

**CITY OF NEW HAVEN, CONNECTICUT**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

**CITY OF NEW HAVEN, CONNECTICUT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2006**

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**CITY OF NEW HAVEN, CONNECTICUT**  
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## LEVITSKY & BERNEY

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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, 2006, 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 Coliseum Authority, component units of the City, and the New Haven Water Pollution Control Authority, an enterprise fund, which represent 4.09 percent, 5.33 percent, and 3.31 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, the New Haven Coliseum Authority and the New Haven Water Pollution Control Authority, is based on the report of the other auditors.

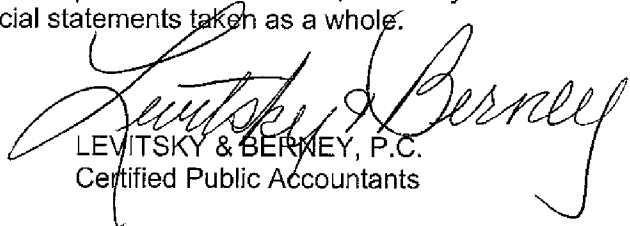
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the New Haven Parking Authority and the New Haven Water Pollution Control Authority were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 opinion.

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, 2006, 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 January 23, 2006, on our consideration of the City of New Haven, Connecticut's internal control over financial reporting and 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 conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 18 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

January 23, 2006



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



John DeStefano Jr.  
*Mayor*

Mark Pietrosimone  
*City Controller*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of New Haven's Management discussion and analysis for the fiscal year ending June 30, 2006 is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

### **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 decreased from a year ago by \$19.2 million to \$444.7 million. 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	
	2006	2005	2006	2005	2006	2005
Current And Other Assets	200,891,960	195,651,277	1,850,243	14,169,441	202,742,203	209,820,718
Capital Assets	984,228,743	882,558,219	2,137,835	126,428,211	986,366,578	1,008,986,430
<b>Total Assets</b>	<b>1,185,120,703</b>	<b>1,078,209,496</b>	<b>3,988,078</b>	<b>140,597,652</b>	<b>1,189,108,781</b>	<b>1,218,807,148</b>
Other Liabilities	163,642,828	146,374,484	368,711	262,301	164,011,539	146,636,785
Long-term debt outstanding	580,353,397	561,314,085	-	46,945,558	580,353,397	608,259,643
<b>Total Liabilities</b>	<b>743,996,225</b>	<b>707,688,569</b>	<b>368,711</b>	<b>47,207,859</b>	<b>744,364,936</b>	<b>754,896,428</b>
<b>Net Assets:</b>						
Invested in capital assets (net of Restricted)	475,295,189	392,890,484	2,137,835	79,659,170	477,433,024	472,549,654
Unrestricted	34,516,475	16,805,421	-	-	34,516,475	16,805,421
	(68,687,186)	(39,174,978)	1,481,532	13,730,623	(67,205,654)	(25,444,355)
<b>Total net Assets</b>	<b>441,124,478</b>	<b>370,520,927</b>	<b>3,619,367</b>	<b>93,389,793</b>	<b>444,743,845</b>	<b>463,910,720</b>

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	
	2006	2005	2006	2005	2006	2005
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	54,068,180	47,916,429	4,494,496	17,199,243	58,562,676	65,115,672
Operating Grants and Contributions	233,395,097	217,694,875	-	-	233,395,097	217,694,875
Capital Grants and Contributions	71,712,343	72,110,067	629,191	3,181,484	72,341,534	75,291,551
<b>General Revenues:</b>						
Property Taxes	170,130,655	151,508,587	-	-	170,130,655	151,508,587
Grants and Contributions not restricted to specific purposes	51,943,898	51,603,825	-	-	51,943,898	51,603,825
One Time Payments	-	6,000,000	-	-	-	6,000,000
Investment Earnings	3,642,522	2,075,304	46,204	189,515	3,688,726	2,264,819
Prior Period Adjustment	-	-	-	-	-	-
Transfers	27,242,000	7,310,000	(27,242,000)	(7,310,000)	-	-
<b>Total Revenues</b>	<b>612,134,695</b>	<b>556,219,087</b>	<b>(22,072,109)</b>	<b>13,260,242</b>	<b>590,062,586</b>	<b>569,479,329</b>
<b>Expenses:</b>						
<b>Program Expense:</b>						
General Government	37,857,972	33,331,449	-	-	37,857,972	33,331,449
Education	256,839,100	241,022,920	-	-	256,839,100	241,022,920
Public Safety	60,927,432	58,787,561	-	-	60,927,432	58,787,561
Public Works	24,219,150	24,064,622	-	-	24,219,150	24,064,622
Public Services	35,216,619	40,469,049	-	-	35,216,619	40,469,049
Employee Benefits and Insurance	73,886,275	68,942,717	-	-	73,886,275	68,942,717
Development	-	-	-	-	-	-
Health and Welfare	8,465,545	8,619,934	-	-	8,465,545	8,619,934
Culture and Recreation	-	-	-	-	-	-
Other	24,432,970	35,889,536	-	-	24,432,970	35,889,536
Interest on long-term Debt	19,686,081	23,593,036	-	-	19,686,081	23,593,036
Loss on Sale of WPCA Assets	-	-	63,729,855	-	63,729,855	-
WPCA	-	-	2,427,169	16,938,947	2,427,169	16,938,947
Other	-	-	1,541,293	1,047,428	1,541,293	1,047,428
<b>Total Expenses</b>	<b>541,531,144</b>	<b>534,720,824</b>	<b>67,698,317</b>	<b>17,986,375</b>	<b>609,229,461</b>	<b>552,707,199</b>
<b>Increase in Net Assets</b>	<b>70,603,551</b>	<b>21,498,263</b>	<b>(89,770,426)</b>	<b>(4,726,133)</b>	<b>(19,166,875)</b>	<b>16,772,130</b>
<b>Net Assets 6/30/05</b>	<b>370,520,927</b>	<b>349,022,664</b>	<b>93,389,793</b>	<b>98,115,926</b>	<b>463,910,720</b>	<b>447,138,590</b>
<b>Net Assets 6/30/06</b>	<b>441,124,478</b>	<b>370,520,927</b>	<b>3,619,367</b>	<b>93,389,793</b>	<b>444,743,845</b>	<b>463,910,720</b>

## Financial Highlights

- The City finished the FY 06 General Fund budget (primary operating fund) with an operating surplus of \$44,281.
- The City revised its FY 06 budget and received approval from the Board of Aldermen on December 19, 2005.
- In January, 2007, the City's FY06 general fund budget was further amended at the end of the fiscal year from \$393,724,085 to \$397,887,819.
- The City continued to improve on its Tax Collection Rate from 98.39% in FY 05 to 98.50% in FY 06 (see tables in Tax Collection section of this report for an historical overview).
- The City's mill rate increased to 42.53 (per thousand) in FY06 as compared to a FY05 mill rate of 39.53 (per thousand) (see tables in Tax Collection section of this report for an historical overview).
- The City's FY06, total gross taxable grand list increased slightly to \$4,172,791,142 (2004 GL) as compared to FY 05 total gross taxable grand list of \$4,101,236,254 (2003GL). The City's assessment deferral program reduced the Real Estate portion of the Grand list by approximately \$35,140,174 reducing taxes collectible by \$1,494,537.

### Grand List

The City's net Grand List is the net value of all property within the City of New Haven. The City's taxable Grand list history is displayed as follows:

<u>FY</u>	<u>TAXABLE GRAND LIST</u>	<u>EXEMPTIONS</u>	<u>NET GRAND LIST</u>
05-06	\$4,172,791,142	\$194,350,026	\$3,978,441,116
04-05	\$4,101,236,254	\$214,694,634	\$3,886,541,620
03-04	\$4,162,644,625	\$225,754,890	\$3,936,889,735
02-03	\$4,116,596,496	\$230,393,141	\$3,886,203,255
01-02	\$3,938,129,114	\$197,935,779	\$3,740,193,335
00-01	\$3,879,505,506	\$170,634,828	\$3,708,870,678
99-00	\$3,914,599,952	\$166,350,564	\$3,748,249,388
98-99	\$3,873,658,389	\$157,650,241	\$3,716,608,148

### 2004 Grand list

Real Estate Assessments of \$3,417,252,520 reflects a decrease of \$6,366,540 at the time of signing the Grand List 2004. By end of year, it was \$3,236,331,701. The reduction to the 2004 Grand List was expected due to pending court cases from the 2001 Grand List. The two most significant changes involved the property owned by PSEG Power Connecticut LLC, located at 5 Waterfront Street and the FBI building located at 26 Grove Street. The Personal Property assessment total of \$468,370,658 was actually an increase over the previous grand list year, however, due to exemptions the personal property component of the grand list ended at \$421,290,811. Motor Vehicle assessment increased to \$306,833,066 for the 2005 Grand list, up from \$281,853,241 with a net taxable amount of \$304,564,030.

Assessment deferrals for Grand List 2004 totaled \$35,140,174.

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.

An excellent example of the benefits of a positive fund balance occurred in FY03. During the FY03, the State of Connecticut implemented a mid-year revenue reduction to all Cities and towns resulting in the City losing \$4.4 million in budgeted revenue. That year, City officials requested and subsequently received approval from the Board of Aldermen to use \$3,721,029 of the Fund Balance to eliminate the operating deficit. Through the use of the Fund Balance, the City was able to meet its budgetary demands without a supplemental form of increased taxes.

The year ending audited Fund Balance for FY 06 is \$13,023,677, which reflects a .34% 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 \$49.5 million in general obligation bonds in February 06. To do so, the City's current financial health was reviewed by several rating agencies. At that time, the City maintained its ratings (as illustrated below) but Moody's Investor Services and Fitch Investor Services attached negative outlooks to those ratings citing the additional pressures on the City's fiscal management, City's reliance on one time revenue and reduced financial flexibility in the short term future.

In November, 2006 the City conducted a refinancing of some current bond obligations. Again, the City's financial health was reviewed by the various rating agencies. The rating review was successful as the three current ratings were maintained, and, the all three ratings agencies placed stable outlooks on the City's debt.

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 November 2006.

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 2006, the City refinanced \$69,750,000 in bonds maturing in the years 2014 through 2021. Based on that sale, the interest rates and prices obtained, the City will achieve a net present value debt services savings of \$2,021,635.56 on an aggregate principal amount of \$70,130,000 of previously issued General Obligation Bonds of the City, or 2.8829%.

City Of New Haven Fund Balance History:

<u>Fiscal Year</u>	<u>Fund Balance</u>
93-94	3,282,867
94-95	6,554,209
95-96	11,610,049
96-97	14,078,135
97-98	15,874,656
98-99	17,985,630
99-00	17,332,501
00-01	20,332,114
01-02	17,658,226
02-03*	12,503,197
03-04	12,948,501
04-05	12,979,396
05-06	13,023,677

\*mid year State Budgeted Revenue cuts necessitated the use of fund balance to balance FY 02-03 operating budget.

FY 06 General Fund Budget

The Board of Aldermen originally approved the FY 06 City General Fund Budget on May 23, 2005 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 06 budget and received approval from the Board of Aldermen on December 19, 2005. In January, 2007, the budget was further amended so that the final budget amount now equals \$397, 887,819.

About 40% of the total budget is for the Board of Education. Of the City's entire \$397,887,819 general funded budget, \$159,391,085 is budgeted for the Board of Education and \$238,496,734 is non-Education related.

Beginning in October 2005, City Administrators projected several deficit areas in the general fund budget. At the time expenditure controls were set in place to control spending in an effort to offset projected over expenditures. In January 2006, those controls were further tightened. In December 2005, City administrators began to report these problem areas in published monthly reports, as required by City Charter. Expenditure over runs were mostly expected in the labor contractually obligated and Civilian wellness areas of Police Overtime (approx. \$925,000), Fire Overtime (\$300,000), Health Benefits (\$1,100,000), Workers Compensation (\$500,000) and Public Works-Waste disposal (\$1,000,000). On the revenue side, higher than budget projections were realized in tax collections, about \$2,300,000; investment income, about \$1,600,000; real estate conveyance tax, about \$1,300,000 and building permit revenue, about \$2,200,000. The additional revenue recognized by the City was sufficient enough to offset the above listed expenditure over runs and a projected revenue shortfall in parking tags (\$3,700,000) so that the City balanced the fiscal year 2006 with a slight surplus of \$44,000, despite exceeding the expenditure side of the City's budget by over \$3 million.

The annual debt service obligation for the general fund in FY 06 was reduced by \$11,805,505 due to the proceeds generated by the asset sale of the City's New Haven Water Pollution Control Authority.

The following table illustrates the City's summary of operations for the City's General Fund for FY 99 through FY05:

City of New Haven Summary of Operations  
Fiscal Year 1999 to Fiscal Year 2005

	Fiscal Year 1999 (Audited)	Fiscal Year 2000 (Audited)	Fiscal Year 2001 (Audited)	Fiscal Year 2002 (Audited)	Fiscal Year 2003 (Audited)	Fiscal Year 2004 (Audited)	Fiscal Year 2005 (Audited)
<b>REVENUES</b>							
Property Taxes	\$ 137,335,273	130,011,614	133,758,527	134,571,868	146,401,025	151,484,011	154,152,809
Licenses, Permits and Other Charge	6,093,868	6,108,753	8,983,756	6,240,968	6,918,391	10,202,934	8,736,457
Federal and State Governments	176,474,431	183,933,786	196,076,728	200,176,791	187,053,063	187,085,418	188,974,472
Fines, Forfeitures and Penalties	1,793,086	1,853,383	1,992,954	2,247,776	2,869,056	2,282,090	3,736,640
Investment Income	2,405,710	2,430,790	2,129,758	512,696	885,891	748,993	1,597,216
Payment in Lieu of Taxes	-	-	-	-	-	3,262,738	3,021,734
Other Revenue	6,222,925	7,430,623	6,399,916	8,400,789	6,614,499	6,903,703	10,217,841
<b>Total Revenues</b>	<b>\$ 330,325,293</b>	<b>331,768,949</b>	<b>349,341,639</b>	<b>352,150,888</b>	<b>350,741,925</b>	<b>361,969,887</b>	<b>370,436,169</b>
<b>EXPENDITURES</b>							
General Government	\$ 12,892,367	14,428,762	15,065,084	14,023,098	19,259,447	17,460,362	16,736,124
Development	6,716,469	6,613,456	7,079,439	5,091,388	4,664,200	4,798,947	5,035,563
Public Safety	48,226,018	51,390,001	53,620,861	67,179,315	54,002,296	55,038,482	57,323,054
Public Works	11,973,864	12,768,457	13,552,710	13,733,855	15,523,562	15,446,675	15,684,406
Health & Welfare	6,108,976	6,481,953	7,055,619	8,192,492	7,355,917	6,655,735	6,980,100
Recreation	8,333,453	9,051,771	10,032,202	9,864,146	8,381,291	7,864,929	8,016,916
Education	135,326,076	147,581,642	150,798,608	156,947,934	150,712,891	153,608,236	156,634,755
Pension & Insurance	60,923,156	48,273,750	52,736,440	44,943,688	57,387,898	61,331,045	66,606,908
Other Expenditures	2,041,090	1,683,788	1,057,065	1,115,362	1,200,000	-	-
Capital Outlays	-	-	-	492,363	230,887	-	-
Debt Service	28,882,850	34,148,498	34,503,998	30,541,135	37,178,565	39,320,172	44,587,448
<b>Total Expenditures</b>	<b>\$ 321,424,319</b>	<b>332,422,078</b>	<b>345,502,026</b>	<b>352,124,776</b>	<b>355,896,954</b>	<b>361,524,583</b>	<b>377,605,274</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 8,900,974</b>	<b>(653,129)</b>	<b>3,839,613</b>	<b>26,112</b>	<b>(5,155,029)</b>	<b>445,304</b>	<b>(7,169,105)</b>
<b>OTHER FINANCING SOURCES(USES)</b>							
Proceeds from capital leases	\$ -	-	-	-	-	-	-
Proceeds from sale of bonds	-	8,350,000	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Payment of refunded bond escrow	-	-	-	-	-	-	-
Payment to insurance carrier	-	(8,350,000)	-	-	-	-	-
Retirement of Bonds	-	-	-	-	-	-	-
Operating transfers in	210,000	-	-	-	-	-	7,200,000
Operating transfers out	(7,000,000)	-	(840,000)	(2,700,000)	-	-	-
<b>Net other financing sources (uses)</b>	<b>\$ (6,790,000)</b>	<b>-</b>	<b>(840,000)</b>	<b>(2,700,000)</b>	<b>-</b>	<b>-</b>	<b>7,200,000</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing</b>	<b>\$ 2,110,974</b>	<b>(653,129)</b>	<b>2,999,613</b>	<b>(2,673,888)</b>	<b>(5,155,029)</b>	<b>445,304</b>	<b>30,895</b>
<b>FUND BALANCE (DEFICIT), beginning of the year</b>							
	\$ 15,874,656	17,985,630	17,332,501	20,332,114	17,658,226	12,503,197	12,948,501
<b>FUND BALANCE, end of year</b>	<b>\$ 17,985,630</b>	<b>17,332,501</b>	<b>20,332,114</b>	<b>17,658,226</b>	<b>12,503,197</b>	<b>12,948,501</b>	<b>12,979,396</b>

**City of New Haven  
General Fund  
Statement of Operations  
For Period Ending June 30, 2006**

<u>Revenues</u>	<u>Actual Amounts</u>
Taxes	\$ 171,146,909
Licenses, Permits & Other Charges	11,882,467
Federal & State Governments	193,043,035
Fines, Forfeitures & Penalties	2,601,679
Investment Income	3,258,299
Payment in Lieu of Taxes	2,595,622
Other Revenue	13,359,808
<b>Total Revenue</b>	<b><u>\$ 397,887,819</u></b>

<u>Expenses</u>	<u>Actual Amounts</u>
Tax & Assessors	\$ 518,806
Corporation Counsel	1,978,229
Cultural & Recreation	7,931,044
Debt Services	45,851,542
Development	5,187,039
Education	160,463,057
Employee Benefits	53,212,706
City Employee Retirement Fund	9,254,000
Police & Fire Retirement Fund	12,871,000
Engineering	2,174,445
Finance	4,657,144
Utilities	4,099,116
Liability Self Insurance	3,932,111
Fire Services	27,024,783
General Government	1,500,381
Human Resources	519,536
Health & Welfare	6,927,069
Mayor & Administration	1,207,155
Board of Alderman	607,181
Police Services	32,536,542
Public Works	12,203,935
Office of Technology	1,184,745
Traffic & Parking	2,001,972
Capital Outlay	-
<b>Total Expenses</b>	<b><u>\$ 397,843,538</u></b>

<b>Excess (deficiency) of revenue over Expenses</b>	<b><u>\$ 44,281</u></b>
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### 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 \$13,042,287. Of which, \$5.8 million is attributed to case reserves. Approximately \$7.242 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 \$12,575,022.

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, with longer term plans for subsequent years' appropriations to be budgeted at similar appropriation amounts as FY 06 and 07 or higher.

In addition, in order to further control or limit its liability, the City has initiated many risk related training programs over the last eight years 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. In addition, the City plans on purchasing additional personal liability insurance in November 2007.

#### 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 is balanced for the year ending June 30, 2006 despite an 8% increase in health insurance cost equaling \$4,057,034 of additional expenses. Total health benefit cost to the City for FY06 was \$53,263,971 as compared to FY05 costs, which was \$49,206,937. With the exception of prescription drug costs, the rise in cost from FY05 to FY06 was attributable mainly to an increase in utilization and to a lesser degree to an increase in cost per service. Prescription drugs experienced a larger increase in cost per service compared to an increase in utilization. Annually, the City solicits proposals from Insurance Companies interested in providing excess "stop loss" medical benefit insurance, however, cost/benefit analysis have not yet demonstrated a benefit to the City.

#### Worker's Compensation:

The Worker's Compensation account shows a deficit of \$2,086,344. This entire deficit belongs to one claim, which the City's Office of the Corporation Counsel has initiated subrogation to recoup these costs for the City. FY06 expenses for this claim were \$456,518. The City also purchases excess "stop loss" workers compensation insurance to limit its liability.

Asset Sale

On August 29, 2005 the City of New Haven as one of the constituent municipalities and the New Haven WPCA entered into an asset purchase agreement. Other constituent municipalities included the Towns of East Haven, Hamden and Woodbridge. The wastewater system assets of the Constituent Municipalities were sold to the Greater New Haven Water Pollution Control Authority in return for payment of \$54 million to the Constituent municipalities. The City of New Haven receives \$34,332,000. The City reflected \$7.2 in funds related to the assumption of employer pension obligations in Fiscal Year 05. The remaining balance of \$27,132,000 was transferred in fiscal year 06. The \$27,132,000 was placed in a trust to offset debt principal and interest payments in FY06 and forward.

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 City's bonds outstanding, as of June 30, 2006 totaled \$ 497,365,860 compared to June 30, 2005 total of \$525,278,746.

Bonds outstanding at year end	
June 30, 2004	\$500,848,442
June 30, 2003	\$428,682,276

The City retired \$26,600,990 in principal in FY 2006.

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

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 \$196,568,694 (as of June 30, 2006). The Police & Fire Retirement Fund (P&F) market value of plan assets has grown from \$115,987,200 (as of 6-30-92) to \$268,343,198 (as of June 30, 2006).

The Annual Pension Cost for the CERF is \$ 9,299,658 as compared to City contribution made of \$9,254,000 (see chart below). The Annual Pension Cost for the Policemen and Firemen pension fund is \$13,192,879 as compared to the City contribution of \$12,871,000 (see chart below).

There are 1,038 retirees and beneficiaries receiving benefits from CERF with 1,173 active plan members. There are 1,051 retirees and beneficiaries receiving benefits from P & F with 759 active plan members.

The funded ratio, which is defined to be the percentage that is obtained when the plan assets are divided by the total accrued liability of the plan, is listed below. Both funds experienced declines in their funded ratio.

**Funded Ratio**

<u>Fiscal Year</u>	<u>CERF</u>	<u>P &amp; F</u>
1994	69.3%	59%
1995	69.5%	55%
1996	72.6%	58%
1997	77.4%	63%
1998	85.6%	79%
1999	85.3%	82%
2000	81.2%	82%
2001	78.9%	66%
2002	70.1%	74.7%
2003	66.7%	70.0%
2004	63.3%	65.5%
2005	61.5%	61.9%

In addition, the annual funding percentage (the City's contribution share as a percentage of employee payrolls) has increased for both CERF, 14.66% in June 30, 2003 to 17.92% in June 30, 2004 and P&F, 20.07% in June 30, 2003 to 23.67% in June 30, 2004.

The following schedules illustrate the City's contribution to both CERF and P&F. The City has budgeted and contributed the actuarial recommended contribution rates as illustrated

**Schedule of City's Contributions**

**P & F**

<b>Year Ending</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Actual Contribution</b>
1997	\$ 9,574,000	100%	\$ 9,574,000
1998	\$ 10,477,000	100%	\$ 10,477,000
1999	\$ 10,600,000	100%	\$ 10,600,000
2000	\$ 8,433,000	100%	\$ 8,470,180
2001	\$ 8,629,112	100%	\$ 8,629,112
2002	\$ 8,814,347	100%	\$ 8,814,347
2003	\$ 8,965,000	100%	\$ 8,965,000
2004	\$ 10,404,000	100%	\$ 10,404,000
2005	\$ 11,028,000	100%	\$ 11,028,000
2006	\$ 12,871,000	100%	\$ 12,871,000

**CERF**

<b>Year Ending</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Actual Contribution</b>
1997	\$ 4,453,000	105%	\$ 4,670,621
1998	\$ 4,893,000	100%	\$ 4,893,000
1999	\$ 4,942,000	100%	\$ 4,942,000
2000	\$ 3,938,000	104%	\$ 4,105,976
2001	\$ 4,646,751	100%	\$ 4,646,751
2002	\$ 5,484,073	100%	\$ 5,484,073
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

Tax Collections

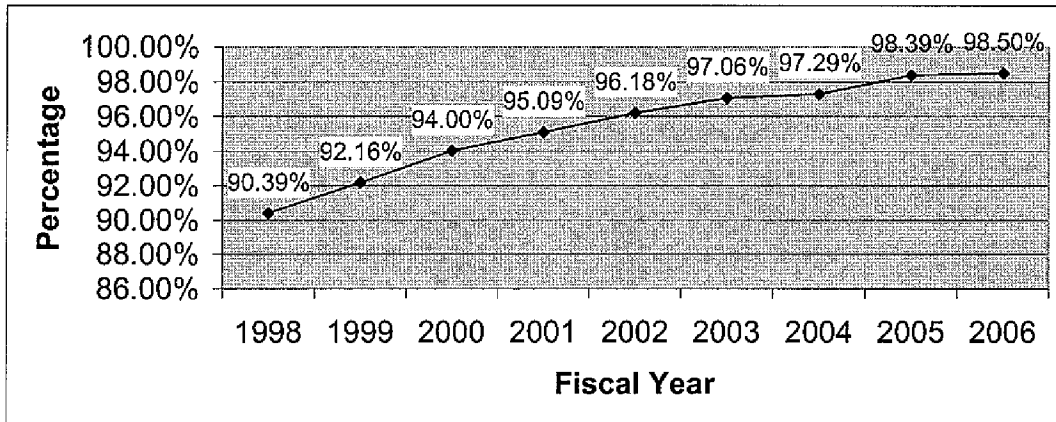
The City's tax collection rate for FY 06 has increased to 98.50% compared to last year's rate of 98.39%. This marks the highest collection rate in over twenty years and continues the trend of annual increases to eleven consecutive years.

Individually, real estate collections increased to 99.15% of the tax levy as compared to 98.82% for FY 05, personal property collections were 99.40% of the tax levy as compared to 98.98% for FY 05, Motor Vehicle collections were 92.52% of the tax levy as compared to 92.10 for FY 05. Only the supplemental motor vehicle tax collection rate had a decline to 84.62% of tax levy in FY 06 as compared to 90.49% in FY 05.

The table and graph below illustrates the City's improvement in current tax collections:

**Current Tax Collections  
For the last 9 years  
At June 30th**

Fiscal Year	Adjusted Tax Receivable	Collected during FY	Collection as % of Levy
1998 \$	135,028,037.00	\$ 122,046,164.00	90.39%
1999 \$	127,196,880.00	\$ 117,228,085.00	92.16%
2000 \$	127,622,084.00	\$ 119,969,598.00	94.00%
2001 \$	127,776,724.00	\$ 121,498,389.00	95.09%
2002 \$	129,216,697.00	\$ 124,285,757.00	96.18%
2003 \$	142,151,239.00	\$ 137,971,882.00	97.06%
2004 \$	149,550,639.00	\$ 145,503,999.00	97.29%
2005 \$	152,337,248.00	\$ 149,886,899.00	98.39%
2006 \$	166,035,275.00	\$ 165,513,357.00	98.50%



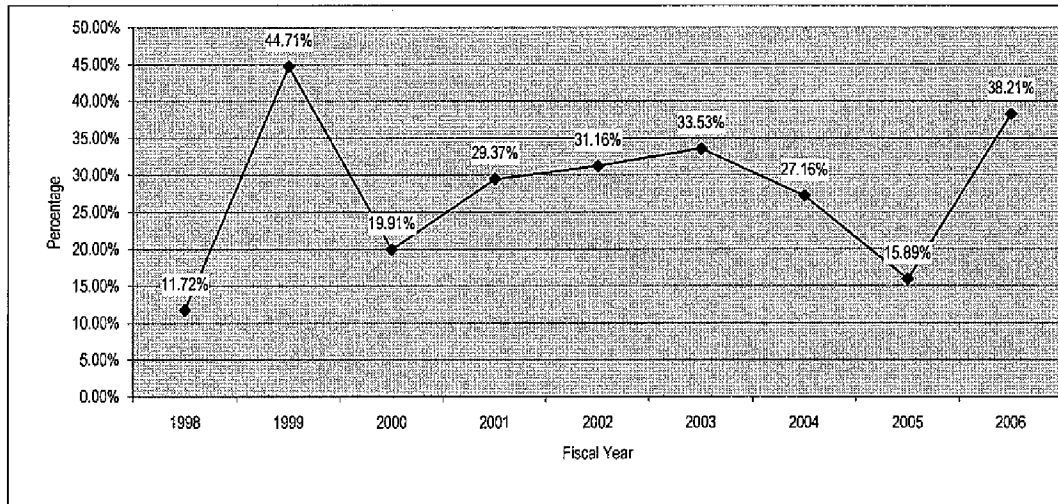
In November 1999 the City contracted with a collection agency to pursue the collection of delinquent real estate taxes. As of June 30, 2006 the City can cumulatively attribute to this arrangement over \$47,419,473.82 of past due current and delinquent real estate taxes collected. In FY 2005, the City pursued the administration of delinquent real estate taxes in house rather than to continue its contractual arrangement with its collection agency as the real estate delinquent tax portfolio has been cleared up considerably. The contractual arrangement continues for only the remainder of the portfolio of pre-2005 delinquencies.

The City still contracts with various vendors and attorneys for the collection of delinquent motor vehicle and personal property taxes. In addition, the delinquent motor vehicle tax program includes the towing of vehicles to enforce the collection of taxes.

The City's uncollected portion of the tax levy continues to drop as a result of the increased tax collection rate. In FY 06, the uncollected portion was \$2,474,648 as compared to FY 05 which had an uncollected portion of the tax levy equaling \$2,637,211.

**Delinquent Tax Collections  
For the last 9 years  
At June 30th**

Fiscal Year	Adjusted Delinquent Receivable	Delinquent Taxes Collected during FY	Collection as % of delinquent
1998	\$ 38,120,151.00	\$ 4,466,025.00	11.72%
1999	\$ 22,618,598.00	\$ 10,112,472.00	44.71%
2000	\$ 20,061,150.00	\$ 3,993,719.00	19.91%
2001	\$ 20,486,646.00	\$ 6,016,512.00	29.37%
2002	\$ 17,621,598.00	\$ 5,490,112.00	31.16%
2003	\$ 14,182,387.00	\$ 4,755,009.00	33.53%
2004	\$ 10,916,983.00	\$ 2,965,135.00	27.16%
2005	\$ 5,717,284.00	\$ 908,614.00	15.89%
2006	\$ 5,681,072.00	\$ 2,170,786.00	38.21%



Mill Rate:

The City's mill rate was increased in FY 06 to \$42.53 per thousand marking the fourth consecutive year in which there was a rate increase. The mill rate history is as follows:

<u>Fiscal Year</u>	<u>Mill Rate</u>
93-94	61.14
94-95	61.14
95-96	61.14
96-97	61.14
97-98	37.04
98-99	35.04
99-00	34.95
00-01	34.95
01-02	34.95
02-03	36.78
03-04	38.53
04-05	39.53
05-06	42.53

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, FY 06 Finance Committee Chairs Joseph H Jolly, Jorge Perez and Sergio Rodriguez 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

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CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
 JUNE 30, 2006

ASSETS	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total
Cash and Cash Equivalents	\$ 98,480,403	1,438,441	99,918,844
Investments	8,928,229		8,928,229
Receivables (Net of Allowance For Uncollectibles)	90,018,519	411,802	90,430,321
Inventories	218,236		218,236
Prepaid Expenses	3,246,573		3,246,573
Deferred Charges			-
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents			-
Capital Assets (Net of Accumulated Depreciation):			
Land	44,145,906		44,145,906
Building and System, Including Improvements	612,977,863	2,137,835	615,115,698
Improvements Other Than Buildings	1,772,669		1,772,669
Vehicles, Machinery and Equipment	10,044,889		10,044,889
Infrastructure	85,053,115		85,053,115
Construction In Progress	230,234,301		230,234,301
<b>Total Assets</b>	<b>\$ 1,185,120,703</b>	<b>3,988,078</b>	<b>1,189,108,781</b>

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

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<u>COMPONENT UNITS</u>	
<u>Parking Authority</u>	<u>Coliseum Authority</u>
8,850,196	177,444
561,865	
446,853	23,234
609,826	
9,594,439	
106,000	
29,315,603	
808,286	
189,662	
<u>50,482,730</u>	<u>200,678</u>



CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2006

LIABILITIES	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total
Accounts Payable And Accrued Liabilities	\$ 130,731,591	147,663	130,879,254
Accrued Interest Payable	3,460,198		3,460,198
Internal Balances	(233,243)	221,048	(12,195)
Deferred Revenue	4,356,961		4,356,961
Other Liabilities	25,327,321		25,327,321
Non-Current Liabilities:			
Due Within One Year	72,111,594		72,111,594
Due In More Than One Year	508,241,803		508,241,803
<b>Total Liabilities</b>	<u>\$ 743,996,225</u>	<u>368,711</u>	<u>744,364,936</u>
<b>NET ASSETS</b>			
Invested In Capital Assets, Net of Related Debt	\$ 475,295,189	2,137,835	477,433,024
Restricted For:			
Special Revenues	16,327,864		16,327,864
Permanent Funds	2,862,116		2,862,116
Debt Service	15,326,495		15,326,495
Other			
Unrestricted	(68,687,186)	1,481,532	(67,205,654)
<b>Total Net Assets</b>	<u>\$ 441,124,478</u>	<u>3,619,367</u>	<u>444,743,845</u>

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

---

<u>COMPONENT UNITS</u>	
<u>Parking Authority</u>	<u>Coliseum Authority</u>
1,674,264	221,960
99,282	
12,195	
	175,409
440,637	
1,970,040	37,621
20,996,897	
<u>25,193,315</u>	<u>434,990</u>
8,062,440	
8,641,775	
8,585,200	(234,312)
<u>25,289,415</u>	<u>(234,312)</u>

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 37,857,972	33,247,714	16,767,610	71,712,343
Education	256,839,100	5,042,960	216,627,487	
Public Safety	60,927,432	7,384,567		
Public Works	24,219,150	204,659		
Public Services	35,216,619	8,014,419		
Employee Benefits and Insurance	73,886,275			
Culture and Recreation	8,465,545	173,861		
Other	24,432,970			
Interest On Long-Term Debt	19,686,081			
<b>Total Governmental Activities</b>	<b>\$ 541,531,144</b>	<b>54,068,180</b>	<b>233,395,097</b>	<b>71,712,343</b>
Business-Type Activities:				
WPCA	\$ 2,427,169	2,919,286		629,191
Other	1,541,293	1,575,210		
<b>Total Business-Type Activities</b>	<b>\$ 3,968,462</b>	<b>4,494,496</b>	<b>-</b>	<b>629,191</b>
<b>Total Primary Government</b>	<b>\$ 545,499,606</b>	<b>58,562,676</b>	<b>233,395,097</b>	<b>72,341,534</b>
<b>Component Units:</b>				
Parking Authority	\$ 14,781,754	16,589,226		
Coliseum Authority	67,986		306,847	
<b>Total Component Units</b>	<b>\$ 14,849,740</b>	<b>16,589,226</b>	<b>306,847</b>	<b>-</b>

General Revenues:  
 Property Taxes  
 Grants & Contributions Not Restricted To Specific Programs  
 Loss on Sale of WPCA Assets  
 Investment Earnings  
 Transfers  
 Total General Revenues and Transfers

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	Coliseum Authority
83,869,695		83,869,695		
(35,168,653)		(35,168,653)		
(53,542,865)		(53,542,865)		
(24,014,491)		(24,014,491)		
(27,202,200)		(27,202,200)		
(73,886,275)		(73,886,275)		
(8,291,684)		(8,291,684)		
(24,432,970)		(24,432,970)		
(19,686,081)		(19,686,081)		
<u>(182,355,524)</u>	<u>-</u>	<u>(182,355,524)</u>	<u>-</u>	<u>-</u>
	1,121,308	1,121,308		
	33,917	33,917		
<u>-</u>	<u>1,155,225</u>	<u>1,155,225</u>	<u>-</u>	<u>-</u>
<u>(182,355,524)</u>	<u>1,155,225</u>	<u>(181,200,299)</u>	<u>-</u>	<u>-</u>
		-	1,807,472	
		-		238,861
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,807,472</u>	<u>238,861</u>
170,130,655		170,130,655		
51,943,898		51,943,898		
	(63,729,855)	(63,729,855)		
3,642,522	46,204	3,688,726	496,505	
27,242,000	(27,242,000)	-		
<u>252,959,075</u>	<u>(90,925,651)</u>	<u>162,033,424</u>	<u>496,505</u>	<u>-</u>
70,603,551	(89,770,426)	(19,166,875)	2,303,977	238,861
<u>370,520,927</u>	<u>93,389,793</u>	<u>463,910,720</u>	<u>22,985,438</u>	<u>(473,173)</u>
<u>441,124,478</u>	<u>3,619,367</u>	<u>444,743,845</u>	<u>25,289,415</u>	<u>(234,312)</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006**

<b>ASSETS</b>	<b>General</b>	<b>Community Development</b>	<b>Education Grants</b>
Cash and Cash Equivalents	\$ 47,328,706	10,302,227	6,670,796
Investments	1,965,380	2,922,511	
Receivables (Net of Allowance For Uncollectibles)	9,369,072	1,592,879	1,966,861
Receivables From Other Governments	69,152,129	1,915,582	2,964,771
Due From Other Funds	20,520,174	280,964	473,209
Inventories			218,236
<b>Total Assets</b>	<b>\$ 148,335,461</b>	<b>17,014,163</b>	<b>12,293,873</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 22,339,019	1,960,176	2,418,995
Accrued Liabilities	8,701,933		
Retainage Payable		55,936	
Due To Other Funds	19,875,702	700,885	6,557,643
Deferred Revenue	67,277,472	2,494,908	579,768
Temporary Loans And Notes Payable			
Other Liabilities	17,117,658	1,058,168	1,281,612
<b>Total Liabilities</b>	<b>\$ 135,311,784</b>	<b>6,270,073</b>	<b>10,838,018</b>

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

EXHIBIT C  
Page 1 of 2

Capital Project Funds	Debt Service	Other Governmental Funds	Total Governmental Funds
22,243,676		9,933,838	96,479,243
		4,040,338	8,928,229
1,725		443,546	13,374,083
1,397,223		71,768	75,501,473
76,984	15,326,495	198,120	36,875,946
			218,236
<u>23,719,608</u>	<u>15,326,495</u>	<u>14,687,610</u>	<u>231,377,210</u>
12,643,378		2,254,455	41,616,023
29,125		136,946	8,868,004
		140,921	196,857
65,195		2,446,231	29,645,656
20,560		1,035,058	71,407,766
72,191,000			72,191,000
769,919		1,683,964	21,911,321
<u>85,719,177</u>	<u>-</u>	<u>7,697,575</u>	<u>245,836,627</u>

CITY OF NEW HAVEN, CONNECTICUT

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006**

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	\$	8,778,362	
Debt Service			
Unreserved, Reported in:			
General Fund	13,023,677		
Special Revenue Funds		1,965,728	1,455,855
Capital Projects Funds			
Permanent Funds			
<b>Total Fund Balances</b>	<b>\$ 13,023,677</b>	<b>10,744,090</b>	<b>1,455,855</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 148,335,461</b>	<b>17,014,163</b>	<b>12,293,873</b>

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.

<u>Capital Project Funds</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
103,069,852	15,326,495	7,928,537	119,776,751 15,326,495
			13,023,677
(165,069,421)		(3,800,618)	(379,035)
		2,862,116	(165,069,421) 2,862,116
<u>(61,999,569)</u>	<u>15,326,495</u>	<u>6,990,035</u>	<u>(14,459,417)</u>
<u>23,719,608</u>	<u>15,326,495</u>	<u>14,687,610</u>	
			984,228,743
			(3,460,198)
			70,297,378
			(15,128,631)
			<u>(580,353,397)</u>
			\$ <u>441,124,478</u>



CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Revenues:</b>			
Property Taxes	\$ 171,146,908		
Licenses and Permits	11,883,627		
Intergovernmental	206,882,655	13,715,326	66,880,339
Charges for Services		2,565,496	991,931
Fines	4,673,454		
Investment Earnings	3,258,300	308,574	11
Payment in Lieu of Taxes	2,595,622		
Other	11,286,873	710,191	4,024,737
<b>Total Revenues</b>	<b>\$ 411,727,439</b>	<b>17,299,587</b>	<b>71,897,018</b>
<b>Expenditures:</b>			
Current:			
General Government	25,391,443		
Public Safety	59,561,325		
Public Works	16,380,352		
Public Services	6,927,069	14,389,935	
Culture and Recreation	7,931,044		
Employee Benefits and Insurance	75,337,706		
Education	174,302,677		72,049,906
Other Expenditures			
Debt Service:			
Principal	29,487,295	370,000	
Interest	16,364,247	360,252	
Capital Outlay:			
Other Capital Assets			34,298
<b>Total Expenditures</b>	<b>\$ 411,683,158</b>	<b>15,120,187</b>	<b>72,084,204</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>\$ 44,281</b>	<b>2,179,400</b>	<b>(187,186)</b>

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

<b>Capital Project Funds</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
			171,146,908
			11,883,627
71,712,343		12,228,934	371,419,597
			3,557,427
			4,673,454
		75,638	3,642,523
			2,595,622
207,430		5,333,205	21,562,436
<u>71,919,773</u>	<u>-</u>	<u>17,637,777</u>	<u>590,481,594</u>
		4,046,116	29,437,559
			59,561,325
		542,617	16,922,969
		13,899,615	35,216,619
			7,931,044
			75,337,706
			246,352,583
24,397,386		35,584	24,432,970
40,000	8,258,514		38,155,809
	3,546,991		20,271,490
<u>121,888,680</u>	<u></u>	<u>46,500</u>	<u>121,969,478</u>
<u>146,326,066</u>	<u>11,805,505</u>	<u>18,570,432</u>	<u>675,589,552</u>
<u>(74,406,293)</u>	<u>(11,805,505)</u>	<u>(932,655)</u>	<u>(85,107,958)</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Other Financing Sources (Uses):</b>			
Capital Related Debt Issued	\$		
Transfer In			
Transfer Out			
<b>Total Other Financing Sources (Uses)</b>	\$ -	-	-
<b>Net Change in Fund Balances</b>	\$ 44,281	2,179,400	(187,186)
<b>Fund Balances - Beginning</b>	<u>12,979,396</u>	<u>8,564,690</u>	<u>1,643,041</u>
<b>Fund Balances - Ending</b>	<u>\$ 13,023,677</u>	<u>10,744,090</u>	<u>1,455,855</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>
51,798,041			51,798,041
110,000	27,132,000	2,236,961	29,478,961
<u>(1,325,000)</u>		<u>(911,961)</u>	<u>(2,236,961)</u>
50,583,041	27,132,000	1,325,000	79,040,041
(23,823,252)	15,326,495	392,345	(6,067,917)
<u>(38,176,317)</u>		<u>6,597,690</u>	<u>(8,391,500)</u>
<u>(61,999,569)</u>	<u>15,326,495</u>	<u>6,990,035</u>	<u>(14,459,417)</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, 2006**

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Amounts reported for governmental activities in the statement of activities (Page 24) are different because:

Net change in fund balances - total governmental funds (Page 32)	\$ (6,067,917)
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.	101,670,524
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(5,588,899)
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.	(18,855,819)
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.	369,445
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>(923,783)</u>
Change in net assets of governmental activities (Page 24)	<u>\$ 70,603,551</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGETARY BASIS - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 168,036,910	171,146,908	171,146,908	-
Education Grants	139,797,292	140,480,173	140,480,173	-
Other Governmental Grants	52,199,509	52,562,862	52,562,862	-
Licenses Permits and Other	8,856,500	11,883,627	11,883,627	-
Investment Income	900,000	3,258,300	3,258,300	-
Received From Fines	5,729,000	4,673,454	4,673,454	-
Payments in Lieu of Taxes (PILOT)	3,278,053	2,595,622	2,595,622	-
Other Taxes & Assessments	3,862,986	5,037,956	5,037,956	-
Miscellaneous	10,471,300	6,248,917	6,248,917	-
<b>Total Revenues</b>	<b>\$ 393,131,550</b>	<b>397,887,819</b>	<b>397,887,819</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General Government	\$ 25,674,320	25,435,724	25,391,443	44,281
Public Safety	58,438,696	59,561,325	59,561,325	-
Public Works	15,551,487	16,380,352	16,380,352	-
Public Service	7,099,691	6,927,069	6,927,069	-
Cultural & Recreation	7,951,507	7,931,044	7,931,044	-
Employee Benefits	72,842,742	75,337,706	75,337,706	-
Education	159,721,565	160,463,057	160,463,057	-
Debt Service	45,851,542	45,851,542	45,851,542	-
Capital Outlay				-
<b>Total Expenditures</b>	<b>\$ 393,131,550</b>	<b>397,887,819</b>	<b>397,843,538</b>	<b>44,281</b>
<b>Excess of Expenses Over Revenue</b>	<b>\$ -</b>	<b>-</b>	<b>44,281</b>	<b>44,281</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>44,281</b>	<b>44,281</b>
<b>Fund Balance - Beginning</b>			<b>12,979,396</b>	
<b>Fund Balance - Ending</b>			<b>\$ 13,023,677</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, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Other	Totals	Activities
	Pollution Control Authority	Enterprise Funds		Internal Service Funds
ASSETS			Current Year	
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$	1,438,441	1,438,441	2,001,160
Accounts Receivable (Net Allowance For Uncollectibles)		411,802	411,802	1,106,975
Due From Other Funds		4,637	4,637	2,760,343
Other Receivables			-	35,988
<b>Total Current Assets</b>	\$	<u>1,854,880</u>	<u>1,854,880</u>	<u>5,904,466</u>
<b>Noncurrent Assets:</b>				
Capital Assets:				
Land	\$		-	
Building and System		3,220,070	3,220,070	
Less Accumulated Depreciation		(1,082,235)	(1,082,235)	
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	\$	<u>2,137,835</u>	<u>2,137,835</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	\$	<u>2,137,835</u>	<u>2,137,835</u>	<u>-</u>
<b>Total Assets</b>	\$	<u><u>3,992,715</u></u>	<u><u>3,992,715</u></u>	<u><u>5,904,466</u></u>

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, 2006

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Other Enterprise Funds	Totals Current Year	Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$	147,663	147,663	321,579
Due To Other Funds		225,685	225,685	9,757,390
Accrued Estimated Healthcare Claims			-	5,090,030
Claims and Judgments Payable			-	2,448,098
<b>Total Current Liabilities</b>	\$	<b>373,348</b>	<b>373,348</b>	<b>17,617,097</b>
<b>Noncurrent Liabilities:</b>				
Claims and Judgments Payable	\$		-	3,416,000
<b>Total Noncurrent Liabilities</b>	\$	<b>-</b>	<b>-</b>	<b>3,416,000</b>
<b>Total Liabilities</b>	\$	<b>373,348</b>	<b>373,348</b>	<b>21,033,097</b>
<b>Net Assets:</b>				
Invested In Capital Assets, Net Of Related Debt	\$	2,137,835	2,137,835	
Unrestricted		1,481,532	1,481,532	(15,128,631)
<b>Total Net Assets</b>	\$	<b>3,619,367</b>	<b>3,619,367</b>	<b>(15,128,631)</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  
 FOR THE YEAR ENDED JUNE 30, 2006

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Other Enterprise Funds	Totals	Internal Service Funds
<b>Operating Revenues:</b>				
Charges For Sales and Services:				
Sewer Charges	\$ 2,653,222		2,653,222	
Other Services	231,704	1,575,210	1,806,914	72,955,423
Miscellaneous	34,360		34,360	
<b>Total Operating Revenues</b>	<b>\$ 2,919,286</b>	<b>1,575,210</b>	<b>4,494,496</b>	<b>72,955,423</b>
<b>Operating Expenses:</b>				
Costs of Sales and Services	\$ 1,899,680	1,449,291	3,348,971	73,881,435
Bad Debts (Net of Recovery)	(286,211)		(286,211)	
Depreciation and Amortization	724,890	92,002	816,892	
<b>Total Operating Expenses</b>	<b>\$ 2,338,359</b>	<b>1,541,293</b>	<b>3,879,652</b>	<b>73,881,435</b>
<b>Operating Income</b>	<b>\$ 580,927</b>	<b>33,917</b>	<b>614,844</b>	<b>(926,012)</b>
<b>Non-Operating Revenues (Expenses):</b>				
Investment Earnings	\$ 42,924	3,280	46,204	2,229
Interest Expense	(88,810)		(88,810)	
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$ (45,886)</b>	<b>3,280</b>	<b>(42,606)</b>	<b>2,229</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ 535,041</b>	<b>37,197</b>	<b>572,238</b>	<b>(923,783)</b>
Capital Contributions - Tap Fees	629,191		629,191	
Transfers In			-	
Transfers Out	(27,132,000)	(110,000)	(27,242,000)	
<b>Change In Net Assets Before Extraordinary Items</b>	<b>\$ (25,967,768)</b>	<b>(72,803)</b>	<b>(26,040,571)</b>	<b>(923,783)</b>
<b>Extraordinary Items:</b>				
Loss on Sale of WPCA Assets	\$ (63,729,855)		(63,729,855)	
<b>Total Extraordinary Items</b>	<b>\$ (63,729,855)</b>	<b>-</b>	<b>(63,729,855)</b>	
<b>Change In Net Assets</b>	<b>\$ (89,697,623)</b>	<b>(72,803)</b>	<b>(89,770,426)</b>	<b>(923,783)</b>
<b>Total Net Assets - Beginning</b>	<b>89,697,623</b>	<b>3,692,170</b>	<b>93,389,793</b>	<b>(14,204,848)</b>
<b>Total Net Assets - Ending</b>	<b>\$ -</b>	<b>3,619,367</b>	<b>3,619,367</b>	<b>(15,128,631)</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, 2006

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>				
City's Contribution	\$ -		-	61,178,949
Cash Received From Users	1,846,491	1,613,118	3,459,609	8,723,360
Payments To Suppliers	(58,362)	(1,432,481)	(1,490,843)	
Payments To Employees	(153,315)		(153,315)	
Internal Activity-Payments From (To) Other Funds		111,048	111,048	2,148,016
Claims and Other Expenses Paid			-	(75,786,186)
Other Receipts			-	2,155,784
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ 1,634,814</u>	<u>291,685</u>	<u>1,926,499</u>	<u>(1,580,077)</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>				
Purchases And Construction of Capital Assets	\$ (1,085,527)		(1,085,527)	
Proceeds Received on Capital Grants	7,126		7,126	
Transfer to Purchasing Entity Upon Sale of Assets	(9,271,023)		(9,271,023)	
Principal Paid on Capital Debt	(274,581)		(274,581)	
Interest Paid on Capital Debt	(557,373)		(557,373)	
<b>Net Cash Used By Capital And Related Financing Activities</b>	<u>\$ (11,181,378)</u>	<u>-</u>	<u>(11,181,378)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>				
Interest And Dividends	\$ 42,924	3,280	46,204	
<b>Cash Flows From Investing Activities</b>	<u>\$ 42,924</u>	<u>3,280</u>	<u>46,204</u>	<u>-</u>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<u>\$ (9,503,640)</u>	<u>294,965</u>	<u>(9,208,675)</u>	<u>(1,580,077)</u>
<b>Cash And Cash Equivalents - Beginning</b>	<u>9,503,640</u>	<u>1,143,476</u>	<u>10,647,116</u>	
<b>Cash And Cash Equivalents - Ending</b>	<u>\$ -</u>	<u>1,438,441</u>	<u>1,438,441</u>	<u>(1,580,077)</u>

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, 2006

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>				
Operating Income or (Loss)	\$ 580,927	33,917	614,844	(926,012)
<b>Adjustments to Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities:</b>				
Depreciation and Amortization Expense	\$ 724,890	92,002	816,892	
Transfer In (Out)		(110,000)	(110,000)	
Loss on Disposal of Fixed Assets			-	
Provision For Uncollectible Accounts	(286,211)		(286,211)	
<b>Change in Assets and Liabilities:</b>				
(Increase) Decrease In Accounts Receivable, Net	(702,531)	37,908	(664,623)	(897,630)
(Increase) Decrease In Other Assets	(84,053)		(84,053)	
(Increase) Decrease In Due From Other Funds		(4,637)	(4,637)	(106,917)
Increase (Decrease) In Accounts Payable	972,782	16,810	989,592	(1,248,319)
Increase (Decrease) In Accrued Expenses	371,935		371,935	(1,616,862)
Increase (Decrease) In Accrued Estimated Healthcare Payments				960,430
Increase (Decrease) In Compensated Absences	57,075		57,075	
Increase (Decrease) In Due To Other Funds		225,685	225,685	2,254,933
Total Adjustments	\$ 1,053,887	257,768	1,311,655	(654,365)
<b>Net Cash Provided (Used) By Operating Activities</b>	\$ 1,634,814	291,685	1,926,499	(1,580,377)
<b>Non-Cash Investing, Capital and Financing Activities:</b>				
During the Fiscal Year the City's Capital Project Funds Received and Expensed Monies on Behalf of the WPCA as follows:				
Proceeds of Issuance of Long Term-Debt	\$ 61,885		61,885	
Sale of Assets to Greater New Haven Water Pollution Control Authority, Net of \$2,667,295 Due From Other Funds	(24,464,705)		(24,464,705)	
Capital Contributions	622,065		622,065	
Purchases of Property And Equipment And Payments For Bond Issuance Costs	(306,620)		(306,620)	

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

## CITY OF NEW HAVEN, CONNECTICUT

**STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 AS OF JUNE 30, 2006**

	<b>Combined Employee Retirement Funds</b>
<b>ASSETS</b>	
Cash And Short-Term Investments	\$ 21,314,272
Interest and Dividends Receivable	1,329,051
Accounts Receivable	3,243,589
Investments, At Fair Value:	
Government Agency	5,009,521
Government Bonds	25,093,929
Municipal Bonds	2,360,981
Government Mortgages	8,125,293
Indexed Linked Government Bonds	22,314,702
Other Fixed Income (MFB/NTGI Gvt.)	5,687,851
Common Stock	269,391,239
Preferred Stock	
Commercial Backed Mortgages	5,261,434
Venture Capital Partnerships	62,240,977
Corporate Bonds	1,046,275
Corporate Convertible Bonds	2,303,502
Asset Backed Securities	20,435,179
Other Fixed Income (MFB/NTGI Corp.)	2,523,238
Non-Government Backed Bonds	5,145,928
Total Investments	\$ <u>436,940,049</u>
<b>Total Assets</b>	\$ <u>462,826,961</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 4,521,862
Accrued Liabilities	145,823
<b>Total Liabilities</b>	\$ <u>4,667,685</u>
<b>NET ASSETS</b>	
Held In Trust For Pension Benefits	\$ <u><u>458,159,276</u></u>

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, 2006**

	<b>Combined Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer Contributions	\$ 22,390,459
Plan Members	8,383,465
Plan Members Buybacks	109,018
Total Contributions	<u>\$ 30,882,942</u>
Investment Earnings:	
Net Increase (Decrease) In Fair Value Of Investments	\$ 21,789,852
Interest	8,762,003
Dividends	3,634,277
Total Investment Income (Loss)	<u>\$ 34,186,132</u>
Less: Investment Expenses:	
Investment Management Fees	1,977,697
Legal Fees	21,566
Interest Expense	
Net Investment Earnings	<u>\$ 32,186,869</u>
<b>Total Additions</b>	<u>\$ 63,069,811</u>
<b>Deductions</b>	
Benefits	<u>\$ 47,257,782</u>
<b>Total Deductions</b>	<u>\$ 47,257,782</u>
<b>Net Increase (Decrease)</b>	\$ 15,812,029
<b>Net Assets - Beginning of Year</b>	442,347,247
<b>Net Assets - End of Year</b>	<u>\$ 458,159,276</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, 2006**

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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 two component units.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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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 two component units which are both 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.

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

**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.



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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Note 1 – Summary of Significant Accounting Policies (Continued)

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

**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, 2006**

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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 later 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, 2006

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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.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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

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

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

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.

The government reports the following major proprietary funds:

The ***Water Pollution Control Authority*** accounts for the operations of the City's wastewater treatment plant. It is independent in terms of its relationship to other City functions. Its operations are financed from special assessments and direct charges to the users of the service.

Additionally, the government reports the following fund types:

**Governmental Funds**

***General Fund*** – The major operating fund of the City and 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.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

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

**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.

The City's enterprise funds are its Water Pollution Control Authority (the WPCA) the 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.

**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.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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Note 1 – Summary of Significant Accounting Policies (Continued)

**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.

***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.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

**Restricted Assets** – At June 30, 2006, the Parking Authority had \$9,594,439 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.

**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.

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

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2006

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

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

**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.

**Estimated Unbilled Utility Services** – An estimated amount has been recorded for utility services provided but not billed as of the end of the year.

**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.

**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.



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

**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.

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

**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.

**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.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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**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 (\$580,383,397) difference is as follows:

Bonds Payable	(\$ 503,307,879)
Notes Payable	(5,210,000)
Compensated Absences	(24,020,811)
Capital leases Payable	(5,625,675)
Accrued Workers Compensation	(28,665,644)
Other Liabilities	<u>(13,523,388)</u>
Net Adjustments to Reduce <i>Fund Balance - Total Governmental Funds to Arrive at Net Assets of Government Activities.</i>	<u>\$ (580,353,397)</u>

**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 details of this \$101,670,524 difference is as follows:

Capital Outlay	\$ 121,969,478
Depreciation Expense	<u>20,298,954</u>
Net adjustment to increase <i>Net Changes in Fund Balances – Total Governmental Funds to Arrive At Changes In Net Assets of Governmental Activities</i>	<u>\$ 101,670,524</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006

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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 (Continued)

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 details of this (\$18,855,819) difference is as follows:

Debt Issued or Incurred:	
Issuance of Bonds	(\$ 51,798,041)
Capital Lease Additions	(7,140,338)
Principal Repayments:	
Debt	38,155,809
Defeased by WPCA	412,088
Capital Lease Payments	<u>1,514,663</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>(\$ 18,855,819)</u>

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 details of this \$369,445 difference is as follows:

Debt Issuance Costs	\$ 190,711
Amortization of Debt Issuance Costs	(223,182)
Net Increase in Compensated Absences	(1,784,924)
Net Decrease in Accrued Workers Compensation	1,818,968
Net Increase in Unfunded Pension Obligation	(367,537)
Net Decrease in Other	150,000
Net Decrease in Accrued Interest	<u>585,409</u>
Net Adjustment to Decrease <i>Net Change In Fund Balances Total Governmental Funds</i> to Arrive at <i>Changes in Net Assets Of Governmental Activities</i>	<u>\$ 369,445</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**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.
- 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.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**Budgetary Information (Continued)**

**General Fund (Continued)**

- 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 2005–2006 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.

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>	\$ 397,887,819	397,843,538	13,023,677
Encumbrances			
June 30, 2005	-	-	-
June 30, 2006	-	-	-
State Teachers' Retirement and On-behalf Payment, not Recognized for Budgetary Purposes	<u>13,839,620</u>	<u>13,839,620</u>	
<b>Balance, GAAP Basis</b>	<u>\$ 411,727,439</u>	<u>411,683,158</u>	<u>13,023,677</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**Budgetary Information (Continued)**

**General Fund (Continued)**

**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.

**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	\$ 37,958,142	9,370,564	47,328,706
Community Development	10,302,227		10,302,227
Education Grants	6,670,796		6,670,796
Capital Project Funds	22,243,676		22,243,676
Other	9,933,838		9,933,838
Total Governmental Funds	\$ 87,108,679	9,370,564	96,479,243
Business-Type Activities	1,438,441		1,438,441
Internal Service Funds	2,000,897	263	2,001,160
Fiduciary Funds		21,314,272	21,314,272
Total Cash and Cash Equivalents	\$ 90,548,017	30,685,099	121,233,116
<b>Investments:</b>			
Governmental Funds:			
General Fund	\$	1,965,380	1,965,380
Community Development		2,922,511	2,922,511
Other		4,040,338	4,040,338
Total Governmental Funds	\$	8,928,229	8,928,229
Fiduciary Funds		436,940,049	436,940,049
Total Investments	\$	445,868,278	445,868,278
<b>Total Deposits and Investments</b>	\$ 90,548,017	476,553,377	567,101,394

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

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

	<u>Deposits</u>
Cash and Cash Equivalents:	
New Haven Parking Authority	\$ 8,850,196
New Haven Coliseum Authority	<u>177,444</u>
<b>Total Deposits</b>	<b><u>\$ 9,027,640</u></b>

**Deposits**

The following is a summary of the carrying amount of unrestricted cash and cash equivalents at June 30, 2006:

	<u>Total City</u>	<u>Business Type</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Bank Deposit Accounts	\$ 34,942,123	1,438,441	36,380,564	9,027,640
Money Market Funds	53,791,235		53,791,235	
Short-Term Investment Fund	9,747,046		9,747,046	
Pension Cash and Short-Term Investment Fund	<u>21,314,271</u>		<u>21,314,271</u>	
Total Cash and Cash Equivalents	<b><u>\$ 119,794,675</u></b>	<b><u>1,438,441</u></b>	<b><u>121,233,116</u></b>	<b><u>9,027,640</u></b>

**Custodial Credit Risk**

As of June 30, 2006, the carrying amount of the Primary Government's deposits' was \$121,233,116 with bank balances of \$130,234,461. The amount of the bank balances covered under federal depository insurance was \$800,000. The remaining \$129,434,461 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, 2006, \$6,042,784 of uninsured deposits were collateralized under the provision.

The bank balances of the component units' cash accounts at June 30, 2006 were \$11,228,116. The New Haven Coliseum Authority's bank balances totaled \$177,444, of which \$100,000 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 \$11,050,672 of which \$441,444 was covered by FDIC protection and the remaining \$10,609,228 is uninsured and uncollateralized in institutions considered qualified public depositories under chapter 665a of the Connecticut General Statutes.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**Investments**

As of June 30, 2006 the City held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Asset Backed Securities	\$ 2,303,457		1,023,999	174,949	1,104,509
Certificates of Deposit	269,005	269,005			
Commercial Mortgage Backed	5,385,280		123,846		5,261,434
Common Stock	272,848,004	272,848,004			
Corporate Bonds	34,145,293	1,284,519	15,047,499	7,401,537	10,411,738
Government Agencies	5,491,088		2,575,264	1,685,036	1,230,788
Government Bonds	28,440,035	2,360,220	14,114,547	6,117,702	5,847,566
Government Mortgage Backed	29,006,659		1,250,116	681,318	27,075,225
Municipal/Provincial Bonds	2,360,981		1,778,139		582,842
Mutual Funds	30,926,277	30,926,277			
Non-Government Backed	5,145,928				5,145,928
Other Fixed	9,111,090	9,111,090			
Venture Capital & Partnerships	20,435,181	20,435,181			
<b>Total</b>	<b>\$ 445,868,278</b>	<b>337,234,296</b>	<b>35,913,410</b>	<b>16,060,542</b>	<b>56,660,030</b>

**Interest Rate Risk**

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

**Credit Risk**

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. As of June 30, 2006 the fund's fixed income investments ratings range from B- to AAA by S&P and Ba2 to Aaa by Moody's.



## CITY OF NEW HAVEN, CONNECTICUT

### NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2006

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

##### **Credit Risk** (Continued)

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, 2006 this fund's fixed income investments ratings range from D to AAA by S&P and Caa to Aaa by Moody's. The ratings of D and Caa represents only .12% and .17% of the 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, 2006 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.

The Library Fund shall be balanced between equities and fixed income with approximately 60-70% in equities and 30-40% in bonds. As of June 30, 2006 the Library Fund had 28% of the total fund invested in bonds and 72% 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.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

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

<u>Fund</u>	<u>Investment</u>	<u>Currency</u>	<u>Maturity</u>	<u>Fair Value</u>
Police & Firemen's Retirement	Govt. Agencies Corp. Bonds	Brazilian Real	12/9/08-7/2/10	\$ 488,884
	Govt. Bonds, Muni Bonds, Corp Bonds	Canadian Dollar	9/1/07-12/22/26	2,048,198
	Corporate Bonds	British Pound Sterling	12/17/10-12/1/14	355,040
	Corporate Bonds	Indonesian Rupiah	6/13/11	230,346
	Corporate Bonds	So. Korean Wan	9/16/10	266,630
	Govt. Bonds, Cash	Mexican Peso	12/20/12-12/7/23	771,442
	Govt. Bonds	Norwegian Krone	1/15/07-5/15/09	647,143
	Govt. Agencies, Corp. Bonds, Cash	New Zealand Dollar	3/14/07-12/15/17	489,925
	Govt. Agencies, Corp. Bond	Singapore Dollar	2/19/09-2/26/09	1,160,971
	Corporate Bonds	Thai Baht	2/22/10-3/22/10	566,470
	Government Bonds	So. African Rand	8/31/10	62,203
				<u>\$ 7,087,252</u>
Library Fund	Common Stock	Cayman Islands	N/A	\$ 14,884
	Common Stock	Finland	N/A	12,156
	Common Stock	Netherlands	N/A	32,555
	Common Stock		N/A	12,636
			<u>\$ 72,231</u>	
<b>Total</b>				<u>\$ 7,159,483</u>

**Note 5 - Receivables and Payables**

Receivables at June 30, 2006 were as follows:

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Property Taxes	\$ 6,032,204					6,032,204
Other	7,397,262	2,377,587	1,966,861	1,725	443,546	12,186,981
Intergovernmental	69,152,129	1,915,582	2,964,771	1,397,223	71,768	75,501,473
Gross Receivables	\$ 82,581,595	4,293,169	4,931,632	1,398,948	515,314	93,720,658
Allowance For Doubtful Accounts	4,060,394	784,708				4,845,102
Total Receivables, Net	\$ 78,521,201	3,508,461	4,931,632	1,398,948	515,314	88,875,556

**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:

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Current Property Taxes, Net	\$ 521,918		521,918
Delinquent Property Taxes, Net	1,912,139		1,912,139
Intergovernmental Grant Receivable	64,616,748		64,616,748
Other		226,667	226,667
Other Major Funds:			
Intergovernmental Grants Received in Advance:			
Community Development		2,494,908	2,494,908
Education Grants		579,768	579,768
Other:			
Capital Project Funds		20,560	20,560
Nonmajor Governmental Funds:			
Intergovernmental Grants Received in Advance		1,035,058	1,035,058
Total	\$ <u>67,050,805</u>	<u>4,356,961</u>	<u>71,407,766</u>

The New Haven Coliseum Authority, a component unit, has deferred revenue of \$175,409 at June 30, 2005 resulting from an unspent State of Connecticut Commission on Culture and Tourism grant. The Coliseum Authority has requested the State of Connecticut extend the period of grant use to include the fiscal year ending June 30, 2007. If the request is denied, the deferred amount of the grant is required to be returned to the State.

Payables at June 30, 2006 were as follows:

	<u>Vendors</u>
General Fund	\$ 22,339,019
Community Development	1,960,176
Education Grants	2,418,995
Capital Projects	12,643,378
Other Governmental Funds	2,254,455
Total Payables	<u>\$ 41,616,023</u>

**Note 6 - Loans Receivable**

Loans receivable are loans dispersed from Community Development Block Grant (CDBG) 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 2023.

Loans receivable, which are included in loans and accounts receivable in the accompanying combined balance sheet, consist of the following at June 30, 2006:

Community Development:	
Whitney Grove	\$ 6,335,845
Long Wharf	5,226,649
Center Court	1,273,271
Science Park	596,226
9th Square	8,285,699
Brewery Square	1,200,000
Other Direct Community Development Loans	11,133,890
	<u>\$ 34,051,580</u>
Allowance For Collection Losses	(34,051,580)
	<u>\$ -</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Note 7 - Internal Balances and Transfers**

**Internal Balances Receivables and Payables**

As of June 30, 2006, internal amounts receivable from and payable to other funds were as follows:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>	<u>Net Internal Balance Receivable (Payable)</u>
Primary Government:			
General Fund (Includes Agency Funds)	\$ 20,520,174	19,875,702	644,472
Internal Service Funds	\$ 2,760,343	9,757,390	(6,997,047)
Special Revenue Funds:			
Major:			
Community Development	\$ 280,964	700,885	(419,921)
Education Grants	473,209	6,557,643	(6,084,434)
Other:			
Improvement		247,163	(247,163)
Human Resources	121,941	1,830,576	(1,708,635)
Redevelopment			
Other	76,179	364,348	(288,169)
Total Special Revenue Funds	\$ 952,293	9,700,615	(8,748,322)
Debt Service	\$ 15,326,495		15,326,495
Other Expendable Trust Funds	\$ -	4,144	(4,144)
Capital Project Funds	\$ 76,984	65,195	11,789
Sub-Total	\$ 39,636,289	39,403,046	233,243
Enterprise Funds	\$ 4,637	225,685	(221,048)
<b>Total Primary Government</b>	<b>\$ 39,640,926</b>	<b>39,628,731</b>	<b>12,195</b>
Component Units:			
Parking Authority General Fund	\$ -	12,195	(12,195)
<b>Total Component Units</b>	<b>\$ -</b>	<b>12,195</b>	<b>-</b>

**Transfers**

As of June 30, 2006, amounts transferred between funds were as follows:

<u>Transfer To</u>	<u>Transfers From</u>				<u>Total</u>
	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	
Capital Projects	\$			110,000	110,000
Debt Service				27,132,000	27,132,000
Special Revenue	1,325,000		911,961		2,236,961
<b>Total</b>	<b>\$ 1,325,000</b>	<b>-</b>	<b>911,961</b>	<b>27,242,000</b>	<b>29,478,961</b>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Note 8 - Capital Assets**

Capital asset activity for the year ended June 30, 2006 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 44,023,972	121,934		44,145,906
Construction In Progress	271,293,257	114,698,313	155,757,269	230,234,301
Total Capital Assets, Not Being Depreciated	<u>\$ 315,317,229</u>	<u>114,820,247</u>	<u>155,757,269</u>	<u>274,380,207</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 603,291,286	160,981,367		764,272,653
Land Improvements	13,695,335	72,490		13,767,825
Vehicles	35,555,743	1,473,177		37,028,920
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	14,665,303	355,287		15,020,590
Infrastructure	188,025,738	24,179		188,049,917
Total Capital Assets Being Depreciated	<u>\$ 855,233,405</u>	<u>162,906,500</u>		<u>1,018,139,905</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 138,943,451	12,351,339		151,294,790
Land Improvements	11,506,659	488,497		11,995,156
Vehicles	29,842,367	1,599,514		31,441,881
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	9,831,391	731,349		10,562,740
Infrastructure	97,868,547	5,128,255		102,996,802
Total Accumulated Depreciation	<u>\$ 287,992,415</u>	<u>20,298,954</u>		<u>308,291,369</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 567,240,990</u>	<u>142,607,546</u>		<u>709,848,536</u>
<b>Governmental Activities - Capital Activities - Net</b>	<u>\$ 882,558,219</u>	<u>257,427,793</u>	<u>155,757,269</u>	<u>984,228,743</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2006

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, Not Being Depreciated:				
Land	\$ 1,047,641		(1,047,641)	
Construction In Progress	36,042,917	1,385,031	(37,427,948)	
Total Capital Assets, Not Being Depreciated	<u>\$ 37,090,558</u>	<u>1,385,031</u>	<u>(38,475,589)</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 49,367,948	18,785	(46,166,663)	3,220,070
Land Improvements	4,077,917		(4,077,917)	
Equipment	42,588,851	7,126	(42,595,977)	
Vehicles	374,292		(374,292)	
Infrastructure	69,079,343	4,915,210	(73,994,553)	
Total Capital Assets Being Depreciated	<u>\$ 165,488,351</u>	<u>4,941,121</u>	<u>(167,209,402)</u>	<u>3,220,070</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 30,007,598	317,864	(29,243,227)	1,082,235
Land Improvements	2,721,525	22,843	(2,744,368)	
Equipment	22,897,586	240,022	(23,137,608)	
Vehicles	374,292		(374,292)	
Infrastructure	20,149,697	231,988	(20,381,685)	
Total Accumulated Depreciation	<u>\$ 76,150,698</u>	<u>812,717</u>	<u>(75,881,180)</u>	<u>1,082,235</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 89,337,653</u>	<u>4,128,404</u>	<u>(91,328,222)</u>	<u>2,137,835</u>
<b>Business-Type Activities Capital Assets – Net</b>	<u>\$ 126,428,211</u>	<u>5,513,435</u>	<u>(129,803,811)</u>	<u>2,137,835</u>

The above capital assets include beginning balances and activity of the Water Pollution Control Authority and the City of New Haven's Transfer Station. The WPCA capitalized \$266,120 of interest as part of the cost of various capital projects. On August 29, 2005 all WPCA Capital assets were sold (see Note 19) and ending balances above represent the City's Transfer Station only.

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

Governmental Activities:	
Education	\$ 10,486,517
General Government	615,648
Public Safety	1,366,107
Public Works	7,296,181
Culture and Recreation	534,501
<b>Total Depreciation Expense – Governmental Activities</b>	<u>\$ 20,298,954</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

Business-Type Activities:

Depreciation and Amortization:

Water Pollution Control Authority	\$	724,890
Transfer Station		<u>92,002</u>
Total Depreciation Expense – Business-Type Activities	\$	<u>816,892</u>

**Component Units:**

Capital Asset activity for the year ended June 30, 2006 for the New Haven Parking Authority as identified in Note 1 is as follows (see Note 19 – Discontinued Operations):

	<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	<u>2,019,423</u>	<u>(1,982,796)</u>	<u>153,035</u>		<u>189,662</u>
Total Capital Assets, Not Being Depreciated	<u>\$ 2,125,423</u>	<u>(1,982,796)</u>	<u>153,035</u>	<u>-</u>	<u>295,662</u>
Capital Assets Being Depreciated:					
Buildings & Improvements	\$ 67,823,089	1,982,796	1,666,086		71,471,971
Equipment And Motor Vehicles	<u>4,285,520</u>		<u>9,600</u>		<u>4,295,120</u>
Total Capital Assets Being Depreciated	<u>\$ 72,108,609</u>	<u>1,982,796</u>	<u>1,675,686</u>	<u>-</u>	<u>75,767,091</u>
Less: Accumulated Depreciation For:					
Buildings & Improvements	\$ 39,539,516		2,616,852		42,156,368
Equipment and Motor Vehicles	<u>3,098,132</u>		<u>388,702</u>		<u>3,486,834</u>
Total Accumulated Depreciation	<u>\$ 42,637,648</u>	<u>-</u>	<u>3,005,554</u>	<u>-</u>	<u>45,643,202</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 29,470,961</u>	<u>1,982,796</u>	<u>(1,329,868)</u>	<u>-</u>	<u>30,123,889</u>
Capital Assets, Net	<u>\$ 31,596,384</u>	<u>-</u>	<u>(1,176,833)</u>	<u>-</u>	<u>30,419,551</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**Construction Commitments:**

The City has the following major active construction projects as of June 30, 2006:

<b>Capital Project</b>	<b>Cumulative Authorization</b>	<b>Cumulative Expenditures</b>	<b>Remaining Construction Commitment Balance June 30, 2006</b>	<b>Expected Date of Completion</b>
Barnard School	\$ 42,000,000	31,585,812	10,414,188	08/01/06
Beecher School	40,000,000	20,448,192	19,551,808	12/31/06
Bishop Woods	37,000,000	873,554	36,126,446	08/01/09
Columbus School	35,600,000	2,740,128	32,859,872	08/01/09
Jepson	40,000,000	9,062,168	30,937,832	08/01/07
Metro Business	36,000,000	434,211	35,565,789	08/01/09
Pardee Greenhouse	2,675,000	535,348	2,139,652	12/01/06
Prince/Welch/J. Daniels	44,000,000	38,772,447	5,227,553	08/01/06
Roberto Clemente	37,840,492	1,064,443	36,776,049	08/01/09
Sheridan	39,000,000	3,026,629	35,973,371	08/01/08
Troup	36,570,369	5,799,442	30,770,927	08/01/07
Worthington Hooker (Renovations)	10,500,000	3,910,540	6,589,460	08/01/06
Worthington Hooker (New)	25,000,000	4,339,980	20,660,020	08/01/07
Bowen Field	9,537,887	121,934	9,415,953	10/01/12
New Cooperative Arts High Magnet	56,713,781	10,921,286	45,792,495	08/01/08
Hill Central	45,700,000	190,650	45,509,350	08/01/10
Hill Branch Library	3,623,735	2,667,891	955,844	12/01/06
	<u>\$ 541,761,264</u>	<u>136,494,655</u>	<u>405,266,609</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, 2005</b>	<b>Issuances</b>	<b>Payments</b>	<b>Balance June 30, 2006</b>
GANs	\$ <u>53,955,000</u>	<u>85,849,000</u>	<u>67,613,000</u>	<u>72,191,000</u>



**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Note 10 – Long-Term Liabilities**

**Changes In Long-Term Liabilities**

A summary of changes in Long-Term Liabilities during the year ended June 30, 2006 is as follows:

	<u>Balance June 30, 2005</u>	<u>Issued/ Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2006</u>	<u>Within One Year</u>
<b>Government Activities:</b>					
Long-Term Debt:					
Bonds Payable	\$ 489,667,735	51,798,041	38,157,897	503,307,879	40,085,896
Notes Payable	5,620,000		410,000	5,210,000	400,000
Capital Leases		7,140,338	1,514,663	5,625,675	1,535,150
<b>Other Long-Term Liabilities:</b>					
Compensated Absences	22,235,887	19,387,714	17,602,790	24,020,811	22,079,673
Accrued Workers' Compensation	30,484,612	4,906,936	6,725,904	28,665,644	7,269,646
Unfunded Pension Obligation	11,055,851	939,747	572,210	11,423,388	591,229
Landfill Closure And Post Closure	2,250,000		150,000	2,100,000	150,000
Total Governmental Debt	\$ 561,314,085	84,172,776	65,133,464	580,353,397	72,111,594
<b>Business-Type Activities:</b>					
<b>Long-Term Debt:</b>					
General Obligation Bonds	\$ 45,476,887	1,051,678	46,528,565		
Notes Payable	1,138,594		1,138,594		
<b>Other Long-Term Liabilities:</b>					
Compensated Absences	176,517		176,517		
Deferred Amount On Refunding	153,560		153,560		
Total Business-Type Debt	\$ 46,945,558	1,051,678	47,997,236		
Total Debt	\$ 608,259,643	85,224,454	113,130,700	580,353,397	-
<b>Component Unit Activities:</b>					
<b>Long Term-Debt:</b>					
Revenue Bonds	\$ 24,247,747		1,672,658	22,575,089	1,830,000
Notes Payable	130,818		130,818	-	
Capital Leases	707,375		277,906	429,469	177,661
Total Component Unit Debt	\$ 25,638,193	-	2,168,724	23,004,458	2,007,661

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

Long-Term Debt of Business-Type Activities represents the City's Water Pollution Control Authority "WPCA". On August 29, 2005 the City's WPCA was sold to the Greater New Haven Water Pollution Control Authority "GNHWPCA". See Note 19. Upon the sale, the GNHWPCA assumed all general obligation debt of the WPCA. Also upon the purchase of the WPCA, GNHWPCA issued refunding bonds to defease a portion of WPCA's outstanding bond debt.

The reduction in the City's Business-Type Activities Long-Term Debt, General Obligation Bonds of \$46,528,565 includes the following:

Principal Payments on:	
Clean Water Bonds	\$ 50,198
Clean Water Funds Loans	1,086,453
Defeased Clean Water Bonds	26,188,902
Debt Assumed by GNHWPCA	<u>19,203,012</u>
Total General Obligation Bonds Reductions	<u>\$ 46,528,565</u>

GNHWPCA defeased total debt of \$26,600,990. A portion of the defeased in the amount of \$412,088 is included in the City's Government Activities Bonds Payable reductions of \$38,157,897.

**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 both governmental and business type activities. During the year, general obligation bonds totaling \$49,500,000 qualified zone academy bonds of \$1,596,922, and clean water interim funding of \$701,119 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:

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

<u>Purpose/Expiration</u>	<u>Interest Rate</u>	<u>Governmental Activity</u>
General Purpose Bonds Varying Expiration Dates Ranging From November 2002 to November 2025	3.25-9.50%	\$ 169,395,075
School Bonds Varying Expiration Dates Ranging From November 2002 to November 2025	.34-9.50%	308,018,650
Urban Renewal Bonds Varying Expiration Dates Ranging From November 2002 to November 2025	3.25-9.50%	13,937,859
Sewer Bonds Varying Expiration Dates Ranging From November 2002 to November 2022	3.25-9.50%	11,956,295
		<u>\$ 503,307,879</u>
Less Current Portion		40,085,896
		<u>\$ 463,221,983</u>

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>
2007	\$ 40,085,896	22,244,304
2008	39,530,008	20,417,443
2009	39,338,037	18,659,521
2010	36,502,808	17,011,207
2011	32,508,265	15,486,425
2012 Through 2016	149,281,928	56,248,486
2017 Through 2021	122,754,088	23,216,860
2022 Through 2026	<u>39,594,877</u>	<u>2,942,014</u>
	\$ 499,595,907	176,226,260
Clean Water Interim Funding	3,711,972	-
	<u>\$ 503,307,879</u>	<u>176,226,260</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**A. General Obligation Bonds (Continued)**

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, 2006 was approximately \$7,822,919. The City expects to receive \$64,616,748 in principal payments and \$23,264,889 in interest payments over the next 18 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 \$2,230,045 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 \$108,697.

**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.

As of June 30, 2006, \$137,343,265 of the City's general obligation debt was considered defeased.

**Contingent Debt Liability**

The City remains contingently liable for \$13,635,055 of the WPCA debt assumed by the Greater New Haven Water Pollution Control Authority upon the sale of the City's WPCA assets on August 29, 2005. The City's contingent liability of \$13,635,055 represents the outstanding balance of clean water fund loans as of June 30, 2006 originally issued by the City for the WPCA. The GNHWPCA intends to make the required principal and interest payments applicable to the clean water fund loans, but the loans remain in the City's name as of June 30, 2006 and the date of this report. The GNHWPCA has not defaulted on any payments of the clean water fund liability as of June 30, 2006 or the date of this report.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**A. General Obligation Bonds (Continued)**

**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, 2006, there were six series of limited obligation industrial bonds outstanding, with an aggregate principal amount of \$13,776,176.

**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 \$23,040,000 of outstanding revenue bond debt at June 30, 2006 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>
2007	\$ 1,830,000	1,150,237
2008	1,920,000	1,061,062
2009	2,015,000	962,687
2010	2,110,000	859,562
2011	2,215,000	751,437
2012 through 2016	12,950,000	1,812,184
	<u>\$ 23,040,000</u>	<u>6,597,169</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**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 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 400,000	329,760
2008	430,000	304,147
2009	460,000	276,426
2010	490,000	246,384
2011	520,000	213,964
2012 Through 2016	2,500,000	520,795
2017	410,000	29,028
	<u>\$ 5,210,000</u>	<u>1,920,504</u>

**Component Unit**

The New Haven Coliseum, a component unit of the City, was liable for a general obligation note payable to the New Haven Savings Bank. The original balance of \$750,000 was borrowed at a variable rate with interest payable at the bank's base rate plus 1.5%. The annual debt service requirement of \$22,902 per month was paid in full as of June 30, 2006.

**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 units have entered into lease agreements as the lessee.

The New Haven Coliseum Authority has remaining capital leases for escalators and garage equipment. The interest rate varies on these leases from 5.14% to 17.30% per annum.

Also, 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, 2006**

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

**D. Capital Leases (Continued)**

That agreement provides for monthly principal payments plus interest of \$15,056 through June 2005, one payment, principal and interest of \$49,164 was due in August 2005 which included the payoff amount for the portion of the capital lease related to Chapel Square equipment, 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, 2006 were as follows:

Year Ending June 30,	General Government	Component Units	
		Parking Authority	New Haven Coliseum
2007	\$ 1,703,031	153,658	37,621
2008	1,703,031	79,188	
2009	1,470,574	79,188	
2010	645,805	79,188	
2011	197,024	32,995	
2012-2013	308,054		
Total Minimum Lease Payments	\$ 6,027,519	424,217	37,621
Less Amount Representing Interest	401,844	32,369	
Present Value of Minimum Lease Payment	\$ 5,625,675	391,848	37,621

**Component Units:**

The net book value of property under capital leases for the New Haven Parking Authority was \$503,282 at June 30, 2006. Depreciation expense on leased assets was \$166,624 for the year ended June 30, 2006.

**Note 11 – Fund Deficits**

Certain individual funds had operating and/or fund balance deficits at June 30, 2006 as follows:

	Operating Deficit	Fund Balance Deficit
Major Governmental:		
Education Grants	\$ 187,186	
Capital Project Funds	23,823,252	61,999,569
Non-Major Governmental:		
Human Resources	2,662,685	2,002,760
Other Special Revenue Funds	800,139	
Enterprise Funds:		
WPCA		
Golf Course	9,548	16,926
Transfer Station	94,918	
Skating Rink	4,990	
Internal Service Funds:		
Self-Insurance Reserve	467,265	13,042,287
Workers' Compensation	456,518	2,086,344

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

The Capital Projects Funds' deficits have arisen because bond anticipation notes authorized for these projects have not been issued. When the bond anticipation notes are issued, or the general fund appropriates and transfers amounts to retire bond anticipation notes, the deficits will be reduced.

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 \$5.8 million of case reserves and approximately \$7.2 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 and to \$2.5 million in 2007. There are longer term plans for subsequent years' appropriations to be budgeted at similar appropriation amounts to 2006 and 2007 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, 2006 expenses for this claim totaled \$456,518.

**Note 12 – Employee Retirement 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, 2006

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### Note 12 – Employee Retirement 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:

	<u>June 30, 2004</u>
Retirees and Beneficiaries Receiving Benefits	1,038
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	13
Active Plan Members:	
Vested	510
Non-vested	<u>663</u>
Total	<u>2,224</u>

##### 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, 2006**

**Note 12 – Employee Retirement 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, 2004 did not include any material changes in funding method or assumptions. The latest actuarial valuation as of June 30, 2004 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)
6/30/00	\$ 172,329,500	212,318,200	39,988,700	81.2%	50,196,000	79.7%
6/30/01	175,856,400	222,936,200	47,079,800	78.9%	53,380,000	88.2%
6/30/02	185,045,000	263,899,000	78,854,000	70.1%	46,396,000	170.0%
6/30/03	182,447,100	273,731,700	91,284,600	66.7%	46,445,000	196.5%
6/30/04	182,582,100	288,616,500	106,034,400	63.3%	48,792,000	217.3%
6/30/05	184,242,200	299,754,000	115,511,800	61.5%	50,217,000	230.0%

Actuarial Assumptions and Methods

Reporting Date-End of Fiscal Year	6/30/2006
Latest Actuarial Valuation Date	6/30/2004
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, 2006**

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**Note 12 – Employee Retirement 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 Cost of Living Adjustments	3.00% 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, 2006**

**Note 12 -Employee Retirement 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>
2001	\$ 4,646,751	100%	4,646,751
2002	5,484,073	100%	5,484,073
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

The calculation of the change in the net pension obligation for the year ended June 30, 2006 follows:

**Actuarially Required**

1. Contribution (ARC)	\$ 9,254,000
2. Interest on NPO	122,555
3. Adjustment To (ARC)	<u>(76,897)</u>
4. Annual Pension Cost (APC)	\$ 9,299,658
5. Contribution Made	<u>9,254,000</u>
6. Increase In NPO	\$ 45,658
7. NPO Beginning of Year	<u>1,441,823</u>
8. NPO End of Year	<u>\$ 1,487,481</u>

**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>
6/30/04	7,451,502	99.4%	1,397,567	7,408,604
6/30/05	7,451,805	99.4%	1,441,823	7,407,549
6/30/06	9,299,658	99.5%	1,487,481	9,254,000

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2006

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### Note 12 - Employee Retirement 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:

	<u>June 30, 2004</u>
Retirees and Beneficiaries Receiving Benefits	1,051
Terminated Plan Members Entitled To But Not Yet Received Benefits	1
Active Plan Members	<u>759</u>
Total	<u>1,811</u>

##### 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% 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

Members contribute 8.75% of all City earnings. (Effective November 8, 2004 police contribute 9.25% of all City earnings. Beginning July 1, 2006 Police will contribute 9.75% of all City earnings.) In addition, policemen contribute 3.800% of extra duty earnings and firemen contribute 4.375% of extra duty earnings. Effective July 1, 2006 police will contribute 4.8% 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, 2006**

**Note 12 - Employee Retirement Plans (Continued)**

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

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

**Plan Changes**

The latest actuarial valuation dated June 30, 2004 reflects no material changes in funding methods or actuarial assumptions.

The latest actuarial valuation dated June 30, 2004 reflects the following plan changes:

1. The increase in Police contributions from 8.75% to 9.75%, beginning July 1, 2006.
2. Police average total annual earnings for the 4 (previously 5) highest plan years of earnings or budgeted annual salary at time of retirement, whichever is greater.
3. For Police (effective July 1, 2004): In consideration for those employees who at the time of retirement have a four (4) year average that is not more than the employee's base salary, said employee's total annual earnings shall be the equivalent of the annual salary of an employee's holding the next higher rank to that held by the retiring employee prior to retirement. This provision shall automatically sunset (no longer exist) at 11:59 p.m. on July 15, 2007. For purposes of calculating the four (4) year average, only plainclothes differential pay, overtime and extra duty pay will be added to the regular pay.
4. Benefit maximum of 83% for Police retiring with at least 30 years of actual service, if cash in 30 sick days from the sick leave payout maximum at retirement (was 80%) of final average pay.
5. Policemen and Firemen may exchange up to 150 (was 120) days of sick leave for pension credit (30 days equals one year of pension service).

The estimated impact of the above changes is an increase to the annual cost of 0.28% 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)
6/30/00	\$ 275,854,900	335,715,900	59,861,000	82.2%	46,658,000	128.3%
6/30/01	257,574,400	385,924,500	128,350,100	66.7%	47,842,000	268.3%
6/30/02	277,960,500	372,179,000	94,218,500	74.7%	48,897,000	192.7%
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%

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Note 12 – Employee Retirement Plans (Continued)**

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

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

**Schedule of Employer Contributions**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2001	8,629,112	100%	8,629,112
2002	8,814,347	100%	8,814,347
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

**Actuarially Required**

1. Contribution (ARC)	\$ 12,871,000
2. Interest on NPO	817,192
3. Adjustment To (ARC)	<u>(495,313)</u>
4. Annual Pension Cost (APC)	\$ 13,192,879
5. Contribution Made	<u>12,871,000</u>
6. Increase In NPO	\$ 321,879
7. NPO Beginning of Year	<u>9,614,028</u>
8. NPO End of Year	<u><u>\$ 9,935,907</u></u>

**Actuarial Assumptions and Methods:**

Reporting Date-End of Fiscal Year	6/30/2006
Latest Actuarial Valuation Date	6/30/2004
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
<b>Actuarial Assumptions:</b>	
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%

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Note 12 – Employee Retirement Plans (Continued)**

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

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

**Turnover Assumption**

The following are sample annual rates of turnover:

<b>Age</b>	<b>Male</b>	<b>Female</b>
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.

**Disability Assumption**

The following are sample annual rates of disability:

<b>Age</b>	<b>Male</b>	<b>Female</b>
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**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>	<b>Actual Contribution</b>
6/30/04	10,705,362	97.2%	9,302,576	10,404,000
6/30/05	11,339,452	97.3%	9,614,028	11,028,000
6/30/06	13,192,879	97.6%	9,935,907	12,871,000



## CITY OF NEW HAVEN, CONNECTICUT

### NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2006

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#### Note 12 – Employee Retirement Plans (Continued)

##### 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, 2006 were \$148,580. 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.

##### 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 10-183i and 10-183z C.G.S. For the fiscal year ended June 30, 2006, \$396,248,844 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2006 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 \$3,125,977,111. The State's appropriation represented 12.68% of the total estimated payroll.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Note 12 – Employee Retirement Plans (Continued)**

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

**Teachers' Retirement Plan (Continued)**

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 2005-2006 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 \$109,145,269.

For the year ended June 30, 2006 the following information is applicable to the City:

Total Number of Teachers Participating	<u>1,869</u>
Participant Contributions	<u>\$ 7,913,032</u>
On Behalf State Payments	<u>\$13,839,620</u>

**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 \$738,215 and the Authority's contributions amounted to \$110,301 for the year ended June 30, 2006.

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, 2006 amounted to \$2,876,462. The Authority's contributions for the year ended June 30, 2006 amounted to \$432,576.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**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 \$5.9 million for such claims. The City has accrued \$5.9 million in the self-insurance reserve internal service fund. But the self-insurance fund has a deficit of \$13 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, 2006, total future minimum rental payments under these leases are as follows:

Year Ending June 30,	
2007	\$ 3,100,864
2008	2,046,482
2009	2,499,608
2010	1,109,334
2011	1,077,783
Thereafter	<u>1,836,427</u>
	<u>\$ 11,670,498</u>

Rent expense related to these agreements amounted to approximately \$4,168,625 for the year ended June 30, 2006.

**Component Units**

The New Haven Parking Authority is a defendant in 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.

On April 19, 2005, the New Haven Coliseum Authority entered into an agreement to pay \$125,000 to International Automotive Showcase, Inc. as settlement of their litigation. As of June 30, 2006, \$70,000 of this settlement had been paid.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**Component Units (Continued)**

In conjunction with the closing of the New Haven Coliseum, the New Haven Coliseum Authority became subject to certain claims related to the early termination of several agreements. The amount of these claims are estimated to be \$2,500,000. The Authority has engaged legal counsel and is vigorously defending these claims. The Authority is unable, however, to predict the outcome of these claims or reasonably estimate a range of possible loss.

**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, 2006 is \$37,470.

The following is a schedule, as of June 30, 2006, 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,	
2007	\$ 449,638
2008	449,638
2009	449,638
2010	449,638
2011	449,638
Thereafter	<u>1,798,552</u>
	<u>\$ 4,046,742</u>

Total Parking Authority rental expense under cancelable and non-cancelable operating leases is included in the combined statement of revenues, expenses and changes in fund net assets (deficit) and totaled \$787,245 for the year ended June 30, 2006.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

**Parking Authority Lease Agreements (Continued)**

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, 2006 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,	
2007	\$ 1,495,874
2008	1,472,176
2009	1,309,247
2010	1,245,098
2011	1,245,098
Thereafter	4,062,544
	<u>\$ 10,830,037</u>

The Parking Authority has entered into several long-term contracts for improvements to its parking facilities. As of June 30, 2006 there was approximately \$3,906,000 of commitments outstanding for improvements to unrestricted facilities and approximately \$2,223,000 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, \$897,037 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, 2006

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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 culture and recreation and development. The amount subsidized for fiscal-year-ended June 30, 2006 was \$1.8 million which included \$410,000 for the Shubert Performing Arts Center, \$900,000 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 \$2,100,000, 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, 2006. 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, and the WPCA Enterprise Fund through August 29, 2005.

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, 2006. 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 general long-term debt account group in the amount of \$28,665,644. 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.

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.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

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 Paid	Claims Payable June 30
2006	\$	7,480,960	2,730,925	4,347,787	5,864,098
2005		4,283,793	6,509,861	3,312,694	7,480,960

		Medical Self-Insurance Fund			
Fiscal Year Ended		Claims Payable July 1	Claims and Changes In Estimates	Claims Paid	Claims Payable June 30
2006	\$	4,129,600	61,942,381	60,981,951	5,090,030
2005		4,579,455	53,386,809	53,836,664	4,129,600

		Workers' Compensation Account			
Fiscal Year Ended		Claims Payable July 1	Claims and Changes In Estimates	Claims Paid or Transferred	Claims Payable June 30
2006	\$	30,484,612	4,906,955	6,725,903	28,665,664
2005		28,504,511	8,844,157	6,864,056	30,484,612

		WPCA Workers' Compensation Account			
Fiscal Year Ended		Claims Payable July 1	Claims and Changes In Estimates	Claims Paid	Claims Payable June 30
2006	\$				
2005		22,625	(22,625)		-

**Other Post-Employment Benefits**

In addition to the pension benefits described in Note 12, the City provides post-employment health care benefits, in accordance with collective bargaining agreements and Connecticut General Statutes, to retirees between the age of 55 and 65. Currently, 2,562 retirees meet those eligibility requirements. Expenditures for postretirement health care benefits are recognized as incurred. During the year ended June 30, 2006, expenditures of \$23,557,926 were recognized for post-retirement health care.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Note 16 – Segment Information For Enterprise Funds**

**Condensed Statement of Net Assets**

Assets:	
Current Assets	\$ 1,850,243
Due From Other Funds	4,637
Capital Assets	<u>2,137,835</u>
Total Assets	<u>\$ 3,992,715</u>
Liabilities:	
Current Liabilities	\$ 147,663
Due to Other Funds	225,685
Total Liabilities	<u>\$ 373,348</u>
Net Assets:	
Invested In Capital Assets, Net of Related Debt	\$ 2,137,835
Unrestricted	<u>1,481,532</u>
Total Net Assets	<u>\$ 3,619,367</u>

**Condensed Statement of Revenues, Expenses, and Changes In Net Assets**

Sewer Charges	\$ 2,653,222
Other Services	1,806,914
Miscellaneous	34,360
Depreciation & Amortization Expense	(816,892)
Other Operating Expenses	<u>(3,062,760)</u>
Operating Income (Loss)	\$ 614,844
Non-operating Revenues (Expenses):	
Investment Earnings	46,204
Interest Expense	(88,810)
Capital Contributions	629,191
Transfers Out	<u>(27,242,000)</u>
Change in Net Assets Before Extraordinary Items	(\$ 26,040,571)
Extraordinary Items:	
Loss on Sale of Assets	(63,729,855)
Beginning Net Assets	<u>93,389,793</u>
Ending Net Assets	<u>\$ 3,619,367</u>

**Condensed Statement of Cash Flows**

Net Cash Provided (Used) By:	
Operating Activities	\$ 1,926,499
Capital & Related Financing Activities	(11,181,378)
Investing Activities	<u>46,204</u>
Net Increase (Decrease)	(\$ 9,208,675)
Beginning Cash and Cash Equivalents	<u>10,647,116</u>
Ending Cash and Cash Equivalents	<u>\$ 1,438,441</u>



**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Note 17 – 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>2006</u>	<u>2005</u>
Accounts Payable and Accrued Expenses to the City from the Authority	\$ 12,195	207,195

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>2006</u>	<u>2005</u>
Under Air Rights	\$ 84,000	84,000
Dwight and Orchard	112,800	112,800
Howe and Dwight	84,000	70,000
State Street Surface Lots	7,212	6,059
	\$ 288,012	272,859

**Note 18 – Discontinued Operations – Component Units**

**New Haven Parking Authority**

During the year ended June 30, 2004, the Parking Authority entered into an agreement to sell and transfer substantially all its interests in the Chapel Square parking facility to an outside third party. The sale closed on December 23, 2004. In accordance with Statement of Financial Accounting Standard No. 144, those assets have been separately identified as net assets of discontinued operations in the Parking Authority's Statements of Net Assets and the results of the facility's operations have been presented separately in the Statements of Revenues, Expenses and Changes in Fund Net Assets (Deficit).

Summary financial information is as follows at June 30:

	<u>2006</u>	<u>2005</u>
Changes in Net Assets from Discontinued Operations:		
Loss From Operations	\$	(117,332)
Eliminations of Intercompany Administrative Fee		108,428
Gain on Sale		694,867
Net	\$ -	685,963

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Note 18 – Discontinued Operations – Component Units**

**New Haven Coliseum Authority**

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

**Note 19 - Sale of WPCA Assets**

On August 29, 2005, the City and the New Haven WPCA, as one of the Constituent Municipalities (consisting of the City of New Haven and the Towns of East Haven, Hamden and Woodbridge), entered into an Asset Purchase Agreement. The wastewater system assets of the Constituent Municipalities were sold to the Greater New Haven Water Pollution Control Authority in return for a payment of \$54 million to the Constituent Municipalities, of which an aggregate amount of \$34,332,000 less the elimination of \$7,200,000 in funds relating to the assumption of employer pension obligations that the WPCA owed to the City of New Haven, went to the City of New Haven and the WPCA, and the assumption of the Constituent Municipalities' Clean Water Fund Obligations incurred in connection with the State of Connecticut's Clean Water Program, as well as assumption of other general obligation debt and liabilities issued and/or incurred by the Constituent Municipalities for wastewater purposes.

The net assets sold and loss incurred by the WPCA in connection with the termination were as follows:

Net Assets:	
Current Assets	\$ 22,862,175
Fixed Assets	25,141,924
Other	417,380
Total Assets	<u>\$ 148,421,479</u>
Current Liabilities	\$ 13,384,705
Long-Term Liabilities	44,174,919
Total Liabilities	<u>\$ 57,559,624</u>
Total Net Assets	\$ 90,861,855
Selling Price	<u>27,132,000</u>
Loss on Sale	<u>\$ 63,729,855</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Note 19 – Sale of WPCA Assets (Continued)**

In addition the Greater New Haven Water Pollution Control Authority has agreed to make annual payments in lieu of taxes (PILOT payments) totaling \$550,000 per annum, over the life of the transferred wastewater system assets, to be divided among the Constituent Municipalities in accordance with the Asset Purchase Agreement. An additional \$200,000 will be paid to the City annually over a period of 20 years as an incremental amount to its PILOT payment. At the end of the 20 year period, the incremental amount will be reviewed and reevaluated by the Authority and the City of New Haven.

**Note 20 – Subsequent Events**

**Bond Anticipation Notes**

On July 18, 2006, the City issued \$25,000,000 in bond anticipation notes (BAN's) maturing on February 17, 2007 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.

**General Obligation Refunding Bond Issue**

On November 14, 2006, the City issued \$69,570,000 in General Obligation Refunding Bonds maturing in 2021, at interest rates ranging from 4-5%. The Bonds are being issued to redeem previously issued bonds prior to their maturity.

**Pronouncements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2006 that has effective dates that may impact future financial presentations and have not been implemented as of June 30, 2006

The following statements are expected to have a significant impact on the financial statements:

GASB Statement No. 43, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* establishes uniform financial reporting standards for OPEB plans and the required schedules (RSI) that provide actuarially determined historical trend information from a long-term perspective.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City with its fiscal year ending June 30, 2008. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

CITY OF NEW HAVEN, CONNECTICUT

**GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2006**

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**ASSETS**

Cash And Cash Equivalents	\$	47,328,706
Investments		1,965,380
Receivables:		
Property Taxes (Net of Allowance For Uncollectibles)		2,434,057
Other		6,935,015
State and Federal Grants		69,152,129
Due From Other Funds		20,520,174
Other Assets		
<b>Total Assets</b>	\$	<u>148,335,461</u>

**LIABILITIES AND FUND EQUITY**

Accounts Payable	\$	22,339,019
Accrued Liabilities		8,701,933
Deferred Revenue		67,050,805
Unearned Revenue		226,667
Other Liabilities		17,117,658
Due To Other Funds		<u>19,875,702</u>
<b>Total Liabilities</b>	\$	<u>135,311,784</u>
Fund Equity:		
Unreserved:		
Undesignated	\$	<u>13,023,677</u>
<b>Total Fund Equity</b>	\$	<u>13,023,677</u>
<b>Total Liabilities and Fund Equity</b>	\$	<u><u>148,335,461</u></u>

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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, 2006

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over/(Under)
	Original	Final		
<b>Revenues:</b>				
<b>Current City Taxes:</b>				
Real Estate	\$ 133,275,665	133,275,665	133,275,665	-
Personal Property	17,496,250	17,496,250	17,496,250	-
Motor Vehicle	10,579,449	10,579,449	10,579,449	-
Supplemental	1,500,000	1,500,000	1,500,000	-
Current Interest	1,000,000	853,931	853,931	-
<b>Total Current City Taxes</b>	<b>\$ 163,851,364</b>	<b>163,705,295</b>	<b>163,705,295</b>	<b>-</b>
<b>Total Tax Collection Initiatives</b>				
Real & Personal Property Initiatives	\$ 2,336,162	2,661,992	2,661,992	-
<b>Total Tax Collection Initiatives</b>	<b>\$ 2,336,162</b>	<b>2,661,992</b>	<b>2,661,992</b>	<b>-</b>
<b>Delinquent City Taxes</b>				
Real & Personal Property	\$ 924,692	3,003,793	3,003,793	-
Interest & Penalties	924,692	1,775,828	1,775,828	-
<b>Total Delinquent City Taxes</b>	<b>\$ 1,849,384</b>	<b>4,779,621</b>	<b>4,779,621</b>	<b>-</b>
<b>Total Property Taxes</b>	<b>\$ 168,036,910</b>	<b>171,146,908</b>	<b>171,146,908</b>	<b>-</b>
<b>Education Grants:</b>				
Education Cost Sharing	\$ 127,410,395	127,954,358	127,954,358	-
State Aid for Construction & Reconstruction	8,400,000	7,822,963	7,822,963	-
School Transportation	3,833,397	4,331,836	4,331,836	-
Education of the Legally Blind	73,000	271,541	271,541	-
Health Services - Non-Public Schools	80,500	99,475	99,475	-
<b>Total Education Grants</b>	<b>\$ 139,797,292</b>	<b>140,480,173</b>	<b>140,480,173</b>	<b>-</b>
<b>Other Government Grants:</b>				
PILOT - State Property	\$ 3,880,565	4,493,992	4,493,992	-
PILOT - Colleges & Hospitals	33,558,075	34,518,127	34,518,127	-
Distressed Cities Exemption	367,006	210,856	210,856	-
Tax Relief for the Elderly Freeze	75,314	65,685	65,685	-
Homeowners Tax Relief - Elderly Circuit Breaker	511,968	407,159	407,159	-
Reimbursements for Low Income Veterans	152,573	65,213	65,213	-
Reimbursements for the Disabled	9,499	10,778	10,778	-
Low Income Tax Abatement Program	248,105	348,053	348,053	-
PILOT - Boats	33,783	33,783	33,783	-
PILOT - Machinery & Equipment	1,589,000	1,149,928	1,149,928	-
Shell Fish	37,861	38,230	38,230	-
Pequot Funds	11,292,547	10,602,094	10,602,094	-
Town Aid for Roads	443,213	618,964	618,964	-
<b>Total Other Government Grants</b>	<b>\$ 52,199,509</b>	<b>52,562,862</b>	<b>52,562,862</b>	<b>-</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, 2006

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over/(Under)
	Original	Final		
<b>Revenues: (Continued)</b>				
<b>Licenses, Permits &amp; Other Fees:</b>				
Other Agencies	\$ 30,000	44,911	44,911	-
Map/Bid Documents	15,000	8,600	8,600	-
Office of Technology	4,000	6,809	6,809	-
Parks - Lighthouse Admissions & Concessions	135,000	115,437	115,437	-
Parks - Carousel & Building	8,000	5,472	5,472	-
Parks - Other Fees	50,000	44,552	44,552	-
Town Clerk/City Clerk	1,200,000	789,303	789,303	-
Police Service	90,000	104,002	104,002	-
Animal Shelter	7,000	5,975	5,975	-
Fire Service	35,000	40,218	40,218	-
Health Services	225,000	316,610	316,610	-
Registrar of Vital Statistics	285,000	276,190	276,190	-
Public Works - Public Space, Licenses & Permits	135,000	197,174	197,174	-
Public Works - Evictions	1,500	1,960	1,960	-
Residential Parking Permits	11,000	18,955	18,955	-
Traffic & Parking Meter Receipts	2,600,000	2,508,835	2,508,835	-
Building Inspections	4,000,000	7,372,332	7,372,332	-
High School Athletics	25,000	26,292	26,292	-
<b>Total Licenses, Permits &amp; Other Fees</b>	<b>\$ 8,856,500</b>	<b>11,883,627</b>	<b>11,883,627</b>	<b>-</b>
<b>Investment Income:</b>				
Interest Income	\$ 900,000	3,258,300	3,258,300	-
<b>Total Investment Income</b>	<b>\$ 900,000</b>	<b>3,258,300</b>	<b>3,258,300</b>	<b>-</b>
<b>Received From Fines:</b>				
Superior Court	\$ 5,500	5,420	5,420	-
Parking Tags	5,500,000	4,658,137	4,658,137	-
Police False Alarms/Registration	220,000	4,372	4,372	-
Public Works - Public Space Violations	3,500	5,525	5,525	-
<b>Total Received From Fines</b>	<b>\$ 5,729,000</b>	<b>4,673,454</b>	<b>4,673,454</b>	<b>-</b>
<b>Payment in Lieu of Taxes (PILOT)</b>				
Telecommunications Property Tax	\$ 1,966,264	1,227,682	1,227,682	-
South Central Regional Water Authority	629,854	691,487	691,487	-
Air Rights Garage - Temple Medical	30,631	32,955	32,955	-
52 Howe Street	50,000	53,757	53,757	-
Hospital of St. Raphael	8,993	9,676	9,676	-
Ninth Square	592,311	580,065	580,065	-
<b>Total Payment In Lieu of Taxes</b>	<b>\$ 3,278,053</b>	<b>2,595,622</b>	<b>2,595,622</b>	<b>-</b>
<b>Other Taxes &amp; Assessments:</b>				
Real Estate Conveyance Tax	\$ 1,350,000	2,655,956	2,655,956	-
Yale Payment For Fire Services	2,329,653	2,182,000	2,182,000	-
Air Rights Garage	183,333	200,000	200,000	-
<b>Total Other Taxes &amp; Assessments</b>	<b>\$ 3,862,986</b>	<b>5,037,956</b>	<b>5,037,956</b>	<b>-</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over/(Under)
	Original	Final		
<b>Revenues: (Continued)</b>				
<b>Miscellaneous:</b>				
Parks Employee Rent	\$ 6,300	8,400	8,400	-
Oak Street Project				-
Misc. Community Development Rents	315,000	357,530	357,530	-
Parking Space Rent	4,600	4,456	4,456	-
Off Track Betting (OTB)	1,300,000	1,274,602	1,274,602	-
Controllers	500,000	1,096,500	1,096,500	-
Personal Motor Vehicles Reimbursements	22,000	33,567	33,567	-
Neighborhood Preservation Loan Payments	90,000	29,556	29,556	-
Welfare Department	15,000	18,360	18,360	-
Commission On Equal Opportunity	10,000	49,287	49,287	-
Non - Profits	2,500,000	2,965,440	2,965,440	-
Fire Insurance Recoveries	500,000	728	728	-
1-95 Highway Expansion	300,000	62,218	62,218	-
911 Consolidation	300,000			
Deliquent Parking Tag Collections	4,000,000	44,073	44,073	
GNHWPCA - PILOT	608,400	304,200	304,200	-
<b>Total Miscellaneous Revenue</b>	<b>\$ 10,471,300</b>	<b>6,248,917</b>	<b>6,248,917</b>	<b>-</b>
<b>Other Financing Sources:</b>				
Transfer from WPCA				-
<b>Total Other Financing Sources</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Budgetary Revenues</b>	<b>\$ 393,131,550</b>	<b>397,887,819</b>	<b>397,887,819</b>	<b>-</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.

13,839,620

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

\$ 411,727,439



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, 2006

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (Under)
	Original	Final		
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Mayor and Administration	\$ 1,198,828	1,207,155	1,207,155	-
Board of Alderman	708,209	607,181	607,181	-
Corporation Counsel	2,026,952	1,978,229	1,978,229	-
Development	5,253,780	5,187,039	5,187,039	-
Finance	8,563,637	8,800,541	8,756,260	(44,281)
Tax and Assessors	600,653	518,806	518,806	-
General Government Other	1,636,515	1,500,381	1,500,381	-
Human Resources	492,047	519,536	519,536	-
Office of Technology	1,183,082	1,184,745	1,184,745	-
Liability - Self Insurance	4,010,617	3,932,111	3,932,111	-
<b>Total General Government</b>	<b>\$ 25,674,320</b>	<b>25,435,724</b>	<b>25,391,443</b>	<b>(44,281)</b>
<b>Public Safety:</b>				
Police	\$ 31,730,532	32,536,542	32,536,542	-
Fire	26,708,164	27,024,783	27,024,783	-
<b>Total Public Safety</b>	<b>\$ 58,438,696</b>	<b>59,561,325</b>	<b>59,561,325</b>	<b>-</b>
<b>Public Works:</b>				
Department of Public Works	\$ 11,199,332	12,203,935	12,203,935	-
Engineering	2,327,452	2,174,445	2,174,445	-
Traffic and Parking	2,024,703	2,001,972	2,001,972	-
<b>Total Public Works</b>	<b>\$ 15,551,487</b>	<b>16,380,352</b>	<b>16,380,352</b>	<b>-</b>
<b>Public Services:</b>				
Health & Welfare	\$ 7,099,691	6,927,069	6,927,069	-
<b>Total Public Services</b>	<b>\$ 7,099,691</b>	<b>6,927,069</b>	<b>6,927,069</b>	<b>-</b>
<b>Cultural &amp; Recreation:</b>				
Cultural & Recreation	\$ 7,951,507	7,931,044	7,931,044	-
<b>Total Cultural &amp; Recreation</b>	<b>\$ 7,951,507</b>	<b>7,931,044</b>	<b>7,931,044</b>	<b>-</b>
<b>Employee Benefits:</b>				
Pension, Medicare & Social Security	\$ 25,173,850	25,385,205	25,385,205	-
Employee Insurance	47,668,892	49,952,501	49,952,501	-
<b>Total Employees Benefits</b>	<b>\$ 72,842,742</b>	<b>75,337,706</b>	<b>75,337,706</b>	<b>-</b>
<b>Education</b>				
<b>Total Education</b>	<b>\$ 159,721,565</b>	<b>160,463,057</b>	<b>160,463,057</b>	<b>-</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, 2006

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (Under)
	Original	Final		
<b>Debt Service:</b>				
Principal	\$ 29,378,598	29,378,598	29,378,598	-
Interest	16,472,944	16,472,944	16,472,944	-
<b>Total Debt Service</b>	<b>\$ 45,851,542</b>	<b>45,851,542</b>	<b>45,851,542</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 393,131,550</b>	<b>397,887,819</b>	<b>397,843,538</b>	<b>(44,281)</b>

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. 13,839,620

Total Expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D. \$ 411,683,158

CITY OF NEW HAVEN, CONNECTICUT

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2006

	Special Revenue Funds		
	Improvement	Human Resources	Redevelopment Agency
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,551,554	999,748	1,569,369
Investments			
Receivables, Net	109,953	108,844	2,426
Receivables From Other Governments		71,684	
Due From Other Funds		121,941	
<b>Total Assets</b>	<b>\$ 3,661,507</b>	<b>1,302,217</b>	<b>1,571,795</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 151,780	1,372,423	509,744
Accrued Liabilities	815	101,978	
Retainage Payable	77,500		63,421
Due To Other Funds	247,163	1,830,576	
Unearned Revenue	19,785		
Deferred Revenue	190,721		760,842
Other Liabilities			
<b>Total Liabilities</b>	<b>\$ 687,764</b>	<b>3,304,977</b>	<b>1,334,007</b>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	\$ 2,941,312	4,580,611	114,256
Unreserved	32,431	(6,583,371)	123,532
<b>Total Fund Balances</b>	<b>\$ 2,973,743</b>	<b>(2,002,760)</b>	<b>237,788</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,661,507</b>	<b>1,302,217</b>	<b>1,571,795</b>

SCHEDULE 4

Special Revenue Funds			Permanent Funds	Total Non-major Governmental Funds (See Exhibit C)
Other	Other ETF	Total		
2,565,577	598,461	9,284,709	649,129	9,933,838
	1,257,331	1,257,331	2,783,007	4,040,338
173,292	49,031	443,546		443,546
84		71,768		71,768
76,179		198,120		198,120
<u>2,815,132</u>	<u>1,904,823</u>	<u>11,255,474</u>	<u>3,432,136</u>	<u>14,687,610</u>
220,508		2,254,455		2,254,455
34,153		136,946		136,946
		140,921		140,921
364,348	4,144	2,446,231		2,446,231
		19,785		19,785
63,710		1,015,273		1,015,273
3,934	1,110,010	1,113,944	570,020	1,683,964
<u>686,653</u>	<u>1,114,154</u>	<u>7,127,555</u>	<u>570,020</u>	<u>7,697,575</u>
292,358		7,928,537		7,928,537
1,836,121	790,669	(3,800,618)	2,862,116	(938,502)
<u>2,128,479</u>	<u>790,669</u>	<u>4,127,919</u>	<u>2,862,116</u>	<u>6,990,035</u>
<u>2,815,132</u>	<u>1,904,823</u>	<u>11,255,474</u>	<u>3,432,136</u>	<u>14,687,610</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, 2006

	<b>Special Revenue Funds</b>		
	<u>Improvement</u>	<u>Human Resources</u>	<u>Redevelopment Agency</u>
<b>Revenues:</b>			
Intergovernmental	\$ 299,904	9,785,314	300,000
Investment Earnings	7,489	22,398	15,819
Other	1,594,044	570,158	771,361
<b>Total Revenues</b>	<b>\$ 1,901,437</b>	<b>10,377,870</b>	<b>1,087,180</b>
<b>Expenditures:</b>			
Current:			
Education	\$		
General Government			
Public Works	542,617		
Public Services		13,040,555	859,060
Other Expenditures			
Capital Outlay			
<b>Total Expenditures</b>	<b>\$ 542,617</b>	<b>13,040,555</b>	<b>859,060</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,358,820</b>	<b>(2,662,685)</b>	<b>228,120</b>
<b>Other Financing Sources (Uses):</b>			
Transfer In	1,325,000		
Transfer Out			
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,325,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,683,820</b>	<b>(2,662,685)</b>	<b>228,120</b>
<b>Fund Balances - Beginning</b>	<b>289,923</b>	<b>659,925</b>	<b>9,668</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,973,743</b>	<b>(2,002,760)</b>	<b>237,788</b>

SCHEDULE 5

Special Revenue Funds			Permanent Funds	Governmental Funds (See Exhibit D)
Other	Other ETF	Total		
1,843,716		12,228,934		12,228,934
23,304	6,628	75,638		75,638
<u>2,337,418</u>		<u>5,272,981</u>	<u>60,224</u>	<u>5,333,205</u>
<u>4,204,438</u>	<u>6,628</u>	<u>17,577,553</u>	<u>60,224</u>	<u>17,637,777</u>
		-		-
4,046,116		4,046,116		4,046,116
		542,617		542,617
		13,899,615		13,899,615
	35,584	35,584		35,584
<u>46,500</u>		<u>46,500</u>		<u>46,500</u>
<u>4,092,616</u>	<u>35,584</u>	<u>18,570,432</u>	<u>-</u>	<u>18,570,432</u>
111,822	(28,956)	(992,879)	60,224	(932,655)
	911,961	2,236,961		2,236,961
<u>(911,961)</u>		<u>(911,961)</u>		<u>(911,961)</u>
<u>(911,961)</u>	<u>911,961</u>	<u>1,325,000</u>	<u>-</u>	<u>1,325,000</u>
(800,139)	883,005	332,121	60,224	392,345
<u>2,928,618</u>	<u>(92,336)</u>	<u>3,795,798</u>	<u>2,801,892</u>	<u>6,597,690</u>
<u>2,128,479</u>	<u>790,669</u>	<u>4,127,919</u>	<u>2,862,116</u>	<u>6,990,035</u>

CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS

OTHER ENTERPRISE FUNDS

JUNE 30, 2006

	<u>Golf Course</u>	<u>Transfer Station</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 70,522	1,150,071
Receivables, Net	6,874	403,150
Due From Other Funds		4,637
<b>Total Current Assets</b>	<u>\$ 77,396</u>	<u>1,557,858</u>
<b>Noncurrent Assets:</b>		
Capital Assets:		
Building And System	\$	3,220,070
Less: Accumulated Depreciation		(1,082,235)
<b>Total Noncurrent Assets</b>	<u>\$ -</u>	<u>2,137,835</u>
<b>Total Assets</b>	<u>\$ 77,396</u>	<u>3,695,693</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 92,611	52,869
Accrued Liabilities	1,711	
Due To Other Funds		225,685
<b>Total Current Liabilities</b>	<u>\$ 94,322</u>	<u>278,554</u>
<b>Total Liabilities</b>	<u>\$ 94,322</u>	<u>278,554</u>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	\$	2,137,835
Unrestricted	(16,926)	1,279,304
<b>Total Net Assets</b>	<u>\$ (16,926)</u>	<u>3,417,139</u>

**SCHEDULE 6**

<u>Skating Rink</u>	<u>East Rock Community Tower</u>	<u>Total (See Exhibit G)</u>
118,710	99,138	1,438,441
1,778		411,802
		4,637
<u>120,488</u>	<u>99,138</u>	<u>1,854,880</u>
		3,220,070
		<u>(1,082,235)</u>
<u>-</u>	<u>-</u>	<u>2,137,835</u>
<u>120,488</u>	<u>99,138</u>	<u>3,992,715</u>
		145,952
472		1,711
		225,685
<u>472</u>	<u>-</u>	<u>373,348</u>
<u>472</u>	<u>-</u>	<u>373,348</u>
		2,137,835
<u>120,016</u>	<u>99,138</u>	<u>1,481,532</u>
<u>120,016</u>	<u>99,138</u>	<u>3,619,367</u>



CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 OTHER ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Golf Course</u>	<u>Transfer Station</u>
<b>Operating Revenues:</b>		
Charges For Services	\$ 763,577	636,145
<b>Total Operating Revenues</b>	<u>\$ 763,577</u>	<u>636,145</u>
<b>Operating Expenses:</b>		
Costs of Services and Supplies	\$ 663,125	639,061
Depreciation		<u>92,002</u>
<b>Total Operating Expenses</b>	<u>\$ 663,125</u>	<u>731,063</u>
<b>Operating Income</b>	<u>\$ 100,452</u>	<u>(94,918)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Investment Earnings	\$ -	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>\$ -</u>	<u>-</u>
<b>Income Before Transfers</b>	\$ 100,452	(94,918)
Transfers In		
Transfers Out	<u>(110,000)</u>	
<b>Change in Net Assets</b>	\$ (9,548)	(94,918)
<b>Total Net Assets - Beginning</b>	<u>(7,378)</u>	<u>3,512,057</u>
<b>Total Net Assets - Ending</b>	<u>\$ (16,926)</u>	<u>3,417,139</u>

SCHEDULE 7

<u>Skating Rink</u>	<u>East Rock Community Tower</u>	<u>Total (See Exhibit H)</u>
141,288	34,200	1,575,210
141,288	34,200	1,575,210
146,278	827	1,449,291 92,002
146,278	827	1,541,293
(4,990)	33,373	33,917
-	3,280	3,280
-	3,280	3,280
(4,990)	36,653	37,197 -
		(110,000)
(4,990)	36,653	(72,803)
125,006	62,485	3,692,170
120,016	99,138	3,619,367

CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
OTHER ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Golf Course</u>	<u>Transfer Station</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts From Customers and Users	\$ 765,228	674,180
Payments To Suppliers	(684,671)	(598,300)
Internal Activities-Payments From (To) Others Funds	(110,000)	221,048
<b>Net Cash Provided By Operating Activities</b>	<u>\$ (29,443)</u>	<u>296,928</u>
<b>Cash Flows From Investing Activities:</b>		
Interest Received On Investments	\$ -	-
<b>Net Cash Flows Provided By Investing Activities</b>	<u>\$ -</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ (29,443)	296,928
<b>Cash and Cash Equivalents - Beginning</b>	<u>99,965</u>	<u>853,143</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 70,522</u>	<u>1,150,071</u>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:</b>		
Operating Income (Loss)	\$ 100,452	(94,918)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities:		
Depreciation and Amortization		92,002
Transfers In (Out)	(110,000)	
Changes In Assets And Liabilities:		
(Increase) Decrease In Accounts Receivable	1,651	38,035
(Increase) Decrease In Due From Other Funds		(4,637)
Increase (Decrease) In Accounts Payable	(21,546)	40,761
Increase (Decrease) In Due To Other Funds		225,685
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>\$ (29,443)</u>	<u>296,928</u>

**SCHEDULE 8**

<u>Skating Rink</u>	<u>East Rock Community Tower</u>	<u>Total (See Exhibit I)</u>
139,510	34,200	1,613,118
(148,591)	(919)	(1,432,481)
<u>(9,081)</u>	<u>33,281</u>	<u>111,048</u>
		<u>291,685</u>
	<u>3,280</u>	<u>3,280</u>
-	<u>3,280</u>	<u>3,280</u>
(9,081)	36,561	294,965
<u>127,791</u>	<u>62,577</u>	<u>1,143,476</u>
<u>118,710</u>	<u>99,138</u>	<u>1,438,441</u>
(4,990)	33,373	33,917
		92,002
		(110,000)
		-
(1,778)		37,908
		(4,637)
(2,313)	(92)	16,810
		<u>225,685</u>
<u>(9,081)</u>	<u>33,281</u>	<u>291,685</u>

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## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2006**

	<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	\$ 3,210	1,677,198	320,752	2,001,160
Receivables, Net		701,350	405,625	1,106,975
Due From Other Funds		2,760,343		2,760,343
Other Receivables		35,988		35,988
<b>Total Current Assets</b>	<b>\$ 3,210</b>	<b>5,174,879</b>	<b>726,377</b>	<b>5,904,466</b>
<b>Total Assets</b>	<b>\$ 3,210</b>	<b>5,174,879</b>	<b>726,377</b>	<b>5,904,466</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 35,933	77,981		113,914
Due To Other Funds	7,137,801	6,868	2,612,721	9,757,390
Accrued Estimated Healthcare Claims		5,090,030		5,090,030
Claims and Judgments	2,448,098			2,448,098
Other Liabilities	7,665		200,000	207,665
<b>Total Current Liabilities</b>	<b>\$ 9,629,497</b>	<b>5,174,879</b>	<b>2,812,721</b>	<b>17,617,097</b>
<b>Noncurrent Liabilities:</b>				
Claims and Judgments	\$ 3,416,000			3,416,000
<b>Total Liabilities</b>	<b>\$ 13,045,497</b>	<b>5,174,879</b>	<b>2,812,721</b>	<b>21,033,097</b>
<b>NET ASSETS</b>				
Unrestricted	\$ (13,042,287)	-	(2,086,344)	(15,128,631)
<b>Total Net Assets</b>	<b>\$ (13,042,287)</b>	<b>-</b>	<b>(2,086,344)</b>	<b>(15,128,631)</b>

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<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	\$ 2,455,745	53,020,859	6,086,970	61,563,574
Charges For Services		9,236,065		9,236,065
Miscellaneous		1,973,368	182,416	2,155,784
<b>Total Operating Revenues</b>	<u>\$ 2,455,745</u>	<u>64,230,292</u>	<u>6,269,386</u>	<u>72,955,423</u>
<b>Operating Expenses:</b>				
Insurance Claims and Expenses	\$ 2,925,239	64,230,292	6,725,904	73,881,435
<b>Total Operating Expenses</b>	<u>\$ 2,925,239</u>	<u>64,230,292</u>	<u>6,725,904</u>	<u>73,881,435</u>
<b>Operating Income (Loss)</b>	<u>\$ (469,494)</u>	<u>-</u>	<u>(456,518)</u>	<u>(926,012)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment Earnings	\$ 2,229			2,229
<b>Change In Net Assets</b>	<u>\$ (467,265)</u>	<u>-</u>	<u>(456,518)</u>	<u>(923,783)</u>
<b>Net Assets - Beginning</b>	<u>(12,575,022)</u>		<u>(1,629,826)</u>	<u>(14,204,848)</u>
<b>Net Assets - Ending</b>	<u>\$ (13,042,287)</u>	<u>-</u>	<u>(2,086,344)</u>	<u>(15,128,631)</u>

## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Self-Insurance Reserve</u>	<u>Medical Self-Insurance</u>	<u>Workers' Compensation</u>	<u>Total (See Exhibit I)</u>
<b>Cash Flows From Operating Activities:</b>				
City's Contribution	\$ 2,455,745	53,020,859	5,702,045	61,178,649
Cash Received From Users (Including Other Funds)		8,723,360		8,723,360
Internal Activity - Payments From (To) Other Funds	2,612,765	(1,110,749)	646,000	2,148,016
Claims and Other Expenses Paid	(5,511,884)	(63,748,398)	(6,525,904)	(75,786,186)
Other Receipts		1,973,368	182,416	2,155,784
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ (443,374)</u>	<u>(1,141,560)</u>	<u>4,557</u>	<u>(1,580,377)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest and Dividends	\$ 2,229			2,229
<b>Net Cash Provided By Investing Activities</b>	<u>\$ 2,229</u>	<u>-</u>	<u>-</u>	<u>2,229</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	\$ (441,145)	(1,141,560)	4,557	(1,578,148)
<b>Balances - Beginning Of The Year</b>	<u>444,355</u>	<u>2,818,758</u>	<u>316,195</u>	<u>3,579,308</u>
<b>Balances - End Of The Year</b>	<u>\$ 3,210</u>	<u>1,677,198</u>	<u>320,752</u>	<u>2,001,160</u>
<b>Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities:</b>				
Operating Income (Loss)	\$ (469,494)	-	(456,518)	(926,012)
Change In Assets And Liabilities:				
(Increase) Decrease in Receivables, Net		(512,705)	(384,925)	(897,630)
(Increase) Decrease In Due From Other Funds	1,001,574	(1,108,491)		(106,917)
Increase (Decrease) In Accrued Estimated Healthcare Payments		960,430		960,430
Increase (Decrease) In Claims and Judgments	(1,616,862)			(1,616,862)
Increase (Decrease) In Accounts Payable and Other	(969,783)	(478,536)	200,000	(1,248,319)
Increase (Decrease) In Due To Other Funds	1,611,191	(2,258)	646,000	2,254,933
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ (443,374)</u>	<u>(1,141,560)</u>	<u>4,557</u>	<u>(1,580,377)</u>



CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF EMPLOYEE RETIREMENT FUND NET ASSETS  
 FIDUCIARY FUNDS  
 AS OF JUNE 30, 2005

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund
<b>ASSETS</b>		
Cash and Short - Term Investments	\$ 6,900,535	13,329,733
Interest and Dividends Receivable	365,200	959,741
Accounts Receivable	289,339	2,953,640
<b>Investments, At Fair Value:</b>		
Government Agency	2,205,466	2,804,055
Government Bonds	7,163,006	17,930,923
Municipal Bonds	871,072	1,489,909
Government Mortgages	8,001,447	123,846
Indexed Linked Government Bonds	1,309,490	21,005,212
Other Fixed Income (MFB/NTGI Govt.)	750,393	4,937,458
Common Stock	120,950,659	148,204,531
Commercial Backed Mortgages	352,559	4,908,875
Venture Capital Partnerships	36,259,687	25,981,290
Corporate Bonds		1,046,275
Corporate Convertible Bond	339,757	1,963,700
Asset Backed Securities		20,435,179
Other Fixed Income (MFB/NTGI Corp.)	242,190	2,281,048
Non-Government Backed Bonds	4,059,532	1,086,396
<b>Total Investments</b>	<u>\$ 182,505,258</u>	<u>254,198,697</u>
<b>Total Assets</b>	<u>\$ 190,060,332</u>	<u>271,441,811</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,292,670	3,229,192
Accrued Liabilities	50,883	94,940
<b>Total Liabilities</b>	<u>\$ 1,343,553</u>	<u>3,324,132</u>
<b>NET ASSETS</b>		
Held In Trust For Pension Benefits	<u>\$ 188,716,779</u>	<u>268,117,679</u>

<u>Other Retirement Fund</u>	<u>Interfund Eliminations</u>	<u>Combined Employee Retirement Funds (See Exhibit J)</u>
1,084,004		21,314,272
4,110		1,329,051
610		3,243,589
		5,009,521
		25,093,929
		2,360,981
		8,125,293
		22,314,702
236,049		5,687,851
		269,391,239
		5,261,434
		62,240,977
		1,046,275
45		2,303,502
		20,435,179
		2,523,238
		5,145,928
<u>236,094</u>	<u>-</u>	<u>436,940,049</u>
<u>1,324,818</u>	<u>-</u>	<u>462,826,961</u>
		4,521,862
		145,823
<u>-</u>	<u>-</u>	<u>4,667,685</u>
<u>1,324,818</u>	<u>-</u>	<u>458,159,276</u>

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## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006**

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Combined Employee Retirement Funds (See Exhibit K)
<b>ADDITIONS</b>				
Contributions:				
Employer Contributions	\$ 9,370,609	12,871,000	148,850	22,390,459
Plan Members	3,033,222	5,350,243		8,383,465
Plan Members Buybacks	31,053	77,965		109,018
Total Contributions	<u>\$ 12,434,884</u>	<u>18,299,208</u>	<u>148,850</u>	<u>30,882,942</u>
Investment Earnings:				
Net Increase (Decrease) In				
Fair Value of Investments	\$ 8,729,530	13,047,824	12,498	21,789,852
Interest	3,442,912	5,274,793	44,298	8,762,003
Dividends	1,521,604	2,102,969	9,704	3,634,277
Total Investment Income (Loss)	<u>\$ 13,694,046</u>	<u>20,425,586</u>	<u>66,500</u>	<u>34,186,132</u>
Less: Investment Expenses:				
Investment Management Fees	648,923	1,328,774		1,977,697
Legal Fees	7,872	13,694		21,566
Net Investment Earnings	<u>\$ 13,037,251</u>	<u>19,083,118</u>	<u>66,500</u>	<u>32,186,869</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 25,472,135</u>	<u>37,382,326</u>	<u>215,350</u>	<u>63,069,811</u>
<b>DEDUCTIONS</b>				
Benefits	\$ 19,945,223	27,253,835	58,724	47,257,782
<b>TOTAL DEDUCTIONS</b>	<u>\$ 19,945,223</u>	<u>27,253,835</u>	<u>58,724</u>	<u>47,257,782</u>
<b>Net Increase (Decrease)</b>	<u>\$ 5,526,912</u>	<u>10,128,491</u>	<u>156,626</u>	<u>15,812,029</u>
<b>Net Assets - Beginning of Year</b>	<u>183,189,867</u>	<u>257,989,188</u>	<u>1,168,192</u>	<u>442,347,247</u>
<b>Net Assets - End of Year</b>	<u>\$ 188,716,779</u>	<u>268,117,679</u>	<u>1,324,818</u>	<u>458,159,276</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2006**

Total Tax Collections (Including Interest and Lien Fees)  
For The Year Ended June 30, 2005

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	\$ 385,228,337	
4 1/2 Times Base		770,456,673
3 3/4 Times Base		
3 1/4 Times Base		
3 Times Base		
7 Times Base		
	<hr/>	<hr/>
<b>Total Debt Limitation</b>	<b>\$ 385,228,337</b>	<b>770,456,673</b>
	<hr/>	<hr/>
<b>Indebtedness:</b>		
Bonds Payable	\$ 169,395,073	308,018,650
School Grants Receivable		(64,616,748)
Bonds Authorized and Unissued		<hr/> 215,094,507
	<hr/>	<hr/>
<b>Total Indebtedness of the City</b>	<b>\$ 169,395,073</b>	<b>458,496,409</b>
	<hr/>	<hr/>
<b>Component Unit Indebtedness:</b>		
New Haven Parking Authority	<hr/> 23,040,000	<hr/>
	<hr/>	<hr/>
<b>Total Indebtedness</b>	<b>\$ 192,435,073</b>	<b>458,496,409</b>
	<hr/>	<hr/>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ 192,793,264</b>	<b>311,960,264</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE 14**

\$ 171,146,909

65,685

\$ 171,212,594

<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>	<u>Total</u>
642,047,228	556,440,931	513,637,782	<u>1,198,488,158</u>
<u>642,047,228</u>	<u>556,440,931</u>	<u>513,637,782</u>	<u>1,198,488,158</u>
11,956,297	13,937,859		503,307,879
	81,086		(64,616,748)
			<u>215,175,593</u>
11,956,297	14,018,945	-	653,866,724
			<u>23,040,000</u>
<u>11,956,297</u>	<u>14,018,945</u>	<u>-</u>	<u>676,906,724</u>
<u>630,090,931</u>	<u>542,421,986</u>	<u>513,637,782</u>	<u>521,581,434</u>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
 YEAR ENDED AUGUST 31, 2006

Grand List Year	Balance Uncollected August 31, 2005	Current Levy	Additions (Deletions)	Transfers To Suspense	Adjusted Tax Receivable
1989	\$ 39,161		(39,161)		-
1990	57,406		5,586		62,992
1991	117,377		12,492		129,869
1992	169,148		8,148		177,296
1993	191,743		5,745		197,488
1994	157,875		(2,000)		155,875
1995	160,902		16,720		177,622
1996	248,905		12,649		261,554
1997	222,449		28,081		250,530
1998	216,930		27,717		244,647
1999	226,812		31,259		258,071
2000	248,761		118,631		367,392
2001	1,221,373		96,891	(799,220)	519,044
2002	1,529,828		140,444	(822,922)	847,350
2003	2,450,349		(419,007)		2,031,342
Prior Years					
Total	\$ 7,259,019	-	44,195	(1,622,142)	5,681,072
2004	-	170,890,133	(2,854,858)		168,035,275
	<u>\$ 7,259,019</u>	<u>170,890,133</u>	<u>(2,810,663)</u>	<u>(1,622,142)</u>	<u>173,716,347</u>

SCHEDULE 15

General Taxes	Collections		Balance Uncollected August 31, 2006
	Interest and Fees	Total	
-	-	-	-
17,922	42,148	60,070	45,070
33,326	81,461	114,787	96,543
41,577	90,173	131,750	135,719
40,183	79,798	119,981	157,305
15,095	25,733	40,828	140,780
25,117	43,203	68,320	152,505
77,156	114,641	191,797	184,398
83,075	107,417	190,492	167,455
80,087	85,974	166,061	164,560
84,929	77,986	162,915	173,142
186,722	56,619	243,341	180,670
247,222	93,959	341,181	271,822
496,462	145,012	641,474	350,888
741,913	250,511	992,424	1,289,429
2,170,786	1,294,635	3,465,421	3,510,286
165,513,357	853,932	166,367,289	2,521,918
167,684,143	2,148,567	169,832,710	6,032,204



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