56,790,438	(605,823)
Licenses Permits and Other	14,220,000	14,220,000	15,747,687	1,527,687
Investment Income	3,633,458	3,633,458	2,808,124	(825,334)
Received From Fines	7,097,293	7,397,293	5,316,063	(2,081,230)
Payments in Lieu of Taxes (PILOT)	3,097,333	2,423,179	2,596,308	173,129
Other Taxes & Assessments	5,376,729	4,876,729	4,089,305	(787,424)
Miscellaneous	7,136,350	19,636,350	16,710,293	(2,926,057)
<b>Total Revenues</b>	<b>\$ 442,983,888</b>	<b>445,440,214</b>	<b>436,743,019</b>	<b>(8,697,195)</b>
<b>Expenditures:</b>				
Current:				
General Government	\$ 28,987,684	28,942,881	27,431,981	1,510,900
Public Safety	65,293,794	67,723,214	67,413,221	309,993
Public Works	19,438,700	19,523,531	17,944,810	1,578,721
Public Service	7,708,252	7,708,252	7,408,779	299,473
Cultural & Recreation	9,424,753	9,455,305	9,367,840	87,465
Employee Benefits	84,382,244	84,643,661	84,643,661	-
Education	170,068,877	170,634,297	170,098,483	535,814
Debt Service	57,679,584	56,809,073	51,648,536	5,160,537
Capital Outlay				-
<b>Total Expenditures</b>	<b>\$ 442,983,888</b>	<b>445,440,214</b>	<b>435,957,311</b>	<b>9,482,903</b>
<b>Excess of Expenses Over Revenue</b>	<b>\$ -</b>	<b>-</b>	<b>785,708</b>	<b>785,708</b>
<b>Other Financing Sources and Uses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Financing Sources and Uses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>785,708</b>	<b>785,708</b>
<b>Fund Balance - Beginning</b>			<b>14,722,550</b>	
<b>Fund Balance - Ending</b>			<b>\$ 15,508,258</b>	

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2008

	Business-Type Activities- Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 1,798,007	3,214,685
Accounts Receivable (Net Allowance For Uncollectibles)	263,135	2,051,038
Due From Other Funds		3,573,245
<b>Total Current Assets</b>	<b>\$ 2,061,142</b>	<b>8,838,968</b>
<b>Total Assets</b>	<b>\$ 2,061,142</b>	<b>8,838,968</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	\$ 257,193	1,688,289
Due To Other Funds	18,385	14,119,968
Accrued Estimated Healthcare Claims		5,208,708
Claims and Judgments Payable		1,595,000
<b>Total Current Liabilities</b>	<b>\$ 275,578</b>	<b>22,611,965</b>
<b>Noncurrent Liabilities:</b>		
Claims and Judgments Payable	\$ -	6,115,563
<b>Total Noncurrent Liabilities</b>	<b>\$ -</b>	<b>6,115,563</b>
<b>Total Liabilities</b>	<b>\$ 275,578</b>	<b>28,727,528</b>
<b>Net Assets:</b>		
Invested In Capital Assets, Net Of Related Debt	\$	
Unrestricted	1,785,564	(19,888,560)
<b>Total Net Assets</b>	<b>\$ 1,785,564</b>	<b>(19,888,560)</b>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2008

	Business-Type Activities-Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
<b>Operating Revenues:</b>		
Charges For Sales and Services:		
Other Services	\$ 1,779,914	59,735,880
Miscellaneous		3,382,859
<b>Total Operating Revenues</b>	<b>\$ 1,779,914</b>	<b>63,118,739</b>
<b>Operating Expenses:</b>		
Costs of Sales and Services	\$ 1,680,095	66,338,753
Depreciation and Amortization	92,002	
<b>Total Operating Expenses</b>	<b>\$ 1,772,097</b>	<b>66,338,753</b>
<b>Operating Income</b>	<b>\$ 7,817</b>	<b>(3,220,014)</b>
<b>Non-Operating Revenues (Expenses):</b>		
Investment Earnings	\$ 5,729	12
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$ 5,729</b>	<b>12</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ 13,546</b>	<b>(3,220,002)</b>
Transfers Out	(6,110,000)	
<b>Change In Net Assets Before Extraordinary Items</b>	<b>\$ (6,096,454)</b>	<b>(3,220,002)</b>
<b>Extraordinary Items:</b>		
Gain on Sale of Transfer Station Assets	\$ 4,046,169	
<b>Total Extraordinary Items</b>	<b>\$ 4,046,169</b>	<b>-</b>
<b>Change In Net Assets</b>	<b>\$ (2,050,285)</b>	<b>(3,220,002)</b>
<b>Total Net Assets - Beginning</b>	<b>3,835,849</b>	<b>(16,668,558)</b>
<b>Total Net Assets - Ending</b>	<b>\$ 1,785,564</b>	<b>(19,888,560)</b>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>		
City's Contribution	\$	66,911,718
Cash Received From Users	1,875,152	8,921,837
Payments To Suppliers	(1,616,501)	
Internal Activity-Payments From (To) Other Funds	(127,761)	1,987,117
Claims and Other Expenses Paid		(80,456,013)
Other Receipts		3,374,141
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 130,890</b>	<b>738,800</b>
<b>Cash Flows From Investing Activities:</b>		
Interest and Dividends	\$ 5,729	12
<b>Cash Flows From Investing Activities</b>	<b>\$ 5,729</b>	<b>12</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>\$ 136,619</b>	<b>738,812</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>1,661,388</b>	<b>2,475,873</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 1,798,007</b>	<b>3,214,685</b>
<b>Reconciliation Of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>		
Operating Income or (Loss)	\$ 7,817	(3,220,014)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization Expense	\$ 92,002	
Transfer In (Out)	(110,000)	
Change in Assets and Liabilities:		
(Increase) Decrease In Accounts Receivable, Net	95,238	(1,566,567)
(Increase) Decrease In Other Assets		(308,127)
(Increase) Decrease In Due From Other Funds		114,084
Increase (Decrease) In Accounts Payable	63,594	3,371,500
Increase (Decrease) In Accrued Expenses		
Increase (Decrease) In Accrued Estimated Healthcare Payments		52,680
Increase (Decrease) In Due To Other Funds	(17,761)	2,295,244
<b>Total Adjustments</b>	<b>\$ 123,073</b>	<b>3,958,814</b>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 130,890</b>	<b>738,800</b>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 AS OF JUNE 30, 2008

	Combined Employee Retirement Funds	
<b>ASSETS</b>		
Cash and Short-Term Investments	\$ 14,854,226	
Interest and Dividends Receivable	1,173,834	
Accounts Receivable	<u>8,996,211</u>	\$ 25,024,271
Investments, At Fair Value:		
Government Agency	\$ 5,999,478	
Government Bonds	11,808,709	
Municipal Bonds	279,303	
Government Mortgages	82,504	
Indexed Linked Government Bonds	1,301,915	
Government Issued Commercial Backed Mortgage Securities	18,569,382	
Common Stock	321,123,760	
Commercial Backed Mortgages	1,065,070	
Venture Capital Partnerships	32,293,551	
Corporate Bonds	61,878,177	
Corporate Convertible Bonds	394,199	
Asset Backed Securities	794,029	
Commodity - ETF	3,818,324	
Non-Government Backed Bonds	<u>806,003</u>	
Total Investments		<u>460,214,404</u>
<b>Total Assets</b>		<b>\$ <u>485,238,675</u></b>
<b>LIABILITIES</b>		
Accounts Payable		\$ 7,144,462
Accrued Liabilities		<u>112,080</u>
<b>Total Liabilities</b>		<b>\$ <u>7,256,542</u></b>
<b>NET ASSETS</b>		
Held In Trust For Pension Benefits		<b>\$ <u><u>477,982,133</u></u></b>

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

## CITY OF NEW HAVEN, CONNECTICUT

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Combined Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer Contributions	\$ 39,970,023
Plan Members	12,656,856
Plan Members Buybacks	182,316
Total Contributions	\$ <u>52,809,195</u>
Investment Earnings:	
Net Increase (Decrease) In Fair Value Of Investments	\$ (29,283,167)
Interest	6,815,752
Dividends	4,562,786
Total Investment Income (Loss)	\$ <u>(17,904,629)</u>
Less: Investment Expenses:	
Investment Management Fees	2,428,447
Legal Fees	62,258
Interest Expense	70,475
Net Investment Earnings	\$ <u>(20,465,809)</u>
<b>Total Additions</b>	\$ <u>32,343,386</u>
<b>Deductions</b>	
Benefits	\$ 68,654,293
<b>Total Deductions</b>	\$ <u>68,654,293</u>
<b>Net Increase (Decrease)</b>	\$ (36,310,907)
<b>Net Assets - Beginning of Year</b>	514,293,040
<b>Net Assets - End of Year</b>	\$ <u><u>477,982,133</u></u>

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

## **Notes to the Financial Statements**

## CITY OF NEW HAVEN, CONNECTICUT

### NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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#### Note 1 – Summary of Significant Accounting Policies

##### Reporting Entity

The City of New Haven, Connecticut (the City) was incorporated as a City in 1784. The City covers an area of 21.1 square miles, and is located 75 miles east of New York City. The City operates under a Mayor-Board of Aldermen form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the City has elected to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued before November 30, 1989, unless they contradict GASB pronouncements. The more significant accounting policies of the City are described below:

Generally accepted accounting principles require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14 have been considered, as a result, the component units discussed below are included in the City's reporting entity because of their operational significance or financial relationship with the City.

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- the fiscal dependency of the organization on the City.

Based on the aforementioned criteria, the City has three component units.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Reporting Entity (Continued)

#### Discretely Presented Component Units

The component unit column in the government-wide financial statements includes financial data of the City's three component units which are all considered major. These units are reported in a separate column to emphasize that they are legally separate from the City.

***New Haven Parking Authority*** — The New Haven Parking Authority (the Parking Authority) was created and established in 1951 by a special act of the General Assembly of the State for the purpose of developing, maintaining, and operating parking facilities for the City. The Parking Authority consists of the Traffic Engineer for the City and a Board of Commissioners with five members appointed by the Mayor. The Parking Authority is authorized in the name of the City to acquire, construct, reconstruct, improve, operate and maintain parking facilities at such locations as shall be approved by the Board of Aldermen. The Parking Authority is also authorized, subject to authorization and approval of the Board of Aldermen, to finance its various projects through the issuance of general obligation bonds of the City, revenue bonds, or bond anticipation notes, which in turn will be retired using proceeds from various parking fees, special charges and appropriations from the general fund.

***New Haven Coliseum Authority*** – The New Haven Coliseum Authority (the Coliseum Authority) was established by the Board of Aldermen of the City of New Haven on June 15, 1966 to construct and operate a coliseum and parking facility. The powers of the Coliseum Authority are exercised by a commission of seven members consisting of the Mayor, a member of the Board of Aldermen, and five City residents who are nominated by the Mayor and appointed by the Board of Aldermen.

***New Haven Solid Waste and Recycling Authority*** – The New Haven Solid Waste and Recycling Authority (the "Solid Waste Authority") was created as a municipal resource recovery authority pursuant to CGS Section 7-273aa to 7-727300, inclusive. The Solid Waste Authority is a public body politic and corporate of the state and is a political subdivision of the State established and created for the performance of the essential public and governmental function of furthering health, safety and welfare of the residents of the City of New Haven. The Solid Waste Authority is empowered to own real estate, operate solid waste facilities, hire and pay personnel, sue and be sued, and enter into long term contracts. Under the by-laws of the Solid Waste Authority, a governing Board of Directors was also established to oversee the Solid Waste Authority's operation.

Complete financial statements of the individual component units can be obtained from their respective administrative offices.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting boards for governmental accounting financial reporting principles. These principles require that the City report government-wide and fund financial statements, which are described below.

#### **Government-wide financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separated *component units* described above.

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*.

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

As a general rule, the effect of inter-fund activity, or internal balances, has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the business-type funds and the various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in governmental activities Statement of Activities.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

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

##### **Fund financial statements**

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

The 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However expenditures related to long-term liabilities, such as debt service payments and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are assessed as of October 1, and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property tax revenue to be available if it is collected within 60 days of the end of the fiscal year.

Those revenues susceptible to accrual are property taxes, special assessments and interest revenue. Fines, permits and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

Intergovernmental grant revenues and similar items are recognized as soon as all eligible requirements imposed by the provider have been met and funds are collected soon enough to pay liabilities of the current period. For this purpose, grants may be recognized and collected after 60 days of the fiscal year end.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

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

Financial information of the City, the primary government, is presented in this report as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.
- Basic financial statements:
  - Government-wide financial statements consist of a statement of net assets and a statement of activities.
  - Fund financial statements consist of a series of statements focusing on information about the City's major governmental and enterprise funds. Separate financial statements are presented for the governmental, proprietary and fiduciary funds.
- Notes to the financial statements providing information that is essential to a user's understanding of the basic financial statements.
- Required supplementary information such as budgetary comparison schedules and other types of data required by GASB.

The government reports the following major governmental funds:

The **General Fund** is the general operating fund of the City's government. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt and capital improvement costs of the City, which were not paid through a special fund.

The **Community Development Fund Block Grant Program** which entitles cities and counties to develop urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low and moderate income persons.

The **Education Grants Fund** is used to account for the expenditures of State and Federal grants received for a variety of school programs.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

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

The **Capital Project Fund** is used to account for resources used for the acquisition and construction of capital facilities, including those that are financed through special assessments.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the government reports the following fund types:

#### **Governmental Funds**

**General Fund** – The major operating fund of the City operates under a legal budget. It is used to account for all the financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** – Used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The uses and limitations of each special revenue fund are specified by City ordinances or federal and state statutes.

**Debt Service Fund** – Used for the accumulation of resources for, and the payment of, general long-term bonded debt, principal, interest, and related costs.

**Capital Projects Funds** – Used to account for the financial resources used for the acquisition or construction of major capital facilities or improvements, other than those financed by proprietary funds.

**Permanent Funds** – Used for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs.

#### **Proprietary Funds**

**Enterprise Funds** – Used to account for operations as follows:

- a. Financed and operated in a manner similar to private business enterprises;
- b. Where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

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

The City's enterprise funds are its commercial and intergovernmental transactions associated with its Golf Course, Transfer Station, the Skating Rink, and the East Rock Communication Tower.

**Internal Service Funds** – Used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are its Self-Insurance Reserve Fund, Workers' Compensation and Medical Self-Insurance Fund. The Self-Insurance Reserve Fund covers general liability not covered by any third party insurance and structured property tax settlements.

#### **Fiduciary Funds**

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

**Other Post Employment Benefit Trust Fund** - Used to account for retired City employee benefits, other than pension benefits such as medical and life insurance benefits.

#### **Proprietary Fund Accounting**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the enterprise funds reported in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their government-wide and propriety fund financial statements subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Assets, Liabilities and Net Assets or Equity

**Cash and Cash Equivalents** – The City considers cash on hand, deposits, and short-term investments with an original maturity of three months or less to be cash and cash equivalents.

**Investments** – Investments, which may be restricted by law or legal instruments, are under control of either the City's Treasurer or other administrative bodies as determined by law. Investments are generally stated at fair value in accordance with GASB Statement 31, *Accounting and Financial Reporting For Certain Investments and for External Investment Pools*. Investments not required to be reported at fair value are stated at cost or amortized cost. In determining realized gains or losses on sales of investments, cost is determined by specific identification.

**Receivables and Payables** - Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Due To/From Other Funds" (current portion of interfund loans) or "Advances To/From Other Funds" (noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

If "Advances To/From Other Funds" were reported in the fund financial statements, they would be offset by a fund balance reserve account in applicable funds to indicate that they are not available for appropriation and are not expendable financial resources.

Property taxes that have been levied and are due on or before year end are recognized as revenue if they have been collected within sixty days after year end. Property taxes receivable not collected within sixty days after year end are reflected as deferred revenue. An allowance based on historical collection experience is provided for uncollectible taxes.

All trade and loan receivables are shown net of allowances for uncollectible amounts. Trade and loan accounts receivables allowances for doubtful accounts is estimated based on the inherent risk associated with the accounts.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities and Net Assets or Equity (Continued)

**Inventories** – Inventory of the cafeteria fund consists of supplies and food for consumption and is stated at the lower of cost or market with cost based on (a) actual cost for purchased food and (b) stated value approximating fair value assigned by the federal government for food donated by the federal government, using the first-in, first-out basis. Inventories are recorded as expenditures when purchased. Donated items are valued at market value and recorded as revenue when received and as expenditures when used.

**Restricted Assets** – At June 30, 2008, the Parking Authority had \$12,053,858 in restricted assets. In accordance with the resolutions of each bond issue, certain assets of their Union Station Facility are restricted and held by a trustee for the protection of the bondholders.

At June 30, 2008, the Solid Waste Authority also had \$4,288,011 in restricted assets. The restricted assets were held in deposits and maintained to meet legal obligations of debt service, capital project fund, cost of bond issuance and other repairs and maintenance reserve funds.

**Capital Assets** - Capital assets, which include property, plant and equipment, and infrastructure (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets, not including infrastructure assets, as assets with an individual cost exceeding the capitalization thresholds as listed below, and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) are included as part of the governmental capital assets reported in the government-wide statements. Infrastructure assets capitalized have an original cost of \$250,000 or more.

The cost 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities and Net Assets or Equity (Continued)

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

<u>Description</u>	<u>Capitalization Dollar Thresholds</u>	<u>Estimated Lives (Years)</u>
Computers	\$ 5,000	5
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	10,000	5-20
Motor Vehicles	5,000	8
Land Improvements	50,000	20
Buildings and Other Structures	50,000	50
Infrastructure	250,000	10-50

**Compensated Absences** – City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. These hours accumulate based on numerous collective bargaining agreements. Sick leave accumulates at rates of 7 days per year to 15 days per year. Vacation accrues at rates of 5 days per year to 25 days per year. Accrued amounts vest and are paid on termination or retirement at rates from 0 percent to 100 percent.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year, or are expected to be paid with available resources. The vesting method using historical data was used to calculate the liability. The liability for the remainder of the sick and vacation leave, and an estimate of the non-vested portion expected to be paid in the future from governmental funds, is accounted for as long-term liability.

Vested sick leave and accumulated vacation leave of proprietary funds are recorded as expenses and liabilities of those funds as the benefits accrue to employees. Non-vested sick leave is recorded to the extent it is expected to be paid.

**Deferred Revenue** – Deferred revenue arises when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. Deferred revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities and Net Assets or Equity (Continued)

**Long-term obligations** – In the government-wide financial statements and proprietary fund types in fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the terms of the related debt.

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 the debt issued is reported as other financial sources. Premiums received on old 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.

**Fund Equity and Net Assets** - In government-wide financial statements, net assets are classified in the following categories:

**Investment in capital assets, net of related debt** – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

**The restricted net assets**- present amounts of external restrictions imposed by creditors, grantors, contributors and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**The unrestricted net assets** - represent unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

In the fund financial statements, fund balances of governmental funds are classified into two separate categories. The two categories and their general meanings are as follows:

**The reserved fund balance** – this category indicates that portion of fund equity which has been legally segregated for specific purposes.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities and Net Assets or Equity (Continued)

**Encumbrances** – Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

**The undesignated and unreserved fund balance** – this category indicates that portion of fund equity which is available for appropriations and expenditures in future periods.

**Total Columns on Combined Statements** – Total columns on the combined statements are to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America, neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

### Note 2 - Reconciliation Of Government-Wide And Fund Financial Statements

#### A. **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.”

The details of this (\$614,792,602) difference is as follows:

Bonds Payable	\$ (497,007,908)
Notes Payable	(3,920,000)
Contractual Obligation	(10,446,118)
Compensated Absences	(26,988,969)
Capital leases Payable	(2,255,775)
Accrued Workers Compensation	(32,402,296)
Other Liabilities	<u>(41,771,536)</u>
Net Adjustments to Reduce <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Assets of Government Activities</i> .	<u>\$ (614,792,602)</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

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Note 2 - Reconciliation Of Government-Wide And Fund Financial Statements (Continued)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

Exhibit E presents a reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities which includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government wide statement of activities. One element of that reconciliation explains that "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." The detail of this \$104,895,836 difference is as follows:

Capital Outlay	\$ 127,803,979
Depreciation Expense	<u>(22,908,143)</u>
Net adjustment to increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive At <i>Changes In Net Assets of Governmental Activities</i>	<u>\$ 104,895,836</u>

Another element of that reconciliation states that "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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The detail of this \$2,563,212 difference is as follows:

Debt Issued or Incurred:	
Issuance of General Obligation Bonds	\$ (45,000,000)
Refunding Bonds Issued	(32,250,000)
Principal Repayments:	
Debt	40,587,130
Defeased by Debt	32,265,000
Capital Lease Payments	<u>1,834,658</u>
Net adjustment to decrease <i>Net Changes in Fund Balances - Total Governmental Funds</i> to arrive at <i>Changes in Net Assets of Governmental Activities</i>	<u>\$ (2,563,212)</u>

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 2 - Reconciliation Of Government-Wide And Fund Financial Statements (Continued)

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that "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." The detail of this \$34,087,652 difference is as follows:

Debt Issuance Costs	\$ 278,707
Amortization of Debt Issuance Costs	(261,084)
Increase in Contractual Obligation-GNHWPCA	(373,994)
Net Increase in Compensated Absences	(1,767,607)
Net Increase in Accrued Workers Compensation	(1,532,571)
Net Increase in Unfunded Pension Obligation	(392,388)
Net Increase in Unfunded OPEB Obligation	(27,776,000)
Net Decrease in Other	150,000
Net Decrease in Accrued Interest	<u>(2,412,715)</u>

Net Adjustment to Decrease *Net Change In Fund Balances*  
*Total Governmental Funds* to Arrive at *Changes In Net*  
*Assets Of Governmental Activities*

\$ (34,087,652)

### Note 3 - Stewardship, Compliance and Accountability

#### Budgetary Information

##### General Fund

The Statement of Revenues and Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget to Actual presented in the financial statements for the General Fund is on the budgetary basis of accounting which is a basis of accounting other than the accrual basis and the modified basis of accounting. The budgetary basis of accounting and the City's general budget policies are as follows:

- A. The budget is developed by the Mayor, and adopted by the Board of Aldermen on or before the first Monday in June. If the Board of Aldermen fails to act upon the recommended budget by the first Monday in June, the recommendations of the Mayor shall be the legal budget of the City. The Mayor may, within ten days subsequent to adoption of the budget, veto specific line items. Any veto by the Mayor may be overridden by a two-thirds vote of the Board of Aldermen.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 3 – Stewardship, Compliance and Accountability (Continued)

#### Budgetary Information (Continued)

#### General Fund (Continued)

- B. Concurrent with its submission to the Board of Aldermen, the budget is to be filed with the City Clerk. Within four business days after its filing, the clerk shall publish in a newspaper of general circulation in the City the proposed budget. The Board of Aldermen budget committee(s) shall hold at least two public hearings thereon. The first hearing shall be no later than 15 calendar days after the publication of the budget and another hearing shall be held at least 7 calendar days before the first reading by the Board of Aldermen.
- C. The Board of Aldermen can approve additional appropriations on the recommendation of the Mayor. However, the Board of Aldermen shall not reduce any item proposed by the Mayor for the payment of interest or principal of the municipal debt.
- D. The total amount of the annual appropriations for any year shall not exceed the estimated income for that year.
- E. Formal budgetary integration is employed as a management control device during the year.
- F. Except for the use of encumbrance accounting and the classification of certain revenues and expenditures, budgets are adopted on a modified accrual basis of accounting.
- G. Budgeted amounts reported in the financial statements have been revised to include Board of Aldermen revisions that were approved during the 2007–2008 fiscal year. Budgetary comparison schedules are presented in the supplemental section as Required Supplemental Information.
- H. In general, all unobligated appropriations lapse at year end.
- I. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order was issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year whereas they are shown as a reservation of fund balance on a GAAP basis of accounting.

Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 3 – Stewardship, Compliance and Accountability (Continued)

#### Budgetary Information (Continued)

##### General Fund (Continued)

A reconciliation of general fund operations and fund balance presented on a budgetary basis to the amounts presented in accordance with accounting principles generally accepted in the United States of America is as follows:

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>	<u>Fund Balance</u>
<b>Balance, Budgetary Basis</b>	\$ 436,743,019	435,957,311	15,508,258
State Teachers' Retirement and On-behalf Payment, not Recognized for Budgetary Purposes	<u>86,111,688</u>	<u>86,111,688</u>	
<b>Balance, GAAP Basis</b>	\$ <u>522,854,707</u>	<u>522,068,999</u>	<u>15,508,258</u>

#### Special Revenue Funds

The City does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carryover until completion of the grants and, therefore may comprise more than one fiscal year.

#### Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut State Statutes. Capital appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 4 - Deposits and Investments

The City's Primary Government deposits and investments are presented in the accompanying balance sheets as follows:

	<u>Deposits</u>	<u>Investments</u>	<u>Total Primary Government</u>
<b>Cash and Cash Equivalents:</b>			
Governmental Funds:			
General Fund	\$ 18,197,956	7,149,513	25,347,469
Community Development	6,232,103		6,232,103
Education Grants	5,757,837		5,757,837
Capital Project Funds	30,952,145		30,952,145
Other	10,901,408	744,148	11,645,556
Total Governmental Funds	\$ 72,041,449	7,893,661	79,935,110
Business-Type Activities	1,798,007		1,798,007
Internal Service Funds	3,214,396	289	3,214,685
Fiduciary Funds	3,461,863	11,392,363	14,854,226
<b>Total Cash and Cash Equivalents</b>	<b>\$ 80,515,715</b>	<b>19,286,313</b>	<b>99,802,028</b>
<b>Investments:</b>			
Governmental Funds:			
General Fund	\$	2,002,853	2,002,853
Community Development		2,805,677	2,805,677
Other		4,130,917	4,130,917
Total Governmental Funds	\$	8,939,447	8,939,447
Fiduciary Funds		460,214,404	460,214,404
Total Investments	\$	469,153,851	469,153,851
<b>Total Deposits and Investments</b>	<b>\$ 80,515,715</b>	<b>488,440,164</b>	<b>568,955,879</b>

The Component Unit deposits are presented in the accompanying balance sheets as follows:

	<u>Deposits</u>
<b>Cash and Cash Equivalents:</b>	
New Haven Parking Authority	\$ 17,941,993
New Haven Coliseum Authority	11,954
New Haven Solid Waste Authority	700,047
<b>Total Deposits</b>	<b>\$ 18,653,994</b>

At June 30, 2008 the New Haven Parking Authority cash and cash equivalents included \$9,143,707 of temporarily restricted cash and cash equivalents.

At June 30, 2008, the Solid Waste Authority's cash and cash equivalents included \$700,047 of temporarily restricted short-term investments classified as cash equivalents.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 4 - Deposits and Investments (Continued)

#### Deposits

The following is a summary of the carrying amount of cash and cash equivalents at June 30, 2008:

	<u>Total City</u>	<u>Business Type</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Bank Deposit Accounts	\$ 30,002,711	1,798,007	31,800,718	5,247,968
Money Market Funds	44,849,414		44,849,414	
Short-Term Investment Fund	8,422,670		8,422,670	7,689,308
Pension Cash and Short-Term Investment Fund	14,729,226		14,729,226	
U.S. Government Obligations				5,709,108
Cash On Hand				7,610
Total Cash and Cash Equivalents	<u>\$ 98,004,021</u>	<u>1,798,007</u>	<u>99,802,028</u>	<u>18,653,994</u>

#### **Custodial Credit Risk**

As of June 30, 2008, the carrying amount of the Primary Government's deposits' was \$99,802,028 with bank balances of \$113,798,445. The amount of the bank balances covered under federal depository insurance was \$805,410. The remaining \$112,993,035 of deposits were uninsured. Provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2008, \$5,072,518 of uninsured deposits was collateralized under the provision.

The bank balances of the component units' cash accounts at June 30, 2008 were \$18,039,023. The New Haven Coliseum Authority's bank balances totaled \$11,954, all of which was insured by either Federal Deposit Insurance Corporation (FDIC) coverage or public deposit protection under the Connecticut General Statutes. The New Haven Parking Authority's bank balances totaled \$18,027,069 of which \$400,000 was covered by FDIC protection and the remaining \$17,627,069 is uninsured. As of June 30, 2008, \$532,870 of the uninsured deposits were collateralized.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 4 - Deposits and Investments (Continued)

#### Investments

As of June 30, 2008 the City held the following investments:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More than 10
Certificate of Deposit	\$ 296,076	296,076			
Asset Backed Securities	794,029		267,731	526,298	
Short Term Bond Fund	444,394	444,394			
Commercial Mortgage Backed	1,065,070				1,065,070
Common Stock	287,793,629	287,793,629			
Corporate Bonds	62,858,918	1,362,406	11,138,958	8,598,075	41,759,479
Government Agencies	5,999,478	669,659	1,293,119	1,608,159	2,428,541
Government Bonds	14,410,345	1,151,209	8,579,333	2,306,881	2,372,922
Government Mortgage Backed	18,569,461		80,024	1,185,021	17,304,416
Municipal/Provincial Bonds	279,303		279,303		
Mutual Funds	2,302,650	2,302,650			
Non-Government Backed	806,003				806,003
Other Stocks and Options	37,061,838	37,061,838			
Real Estate	32,293,551	32,293,551			
Other Equity Fund	360,782	360,782			
Commodity Linked Fund	3,818,324	3,818,324			
Total	\$ 469,153,851	367,554,518	21,638,468	14,224,434	65,736,431

#### **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.

## **CITY OF NEW HAVEN, CONNECTICUT**

### **NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008**

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#### **Note 4 - Deposits and Investments (Continued)**

##### **Credit Risk**

Where the City has no formal policy governing investments State Law limits investments to the obligations of the United States of America, including the joint and several obligations of the Federal Home Mortgage Corporation, Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, all the federal intermediate credit banks, the Central Bank of Cooperatives, the Tennessee Valley Authority, or any other Agency of the United States Government.

The City's Employees' Retirement Fund requires a minimum quality rating of any fixed income issue held in an investment grade portfolio to be BB as rated by Moody's or an equivalent rating agency. The overall weighted average quality shall be AA or higher.

The City's Police and Firemen's Pension Fund requires a minimum quality rating for fixed income investments of BB- as rated by the S&P 500 or Ba3 as rated by Moody's.

As of June 30, 2008 all pension fund's fixed income investments ratings range from CCC to AAA by S&P and Caa to Aaa by Moody's. The ratings of less than BB- and Ba3 represents 71% and 84% of all pension funds investments, respectively. The minimum quality rating for equity investments is that the investment should have (a) at least five years of publicly held earnings history and be profitable (from continuing operations) in at least three of the last five years.

The City's Library Fund requires risk for equity funds investments not to exceed that of the S&P 500, and risk for fixed income investments not to exceed that of the Shearson Lehman Government Corporate Bond Index. As of June 30, 2008 this fund has government agency funds rated AAA by S&P.

##### **Concentration of Credit Risk**

The Employees' Retirement Fund states that the securities of an individual issuer, except the U.S. Government and agencies and sovereign nations and their agencies, shall not constitute more than five percent, at market value, of an investment manager's portfolio at any time.

The Police and Firemen's Pension Fund is invested utilizing various investment managers who's portfolios shall not own more than 10%, at cost, of any one issue and shall not own more than 10% of the outstanding issue of any one issuer. Mortgage backed securities portfolios shall not own more than 10% of an outstanding issue and such issue shall be at least \$50 million in face value.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 4 - Deposits and Investments (Continued)

#### Concentration of Credit Risk (Continued)

The Library Fund shall be balanced between equities and fixed income with approximately 60-70% in equities and 30-40% in fixed income. As of June 30, 2008 the Library Fund had 33% of the total fund invested in fixed income and 67% invested in equities.

#### Foreign Currency Risk

The Employee's Retirement Fund allows American Depository Receipts which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges in proportions which each investment manager shall deem appropriate.

The Police and Firemen's Pension Fund's target for international stocks is 13% and may also include stocks of emerging markets not to exceed 15% of the total international exposure.

The Library Fund allows for international equities to range from 10-15% of the total equity investments.

The City's exposure to foreign currency risk is as follows:

Fund	Investment	Currency	Maturity	Fair Value
Police & Firemen's Retirement	Govt. Agencies Corp. Bonds	Brazilian Real	12/9/08-1/10/28	\$ 1,124,376
	Govt. Bonds, Muni Bonds, Corp Bonds	Canadian Dollar	6/15/10-12/22/26	575,260
	Municipal	Australian Dollar	7/14/2009	279,303
	Corporate Bonds	Indonesian Rupiah	6/13/2011	267,648
	Corporate Bonds	Iceland Krona	1/28/2008	256,190
	Corporate Bonds	So. Korean Wan	9/16/2010	213,301
	Govt. Bonds, Cash	Mexican Peso	12/20/12-12/7/23	819,910
	Corporate Bonds	Malaysian Ringgit	4/18/2012	145,677
	Govt. Agencies, Corp. Bonds,	New Zealand Dollar	6/15/10-12/15/17	526,051
	Govt. Agencies, Corp. Bond	Singapore Dollar	2/19/09-2/26/09	883,629
				<u>\$ 5,091,345</u>

#### Component Unit Investments

As of June 30, 2008, the New Haven Parking Authority's sole investment was in a Federal Home Loan Mortgage Corp (FHLMC) Discount Note with a carrying cost of \$2,910,151 and a maturity date of November 5, 2008.

As of June 30, 2008, the Solid Waste Authority had restricted investments of \$3,587,964 in Money Market Mutual Funds.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 5 - Receivables and Payables

Receivables at June 30, 2008 were as follows:

	General	Community Development	Education Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
Property Taxes	\$ 6,853,636					6,853,636
Other	3,760,324	2,708,385	2,453,926	3,741,171	460,084	13,123,890
Intergovernmental	58,914,584	1,549,391	1,498,623	2,764,501	192,869	64,919,968
Gross Receivables	\$ 69,528,544	4,257,776	3,952,549	6,505,672	652,953	84,897,494
Allowance For Doubtful Accounts	3,751,974	784,708				4,536,682
Total Receivables, Net	\$ 65,776,570	3,473,068	3,952,549	6,505,672	652,953	80,360,812

The New Haven Parking Authority, a component unit, has accounts receivable which include amounts due from customers for monthly parking and from tenants under lease agreements. These receivables are due within one year and are net of a reserve for doubtful accounts of \$45,672. The reserve method is used by the Authority based on historical experience and review of existing receivables.

**Deferred Revenue** - Governmental Funds report deferred revenue and other liabilities in connection with receivables for revenue that is not considered to be available to liquidate liabilities in the current period. Governmental Funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the fiscal year, the components of deferred revenue and unearned revenues reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
General Fund:			
Current Property Taxes, Net	\$ 728,113		728,113
Delinquent Property Taxes, Net	1,375,343		1,375,343
Intergovernmental Grant Receivable	54,255,965		54,255,965
Other Major Funds:			
Intergovernmental Grants Received in Advance:			
Community Development		2,135,226	2,135,226
Nonmajor Governmental Funds:			
Intergovernmental Grants Received in Advance		318,676	318,676
Total	\$ 56,359,421	2,453,902	58,813,323

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 5 - Receivables and Payables (Continued)

Payables at June 30, 2008 were as follows:

	<u>Vendors</u>	<u>Payroll Benefits</u>	<u>Total</u>
General Fund	\$ 16,266,632	3,634,617	19,901,249
Community Development	1,575,577		1,575,577
Education Grants	1,994,904		1,994,904
Capital Projects	15,869,277		15,869,277
Other Governmental Funds	1,677,262		1,677,262
	<u>\$ 37,383,652</u>	<u>3,634,617</u>	<u>41,018,269</u>

### Note 6 - Loans Receivable

Loans receivable are loans dispersed from the Department of Housing and Urban Development grant proceeds and Economic Development Committee proceeds.

These loans consist of direct loans, which bear interest at rates ranging from 0.0 percent to 10.0 percent with maturities through June 2028.

Loans receivable, which are included in loans and accounts receivable in the accompanying combined balance sheet, consist of various loans totaling \$33,141,552, of which there is an allowance for collection losses equal to 100 percent of the total loans receivable as of June 30, 2008.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 7 - Internal Balances and Transfers

#### Internal Balances Receivables and Payables

As of June 30, 2008, internal amounts receivable from and payable to other funds were as follows:

	Receivables (Due From)	Payables (Due To)	Net Internal Balance Receivable (Payable)
Primary Government:			
General Fund (Includes Agency Funds)	\$ 39,411,980	18,945,233	20,466,747
Internal Service Funds	\$ 3,573,245	14,119,968	(10,546,723)
Employee Retirement Funds	\$ -	-	-
Special Revenue Funds:			
Major:			
Community Development	\$ 301,022	2,826,552	(2,525,530)
Education Grants	244,291	7,094,479	(6,850,188)
Other:			
Improvement		85,031	(85,031)
Human Resources	351,264	2,903,642	(2,552,378)
Redevelopment	69,458	4,444	65,014
Other	106,040	1,000,623	(894,583)
Total Special Revenue Funds	\$ 1,072,075	13,914,771	(12,842,696)
Debt Service	\$ 1,026,495	-	1,026,495
Other Expendable Trust Funds	\$ -	39,786	(39,786)
Capital Project Funds	\$ 10,640,331	8,607,908	2,032,423
Sub-Total	\$ 55,724,126	55,627,666	96,460
Enterprise Funds	\$ -	18,385	(18,385)
Total Primary Government	\$ 55,724,126	55,646,051	78,075
Component Units:			
Parking Authority General Fund	\$ -	78,075	(78,075)
Total Component Units	\$ 55,724,126	55,724,126	-

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Note 7 - Internal Balances and Transfers (Continued)**

**Transfers**

As of June 30, 2008, amounts transferred between funds were as follows:

<b>Transfer To</b>	<b>Transfers From</b>	
	<b>Enterprise Fund</b>	<b>Total</b>
General Fund	\$ 6,000,000	6,000,000
Capital Projects	110,000	110,000
<b>Total</b>	<b>\$ 6,110,000</b>	<b>6,110,000</b>

**Note 8 - Capital Assets**

Capital asset activity for the year ended June 30, 2008 is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases/ Transfers</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 44,140,306			44,140,306
Construction In Progress	315,350,911	121,091,700	40,292,761	396,149,850
Total Capital Assets, Not Being Depreciated	\$ 359,491,217	121,091,700	40,292,761	440,290,156
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 799,076,599	43,776,949		842,853,548
Land Improvements	14,612,002	135,555		14,747,557
Vehicles	38,468,351	1,801,256	680,700	39,588,907
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	15,337,185	1,291,280		16,628,465
Infrastructure	188,049,917			188,049,917
Total Capital Assets Being Depreciated	\$ 1,055,544,054	47,005,040	680,700	1,101,868,394
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 164,705,767	16,476,348		181,182,115
Land Improvements	14,015,672	458,249		14,473,921
Vehicles	32,384,756	1,284,413	680,700	32,988,469
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	11,114,752	454,378		11,569,130
Infrastructure	107,662,525	4,234,755		111,897,280
Total Accumulated Depreciation	\$ 329,883,472	22,908,143	680,700	352,110,915
Total Capital Assets, Being Depreciated, Net	\$ 725,660,582	24,096,897	-	749,757,479
<b>Governmental Activities - Capital Activities - Net</b>	<b>\$ 1,085,151,799</b>	<b>145,188,597</b>	<b>40,292,761</b>	<b>1,190,047,635</b>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 8 - Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 3,220,070	-	3,220,070	-
Total Capital Assets Being Depreciated	\$ 3,220,070	-	3,220,070	-
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,174,237	92,002	1,266,239	-
Total Accumulated Depreciation	\$ 1,174,237	92,002	1,266,239	-
Total Capital Assets, Being Depreciated, Net	\$ 2,045,833	(92,002)	1,953,831	-
<b>Business-Type Activities Capital Assets – Net</b>	<u>\$ 2,045,833</u>	<u>(92,002)</u>	<u>1,953,831</u>	<u>-</u>

**Current Period Depreciation Expense was Charged to Functions of the Primary Government  
as Follows:**

Governmental Activities:	
Education	\$ 14,274,832
General Government	582,915
Public Safety	1,101,067
Public Works	6,389,221
Culture and Recreation	560,108
<b>Total Depreciation Expense – Governmental Activities</b>	<u>\$ 22,908,143</u>

Business-Type Activities:	
Depreciation and Amortization:	
Transfer Station	\$ 92,002
<b>Total Depreciation Expense – Business-Type Activities</b>	<u>\$ 92,002</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 8 - Capital Assets (Continued)

Component Units:

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:					
Land	\$ 106,000				106,000
Construction In Progress	351,547	(2,713,970)	3,112,140		749,717
Total Capital Assets, Not Being Depreciated	\$ 457,547	(2,713,970)	3,112,140	-	855,717
Capital Assets Being Depreciated:					
Buildings & Improvements	\$ 74,934,721	2,754,392	6,000,000	365,297	83,323,816
Equipment And Motor Vehicles	4,326,638	84,807			4,411,445
Total Capital Assets Being Depreciated	\$ 79,261,359	2,839,199	6,000,000	365,297	87,735,261
Less: Accumulated Depreciation For:					
Buildings & Improvements	\$ 44,975,755		2,911,320	80,894	47,806,181
Equipment and Motor Vehicles	3,772,609		237,997		4,010,606
Total Accumulated Depreciation	\$ 48,748,364	-	3,149,317	80,894	51,816,787
Total Capital Assets, Being Depreciated, Net	\$ 30,512,995	2,839,199	2,850,683	284,403	35,918,474
Capital Assets, Net	\$ 30,970,542	125,229	5,962,823	284,403	36,774,191

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Note 8 - Capital Assets (Continued)**

**Construction Commitments:**

The City has the following major active construction projects as of June 30, 2008:

<b>Capital Project</b>	<b>Cumulative Authorization</b>	<b>Cumulative Expenditures</b>	<b>Remaining Construction Commitment Balance June 30, 2008</b>	<b>Expected Date of Completion</b>
Bishop Woods	\$ 37,000,000	5,622,610	31,377,390	08/01/09
Columbus School	36,100,000	31,054,512	5,045,488	08/01/08
Cooperative Arts & Humanity	70,200,000	53,314,884	16,885,116	01/18/09
Davis Magnet	30,400,000	1,985,765	28,414,235	08/01/10
East Rock	44,000,000	2,415,958	41,584,042	08/01/11
Hill Central	45,700,000	626,394	45,073,606	08/01/11
Metro Business Magnet	36,000,000	7,419,633	28,580,367	01/10/09
Roberto Clemente	37,840,492	4,377,508	33,462,984	09/01/10
Sheridan	39,000,000	21,564,204	17,435,796	08/01/11
UNH Science Academy	59,500,000		59,500,000	09/01/12
Worthington Hooker New	25,000,000	7,110,676	17,889,324	09/01/09
	<u>\$ 460,740,492</u>	<u>135,492,144</u>	<u>325,248,348</u>	

**Note 9 - Temporary Notes Payable**

The City of New Haven uses short-term notes payable in anticipation of bond issuances or grant receipts to provide interim fundings for various capital projects. Activity for the fiscal year for the Grant Anticipation Notes (GANs) are as follows:

	<b>Balance June 30, 2007</b>	<b>Issuances</b>	<b>Payments</b>	<b>Balance June 30, 2008</b>
GANs	\$ <u>64,950,000</u>	<u>84,663,000</u>	<u>80,825,000</u>	<u>68,788,000</u>

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 10 – Long-Term Liabilities

#### Changes In Long-Term Liabilities

A summary of changes in Long-Term Liabilities during the year ended June 30, 2008 is as follows:

	<u>Balance June 30, 2007</u>	<u>Issued/ Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2008</u>	<u>Within One Year</u>
<b>Government Activities:</b>					
Long-Term Debt:					
Bonds Payable	\$ 490,896,510	77,250,000	71,138,602	497,007,908	40,815,777
Notes Payable	4,810,000		890,000	3,920,000	-
Capital Leases	4,090,433		1,834,658	2,255,775	1,218,883
<b>Other Long-Term Liabilities:</b>					
Contractual Obligation – GNHWPCA	10,895,652	373,994	823,528	10,446,118	823,528
Compensated Absences	25,221,362	20,371,065	18,603,458	26,988,969	24,584,012
Accrued Workers’ Compensation	30,869,725	9,715,516	8,182,945	32,402,296	6,501,526
Unfunded Pension Obligation	11,803,148	1,003,268	610,880	12,195,536	631,183
Unfunded OPEB Obligations		27,776,000		27,776,000	27,776,000
Landfill Closure And Post Closure	1,950,000		150,000	1,800,000	150,000
Total Governmental Debt	<u>\$ 580,536,830</u>	<u>136,489,843</u>	<u>102,234,071</u>	<u>614,792,602</u>	<u>102,500,909</u>
<b>Component Unit Activities:</b>					
Long Term-Debt:					
Revenue Bonds	\$ 20,826,895		1,844,655	29,276,375	2,025,293
Capital Leases	251,689		69,980	181,709	66,773
Total Component Unit Debt	<u>\$ 21,078,584</u>	<u>-</u>	<u>1,914,635</u>	<u>29,658,084</u>	<u>2,092,066</u>

The reduction in the City’s General Obligation Bonds of \$71,138,602 includes the following:

Principal Payments on:	
Clean Water Bonds	\$ 16,307
General Obligation Bonds	38,857,295
Defeased Bonds	32,265,000
Total General Obligation Bonds Reductions	<u>\$ 71,138,602</u>

**CITY OF NEW HAVEN, CONNECTICUT****NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008**

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**Note 10 – Long-Term Liabilities (Continued)****A. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During the year, general obligation bonds totaling \$45,000,000 and revenue bonds of \$32,250,000 were issued.

General obligation bonds are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 15-year or 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose/Expiration</u>	<u>Interest Rate</u>	<u>Governmental Activity</u>
General Purpose Bonds		
Varying Expiration Dates Ranging From November 2002 to November 2028	3.25-9.50%	\$ 172,426,103
School Bonds		
Varying Expiration Dates Ranging From November 2002 to November 2028	0.34-9.50%	311,734,370
Urban Renewal Bonds		
Varying Expiration Dates Ranging From November 2002 to November 2028	3.25-9.50%	12,835,921
Sewer Bonds		
Varying Expiration Dates Ranging From November 2002 to November 2022	3.25-9.50%	11,514
		\$ 497,007,908
		40,815,777
Less Current Portion		\$ 456,192,131

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**Note 10 - Long-Term Liabilities (Continued)**

Annual debt service requirements to maturity for general obligation bonds, including the clean water interim funding obligation, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 40,815,777	21,550,446
2010	40,304,363	20,135,485
2011	36,334,426	18,469,632
2012	34,711,028	16,910,761
2013	34,484,240	15,380,253
2014 Through 2018	162,387,466	52,987,309
2019 Through 2023	118,800,608	19,170,863
2024 Through 2028	29,170,000	3,113,576
	<u>\$ 497,007,908</u>	<u>167,718,325</u>

The State of Connecticut reimburses the City for eligible principal and interest costs the of the capital improvement bond issues used for school reconstruction. The amount of such reimbursements for the year ended June 30, 2008 was approximately \$7,494,312. The City expects to receive \$54,255,965 in principal payments and \$17,064,447 in interest payments over the next 15 years.

Qualified Zone Academy Bonds (QZAB) were issued pursuant to Section 1397E of the Internal Revenue Code. As such, a tax credit will be offered to the security provider and the City receives a reduction in interest payments. The QZAB's are general obligation bonds and require that annual payments be made to an escrow account where the City is guaranteed a fixed interest rate. On the termination date, these payments, together with the interest earnings, will be used to satisfy the Bonds on the respected termination date. These bonds are included in general obligation bonds and the related debt service requirements. The City is guaranteed to earn \$1,927,399 in interest over the next ten years to be used to relinquish the principal portion of the debt during the current year; the escrow account earned \$165,954.

**Bonds Authorized/Unissued**

At June 30, 2008, the City had \$216,405,427 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2008.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 10 - Long-Term Liabilities (Continued)

#### **Advance and Current Refunding**

The City has issued general obligation refunding bonds to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments. As a result, these bonds were considered defeased and the liability has been removed from the governmental activities column of the statement of net assets.

During the year ended June 30, 2008, \$32,265,000 of the City's general obligation debt was defeased, and cumulative defeased debt outstanding is \$206,485,000.

#### **Conduit Debt**

The City has issued limited obligation industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Accordingly, the bonds and related receivables were not reported in the general purpose financial statements.

As of June 30, 2008, there were 6 series of limited obligation industrial bonds outstanding, with an aggregate principal amount of \$10,908,329.

#### **B. Revenue Bonds**

The Parking Authority, a component unit of the City, also issues bonds where the pledged income is derived from parking revenue. Through the Parking Authority, the City has \$19,290,000 of outstanding revenue bond debt at June 30, 2008 with an interest rate ranging from 3% to 5.375%.

The annual debt service requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,015,000	962,687
2010	2,110,000	859,562
2011	2,215,000	751,437
2012	2,330,000	633,444
2013	2,450,000	504,982
2014 through 2016	8,170,000	673,758
	<u>\$ 19,290,000</u>	<u>4,385,870</u>

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 10 - Long-Term Liabilities (Continued)

The Solid Waste Authority, a component unit of the City, also issued bonds to finance the acquisition of its wastewater system assets. Through the Solid Waste Authority, the City has \$10,294,135 of outstanding revenue bond debt at June 30, 2008 with an interest rate ranging from 4% to 5.375%.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$	482,513
2010		524,788
2011	385,000	524,788
2012	400,000	509,388
2013	415,000	493,388
2014 through 2018	2,370,000	2,180,663
2019 through 2023	3,025,000	1,529,938
2024 through 2028	3,699,135	651,720
	<u>\$ 10,294,135</u>	<u>6,897,186</u>

### C. Notes Payable

#### General Government

In addition to general obligation bonds, the City is liable for notes payable pledged under general obligations through the HUD Section 108 Loan Program.

The annual debt service requirements on the above debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$	92,263
2010	490,000	138,624
2011	520,000	124,119
2012	550,000	106,573
2013	585,000	85,940
2014 through 2017	1,775,000	141,372
	<u>\$ 3,920,000</u>	<u>688,891</u>

### D. Capital Leases

The City has entered into three lease agreements as lessee for the financing of energy conservation equipment. These equipment leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception. The interest rate varies on these leases from 2.695% to 4.29% per annum.

The following component unit has entered into lease agreements as the lessee.

The New Haven Parking Authority has entered into lease agreements as lessee to finance the electrical and lighting system improvements for the Crown Street Garage and a new revenue control system.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 10 - Long-Term Liabilities (Continued)

#### D. Capital Leases (Continued)

That agreement provides for monthly principal and interest payments of \$13,369 from September 2005 through May 2007 and principal payments plus interest of \$6,599 thereafter through December 2010. The interest rate is 4.187% per annum.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2008 were as follows:

Year Ending June 30,	General Government	Component Unit
		Parking Authority
2009	\$ 1,218,883	72,589
2010	645,806	79,188
2011	197,024	39,594
2012	197,025	
2013	119,318	
Total Minimum Lease Payments	\$ 2,378,056	191,371
Less Amount Representing Interest	122,281	9,662
Present Value of Minimum Lease Payment	\$ 2,255,775	181,709

#### Component Units:

The net book value of property under capital leases for the New Haven Parking Authority was \$300,017 at June 30, 2008. Depreciation expense on leased assets was \$71,010 for the year ended June 30, 2008.

### Note 11 - Fund Deficits

Certain individual funds had operating and/or fund balance deficits at June 30, 2008 as follows:

	Operating Deficit	Fund Balance Deficit
Major Governmental:		
Community Development	\$ 2,668,134	
Education Grants	2,175,786	
Capital Project Funds	1,300,281	45,533,590
Debt Service	3,800,000	
Non-Major Governmental:		
Improvement	219,307	
Human Resources	2,043,554	1,126,541
Redevelopment Agency	1,496,387	
Other Special Revenue Funds	79,451	
Permanent Funds	260,706	
Enterprise Funds:		
Transfer Station	2,022,812	
Skating Rink	82,861	
Internal Service Funds:		
Self-Insurance Reserve	2,421,368	16,569,048
Workers' Compensation	841,849	3,319,512
Fiduciary Funds:		
City Employees' Retirement Fund	12,424,707	
Policemen's and Firemen's Retirement Fund	23,995,676	
Other Retirement Fund	15,524	

## **CITY OF NEW HAVEN, CONNECTICUT**

### **NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008**

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#### **Note 11 – Fund Deficits (Continued)**

The Capital Projects Funds' deficits have arisen because either bonds authorized for these projects have not been issued or State funding for these projects has not been received. State reimbursement for eligible capital project expenses ranges from 78%-100% depending on the type of project. Reimbursement under those rates is not received in full until the project is complete and the necessary reports have been submitted to the State. The City has major school construction projects in process as of June 30, 2008.

The Special Revenue Funds' deficits should be reduced in future years as additional revenues are recognized by the funds or the general fund appropriates and transfers funds.

The Internal Service Fund deficit in the Self-Insurance Reserve Fund represents \$7.7 million of case reserves and approximately \$8.9 million in under-funded liability for the City. The City has increased its funding appropriation from \$1.7 million in 2005 to \$2.5 million in 2006, to \$2.5 million in 2007, and to \$2.8 million in 2008. There are long term plans for subsequent years' appropriations to be budgeted at similar appropriation amounts to 2007 and 2008 or higher.

The Internal Service Fund Deficit in the Workers' Compensation Fund has arisen from one claim. The City's Office of the Corporation Counsel has initiated subrogation in order to recoup the costs to the City. Fiscal year ended June 30, 2008 expenses for this claim totaled \$841,849.

#### **Note 12 – Employee Retirement Plans and Other Post-Employment Benefit Plans**

##### **Employee Pension Plans**

The City maintains two single employer contributory, defined benefit pension plans, the City Employees' Retirement Fund (CERF) and the Policemen's and Firemen's Retirement Fund. These funds cover substantially all City employees, including employees of the Water Pollution Control Authority (WPCA), (for employees benefits through August 29, 2005) and non-certified Board of Education employees. The City Employees' Retirement Fund was created in 1938. The Policemen's and Firemen's Retirement Fund was created in 1958 as a replacement for separate police and fire pension funds. The former Policemen's Relief Fund and the Firemen's Relief Fund were merged into the combined fund in 1990. Retirement benefits for certified teachers are provided by the Connecticut State Teachers' Retirement System. The City does not contribute to this Plan.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

Stand-alone plan reports are not available for these plans.

The individual plan net assets are as follows:

	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund
<b>ASSETS</b>				
Cash and Short – Term Investments	\$ 4,525,519	8,823,431	1,380,276	125,000
Interest and Dividends Receivables	241,563	929,275	2,996	
Accounts Receivable	1,943,377	7,052,519	315	
Investments, At Fair Value	192,638,735	267,451,879	123,790	
<b>Total Assets</b>	<b>\$ 199,349,194</b>	<b>284,257,104</b>	<b>1,507,377</b>	<b>125,000</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,426,598	4,717,864		
Accrued Liabilities	56,767	55,313		
<b>Total Liabilities</b>	<b>\$ 2,483,365</b>	<b>4,773,177</b>	<b>-</b>	
<b>NET ASSETS</b>				
Held In Trust For Pension Benefits	<b>\$ 196,865,829</b>	<b>279,483,927</b>	<b>1,507,377</b>	<b>125,000</b>

Individual changes in plan net assets were as follows:

	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund
<b>ADDITIONS</b>				
Contributions:				
Employer Contributions	\$ 10,396,025	15,000,000	98,850	14,475,148
Plan Members	3,351,890	5,999,590		3,305,376
Plan Members Buybacks	28,170	154,146		
<b>Total Contributions</b>	<b>\$ 13,776,085</b>	<b>21,153,736</b>	<b>98,850</b>	<b>17,780,524</b>
Investments Earnings:				
Net Increase (Decrease) In Fair Value Of Investments	\$ (6,593,591)	(22,551,340)	(138,236)	
Interest	1,650,815	5,109,547	55,390	
Dividends	1,131,544	3,420,968	10,274	
<b>Total Investment Income (Loss)</b>	<b>\$ (3,811,232)</b>	<b>(14,020,825)</b>	<b>(72,572)</b>	<b>-</b>
Less: Investment Expenses:				
Investment Management Fees	\$ 848,163	1,580,284		
Legal Fees	43,960	18,298		
Interest Expense		70,475		
<b>Net Investment Earnings</b>	<b>\$ (4,703,355)</b>	<b>(15,689,882)</b>	<b>(72,572)</b>	<b>-</b>
<b>TOTAL ADDITIONS</b>	<b>\$ 9,072,730</b>	<b>5,463,854</b>	<b>26,278</b>	<b>17,780,524</b>
<b>DEDUCTIONS</b>				
Benefits	\$ 21,497,437	29,459,530	41,802	17,655,524
<b>TOTAL DEDUCTIONS</b>	<b>\$ 21,497,437</b>	<b>29,459,530</b>	<b>41,802</b>	<b>17,655,524</b>
<b>Net Increase (Decrease)</b>	<b>\$ (12,424,707)</b>	<b>(23,995,676)</b>	<b>(15,524)</b>	<b>125,000</b>
<b>Net Assets – Beginning of Year</b>	<b>209,290,536</b>	<b>303,473,603</b>	<b>1,522,901</b>	
<b>Net Assets – End Of Year</b>	<b>\$ 196,865,829</b>	<b>279,483,927</b>	<b>1,507,377</b>	<b>125,000</b>

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

#### City Employees' Retirement Fund

##### Plan Description and Contribution Information

##### Plan Membership

Membership in each plan consisted of the following at the date of the latest actuarial valuation:

Division	Active Participants	Retired Participants and Spouses	Total
General City	904	711	1,615
Police and Fire	732	1,104	1,836
BOE	637	143	780
Teachers	1,629	644	2,273
Total	3,902	2,602	6,504

##### Plan Description

The City of New Haven is the administrator of a single employer Public Employee Retirement System (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a pension trust fund.

The City provides retirement benefits through a single employer, contributory, defined benefit plan. Under the Plan, all full time employees of the General Fund or Water Pollution Control Authority or full-time elected or appointed officers are eligible if, (1) hired before age 55 (age 60 for some employee groups); (2) not receiving benefits from or eligible for participation in any other pension plan of the City or the State of Connecticut; and (3) makes employee contributions. Employees are 100% vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned without interest. The retirement benefit is calculated at 2 percent of the participant's highest average pay for each year of service and fraction thereof up to 20 years plus 3% of highest average pay for each year of service and fraction thereof in excess of 20 thereafter subject to a maximum of 70% of highest average pay. Normal retirement age is: Age 60 or 65 (dependent on date of entry to the Plan) or earlier if the "Rule of 80" is satisfied. Benefits and contributions are established by the City and may be amended by the City.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

City Employees' Retirement Fund (Continued)

Plan Description and Contribution Information (Continued)

Contributions

Cafeteria Workers contribute 5% of all earnings, Public Works employees contribute 6.25% of all earnings, and all other employees contribute 6% of all earnings. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees.

Plan Changes

The latest actuarial valuation as of June 30, 2006 did not include any material changes in funding method or assumptions. The latest actuarial valuation as of June 30, 2006 reflects no material changes in plan provisions or coverage.

Supplementary Information  
Schedule of Funding Progress  
Based on the Actuarial Value of Assets

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)	
6/30/02	\$ 185,045,000	263,899,000	98,738,600	62.6	% 46,396,000	212.8	%
6/30/03	182,447,100	273,731,700	112,240,000	59.0	46,445,000	241.7	
6/30/04	182,582,100	288,616,500	111,630,800	61.3	48,792,000	228.8	
6/30/05	184,242,200	299,754,000	116,358,200	61.2	50,217,000	231.7	
6/30/06	188,229,400	315,802,400	127,067,600	59.8	52,217,000	243.3	
6/30/07	198,695,200	327,906,400	118,616,000	63.8	55,510,000	213.7	

Actuarial Assumptions and Methods

Reporting Date-End of Fiscal Year	6/30/2008
Latest Actuarial Valuation Date	6/30/2006
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent
Remaining Amortization Period	30 Year Open Period
Asset Valuation Method	Phase in of investment gains and losses, 20% per year for 5 years

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

City Employees' Retirement Fund (Continued)

Plan Description and Contribution Information (Continued)

Actuarial Assumptions and Methods (Continued)

Actuarial Assumptions:

Investment Rate of Return*	8.50%
Projected Salary Increases*	Age related scale with average of 4.70%
*Includes Inflation at	3.00%
Cost of Living Adjustments	3.00%

Turnover Assumption

The following are sample annual rates of turnover:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	12.0%	17.0%
30	9.0%	12.0%
40	6.3%	7.2%
50	2.2%	2.4%
60	2.0%	1.0%

Mortality Table RP-2000 Mortality Table projected to the valuation year plus 10 years with separate male and female tables and separate tables for active employees and annuitants.

Retirement Age The earlier of the Rule of 80 (minimum age 62) or age 65 with 10 years of service. Any active member who has reached the Assumed Retirement Age is assumed to retire immediately.

Disability Assumption

The following are sample annual rates of disability:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.029%	0.030%
30	0.048%	0.080%
40	0.117%	0.211%
50	0.358%	0.533%
60	1.256%	1.159%

Expenses Estimated to be \$100,000 per year.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 12 - Employee Retirement and Other Post-Employment Benefit Plans (Continued)

City Employees' Retirement Fund (Continued)

Plan Description and Contribution Information (Continued)

Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
2003	\$ 6,071,288	100%	6,071,288
2004	7,408,604	100%	7,408,604
2005	7,407,549	100%	7,407,549
2006	9,254,000	100%	9,254,000
2007	9,522,000	100%	9,522,000
2008	10,374,760	100%	10,374,760

The calculation of the change in the net pension obligation for the year ended June 30, 2008 follows:

Actuarially Required

1. Contribution (ARC)	\$ 10,374,760
2. Interest on NPO	130,440
3. Adjustment To (ARC)	(81,845)
4. Annual Pension Cost (APC)	\$ 10,423,355
5. Contribution Made	10,374,760
6. Increase In NPO	\$ 48,595
7. NPO Beginning of Year	1,534,585
8. NPO End of Year	\$ 1,583,180

Annual Pension Cost and Net Pension Obligation  
Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Actual Contribution</u>
6/30/06	\$ 9,299,658	99.5%	1,487,481	9,254,000
6/30/07	9,569,104	99.5%	1,534,585	9,522,000
6/30/08	10,423,355	99.5%	1,583,180	10,374,760

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 12 - Employee Retirement and Other Post-Employment Benefit Plans (Continued)

#### Policemen and Firemen Retirement Fund

##### Plan Description and Contribution Information

##### Plan Membership

Membership in each plan consisted of the following at the date of the latest actuarial valuation:

	June 30, 2006
Retirees and Beneficiaries Receiving Benefits	1,054
Terminated Plan Members Entitled To But Not Yet Received Benefits	1
Active Plan Members	738
Total	1,793

##### Plan Description

The City of New Haven is the administrator of a single employer Public Employee Retirement System (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a pension trust fund.

The City provides retirement benefits through a single employer, contributory, defined benefit plan. Under the Plan, all policemen and firemen are eligible. Employees are 100% vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned without interest. The retirement benefit is calculated at 2.5% of the participant's highest average pay for each year of service and fraction thereof up to 20 years plus 3% of highest average pay for each year of service and fraction thereof in excess of 20 thereafter subject to a maximum of 80% (83% for police) of highest average pay. Normal Retirement Age is after 20 years of continuous service. Benefits and contributions are established by the City and may be amended by the City.

##### Contributions

Fire members contribute 8.75% of all City earnings. (Effective July 1, 2006 police contribute 9.25% of all City earnings). In addition, policemen contribute 4.80% of extra duty earnings and firemen contribute 4.375% of extra duty earnings. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 12 - Employee Retirement and Other Post-Employment Benefit Plans (Continued)

Policemen and Firemen Retirement Fund (Continued)

Plan Description and Contribution Information (Continued)

Plan Changes

The latest actuarial valuation dated June 30, 2006 reflects no material changes in funding methods or actuarial assumptions.

The latest actuarial valuation dated June 30, 2006 reflects the following plan changes:

1. The increase in Police contributions from 8.75% to 9.75%, beginning July 1, 2006.
2. Fire average of total annual earnings for the 4 (previously 5) highest plan years of earnings or budgeted annual salary at time of retirement, whichever is greater.

The estimated impact of the above changes is an increase to the annual cost of 0.20% of payroll and decrease in funded ratio of 0.2%.

Supplementary Information  
(Required by GASB)  
Schedule of Funding Progress  
Based on the Actuarial Value of Assets

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a-b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/02	277,960,500	372,179,000	94,218,500	74.2%	48,897,000	192.5%
6/30/03	272,056,400	388,896,100	116,839,700	70.0%	51,856,000	225.3%
6/30/04	266,358,100	406,432,500	140,074,400	65.5%	51,385,000	272.6%
6/30/05	262,584,200	423,997,500	161,413,300	61.9%	53,854,000	299.7%
6/30/06	267,476,700	450,434,000	182,957,300	59.4%	52,998,500	345.2%
6/30/07	285,490,700	470,931,700	185,441,000	60.6%	64,713,000	286.6%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2003	8,970,280	100%	8,970,280
2004	10,404,000	100%	10,404,000
2005	11,028,000	100%	11,028,000
2006	12,871,000	100%	12,871,000
2007	13,481,000	100%	13,481,000
2008	15,000,000	100%	15,000,000

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

#### Actuarially Required

1. Contribution (ARC)	\$ 15,000,000
2. Interest on NPO	872,828
3. Adjustment To (ARC)	(529,035)
4. Annual Pension Cost (APC)	\$ 15,343,793
5. Contribution Made	15,000,000
6. Increase In NPO	\$ 343,703
7. NPO Beginning of Year	10,268,563
8. NPO End of Year	\$ 10,612,356

#### Actuarial Assumptions and Methods:

Reporting Date-End of Fiscal Year	6/30/2008
Latest Actuarial Valuation Date	6/30/2006
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent
Remaining Amortization Period	30 Year Open Period
Asset Valuation Method	Phase in of Investment Gains and Losses, 20% Per Year for 5 years
Actuarial Assumptions:	
Investment Rate of Return*	8.50%
Projected Salary Increases*	Age Related Scale With Average of 5.00%
*Includes inflation at	3.00%
Cost of Living Adjustments	1.50%

#### Turnover Assumption

The following are sample annual rates of turnover:

Age	Male	Female
20	4.00%	6.00%
30	3.00%	4.00%
40	1.20%	2.00%
50	0.00%	0.00%

**Mortality Table** RP- 2000 Mortality Table projected to the valuation year plus 10 years, for males and females, with blue collar adjustment for participants to allow for the excess mortality associated with the relatively more hazardous police and fire occupations. Separate tables are used for active members and annuitants.

**Retirement Age** Active members are assumed to retire after completing 25 years of actual service. Any participant who has reached the Assumed Retirement Age is assumed to retire immediately.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)**

**Policemen and Firemen Retirement Fund (Continued)**

**Plan Description and Contribution Information (Continued)**

**Disability Assumption**

The following are sample annual rates of disability:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.177%	0.104%
30	0.366%	0.299%
40	0.693%	0.535%
50	1.354%	1.327%
60	3.434%	2.469%

Expenses estimated to be \$100,000 per year.

**Annual Pension Cost and Net Pension Obligation  
Three-Year Trend Information**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Actual Contribution</u>
6/30/06	13,192,879	97.6%	9,935,907	12,871,000
6/30/07	13,813,656	97.6%	10,268,563	13,481,000
6/30/08	15,343,793	97.8%	10,612,356	15,000,000

**Custodians' and Engineers' Retirement Fund, Teachers' Retirement Fund and  
Special Widows' Relief Fund**

Contributions to the Custodians' and Engineers' Retirement Fund and Special Widows' Relief Fund are primarily based on the "pay as you go" method whereby the City contributes only those funds needed to pay current year benefit payments in excess of current year contributions made by City employees. Contributions are approved by the Board of Aldermen. This method is not an acceptable method of determining pension costs under accounting principles generally accepted in the United States Of America. Contributions made for the above funds for the year ended June 30, 2008 were \$98,850. The City does not contribute to the Teachers' Retirement Fund, a plan that was established to provide benefits to teachers hired prior to 1944, because investments, investment earnings and reimbursements from the State are sufficient to meet the benefit payments and other obligations.

## CITY OF NEW HAVEN, CONNECTICUT

### NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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#### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

##### Custodians' and Engineers' Retirement Fund, Teachers' Retirement Fund and Special Widows' Relief Fund (Continued)

##### Teachers' Retirement Plan

The faculty and professional personnel of the Board of Education participate in a retirement plan administered by the Connecticut State Teachers' Retirement Board.

##### Covered Employees

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

##### Vesting Requirements

A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60.

##### Pension Contribution Requirements/Amounts By State

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in sections 10-183l and 10-183z C.G.S. For the fiscal year ended June 30, 2008, \$2,518,560,263 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2008 did not contain information which would show the development of the State's actuarial cost by local school districts. The State's estimated total payroll was \$3,402,351,892. The State's appropriation represented 74% of the total estimated payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by section 10-183b(7) C.G.S. For the 2007-2008 school year 7.25% mandatory contributions were deducted from the salaries of teachers who were participants of the plan during that school year. The estimated covered payroll for The City of New Haven is \$116,367,618.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

#### Custodians' and Engineers' Retirement Fund, Teachers' Retirement Fund and Special Widows' Relief Fund (Continued)

#### Teachers' Retirement Plan (Continued)

For the year ended June 30, 2008 the following information is applicable to the City:

Total Number of Teachers Participating	<u>1,921</u>
Participant Contributions	<u>\$ 8,436,618</u>
On Behalf State Payments	<u>\$ 86,111,688</u>

#### Other Post-Employment Benefit Plans

##### Plan Description

The City of New Haven is the administrator of a single employer, contributory, defined benefit Other Post-Employment Benefits Plan (OPEB). The OPEB Plan provides medical coverage to eligible retirees and their spouses. The OPEB Plan also provides life insurance coverage to eligible retired School Administrators and Teachers. Eligibility under the plan varies depending on specific provisions for local unions. The OPEB is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a post-employment benefit trust fund.

##### Funding Policy

The obligations of the plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement. The City currently contributes enough money to the plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the plan are paid by the City.

The OPEB obtained its latest actuarial valuation as of June 30, 2007 upon which the annual required contribution for the fiscal year ended June 30, 2008 was determined based on a 5% discount rate.

#### Supplementary Information Schedule of Funding Progress Based on the Actuarial Value of Assets

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
7/1/07	\$ -	430,522,000	430,522,000	0%	272,235,306	158.1%

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

Actuarial Cost Method      The normal cost is the portion of the Actuarial Present Value of Future Benefits that a cost method allocates to the current plan year.  
Under the Projected Unit Credit Actuarial Cost Method, the normal Cost for plan benefits is the total of the individual Normal Cost for active participants. The cost method derives the Normal Cost for each active participant as the actuarial present value of the projected benefits that are attributed to expected service in the current year plan.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funding status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information 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 liabilities for benefits.

#### Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
2008	\$ <u>42,126,000</u>	<u>34.1%</u>	\$ <u>14,350,148</u>

#### Annual OPEB Cost and Net OPEB Obligation

The City's annual post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (arc). The City has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement 45 for employers in plans with more than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

The calculation of the change in the net OPEB obligation for the year ended June 30, 2008 follows:

<u>Actuarially Required</u>	
1. Contribution (ARC)*	\$ 42,126,000
2. Interest on NOO	-
3. Adjustment To (ARC)	-
4. Annual OPEB Cost (AOC)	\$ 42,126,000
5. Contribution Made	14,350,000
6. Increase In NOO	\$ 27,776,000
7. NOO Beginning of Year	-
8. NOO End of Year	\$ 27,776,000

Annual OPEB Cost and Net OPEB Obligation Three-Year Trend Information*				
Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation	Actual Contribution
6/30/08	\$ 9,299,658	34.1%	\$ 27,776,000	\$ 14,350,000

\* June 30, 2008 is the first year in which the ARC and Net OPEB obligation calculation has been completed.

### City Employees' Other Post-Employment Benefit Plan

#### Eligibility

Executive Management, local 3144; classified employees, local 884; locals 68 and 71; trade employees; and cafeteria workers, and local 217 are eligible for medical coverage upon meeting one of the following criteria:

- 1) 25 years of service or Rule of 80
- 2) 20 years with a service connected disability or
- 3) 15 years of service and meet total disability requirements of Social Security

Cafeteria workers must retire after 7/1/82 and still meet one of the eligibility requirements. Trade employee must retire after 7/1/87 and still meet one of the eligibility requirements.

Medical coverage is provided for the retiree and their spouse until they reach the age of 70, except for local 884 and local 68 who are covered through age 65. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 70, except for local 884 and local 68 who are covered through the date the retiree would turn age 65.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

#### City Employees' Other Post-Employment Benefit Plan (Continued)

##### Contributions

The cost of medical coverage for eligible retirees and their spouses is as follows:

**Executive Management, local 3144** – There is no retiree contribution for those who retired prior to July 1, 2001. Retirees on or after July 1, 2001 pay the same cost as an active participant at the time of retirement.

**Local 884, 68** – There is no retiree contribution for those who retired prior to June 1, 1998. Retirees on or after June 1, 1998 pay the same cost as an active participant at the time of retirement.

**Local 71** – There is no retiree contribution for those who retired prior to June 30, 1998. Retirees on or after June 30, 1998 pay a portion of the cost for medical coverage.

**Trade** - There is no retiree contribution for those who retired prior to June 30, 2004. Retirees on or after July 1, 2004 pay a portion of the cost for medical coverage.

**Cafeteria Workers, local 217** - There is no retiree contribution.

The actuarial assumptions as of July 1, 2007 applicable to City employees listed above are as follows as:

Mortality Basis	RP-2000 projected to the valuation year + 10 years with separate male and female tables and separate tables for active employees and annuitants
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Termination	<u>Sample Yearly Rates of Termination</u>		
	<u>Age</u>	<u>Male</u>	<u>Female</u>
	15	12.0%	17.0%
	20	12.0%	17.0%
	25	10.0 %	15.8%
	30	9.0%	12.0%
	35	8.0%	9.6%
	40	6.3%	7.2%
	45	4.4%	4.8%
	50	2.2%	2.4%
	55	2.0%	1.0%
	60	2.0%	1.0%

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

#### City Employees' Other Post-Employment Benefit Plan (Continued)

Disability	The assumed rates of disability are from the 1985 Pension Disability Table Class 1 professional administrative, supervisory, sales, and clerical occupations.	
Discount Rate	5.0% and 8.0%	
Medical Inflation	Claim costs and premiums are assumed to increase 12% for 2007, decreasing 1% per year to 5% for 2014 and later. It is assumed that annual fees and administrative expenses of \$580 per person would increase 4% per year.	
Aging Rate effect on Medical Costs	<u>Increase per year</u>	
	Up to 39	0.0%
	40-54	3.3%
	55-59	3.6%
	60-64	4.2%
	65-69	3.0%
	70-74	2.5%
	75-79	2.0%
	80-84	1.0%
Assumed Retirement Age	85-89	0.5%
	90+	0.0%
	Active members are assumed to retire on the earlier of 62 with 20 years or meeting the Rule of 80. Any member who has reached the Assumed Retirement Age is expected to retire immediately.	
Survivorship	85% of male employees and 65% of female employees are assumed married, wives are 2 years younger than husbands.	

#### Policemen and Firemen Other Post-Employment Benefit Plan

##### Eligibility

Policemen and Firemen are eligible for post-employment medical coverage when they meet 20 years of service and are eligible for full pension or are disabled from active service.

Medical coverage is provided for the retiree and their spouse until they reach the age of 70. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 70.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008**

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**Note 12 – Employee Retirement and Other Post-Employee Benefit Plans (Continued)**

**Policemen and Firemen Other Post-Employment Benefit Plan (Continued)**

**Contributions**

The cost of medical coverage for eligible retirees and their spouses is dependent on the medical plan selected and the coverage level as follows:

	<u>Century Preferred</u>	<u>Blue Care</u>	<u>Blue Care</u>
<b>Police - Individual</b>	\$59/mo.	\$45/mo.	
<b>Police – Employee and Spouse</b>	105/mo.	85/mo.	
<b>Fire - Individual</b>	55/mo.	45/mo.	\$40/mo.
<b>Fire – Employee and Spouse</b>	110/mo.	85/mo.	80/mo.

The actuarial assumptions as of July 1, 2007 applicable to Policemen and Firemen are as follows as:

Mortality Basis	RP-2000 projected to the valuation years + 10 years with separate male and female tables, with blue collar adjustment for participants only, and separate tables for active members and annuitants.
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Termination	<u>Sample Yearly Rates of Termination</u>		
	<u>Age</u>	<u>Male</u>	<u>Female</u>
	20	4.0%	6.0%
	25	4.0%	6.0%
	30	3.0%	4.0%
	35	2.0%	3.0%
	40	1.2%	2.0%
	45	0.6%	1.0%
	50	0.0%	0.0%

Disability	The 1985 Disability Pension Study, Class 4 hazardous occupations.
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Discount Rate	5.0% and 8.0%
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Medical Inflation	Claims and premiums are assumed to increase 12% for 2007, decreasing 1% per year to 5% for 2014 and later. It is assumed that fees and administrative expenses of \$580 per person would increase 4% per year.
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CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

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Note 12 – Employee Retirement and Other Post –Employment Benefit Plans (Continued)

Policemen and Firemen Other Post-Employment Benefit Plan (Continued)

Aging Rates Effect on Medical Costs	Increase per Year	
	Up to 39	0.0%
	40-54	3.3%
	55-59	3.6%
	60-64	4.2%
	65-69	3.0%
	70-74	2.5%
	75-79	2.0%
	80-84	1.0%
	80-89	0.5%
	90 +	0.0%

Assumed Retirement Age

Active members are assumed to retire after completing 25 years of actual service. Any member who has reached the Assumed Retirement Age is expected to retire immediately.

Survivorship

90% of employees and wives are two years younger than husbands.

School Administrators and Teachers Other Post-Employment Benefit Plan

Eligibility

Employees are eligible for medical and life insurance coverage upon meeting one of the following criteria:

- 1) Age 50 with 25 years of service
- 2) Age 55 with 20 years with a service or
- 3) Age 60 with 10 years of service

Medical coverage is provided for the retiree and their spouse until they reach the age of 65. For administrators and teachers hired before April 1, 1986, coverage may be continued for life if ineligible for Medicare. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 65.

The face amount of a life insurance policy for eligible Administrators and Teachers is \$75,000.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

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Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

School Administrators and Teachers Other Post-Employment Benefit Plan  
(Continued)

Contributions

Retirees pay a portion of the cost of medical coverage.

The actuarial assumptions as of July 1, 2007 applicable to School Administrators and Teachers are as follows as:

Mortality Basis	As used in the Connecticut State Teachers' Retirement System 2006 Pension Valuation; age 61 and under use the Pre-retirement rates; 62 and over the Post-retirement rates.
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Age	Male Rate	Female Rate
25	.0210%	.0109%
35	.0431%	.0249%
45	.0790%	.0527%
55	.1489%	.1316%
61	.3282%	.3029%
62	.4966%	.4596%
65	.7659%	.6953%
75	2.2802%	2.0100%
85	7.7020%	5.4696%
95	22.0697%	16.4072%
105	38.3040%	26.6044%
110	100.0000%	100.0000%

Termination	Service-Based Withdrawal Rates (until eligible to retire from Connecticut State TRS 2006 Pension Valuation)
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Service	Male Rate	Female Rate
0-1	.1400%	.1200%
1-2	.0850%	.0900%
2-3	.0550%	.0700%
3-4	.0450%	.0600%
4-5	.0350%	.0550%
5-6	.0250%	.0500%
6-7	.0240%	.0450%
7-8	.0230%	.0350%
8-9	.0220%	.0300%
9-10	.0210%	.0250%
10 +	Use age-related rates until eligible to retire	

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

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Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)

School Administrators and Teachers Other Post-Employment Benefit Plan  
(Continued)

Sample-Age Based Withdrawal Rates (until eligible to retire from  
Connecticut State TRS 2006 Pension Valuation)

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25-37	.0120%	.0350%
40	.0120%	.0230%
45	.0126%	.0140%
50	.0196%	.0125%
55	.0336%	.0160%
59 +	.0400%	.0190%

Disability                      None

Discount Rate                5.0% and 8.0%

Medical Inflation            Claims and premiums are assumed to increase  
12% for 2007, decreasing 1% per year to 5% for  
2014 and later. It is assumed that fees and  
administrative expenses of \$580 per person would  
increase 4% per year.

Aging Rates Effect on Medical Costs:

<u>Increase per Year</u>	
Up to 39	0.0%
40-54	3.3%
55-59	3.6%
60-64	4.2%
65-69	3.0%
70-74	2.5%
75-79	2.0%
80-84	1.0%
85-89	0.5%
90 +	0.0%

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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**Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)**

**School Administrators and Teachers Other Post-Employment Benefit Plan**  
(Continued)

Assumed Retirement Age:

	Eligible for Normal (Unreduced) Retirement (Age 60 & 20 Yrs Service) Or 35 Yrs Service)		Eligible for Early (Reduced) Retirement (age 55 and 20 Yrs of Service or 25 Yrs Service)	
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50-51	27.5%	15.0%	2.0%	2.0%
52	27.5%	15.0%	3.0%	4.0%
53	27.5%	15.0%	3.0%	4.5%
54	27.5%	15.0%	5.0%	5.5%
55	38.5%	30.0%	5.0%	7.5%
56	38.5%	30.0%	7.0%	8.5%
57	38.5%	30.0%	10.0%	9.5%
58	38.5%	30.0%	11.0%	10.0%
59	38.5%	30.0%	12.0%	10.0%
60	22.0%	20.0%		
61-62	25.3%	22.5%		
63-64	27.5%	22.5%		
65	36.3%	30.0%		
66-69	27.5%	30.0%		
70-79	100.0%	40.0%		
80	100.0%	100.0%		
	Survivorship		70% of males and 35% of females; wives are three years younger than husbands.	

**Component Unit**

**Parking Authority Pension Plan**

Non-union, full-time employees of the Authority who have attained the age of 21 may participate in a contributory money accumulated pension plan. The Authority's contributions are calculated using 15 percent of nonunion salaries. Employees may elect to voluntarily contribute up to 16 percent of their salary. Employees vest 20 percent in the employer contribution after each full year in the plan and are fully vested after five years of participation.

Total payroll for nonunion employees amounted to \$837,919 and the Authority's contributions amounted to \$127,719 for the year ended June 30, 2008.

## CITY OF NEW HAVEN, CONNECTICUT

### NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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The Authority also participates in the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Local 531 Pension Fund (the "Fund"). This Plan requires contributions to be made on behalf of all bargaining unit employees and all other employees on the payroll such as temporary and casual employees. Under the terms of the union agreement, the Authority's contributions to this Fund were based on 15.5 percent of union salaries.

The total payroll of all bargaining unit employees for the year ended June 30, 2008 amounted to \$3,122,567. The Authority's contributions for the year ended June 30, 2008 amounted to \$482,404.

#### Note 13 - Commitments and Contingencies

##### General Government

The City is a defendant in various liability claims and lawsuits relating to deaths and personal injuries, civil rights violations, contractual obligations and other matters, which are incidental to performing governmental functions. The City has determined that it is probable that it has potential liability of up to \$11.6 million for such claims. The City has accrued \$7.7 million in the self-insurance reserve internal service fund. But the self-insurance fund has a deficit of \$16.5 million; therefore, funding has not been provided for these potential liabilities (see Note 11 regarding fund deficits). The City's liabilities for claims and judgments were based on information available. It is reasonably possible that, as the cases evolve, the resulting estimates will be adjusted significantly in the near term.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed costs or claims, including amounts already received by the City, could become a liability of the City.

##### Operating Lease Agreements

The City leases office space under cancelable and non-cancelable operating leases with terms extending over the next one to nine years. As of June 30, 2008, total future minimum rental payments under these leases are as follows:

Year Ending June 30,	
2009	\$ 3,840,592
2010	2,639,831
2011	2,603,703
2012	1,497,184
2013	1,351,768
Thereafter	2,886,819
	<u>\$ 14,819,897</u>

Rent expense related to these agreements amounted to approximately \$3,976,830 for the year ended June 30, 2008.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

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Note 13 - Commitments and Contingencies (Continued)

Component Units

The New Haven Parking Authority is a defendant in another litigation arising in the ordinary course of business. In the opinion of the Parking Authority's management, based upon the advice of legal counsel, the ultimate liability, if any, with respect to these matters will not be material. The Parking Authority intends to defend itself vigorously against these actions.

Parking Authority Lease Agreements

By the terms of an agreement dated March 1, 1978, the air space occupied by the Air Rights Parking Facility is leased from the State of Connecticut by the City. The term of this lease is 45 years expiring in 2023 and contains two renewal options for 20 and 15 years, respectively. Under the terms of the lease, the Authority is obligated to make 300 parking spaces available to State of Connecticut Employees at specified rates.

The Parking Authority also leases the Granite Square Garage facility for a period of 25 years. The lease for the facility requires monthly rental payments which are based primarily upon the recovery of costs to finance the facility. The estimated monthly rent at June 30, 2008 is \$33,808.

The following is a schedule, as of June 30, 2008, of estimated future minimum rental payments for the next five years and thereafter, which are required of the Authority as lessee under this agreement:

Year Ending June 30,	
2009	\$ 405,695
2010	405,695
2011	405,695
2012	405,695
2013	405,695
2014 and Thereafter	<u>811,389</u>
	\$ <u>2,839,864</u>

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 13 - Commitments and Contingencies (Continued)

Total Parking Authority rental expense under cancelable and non-cancelable operating leases is included in the statement of revenues, expenses and changes in fund net assets and totaled \$814,706 for the year ended June 30, 2008.

The Parking Authority, as owner, or in its capacity as agent for the City, is also the lessor under the terms of various operating leases on property owned or operated by the Parking Authority. Such leases relate to the rental of commercial space located in the Crown Street, Temple-George, Air Rights Parking Facilities and commercial space, office space, and rail property within the Union Station Transportation Center. Leasing arrangements generally require monthly rental payments and include terms ranging from three to thirty years.

A schedule as of June 30, 2008 of minimum future rentals for the next five years on non-cancelable leases, where the Parking Authority, as owner or in its capacity as agent, is the lessor, is summarized as follows:

Year Ending June 30,	
2009	\$ 1,554,522
2010	1,487,307
2011	1,487,307
2012	853,279
2013	828,014
2014 and Thereafter	<u>2,874,279</u>
	<u>\$ 9,084,708</u>

The Parking Authority has entered into several long-term contracts for improvements to its parking facilities. As of June 30, 2008 there was approximately \$1,006,000 of commitments outstanding for improvements to unrestricted facilities and approximately \$2,293,000 of commitments outstanding for improvements to restricted facilities.

### Parking Authority – Air Rights Facility Revenue Refunding Bonds

On May 1, 2002, the Authority issued \$29,110,000 of 2002 Series Air Rights Parking Facility Revenue Refunding Bonds ("Series 2002") for the purpose of refunding outstanding Series 1991 bonds. The Series 2002 bonds bear interest at rates ranging from 3% to 5.375%. Interest is payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>. Principal payments are made on December 1<sup>st</sup>. The Series 2002 bonds require level annual debt service payments with the final payment due December 1, 2015. All issuance costs of the transaction, \$885,147 were paid from bond proceeds. The total amount deferred on refunding was \$2,656,510 consisting of unamortized Series 1991 bond issuance costs and discounts of \$2,038,410 and a call premium of \$618,100.

## **CITY OF NEW HAVEN, CONNECTICUT**

### **NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008**

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#### **Note 13 - Commitments and Contingencies (Continued)**

##### **Subsidies**

The City has historically subsidized various non-related party activities through General Fund expenditures for development. The amount subsidized for fiscal-year-ended June 30, 2008 was \$1.4 million which included \$410,400 for the Shubert Performing Arts Center, \$800,000 for Tweed-New Haven Airport, and \$135,000 for the PILOT Pen tennis tournament. The Shubert and Tweed-New Haven Airport also receive a favorable lease agreement of \$1 per year for occupying City owned property. These expenditures are approved annually by the Board of Alderman during the budgetary meetings.

#### **Note 14 - Closure and Post Closure Care Cost**

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The estimated total current cost of the landfill closure and post closure care, aggregating \$1,800,000, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfill as of June 30, 2008. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants.

#### **Note 15 - Risk Management**

The City is self-insured for property, general and automobile liability, workers' compensation and employee health. Workers' compensation and employee health are administered by private insurance companies. The City maintains a stop loss insurance coverage policy in the amount of \$1,000,000 for property, general and automobile liability.

The self-insured activities for general liability and medical benefits are accounted for in the Internal Service Funds. The workers compensation account is funded by the General Fund.

The City contracts with a private insurance company to administer workers' compensation claims and provide an actuarial estimate of claims payable as of June 30, 2008. The liability for workers' compensation and heart and hypertension not transferred and not expected to be paid with current available resources is reported in the long-term debt in the amount of \$32,402,296. Employee health claims are funded based on estimates by the City's insurance consultants and expenses are recognized as incurred. These amounts are recorded in the Internal Service Fund as operating revenues and expenses.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2008

**Note 15 - Risk Management** (Continued)

Claims arising from property, general and automobile liability are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

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

Self-Insurance Reserve Fund				
Fiscal Year Ended		Claims Payable July 1	Claims and Changes In Estimates	Claims Payable June 30
2008	\$	4,339,063	8,272,610	7,710,563
2007		5,864,098	1,934,447	4,339,063

Medical Self-Insurance Fund				
Fiscal Year Ended		Claims Payable July 1	Claims and Changes In Estimates	Claims Payable June 30
2008	\$	5,156,028	67,126,579	5,208,708
2007		5,090,030	62,840,164	5,156,028

Workers' Compensation Account				
Fiscal Year Ended		Claims Payable July 1	Claims and Changes In Estimates	Claims Payable June 30
2008	\$	30,869,725	9,715,516	32,402,296
2007		28,665,664	9,612,161	30,869,725

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 16 – Related Party Transactions

The City conducts activity with the New Haven Parking Authority (the "Parking Authority"). One of the individuals who serve on the Board of Commissioners of the Parking Authority is also an employee of the City. This individual monitors the functioning of the Parking Authority on behalf of the City and provides input from the City on various matters. All members of the Parking Authority's Board of Commissioners are appointed by the Mayor of New Haven.

Related party account balances at June 30 are as follows:

	<u>2008</u>	<u>2007</u>
Accounts Payable and Accrued Expenses to the City from the Authority	\$ <u>78,075</u>	<u>33,049</u>

In March 2004, the State of Connecticut transferred ownership of several surface lots operated by the Parking Authority to the City of New Haven. The Parking Authority continued to operate these lots under an annual license agreement with the City. The Parking Authority also operated the State Street Surface lots on behalf of the City.

Related Party Rental Expense of the Authority

	<u>2008</u>	<u>2007</u>
Under Air Rights	\$ 53,560	84,000
Dwight and Orchard	112,800	112,800
Howe and Dwight	24,500	84,000
State Street Surface Lots	11,987	13,194
Sherman and Tyler	24,000	8,000
Orchard and Sherman	3,613	
	\$ <u>230,460</u>	<u>301,994</u>

### Note 17 – Discontinued Operations – Component Units

#### New Haven Coliseum Authority

The New Haven Coliseum Authority (The Authority) ceased operations in August 2002. The majority of the assets were sold at public auction in previous years and the balance was disposed of upon the demolition of the Coliseum, which occurred during the fiscal year ending June 30, 2007.

# **CITY OF NEW HAVEN, CONNECTICUT**

## **NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008**

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### **Note 18 – Sale of Assets – Transfer Station**

In June 2008, the City entered into an Asset Purchase Agreement with the New Haven Solid Waste Authority. Under the agreement, the City sold its Transfer Station assets which were previously reported in the City's proprietary funds, to the Solid Waste Authority for \$6,000,000, and assigned all of its Transfer Station system responsibilities and liabilities to the Solid Waste Authority. In addition to its physical utility facilities, the transfer included all other assets consisting of contract rights, tangible property, easements, licenses, permits, rights-of-way, inventories, records, drawings, real estate, and other items as described in the Asset Purchase Agreement.

### **Note 19 – Subsequent Events**

#### **Risk and Uncertainties**

The City invests in various investment securities. Investment securities are exposed to various risk such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect investment account balances and the amounts reported in the statement of net assets.

#### **Bond Anticipation Notes**

On October 23, 2008, the City issued \$35,000,000 in bond anticipation notes (BAN's) maturing on March 17, 2009 at the interest rate of 4.50%. The BAN's were issued for various capital projects. General obligation bonds will be issued to pay off the BAN.

#### **Pronouncements Issued, Not Yet Effective**

The Government Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2008 that may impact future financial presentation.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2008

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### Note 19 – Subsequent Events (Continued)

- GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," issued December 1, 2006, will be effective beginning with its fiscal year June 30, 2009, but the liability should be measured at June 30, 2008 so that beginning net assets can be restated. This Statement identifies the circumstances under which a government would have to eliminate its expected outlays for pollution remediation if it knows a site is polluted, if the pollution poses an imminent danger to the public or the environment, if the government has violated a pollution prevention permit or license, if the government has been named as a responsible party for cleaning up the pollution, if the government has begun to clean up the pollution, and if the government is named in a lawsuit. In addition, it provides disclosure information about their pollution obligations associated with clean-up efforts.
- GASB Statement No. 51, "Accounting and Financial Reporting For Intangible Assets," issued June 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks and computer software. Intangible assets and more specifically easements are referred to in the description of capital assets in Statement No. 34 "Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments."

This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

- GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
<b>Current City Taxes:</b>				
Real Estate	\$ 151,710,821	151,710,821	152,600,375	889,554
Personal Property	17,513,675	17,513,675	16,460,025	(1,053,650)
Motor Vehicle	12,899,514	12,899,514	11,759,384	(1,140,130)
Supplemental	1,500,000	1,500,000	2,198,715	698,715
Current Interest	1,000,000	1,000,000	980,447	(19,553)
<b>Total Current City Taxes</b>	<u>\$ 184,624,010</u>	<u>184,624,010</u>	<u>183,998,946</u>	<u>(625,064)</u>
<b>Tax Collection Initiatives:</b>				
Real & Personal Property Initiatives	\$ -	750,000	-	(750,000)
<b>Total Tax Collection Initiatives</b>	<u>\$ -</u>	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
<b>Delinquent City Taxes:</b>				
Real & Personal Property	\$ 924,692	924,692	1,534,977	610,285
Interest & Penalties	924,692	924,692	831,097	(93,595)
<b>Total Delinquent City Taxes</b>	<u>\$ 1,849,384</u>	<u>1,849,384</u>	<u>2,366,074</u>	<u>516,690</u>
<b>Total Property Taxes</b>	<u>\$ 186,473,394</u>	<u>187,223,394</u>	<u>186,365,020</u>	<u>(858,374)</u>
<b>Education Grants:</b>				
Education Cost Sharing	\$ 138,518,140	136,503,376	134,383,737	(2,119,639)
State Aid for Construction & Reconstruction	7,621,959	7,621,959	7,557,868	(64,091)
School Transportation	4,487,220	4,133,215	4,034,840	(98,375)
Education of the Legally Blind	300,000	300,000	247,334	(52,666)
Health Services - Non-Public Schools	75,000	75,000	96,002	21,002
<b>Total Education Grants</b>	<u>\$ 151,002,319</u>	<u>148,633,550</u>	<u>146,319,781</u>	<u>(2,313,769)</u>
<b>Other Government Grants:</b>				
PILOT - State Property	\$ 6,700,416	4,850,077	4,812,020	(38,057)
PILOT - Colleges & Hospitals	43,851,336	38,696,653	38,690,375	(6,278)
Distressed Cities Exemption	200,000	200,000	306,511	106,511
Tax Relief for the Elderly Freeze	65,000	65,000	45,773	(19,227)
Homeowners Tax Relief - Elderly Circuit Breaker	400,000	400,000	446,205	46,205
Reimbursements for Low Income Veterans	65,000	65,000	51,943	(13,057)
Reimbursements for the Disabled	10,000	10,000	10,122	122
Low Income Tax Abatement Program	442,000	442,000	301,428	(140,572)
PILOT - Boats	33,783	33,783	33,783	-
PILOT - Machinery & Equipment	1,500,000	1,500,000	1,156,994	(343,006)
Shell Fish	37,861	38,912	38,192	(720)
Pequot Funds	10,978,265	10,481,810	10,284,066	(197,744)
Town Aid for Roads	663,351	613,026	613,026	-
One Time Surplus Revenue Sharing	-	-	-	-
<b>Total Other Government Grants</b>	<u>\$ 64,947,012</u>	<u>57,396,261</u>	<u>56,790,438</u>	<u>(605,823)</u>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues: (Continued)</b>				
<b>Licenses, Permits &amp; Other Fees:</b>				
Other Agencies	\$ 41,000	41,000	51,698	10,698
Map/Bid Documents	15,500	15,500	6,390	(9,110)
Office of Technology	6,000	6,000	1,911	(4,089)
Parks - Lighthouse Admissions & Concessions	136,500	136,500	169,312	32,812
Parks - Carousel & Building	7,000	7,000	4,277	(2,723)
Parks - Other Fees	49,000	49,000	50,721	1,721
Town Clerk/City Clerk	930,000	930,000	580,657	(349,343)
Police Service	115,000	115,000	126,237	11,237
Animal Shelter	7,000	7,000	5,950	(1,050)
Fire Service	40,000	40,000	34,061	(5,939)
Health Services	265,000	265,000	302,671	37,671
Registrar of Vital Statistics	295,000	295,000	462,283	167,283
Public Works - Public Space, Licenses & Permits	150,000	150,000	239,256	89,256
Public Works - Evictions	2,000	2,000	3,660	1,660
Residential Parking Permits	36,000	36,000	31,210	(4,790)
Traffic & Parking Meter Receipts	3,900,000	3,900,000	3,717,456	(182,544)
Building Inspections	8,200,000	8,200,000	9,939,060	1,739,060
High School Athletics	25,000	25,000	20,877	(4,123)
<b>Total Licenses, Permits &amp; Other Fees</b>	<b>\$ 14,220,000</b>	<b>14,220,000</b>	<b>15,747,687</b>	<b>1,527,687</b>
<b>Investment Income:</b>				
Interest Income	\$ 3,633,458	3,633,458	2,808,124	(825,334)
<b>Total Investment Income</b>	<b>\$ 3,633,458</b>	<b>3,633,458</b>	<b>2,808,124</b>	<b>(825,334)</b>
<b>Received From Fines:</b>				
Superior Court	\$ 7,000	7,000	46,234	39,234
Parking Tags	6,968,293	7,268,293	5,238,846	(2,029,447)
Police False Alarms/Registration	35,000	35,000	-	(35,000)
Public Works - Public Space Violations	12,000	12,000	6,300	(5,700)
Fines	75,000	75,000	24,683	(50,317)
<b>Total Received From Fines</b>	<b>\$ 7,097,293</b>	<b>7,397,293</b>	<b>5,316,063</b>	<b>(2,081,230)</b>
<b>Payment in Lieu of Taxes (PILOT):</b>				
Telecommunications Property Tax	\$ 1,733,833	1,059,679	1,103,864	44,185
South Central Regional Water Authority	691,487	691,487	797,463	105,976
Air Rights Garage - Temple Medical	32,955	32,955	48,283	15,328
52 Howe Street	50,000	50,000	57,030	7,030
Hospital of St. Raphael	8,993	8,993	9,603	610
Ninth Square	580,065	580,065	580,065	-
<b>Total Payment In Lieu of Taxes</b>	<b>\$ 3,097,333</b>	<b>2,423,179</b>	<b>2,596,308</b>	<b>173,129</b>
<b>Other Taxes &amp; Assessments:</b>				
Real Estate Conveyance Tax	\$ 2,722,000	2,222,000	1,417,909	(804,091)
Yale Payment For Fire Services	2,471,396	2,471,396	2,471,396	-
Air Rights Garage	183,333	183,333	200,000	16,667
<b>Total Other Taxes &amp; Assessments</b>	<b>\$ 5,376,729</b>	<b>4,876,729</b>	<b>4,089,305</b>	<b>(787,424)</b>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues: (Continued)</b>				
<b>Miscellaneous:</b>				
Parks Employee Rent	\$ 7,000	7,000	9,660	2,660
Misc. Community Development Rents	310,000	310,000	407,530	97,530
Parking Space Rent	4,600	4,600	4,180	(420)
Off Track Betting (OTB)	1,400,000	1,400,000	1,196,644	(203,356)
Controllers	950,000	950,000	545,647	(404,353)
Personal Motor Vehicles Reimbursements	30,000	30,000	24,606	(5,394)
Neighborhood Preservation Loan Payments	94,000	94,000	19,020	(74,980)
Welfare Department	19,000	19,000	19,195	195
Non - Profits	3,087,750	3,087,750	2,935,407	(152,343)
1-95 Highway Expansion	125,000	125,000	192,849	67,849
United Illuminating Rebate	500,000	500,000	120,237	(379,763)
GNHWPCA - PILOT	609,000	609,000	608,400	(600)
Sale of Capital Assets	-	12,500,000	10,626,918	(1,873,082)
<b>Total Miscellaneous Revenue</b>	<b>\$ 7,136,350</b>	<b>19,636,350</b>	<b>16,710,293</b>	<b>(2,926,057)</b>
 <b>Total Budgetary Revenues</b>	 <b>\$ 442,983,888</b>	 <b>445,440,214</b>	 <b>436,743,019</b>	 <b>(8,697,195)</b>

Budgetary Revenues are different from GAAP Revenue because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers Retirement System for Town Teachers are not budgeted.

86,111,688

Total Revenues and other financing uses as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.

\$ 522,854,707

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget (Positive)/ Negative
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Mayor and Administration	\$ 1,561,869	1,677,647	1,677,647	-
Board of Alderman	752,660	752,660	684,059	(68,601)
Corporation Counsel	2,156,814	2,156,814	1,990,690	(166,124)
Development	6,376,494	6,362,243	6,047,478	(314,765)
Finance	9,548,091	9,317,575	8,822,187	(495,388)
Tax and Assessors	667,585	674,598	674,534	(64)
General Government Other	1,217,001	1,294,174	1,156,838	(137,336)
Human Resources	950,966	950,966	922,193	(28,773)
Office of Technology	1,306,204	1,306,204	1,236,794	(69,410)
Liability - Self Insurance	4,450,000	4,450,000	4,219,561	(230,439)
<b>Total General Government</b>	<b>\$ 28,987,684</b>	<b>28,942,881</b>	<b>27,431,981</b>	<b>(1,510,900)</b>
<b>Public Safety:</b>				
Police	\$ 36,036,527	37,597,893	37,597,893	-
Fire	29,257,267	30,125,321	29,815,328	(309,993)
<b>Total Public Safety</b>	<b>\$ 65,293,794</b>	<b>67,723,214</b>	<b>67,413,221</b>	<b>(309,993)</b>
<b>Public Works:</b>				
Department of Public Works	\$ 14,148,758	14,177,080	12,598,359	(1,578,721)
Engineering	3,255,914	3,298,172	3,298,172	-
Traffic and Parking	2,034,028	2,048,279	2,048,279	-
<b>Total Public Works</b>	<b>\$ 19,438,700</b>	<b>19,523,531</b>	<b>17,944,810</b>	<b>(1,578,721)</b>
<b>Public Services:</b>				
Health & Welfare	\$ 7,708,252	7,708,252	7,408,779	(299,473)
<b>Total Public Services</b>	<b>\$ 7,708,252</b>	<b>7,708,252</b>	<b>7,408,779</b>	<b>(299,473)</b>
<b>Cultural &amp; Recreation:</b>				
Cultural & Recreation	\$ 9,424,753	9,455,305	9,367,840	(87,465)
<b>Total Cultural &amp; Recreation</b>	<b>\$ 9,424,753</b>	<b>9,455,305</b>	<b>9,367,840</b>	<b>(87,465)</b>
<b>Employee Benefits:</b>				
Pension, Medicare & Social Security	\$ 28,763,850	29,031,062	29,031,062	-
Employee Insurance	55,618,394	55,612,599	55,612,599	-
<b>Total Employees Benefits</b>	<b>\$ 84,382,244</b>	<b>84,643,661</b>	<b>84,643,661</b>	<b>-</b>
<b>Education</b>	<b>\$ 170,068,877</b>	<b>170,634,297</b>	<b>170,098,483</b>	<b>(535,814)</b>
<b>Total Education</b>	<b>\$ 170,068,877</b>	<b>170,634,297</b>	<b>170,098,483</b>	<b>(535,814)</b>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget (Positive)/ Negative
	Original	Final		
<b>Debt Service:</b>				
Principal	\$ 35,750,917	35,916,870	35,916,870	-
Interest	21,928,667	20,892,203	15,731,666	(5,160,537)
<b>Total Debt Service</b>	<u>\$ 57,679,584</u>	<u>56,809,073</u>	<u>51,648,536</u>	<u>(5,160,537)</u>
 <b>Total Expenditures</b>	 <u>\$ 442,983,888</u>	 <u>445,440,214</u>	 435,957,311	 <u>(9,482,903)</u>

Budgetary Expenditures are different from GAAP Expenditures because:

State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for Town Teachers are not budgeted.	<u>86,111,688</u>
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Total Expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.	<u>\$ 522,068,999</u>
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CITY OF NEW HAVEN, CONNECTICUT

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2008

	Special Revenue Funds		
	Improvement	Human Resources	Redevelopment Agency
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,324,859	2,591,823	465,676
Investments			
Receivables, Net	6,642	211,652	2,426
Receivables From Other Governments		117,903	
Due From Other Funds		351,264	69,458
<b>Total Assets</b>	<b>\$ 3,331,501</b>	<b>3,272,642</b>	<b>537,560</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 20,597	906,054	383,530
Accrued Liabilities		16,737	
Retainage Payable	24,421		
Due To Other Funds	85,031	2,903,642	4,444
Unearned Revenue	19,785		
Deferred Revenue	185,460		
Other Liabilities		572,750	9,744
<b>Total Liabilities</b>	<b>\$ 335,294</b>	<b>4,399,183</b>	<b>397,718</b>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	\$ 2,886,577	4,123,092	128,477
Unreserved	109,630	(5,249,633)	11,365
<b>Total Fund Balances</b>	<b>\$ 2,996,207</b>	<b>(1,126,541)</b>	<b>139,842</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,331,501</b>	<b>3,272,642</b>	<b>537,560</b>

**SCHEDULE 3**

<b>Special Revenue Funds</b>			<b>Permanent Funds</b>	<b>Total Non-major Governmental Funds (See Exhibit C)</b>
<b>Other</b>	<b>Other ETF</b>	<b>Total</b>		
3,266,052	1,440,629	11,089,039	556,517	11,645,556
	1,312,090	1,312,090	2,818,827	4,130,917
190,333	49,031	460,084		460,084
74,966		192,869		192,869
106,040		526,762		526,762
<u>3,637,391</u>	<u>2,801,750</u>	<u>13,580,844</u>	<u>3,375,344</u>	<u>16,956,188</u>
367,081		1,677,262		1,677,262
9,091		25,828		25,828
		24,421		24,421
1,000,623	39,786	4,033,526		4,033,526
		19,785		19,785
113,431		298,891		298,891
146,436	1,606,393	2,335,323	382,587	2,717,910
<u>1,636,662</u>	<u>1,646,179</u>	<u>8,415,036</u>	<u>382,587</u>	<u>8,797,623</u>
590,191		7,728,337		7,728,337
1,410,538	1,155,571	(2,562,529)	2,992,757	430,228
<u>2,000,729</u>	<u>1,155,571</u>	<u>5,165,808</u>	<u>2,992,757</u>	<u>8,158,565</u>
<u>3,637,391</u>	<u>2,801,750</u>	<u>13,580,844</u>	<u>3,375,344</u>	<u>16,956,188</u>

CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds		
	Improvement	Human Resources	Redevelopment Agency
<b>Revenues:</b>			
Intergovernmental	\$ 74,220	8,761,335	430,050
Investment Earnings	208	8,237	879
Other	45,410	2,471,671	
<b>Total Revenues</b>	\$ 119,838	11,241,243	430,929
<b>Expenditures:</b>			
Current:			
General Government			
Public Works	339,145		
Public Services		13,284,797	1,927,316
<b>Total Expenditures</b>	\$ 339,145	13,284,797	1,927,316
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (219,307)	(2,043,554)	(1,496,387)
<b>Other Financing Sources (Uses):</b>			
Transfer In	\$		
Transfer Out			
<b>Total Other Financing Sources (Uses)</b>	\$ -	-	-
<b>Net Change in Fund Balances</b>	\$ (219,307)	(2,043,554)	(1,496,387)
<b>Fund Balances - Beginning</b>	3,215,514	917,013	1,636,229
<b>Fund Balances - Ending</b>	\$ 2,996,207	(1,126,541)	139,842

SCHEDULE 4

Special Revenue Funds			Permanent Funds	Governmental Funds (See Exhibit D)
Other	Other ETF	Total		
3,609,471		12,875,076		12,875,076
22,230	10,043	41,597		41,597
2,623,090	201,337	5,341,508		5,341,508
6,254,791	211,380	18,258,181	-	18,258,181
6,334,242		6,334,242		6,334,242
		339,145		339,145
		15,212,113	260,706	15,472,819
6,334,242	-	21,885,500	260,706	22,146,206
(79,451)	211,380	(3,627,319)	(260,706)	(3,888,025)
		-		-
		-		-
-	-	-	-	-
(79,451)	211,380	(3,627,319)	(260,706)	(3,888,025)
2,080,180	944,191	8,793,127	3,253,463	12,046,590
2,000,729	1,155,571	5,165,808	2,992,757	8,158,565

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## CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2008

	<u>Self-Insurance Reserve</u>	<u>Medical Self-Insurance</u>	<u>Worker's Compensation</u>	<u>Total (See Exhibit G)</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,027,905	2,117,197	69,583	3,214,685
Receivables, Net		2,026,210	24,828	2,051,038
Due From Other Funds		3,573,245		3,573,245
Other Receivables				-
<b>Total Current Assets</b>	<u>\$ 1,027,905</u>	<u>7,716,652</u>	<u>94,411</u>	<u>8,838,968</u>
<b>Total Assets</b>	<u>\$ 1,027,905</u>	<u>7,716,652</u>	<u>94,411</u>	<u>8,838,968</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 20,117	912,180		932,297
Due To Other Funds	9,858,608	1,414,633	2,846,727	14,119,968
Accrued Estimated Healthcare Claims		5,208,708		5,208,708
Claims and Judgments	1,595,000			1,595,000
Other Liabilities	<u>7,665</u>	<u>181,131</u>	<u>567,196</u>	<u>755,992</u>
<b>Total Current Liabilities</b>	<u>\$ 11,481,390</u>	<u>7,716,652</u>	<u>3,413,923</u>	<u>22,611,965</u>
<b>Noncurrent Liabilities:</b>				
Claims and Judgments	<u>\$ 6,115,563</u>			<u>6,115,563</u>
<b>Total Liabilities</b>	<u>\$ 17,596,953</u>	<u>7,716,652</u>	<u>3,413,923</u>	<u>28,727,528</u>
<b>NET ASSETS</b>				
Unrestricted	<u>\$ (16,569,048)</u>		<u>(3,319,512)</u>	<u>(19,888,560)</u>
<b>Total Net Assets</b>	<u>\$ (16,569,048)</u>	<u>-</u>	<u>(3,319,512)</u>	<u>(19,888,560)</u>

## CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Self-Insurance Reserve</u>	<u>Medical Self-Insurance</u>	<u>Workers' Compensation</u>	<u>Total (See Exhibit H)</u>
<b>Operating Revenues:</b>				
Employer's Contribution	\$ 2,750,000	42,659,220	7,152,350	52,561,570
Charges For Services		7,174,310		7,174,310
Miscellaneous		3,194,113	188,746	3,382,859
<b>Total Operating Revenues</b>	<u>\$ 2,750,000</u>	<u>53,027,643</u>	<u>7,341,096</u>	<u>63,118,739</u>
<b>Operating Expenses:</b>				
Insurance Claims and Expenses	\$ 5,171,380	52,984,428	8,182,945	66,338,753
<b>Total Operating Expenses</b>	<u>\$ 5,171,380</u>	<u>52,984,428</u>	<u>8,182,945</u>	<u>66,338,753</u>
<b>Operating Income (Loss)</b>	<u>\$ (2,421,380)</u>	<u>43,215</u>	<u>(841,849)</u>	<u>(3,220,014)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment Earnings	\$ 12	-	-	12
<b>Change In Net Assets</b>	<u>\$ (2,421,368)</u>	<u>43,215</u>	<u>(841,849)</u>	<u>(3,220,002)</u>
<b>Net Assets - Beginning</b>	<u>(14,147,680)</u>	<u>(43,215)</u>	<u>(2,477,663)</u>	<u>(16,668,558)</u>
<b>Net Assets - Ending</b>	<u><u>\$ (16,569,048)</u></u>	<u><u>-</u></u>	<u><u>(3,319,512)</u></u>	<u><u>(19,888,560)</u></u>

## CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	Self-Insurance Reserve	Medical Self-Insurance	Workers' Compensation	Total (See Exhibit I)
<b>Cash Flows From Operating Activities:</b>				
City's Contribution	\$ 2,750,000	57,009,368	7,152,350	66,911,718
Cash Received From Users (Including Other Funds)		8,921,837		8,921,837
Internal Activity - Payments From (To) Other Funds	63,100	1,104,544	819,473	1,987,117
Claims and Other Expenses Paid	(1,789,644)	(70,483,425)	(8,182,944)	(80,456,013)
Other Receipts		3,194,113	180,028	3,374,141
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 1,023,456</b>	<b>(253,563)</b>	<b>(31,093)</b>	<b>738,800</b>
<b>Cash Flows From Investing Activities:</b>				
Interest and Dividends	\$ 12			12
<b>Net Cash Provided By Investing Activities</b>	<b>\$ 12</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>\$ 1,023,468</b>	<b>(253,563)</b>	<b>(31,093)</b>	<b>738,812</b>
<b>Balances - Beginning Of The Year</b>	<b>4,437</b>	<b>2,370,760</b>	<b>100,676</b>	<b>2,475,873</b>
<b>Balances - End Of The Year</b>	<b>\$ 1,027,905</b>	<b>2,117,197</b>	<b>69,583</b>	<b>3,214,685</b>
<b>Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities:</b>				
Operating Income (Loss)	\$ (2,421,380)	43,215	(841,849)	(3,220,014)
Change In Assets And Liabilities:				
(Increase) Decrease in Receivables, Net		(1,557,849)	(8,718)	(1,566,567)
(Increase) Decrease In Due From Other Funds		(308,127)		(308,127)
Increase (Decrease) In Accrued Estimated Healthcare Payments		52,680		52,680
Increase (Decrease) In Claims and Judgments	3,371,500			3,371,500
Increase (Decrease) In Accounts Payable and Other	10,236	103,847	1	114,084
Increase (Decrease) In Due To Other Funds	63,100	1,412,671	819,473	2,295,244
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 1,023,456</b>	<b>(253,563)</b>	<b>(31,093)</b>	<b>738,800</b>

## CITY OF NEW HAVEN, CONNECTICUT

 COMBINING STATEMENT OF EMPLOYEE RETIREMENT FUND NET ASSETS  
 FIDUCIARY FUNDS  
 AS OF JUNE 30, 2008

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Combined Employee Retirement Funds (See Exhibit J)
<b>ASSETS</b>					
Cash and Short - Term Investments	\$ 4,525,519	8,823,431	1,380,276	125,000	14,854,226
Interest and Dividends Receivable	241,563	929,275	2,996		1,173,834
Accounts Receivable	1,943,377	7,052,519	315		8,996,211
<b>Total</b>	<b>\$ 6,710,459</b>	<b>16,805,225</b>	<b>1,383,587</b>	<b>125,000</b>	<b>25,024,271</b>
<b>Investments, At Fair Value:</b>					
Government Agency	\$ 2,428,541	3,570,937			5,999,478
Government Bonds	2,687,424	9,121,285			11,808,709
Municipal Bonds		279,303			279,303
Government Mortgages	79	82,425			82,504
Indexed Linked Government Bonds		1,301,915			1,301,915
Government Issued Commercial Backed Mortgage Securities		18,569,382			18,569,382
Common Stock	152,316,883	168,683,087	123,790		321,123,760
Commercial Backed Mortgages		1,065,070			1,065,070
Corporate Bonds	31,387,484	30,490,693			61,878,177
Corporate Convertible Bond		394,199			394,199
Asset Backed Securities		794,029			794,029
Venture Capital Partnerships		32,293,551			32,293,551
Commodity - ETF	3,818,324				3,818,324
Non-Government Backed Bonds		806,003			806,003
<b>Total Investments</b>	<b>\$ 192,638,735</b>	<b>267,451,879</b>	<b>123,790</b>	<b>-</b>	<b>460,214,404</b>
<b>Total Assets</b>	<b>\$ 199,349,194</b>	<b>284,257,104</b>	<b>1,507,377</b>	<b>125,000</b>	<b>485,238,675</b>
<b>LIABILITIES</b>					
Accounts Payable	\$				7,144,462
Accrued Liabilities	2,426,598	4,717,864			112,080
<b>Total Liabilities</b>	<b>\$ 2,483,365</b>	<b>4,773,177</b>	<b>-</b>	<b>-</b>	<b>7,256,542</b>
<b>NET ASSETS</b>					
Held In Trust For Pension Benefits	\$ 196,865,829	279,483,927	1,507,377	125,000	477,982,133

## CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Combined Employee Retirement Funds (See Exhibit K)
<b>ADDITIONS</b>					
Contributions:					
Employer Contributions	\$ 10,396,025	15,000,000	98,850	14,475,148	39,970,023
Plan Members	3,351,890	5,999,590		3,305,376	12,656,856
Plan Members Buybacks	28,170	154,146			182,316
Total Contributions	\$ 13,776,085	21,153,736	98,850	17,780,524	52,809,195
Investment Earnings:					
Net Increase (Decrease) In Fair Value of Investments	\$ (6,593,591)	(22,551,340)	(138,236)		(29,283,167)
Interest	1,650,815	5,109,547	55,390		6,815,752
Dividends	1,131,544	3,420,968	10,274		4,562,786
Total Investment Income (Loss)	\$ (3,811,232)	(14,020,825)	(72,572)	-	(17,904,629)
Less: Investment Expenses:					
Investment Management Fees	848,163	1,580,284			2,428,447
Legal Fees	43,960	18,298			62,258
Interest Expense		70,475			70,475
Net Investment Earnings	\$ (4,703,355)	(15,689,882)	(72,572)	-	(20,465,809)
<b>TOTAL ADDITIONS</b>	\$ 9,072,730	5,463,854	26,278	17,780,524	32,343,386
<b>DEDUCTIONS</b>					
Benefits	\$ 21,497,437	29,459,530	41,802	17,655,524	68,654,293
<b>TOTAL DEDUCTIONS</b>	\$ 21,497,437	29,459,530	41,802	17,655,524	68,654,293
<b>Net Increase (Decrease)</b>	\$ (12,424,707)	(23,995,676)	(15,524)	125,000	(36,310,907)
<b>Net Assets - Beginning of Year</b>	209,290,536	303,479,603	1,522,901		514,293,040
<b>Net Assets - End of Year</b>	\$ 196,865,829	279,483,927	1,507,377	125,000	477,982,133

**CITY OF NEW HAVEN, CONNECTICUT**

**SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2008**

Total Tax Collections (Including Interest and Lien Fees)  
For The Year Ended June 30, 2008

Reimbursement For Revenue Loss On:  
Elderly Tax Relief

**Base**

	<u>General Purpose</u>	<u>Schools</u>
<b>Debt Limitation:</b>		
2 1/4 Times Base	\$ 419,424,284	
4 1/2 Times Base		838,848,569
3 3/4 Times Base		
3 1/4 Times Base		
3 Times Base		
7 Times Base		
<b>Total Debt Limitation</b>	<b>\$ 419,424,284</b>	<b>838,848,569</b>
<b>Indebtedness:</b>		
Bonds Payable	\$ 172,426,103	311,734,370
School Grants Receivable		(54,255,965)
Bonds Authorized and Unissued		216,405,427
<b>Total Indebtedness of the City</b>	<b>\$ 172,426,103</b>	<b>473,883,832</b>
<b>Component Unit Indebtedness:</b>		
New Haven Parking Authority	19,290,000	
New Haven Solid Waste Authority	10,294,135	
<b>Total Indebtedness</b>	<b>\$ 202,010,238</b>	<b>473,883,832</b>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ 217,414,046</b>	<b>364,964,737</b>

# SCHEDULE 10

\$ 186,365,020

45,773

\$ 186,410,793

<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total</u>
699,040,474	605,835,077	599,232,379	1,304,875,551
<u>699,040,474</u>	<u>605,835,077</u>	<u>599,232,379</u>	<u>1,304,875,551</u>
11,514	12,835,921		497,007,908 (54,255,965) 216,405,427
<u>11,514</u>	<u>12,835,921</u>	<u>-</u>	<u>659,157,370</u>
			19,290,000 10,294,135
<u>11,514</u>	<u>12,835,921</u>	<u>-</u>	<u>688,741,505</u>
<u>699,028,960</u>	<u>592,999,156</u>	<u>599,232,379</u>	<u>616,134,046</u>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
YEAR ENDED JUNE 30, 2008

Grand List Year	Balance Uncollected July 1 2007	Current Levy	Additions (Deletions)	Transfers To Suspense	Adjusted Tax Receivable
1991	\$ 64,131		(64,131)		-
1992	108,263		(5,911)		102,352
1993	127,652		(4,644)		123,008
1994	121,456		1,332		122,788
1995	126,213		1,331		127,544
1996	146,833		(8,396)		138,437
1997	119,031		(3,992)		115,039
1998	108,362		(4,135)		104,227
1999	107,214		(4,576)		102,638
2000	116,760		(4,576)		112,184
2001	177,094		(20,390)		156,704
2002	226,915		(5,508)		221,407
2003	330,114		(104,716)		225,398
2004	567,596		(137,321)		430,275
2005	3,435,666		136,387	(110,606)	3,461,447
Prior Years					
Total	\$ 5,883,300	-	(229,246)	(110,606)	5,543,448
2006	-	189,332,925	(3,090,297)	(351,931)	185,890,697
	<u>\$ 5,883,300</u>	<u>189,332,925</u>	<u>(3,319,543)</u>	<u>(462,537)</u>	<u>191,434,145</u>

**SCHEDULE 11**

<b>Collections</b>			<b>Balance Uncollected June 30, 2008</b>
<b>General Taxes</b>	<b>Interest and Fees</b>	<b>Total</b>	
		-	
103	(2,538)	(2,435)	102,249
103	(5,028)	(4,925)	122,905
110	(2,332)	(2,222)	122,678
123	(2,077)	(1,954)	127,421
1,045	2,175	3,220	137,392
1,569	2,672	4,241	113,470
1,577	2,402	3,979	102,650
3,079	2,395	5,474	99,559
10,456	10,196	20,652	101,728
29,566	29,281	58,847	127,138
30,670	20,671	51,341	190,737
53,129	16,049	69,178	172,269
212,851	81,810	294,661	217,424
2,146,711	331,408	2,478,119	1,314,736
2,491,092	487,084	2,978,176	3,052,356
182,089,417	836,362	182,925,779	3,801,280
184,580,509	1,323,446	185,903,955	6,853,636

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