

**CITY OF NEW HAVEN, CONNECTICUT**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

CITY OF NEW HAVEN, CONNECTICUT

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

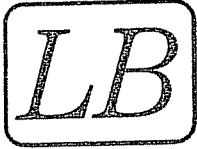
	<u>Exhibit</u>	<u>Page Number</u>
<b>Financial Section:</b>		
Independent Auditor's Report		1-2
Management's Discussion and Analysis		3a-3j
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A	4-7
Statement of Activities	B	8-9
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	10-13
Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds	D	14-17
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	E	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	F	19
Statement of Net Assets – Proprietary Funds	G	20
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	H	21
Statement of Cash Flows - Proprietary Funds	I	22
Statement of Fiduciary Net Assets – Fiduciary Funds	J	23
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	K	24
Notes to the Financial Statements		25-88

**CITY OF NEW HAVEN, CONNECTICUT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2009**

**TABLE OF CONTENTS**

	<u>Schedule</u>	<u>Page Number</u>
Required Supplementary Information:		
Schedule of Revenues and Other Financing Sources - Budget and Actual (Non-GAAP Budgetary Basis) General Fund	1	89-91
Schedule of Expenditures and Other Financing Uses - Budget and Actual (Non-GAAP Budgetary Basis) General Fund	2	92-93
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Non-major Governmental Funds	3	94-95
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance – Non-major Governmental Funds	4	96-97
Combining Statement of Net Assets – Internal Service Funds	5	98
Combining Statement of Revenues, Expenses, and Changes In Fund Net Assets - Internal Service Funds	6	99
Combining Statement of Cash Flows – Internal Service Funds	7	100
Combining Statement of Employee Retirement Fund Net Assets – Fiduciary Funds	8	101
Combining Statement of Changes In Fiduciary Net Assets Fiduciary Funds	9	102
Other Schedules:		
Schedule of Debt Limitation	10	103-104
Schedule of Property Taxes Levied, Collected And Outstanding	11	105-106



## LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
100 BRADLEY ROAD • WOODBRIDGE, CONNECTICUT 06525-2394  
203 389-5371 • FAX 203 389-4430

### 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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of New Haven, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the New Haven Parking Authority and the New Haven Solid Waste Authority, component units of the City, which represent 4.14 percent, 4.79 percent and 3.57 percent, respectively, of the assets, net assets, and revenues of the City of New Haven, Connecticut. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Haven Parking Authority and the New Haven Solid Waste Authority, is based on the report of the other auditors.

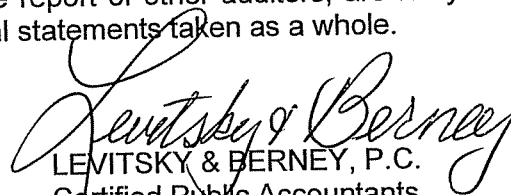
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of the City of New Haven, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

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

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

December 18, 2009



**CITY OF NEW HAVEN**  
Department of Finance

New Haven



2008

John DeStefano Jr.  
*Mayor*

Mark Pietrosimone  
*City Controller*

200 ORANGE STREET  
NEW HAVEN, CONNECTICUT 06510  
Tel. (203) 946-8300 - Fax. (203) 946-7244

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of New Haven, we offer readers of the City of New Haven's financial statements this narrative overview and analysis of the financial activities of the City of New Haven for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our letter of transmittal.

### **Overview of Financial Statements**

#### **Government-Wide Financial Statements**

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

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

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

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

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

Business Type Activities – The business type activities of the City of New Haven consist of the 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.

The City has three component units. The coliseum Authority, The New Haven Parking Authority and the New Haven Solid Waste Authority, and independent audits are available for these component units.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of New Haven’s governmental or business type activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of New Haven's combined net assets increased from a year ago by about \$62.3 million to \$661,201,895. 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	
	2009	2008	2009	2008	2009	2008
	Current And Other Assets	189,474,466	181,811,243	1,967,242	2,061,142	191,441,708
Capital Assets	1,297,817,146	1,190,047,635	-	-	1,297,817,146	1,190,047,635
<b>Total Assets</b>	<b>1,487,291,612</b>	<b>1,371,858,878</b>	<b>1,967,242</b>	<b>2,061,142</b>	<b>1,489,258,854</b>	<b>1,373,920,020</b>
Other Liabilities	187,944,337	159,974,982	319,308	275,578	188,263,645	160,250,560
Long-term debt outstanding	639,793,314	614,792,602	-	-	639,793,314	614,792,602
<b>Total Liabilities</b>	<b>827,737,651</b>	<b>774,767,584</b>	<b>319,308</b>	<b>275,578</b>	<b>828,056,959</b>	<b>775,043,162</b>
<b>Net Assets:</b>						
Invested in capital assets (net of debt)	795,545,245	690,783,952	-	-	795,545,245	690,783,952
Restricted	12,887,497	15,289,232	-	-	12,887,497	15,289,232
Unrestricted	(148,878,781)	(108,981,890)	1,647,934	1,785,564	(147,230,847)	(107,196,326)
<b>Total net Assets</b>	<b>659,553,961</b>	<b>597,091,294</b>	<b>1,647,934</b>	<b>1,785,564</b>	<b>661,201,895</b>	<b>598,876,858</b>

As of the close of the current fiscal year the City of New Haven's governmental funds reported combined total net assets of \$659,553,961 million, an increase of \$62.4 million in comparison with the prior year.



The change in governmental net assets is illustrated below:

Table 2  
Changes in Net Assets

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	48,839,095	65,209,673	1,225,554	1,779,914	50,064,649	66,989,587
Operating Grants and Contributions	273,622,190	310,303,937	-	-	273,622,190	310,303,937
Capital Grants and Contributions	110,706,951	108,404,390	-	-	110,706,951	108,404,390
<b>General Revenues:</b>						
Property Taxes	205,341,003	189,489,128	-	-	205,341,003	189,489,128
Grants and Contributions not restricted to specific pu	53,566,498	56,177,412	-	-	53,566,498	56,177,412
Investment Earnings	823,478	3,068,272	1,818	5,729	825,296	3,074,001
Gain on sale of Transfer Station	7,475,580	-	-	4,046,169	7,475,580	4,046,169
Transfers	110,000	6,110,000	(110,000)	(6,110,000)	-	-
<b>Total Revenues</b>	<b>700,484,795</b>	<b>738,762,812</b>	<b>1,117,372</b>	<b>(278,188)</b>	<b>701,602,167</b>	<b>738,484,624</b>
<b>Expenses:</b>						
<b>Program Expense:</b>						
General Government	33,128,676	37,693,461	-	-	33,128,676	37,693,461
Education	281,171,745	345,341,470	-	-	281,171,745	345,341,470
Public Safety	70,113,405	68,514,288	-	-	70,113,405	68,514,288
Public Works	25,800,652	24,673,176	-	-	25,800,652	24,673,176
Public Services	41,512,155	42,186,718	-	-	41,512,155	42,186,718
Employee Benefits and Insurance	115,508,082	114,344,620	-	-	115,508,082	114,344,620
Culture and Recreation	9,665,487	9,927,948	-	-	9,665,487	9,927,948
Other	39,221,060	21,962,659	-	-	39,221,060	21,962,659
Interest on long-term Debt	21,900,866	24,529,443	-	-	21,900,866	24,529,443
Other	-	-	1,255,002	1,772,097	1,255,002	1,772,097
<b>Total Expenses</b>	<b>638,022,128</b>	<b>689,173,783</b>	<b>1,255,002</b>	<b>1,772,097</b>	<b>639,277,130</b>	<b>690,945,880</b>
<b>Increase in Net Assets</b>	<b>62,462,667</b>	<b>49,589,029</b>	<b>(137,630)</b>	<b>(2,050,285)</b>	<b>62,325,037</b>	<b>47,538,744</b>

## Financial Highlights

- The City finished the FY 09 General Fund budget (primary operating fund) with an operating surplus of \$517,531.
- The City revised its FY 09 budget through the submission of the June 2009 Monthly Report, which was approved by the Board of Aldermen on August 12, 2009.
- The City's mill rate was maintained at 42.21 (per thousand) in FY09.
- The City's FY09, total gross taxable grand list increased to \$4,932,655,450 as compared to FY 08 total gross taxable grand list of \$4,450,571,438.

## Fund Balance, Ratings and City Debt

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

The year ending audited Fund Balance for FY 09 is \$16,025,789, which reflects a .03% increase over the previous year.

Rating Agencies look to fund balance as a barometer of fiscal health for the City. These rating agencies rate the risk for investors willing to buy debt issued for the purpose of financing the City's capital projects. The higher ratings translate into lower interest costs on capital borrowings. The City sold \$45.0 million in general obligation bonds in March 09. To do so, the City's current financial health was reviewed by several rating agencies.

The ratings are as follows:

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

Ratings issued in March 2009.

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.

The City's bonds outstanding, as of June 30, 2009 totaled \$501,192,130 compared to June 30, 2008 total of \$497,007,908

Bonds outstanding at year end	
June 30, 2007	\$490,896,510
June 30, 2006	\$503,307,879
June 30, 2005	\$525,278,746
June 30, 2004	\$500,848,442
June 30, 2003	\$428,682,276

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

Capital Assets

At June 30, 2009, the City had \$1.2 billion invested in a broad range of capital assets, including land, construction in process, buildings, vehicles and equipment, roads, bridges and storm sewer lines.

**Table 3  
Capital Assets  
(net of Depreciation)**

	<u>2009</u>	<u>2008</u>
Land	44,140,306.00	44,140,306.00
Construction in Process	343,623,596.00	396,149,850.00
Land Improvements	283,347.00	273,636.00
Building and Improvements	826,113,924.00	661,671,433.00
Machinery and Equipment	4,712,750.00	5,059,335.00
Vehicles	6,940,294.00	6,600,438.00
Infrastructure	72,002,929.00	76,152,637.00
<b>Total</b>	<b><u>1,297,817,146.00</u></b>	<b><u>1,190,047,635.00</u></b>

This Year's major additions included the continuing improvements and construction of refurbished and new school construction as part of the City's \$1.5 billion dollar school construction program.

The City's fiscal year 2009-2010 capital budget calls for a continuation of the school construction program.

### FY 09 General Fund Budget

The Board of Aldermen originally approved the FY 09 City General Fund Budget on June 2, 2008 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.

About 38% of the total budget is for the Board of Education. Of the City's entire \$455,647,516 general funded budget, \$174,119,297 is budgeted for the Board of Education and \$281,528,219 is non-Education related.

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

### Economic Factors and Next Year Rates

The Mayor's General Fund budget for FY 2008-09 was approved by the Board of Aldermen on May 26, 2009 was effected by many economic factors. Most significantly, the City experienced a reduction in State Aid. In past years, State Aid was always more than fifty percent of the City budget, this fiscal year State Aid was only about forty five percent of the City's general fund budget. However, the mill rate remained level mostly due to the phasing in of the second year of the 2006 property revaluation and the City's efforts in controlling employee health care cost and agency expense reductions.

It was clearly evident when developing the FY 2009-10 budget that economic factors worsened from the previous fiscal year. The national downturn of the economy has affected unemployment rates, home ownership and state aid to the City. As a result, adjustments were made to the Mayor's budget through staff reductions, senior center closings, increase class sizes in schools, return of senior teachers to the classroom and slowing of parks services, inspection services and the limiting of recreational facilities. The reductions were restricted by the biggest building boom in the City's history contributing to a significant rise in the City's building permits revenue, creating additional jobs and generating additional tax dollars.

In addition, the City increased the number of staff positions in the Department of the Assessor improving its capabilities to meet more fully its statutory obligation of developing an annual Grand List of taxable and exempt property. This initiative is expected to increase revenues in this budget by more than \$1.6 million. Also, the City reached an agreement with Yale University for an increased voluntary contribution. Both of these initiatives are long term in nature producing additional revenue for the City for years to come.

### 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 \$17,931,695. Of which, \$9.2 million is attributed to case reserves. Approximately \$8.7 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 \$16,569,048. Case reserves increased from \$7.7 million to \$9.2 million and increase of \$1.5 million and the under-funded liability decreased from \$8.9 million to \$8.7 million.

Recognizing the need for additional financial resources into this account, the City increased its annual Public Liability appropriation from \$1.7 million in 2005 to \$2.5 million in 2006 and \$2.5 million in FY 2007 and \$2.75 million in FY2008 and FY2009, with longer term plans for subsequent years' appropriations to be at higher budgeted amounts.

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

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

#### Medical Self -Insurance:

As a self insured entity, the City covers all associated costs for its employees medical insurance, Anthem Health Care Plans is the Third Party Administrator and the City uses the Anthem Health Care network. The Medical Self Insurance account ended with a slight surplus of \$14,174 for the year ending June 30, 2009. There was a .089% increase in total expenditures from \$52,984,428, spent in FY 08 to \$57,707,083 spent in FY 2009. Besides inflationary factors, the increase in cost is mainly due to utilization and to a lesser degree to an increase in cost per service. Annually, the City solicits proposals from Insurance Companies interested in providing excess "stop loss" medical benefit insurance. The City has been able to obtain this insurance for FY 2009, with a stop gap limit of \$1 million.

#### Worker's Compensation:

The Worker's Compensation account shows a deficit of \$3,757,623. Most of this deficit belongs to one claim, which the City's Office of the Corporation Counsel has initiated subrogation to recoup these costs for the City. FY 08 expenses for this claim were \$438,111. The City also purchases excess "stop loss" workers compensation insurance to limit its liability.

### Capital Project Funds:

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

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

### Pension Funds:

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

Since the approval of the FY 95 budget, the City has contributed 100% of the actuarial recommendations to its two employee retirement funds. The City Employees Retirement Fund's (CERF) market value of plan assets has grown from \$84,075,100 (as of 6-30-92) to \$164,480,645 (as of November 30, 2009). The Police & Fire Retirement Fund (P&F) market value of plan assets has grown from \$115,987,200 (as of 6-30-92) to \$260,200,000 (as of November 30, 2009). Per actuarial evaluation.

The FY 09 budgeted pension appropriation for the CERF was \$10,938,000 the FY 09 budgeted Police and Fire appropriation was \$16,687,000.

There are 1,065 retirees and beneficiaries receiving benefits from CERF with 1,192 active plan members. There are 1,095 retirees and beneficiaries receiving benefits from P & F with 773 active plan members.

The funded ratio's, which is defined to be the percentage that is obtained when the plan assets are divided by the total accrued liability of the plan, are for CERF 60.4% in 2008 and for P&F 58.7% in 2008.

### Tax Collections

#### Current Taxes

The City's tax collection rate for FY 09 was 98.36%, a slight increase from last year's rate of 98.30%.

Individually, real estate collections were \$170,348,595 personal property collections were \$12,215,662 Motor Vehicle collections were \$16,025,903 and supplemental motor vehicle collections were \$2,006,060.

#### Conclusion:

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

Mark Pietrosimone,  
Controller

**This page intentionally left blank**



CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2009

ASSETS	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total *
Cash and Cash Equivalents	\$ 92,659,008	1,798,614	94,457,622
Investments	7,661,136		7,661,136
Receivables (Net of Allowance For Uncollectibles)	85,000,979	108,628	85,109,607
Inventories	45,301		45,301
Prepaid Expenses	3,977,662		3,977,662
Deferred Charges			-
Due From Component Units	130,380	60,000	190,380
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents			-
Investments			
Capital Assets (Net of Accumulated Depreciation):			
Land	44,140,306		44,140,306
Building and System, Including Improvements	826,113,924		826,113,924
Improvements Other Than Buildings	283,347		283,347
Vehicles, Machinery and Equipment	11,653,044		11,653,044
Infrastructure	72,002,929		72,002,929
Construction In Progress	343,623,596		343,623,596
<b>Total Assets</b>	<b>\$ 1,487,291,612</b>	<b>1,967,242</b>	<b>1,489,258,854</b>

\* After internal balances have been eliminated.

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

COMPONENT UNITS

<u>Parking Authority</u>	<u>Solid Waste Authority</u>	<u>Coliseum Authority</u>
8,865,443	1,766	4,955
606,044	1,009,591	
418,363	121,744	
416,365		
9,259,913	55,711	
2,910,102	3,222,952	
106,000	2,455,000	
28,760,127	5,107,614	
264,579		
676,510		
<u>52,283,446</u>	<u>11,974,378</u>	<u>4,955</u>

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2009

LIABILITIES	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total
Accounts Payable and Accrued Liabilities	\$ 62,875,246	300,923	63,176,169
Accrued Interest Payable	5,820,914		5,820,914
Due To Primary Government			-
Internal Balances	48,121	18,385	66,506
Deferred Revenue	6,245,386		6,245,386
Grant Anticipation Notes	79,585,000		79,585,000
Other Liabilities	33,369,670		33,369,670
Non-Current Liabilities:			
Due Within One Year	103,961,456		103,961,456
Due In More Than One Year	535,831,858		535,831,858
<b>Total Liabilities</b>	<b>\$ 827,737,651</b>	<b>319,308</b>	<b>828,056,959</b>
<b>NET ASSETS</b>			
Invested In Capital Assets, Net of Related Debt	\$ 795,545,245		795,545,245
Restricted For:			
Special Revenues	9,413,477		9,413,477
Permanent Funds	2,447,525		2,447,525
Debt Service	1,026,495		1,026,495
Other	(148,878,781)	1,647,934	(147,230,847)
Unrestricted	659,553,961	1,647,934	661,201,895
<b>Total Net Assets</b>	<b>\$ 659,553,961</b>	<b>1,647,934</b>	<b>661,201,895</b>

\* After internal balances have been eliminated.

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

COMPONENT UNITS

<u>Parking Authority</u>	<u>Solid Waste Authority</u>	<u>Coliseum Authority</u>
2,046,000	698,881	2,000
76,026		
130,380	60,000	
808,704		
2,179,623	25,489	
14,964,634	9,990,239	
<u>20,205,367</u>	<u>10,774,609</u>	<u>2,000</u>
13,079,324	1,562,614	
10,825,301		
8,173,454	(362,845)	2,955
<u>32,078,079</u>	<u>1,199,769</u>	<u>2,955</u>

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 33,128,676	21,609,691	35,554,736	110,706,951
Education	281,171,745	5,177,833	238,067,454	
Public Safety	70,113,405	9,485,079		
Public Works	25,800,652	239,445		
Public Services	41,512,155	12,138,558		
Employee Benefits and Insurance	115,508,082			
Culture and Recreation	9,665,487	188,489		
Other	39,221,060			
Interest On Long-Term Debt	21,900,866			
<b>Total Governmental Activities</b>	<u>\$ 638,022,128</u>	<u>48,839,095</u>	<u>273,622,190</u>	<u>110,706,951</u>
Business-Type Activities:				
Other	\$ 1,255,002	1,225,554		
<b>Total Business-Type Activities</b>	<u>\$ 1,255,002</u>	<u>1,225,554</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 639,277,130</u>	<u>50,064,649</u>	<u>273,622,190</u>	<u>110,706,951</u>
<b>Component Units:</b>				
Parking Authority	\$ 18,934,472	19,737,266		
Solid Waste Authority	6,213,963	5,728,259		1,638,977
Coliseum Authority	6,999	151,575		
<b>Total Component Units</b>	<u>\$ 25,155,434</u>	<u>25,617,100</u>	<u>-</u>	<u>1,638,977</u>

General Revenues:

Property Taxes  
Grants & Contributions Not Restricted To Specific Programs  
Investment Earnings  
Proceeds from Sale of Capital Assets  
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	Solid Waste Authority	Coliseum Authority
134,742,702		134,742,702			
(37,926,458)		(37,926,458)			
(60,628,326)		(60,628,326)			
(25,561,207)		(25,561,207)			
(29,373,597)		(29,373,597)			
(115,508,082)		(115,508,082)			
(9,476,998)		(9,476,998)			
(39,221,060)		(39,221,060)			
(21,900,866)		(21,900,866)			
<u>(204,853,892)</u>	<u>-</u>	<u>(204,853,892)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(29,448)	(29,448)			
-	(29,448)	(29,448)	-	-	-
<u>(204,853,892)</u>	<u>(29,448)</u>	<u>(204,883,340)</u>	-	-	-
		-	802,794		
		-		1,153,273	
		-			144,576
-	-	-	<u>802,794</u>	<u>1,153,273</u>	<u>144,576</u>
205,341,003		205,341,003			
53,566,498		53,566,498			
823,478	1,818	825,296	323,160	52,620	
7,475,580		7,475,580			
110,000	(110,000)	-			
<u>267,316,559</u>	<u>(108,182)</u>	<u>267,208,377</u>	<u>323,160</u>	<u>52,620</u>	<u>-</u>
<u>62,462,667</u>	<u>(137,630)</u>	<u>62,325,037</u>	<u>1,125,954</u>	<u>1,205,893</u>	<u>144,576</u>
597,091,294	1,785,564	598,876,858	30,952,125	(6,124)	(141,621)
<u>659,553,961</u>	<u>1,647,934</u>	<u>661,201,895</u>	<u>32,078,079</u>	<u>1,199,769</u>	<u>2,955</u>

CITY OF NEW HAVEN, CONNECTICUT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 32,116,007	7,904,006	7,082,542
Investments	1,375,809	2,829,980	
Receivables (Net of Allowance For Uncollectibles)	11,413,715	1,884,471	1,051,338
Receivables From Other Governments	56,453,884	1,385,341	2,835,349
Due From Other Funds	33,304,027	357,155	612,408
Inventories			45,301
Prepaid Expenses	43,751		6,746
<b>Total Assets</b>	<u>\$ 134,707,193</u>	<u>14,360,953</u>	<u>11,633,684</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 16,508,519	2,648,657	2,859,336
Accrued Liabilities	9,058,355	33,205	1,200,680
Retainage Payable		625,568	
Due To Other Funds	14,233,786	2,645,166	7,543,860
Deferred Revenue	58,142,629	2,770,369	
Temporary Loans and Notes Payable			500
Other Liabilities	20,738,115	375,138	
<b>Total Liabilities</b>	<u>\$ 118,681,404</u>	<u>9,098,103</u>	<u>11,604,376</u>

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>
32,562,119		10,516,372	90,181,046
		3,455,347	7,661,136
50,847		1,171,655	15,572,026
2,807,968		435,487	63,918,029
3,369,330	1,026,495	437,822	39,107,237
			45,301
			50,497
<u>38,790,264</u>	<u>1,026,495</u>	<u>16,016,683</u>	<u>216,535,272</u>
20,245,790		2,460,655	44,722,957
16,639		46,908	10,355,787
		56,954	682,522
23,019		4,421,735	28,867,566
		343,457	61,256,455
79,585,000			79,585,000
1,087,499		2,118,130	24,319,382
<u>100,957,947</u>	<u>-</u>	<u>9,447,839</u>	<u>249,789,669</u>



CITY OF NEW HAVEN, CONNECTICUT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	\$	4,428,001	
Debt Service			
Unreserved, Reported in:			
General Fund	16,025,789		
Special Revenue Funds		834,849	29,308
Capital Projects Funds			
Permanent Funds			
<b>Total Fund Balances</b>	\$ <u>16,025,789</u>	<u>5,262,850</u>	<u>29,308</u>
<b>Total Liabilities and Fund Balances</b>	\$ <u><u>134,707,193</u></u>	<u><u>14,360,953</u></u>	<u><u>11,633,684</u></u>

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

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

**Net Assets of Governmental Activities**

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

<u>Capital Project Funds</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
104,419,686	1,026,495	9,379,893	118,227,580 1,026,495
(166,587,369)		(5,258,574)	16,025,789 (4,394,417) (166,587,369)
		2,447,525	2,447,525
<u>(62,167,683)</u>	<u>1,026,495</u>	<u>6,568,844</u>	<u>(33,254,397)</u>
<u>38,790,264</u>	<u>1,026,495</u>	<u>16,016,683</u>	
			1,297,817,146
			(5,820,914)
			62,280,584
			(21,675,144)
			(639,793,314)
			<u>\$ 659,553,961</u>

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Revenues:</b>			
Property Taxes	\$ 203,404,742		
Licenses and Permits	17,319,960		
Intergovernmental	226,037,552	18,020,268	68,421,789
Charges for Services		1,243,403	464,840
Fines	5,351,710		
Investment Earnings	690,339	114,794	5
Payment in Lieu of Taxes	2,435,344		
Other	13,839,495	1,390,013	4,712,993
<b>Total Revenues</b>	<u>\$ 469,079,142</u>	<u>20,768,478</u>	<u>73,599,627</u>
<b>Expenditures:</b>			
Current:			
General Government	\$ 27,477,865		
Public Safety	68,810,405		
Public Works	18,304,262		
Public Services	6,959,729	20,722,792	
Culture and Recreation	9,110,439		
Employee Benefits and Insurance	91,498,136		
Education	192,024,547		73,853,282
Other Expenditures			
Debt Service:			
Principal	37,296,440	490,000	
Interest	21,555,368	114,045	
Capital Outlay:			
Other Capital Assets			
<b>Total Expenditures</b>	<u>\$ 473,037,191</u>	<u>21,326,837</u>	<u>73,853,282</u>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<u>\$ (3,958,049)</u>	<u>(558,359)</u>	<u>(253,655)</u>

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>
			203,404,742
			17,319,960
107,840,137		13,912,379	434,232,125
2,866,814			4,575,057
			5,351,710
		18,340	823,478
			2,435,344
218,460		4,874,488	25,035,449
<u>110,925,411</u>	<u>-</u>	<u>18,805,207</u>	<u>693,177,865</u>
		5,430,386	32,908,251
			68,810,405
		1,134,908	19,439,170
		13,829,634	41,512,155
			9,110,439
			91,498,136
39,221,060			265,877,829
			39,221,060
1,361,536	3,000,000		42,147,976
			21,669,413
<u>132,086,908</u>	<u></u>	<u></u>	<u>132,086,908</u>
<u>172,669,504</u>	<u>3,000,000</u>	<u>20,394,928</u>	<u>764,281,742</u>
<u>(61,744,093)</u>	<u>(3,000,000)</u>	<u>(1,589,721)</u>	<u>(71,103,877)</u>

CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Community Development</u>	<u>Education Grants</u>
<b>Other Financing Sources (Uses):</b>			
Capital Related Debt Issued	\$		
Refunding Bonds Issued			
Bond Issue Premium			
Proceeds from Sale of Capital Assets	4,475,580		
Transfer In			
Transfer Out			
<b>Total Other Financing Sources (Uses)</b>	\$ <u>4,475,580</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	\$ 517,531	(558,359)	(253,655)
<b>Fund Balances - Beginning</b>	<u>15,508,258</u>	<u>5,821,209</u>	<u>282,963</u>
<b>Fund Balances - Ending</b>	<u>\$ <u>16,025,789</u></u>	<u>5,262,850</u>	<u>29,308</u>

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>
45,000,000			45,000,000
			-
	3,000,000		7,475,580
110,000			110,000
			-
<u>45,110,000</u>	<u>3,000,000</u>	<u>-</u>	<u>52,585,580</u>
(16,634,093)	-	(1,589,721)	(18,518,297)
<u>(45,533,590)</u>	<u>1,026,495</u>	<u>8,158,565</u>	<u>(14,736,100)</u>
<u>(62,167,683)</u>	<u>1,026,495</u>	<u>6,568,844</u>	<u>(33,254,397)</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, 2009**

---

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ (18,518,297)
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.	107,769,511
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(278,650)
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.	(1,676,020)
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.	(23,047,293)
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>(1,786,584)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 62,462,667</u>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 208,330,614	208,330,614	203,404,742	(4,925,872)
Education Grants	154,533,904	154,533,904	153,383,955	(1,149,949)
Other Governmental Grants	55,081,154	55,081,154	54,176,976	(904,178)
Licenses Permits and Other	13,769,653	13,769,653	17,319,960	3,550,307
Investment Income	3,250,000	3,250,000	690,339	(2,559,661)
Received From Fines	5,657,300	5,657,300	5,351,710	(305,590)
Payments in Lieu of Taxes (PILOT)	2,496,469	2,496,469	2,435,344	(61,125)
Other Taxes & Assessments	4,605,132	4,605,132	4,273,696	(331,436)
Miscellaneous	7,923,290	7,923,290	14,041,379	6,118,089
<b>Total Revenues</b>	<b>\$ 455,647,516</b>	<b>455,647,516</b>	<b>455,078,101</b>	<b>(569,415)</b>
<b>Expenditures:</b>				
Current:				
General Government	\$ 22,110,221	23,031,723	27,477,865	(4,446,142)
Public Safety	68,339,158	68,810,407	68,810,405	2
Public Works	19,816,517	18,930,192	18,304,262	625,930
Public Service	7,240,312	7,285,153	6,959,729	325,424
Cultural & Recreation	9,764,129	9,470,882	9,110,439	360,443
Employee Benefits	91,198,947	91,498,136	91,498,136	-
Education	174,119,297	173,562,088	173,547,926	14,162
Debt Service	63,058,935	63,058,935	58,851,808	4,207,127
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 455,647,516</b>	<b>455,647,516</b>	<b>454,560,570</b>	<b>1,086,946</b>
<b>Excess of Expenses Over Revenue</b>	<b>\$ -</b>	<b>-</b>	<b>517,531</b>	<b>517,531</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>517,531</b>	<b>517,531</b>
<b>Fund Balance - Beginning</b>			<b>15,508,258</b>	
<b>Fund Balance - Ending</b>			<b>\$ 16,025,789</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, 2009

	Business-Type Activities- Enterprise Funds		Governmental Activities
	Other Enterprise Funds		Internal Service Funds
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$	1,798,614	2,477,962
Accounts Receivable (Net Allowance For Uncollectibles)		108,628	2,168,574
Due From Other Funds		60,000	5,256,903
<b>Total Current Assets</b>	\$	<u>1,967,242</u>	<u>9,903,439</u>
<b>Total Assets</b>	\$	<u>1,967,242</u>	<u>9,903,439</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable and Accrued Liabilities Due To Other Funds	\$	300,923	731,213
Accrued Estimated Healthcare Claims Claims and Judgments Payable		18,385	15,414,315
			6,250,267
			132,500
<b>Total Current Liabilities</b>	\$	<u>319,308</u>	<u>22,528,295</u>
<b>Noncurrent Liabilities:</b>			
Claims and Judgments Payable	\$	-	9,050,288
<b>Total Non-current Liabilities</b>	\$	<u>-</u>	<u>9,050,288</u>
<b>Total Liabilities</b>	\$	<u>319,308</u>	<u>31,578,583</u>
<b>Net Assets:</b>			
Invested In Capital Assets, Net Of Related Debt	\$		
Unrestricted		1,647,934	(21,675,144)
<b>Total Net Assets</b>	\$	<u>1,647,934</u>	<u>(21,675,144)</u>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009

	Business-Type Activities-Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
<b>Operating Revenues:</b>		
Charges For Sales and Services:		
Other Services	\$ 1,225,554	63,431,389
Miscellaneous		5,150,303
<b>Total Operating Revenues</b>	<b>\$ 1,225,554</b>	<b>68,581,692</b>
<b>Operating Expenses:</b>		
Costs of Sales and Services	\$ 1,255,002	70,368,280
Depreciation and Amortization		
<b>Total Operating Expenses</b>	<b>\$ 1,255,002</b>	<b>70,368,280</b>
<b>Operating Income</b>	<b>\$ (29,448)</b>	<b>(1,786,588)</b>
<b>Non-Operating Revenues (Expenses):</b>		
Investment Earnings	\$ 1,818	4
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$ 1,818</b>	<b>4</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ (27,630)</b>	<b>(1,786,584)</b>
Transfers Out	(110,000)	
<b>Change In Net Assets Before Extraordinary Items</b>	<b>\$ (137,630)</b>	<b>(1,786,584)</b>
<b>Extraordinary Items:</b>		
Gain on Sale of Transfer Station Assets	\$	\$
<b>Total Extraordinary Items</b>	<b>\$ -</b>	<b>-</b>
<b>Change In Net Assets</b>	<b>\$ (137,630)</b>	<b>(1,786,584)</b>
<b>Total Net Assets - Beginning</b>	<b>1,785,564</b>	<b>(19,888,560)</b>
<b>Total Net Assets - Ending</b>	<b>\$ 1,647,934</b>	<b>(21,675,144)</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, 2009

	Business-Type Activities	
	Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>		
City's Contribution	\$	54,822,116
Cash Received From Users	1,380,061	8,483,754
Payments To Suppliers	(1,211,272)	
Internal Activity-Payments From (To) Other Funds	(170,000)	(1,127,649)
Claims and Other Expenses Paid		(68,073,234)
Other Receipts		5,158,286
<b>Net Cash Provided By Operating Activities</b>	<b>\$ (1,211)</b>	<b>(736,727)</b>
<b>Cash Flows From Investing Activities:</b>		
Interest and Dividends	\$ 1,818	4
<b>Cash Flows From Investing Activities</b>	<b>\$ 1,818</b>	<b>4</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>\$ 607</b>	<b>(736,723)</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>1,798,007</b>	<b>3,214,685</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 1,798,614</b>	<b>2,477,962</b>
<b>Reconciliation Of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>		
Operating Income or (Loss)	\$ (29,448)	(1,786,588)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization Expense	\$	
Transfer In (Out)	(110,000)	
Change in Assets and Liabilities:		
(Increase) Decrease In Accounts Receivable, Net	154,507	(117,536)
(Increase) Decrease In Other Assets		(1,683,658)
(Increase) Decrease In Due From Other Funds	(60,000)	(957,076)
Increase (Decrease) In Accounts Payable	43,730	
Increase (Decrease) In Accrued Expenses And Claims Payable		1,472,225
Increase (Decrease) In Accrued Estimated Healthcare Payments		1,041,559
Increase (Decrease) In Due To Other Funds		1,294,347
<b>Total Adjustments</b>	<b>\$ 28,237</b>	<b>1,049,861</b>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (1,211)</b>	<b>(736,727)</b>

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

## CITY OF NEW HAVEN, CONNECTICUT

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2009**

	<b>Combined Employee Retirement Funds</b>	
<b>ASSETS</b>		
Cash and Short-Term Investments	\$ 19,026,745	
Interest and Dividends Receivable	1,561,633	
Accounts Receivable	15,272,243	
Due From Other Funds	<u>66,506</u>	
		\$ 35,927,127
Investments, At Fair Value:		
Government Agency	\$ 9,221,642	
Government Bonds	9,804,286	
Municipal Bonds	655,848	
Government Mortgages	17,153,208	
Indexed Linked Government Bonds	1,262,509	
Government Issued Commercial Backed Mortgage Securities	70,557	
Common Stock	153,122,180	
Sub Custodian Investment Equities	27,477,211	
Commercial Backed Mortgages	3,056,540	
Corporate Bonds	85,567,750	
Corporate Convertible Bonds	644,876	
Asset Backed Securities	713,571	
Venture Capital Partnerships	30,616,618	
Commodity - ETF	967,340	
Non-Government Backed Bonds	539,729	
Guaranteed Fixed Income	515,674	
Core U.S. Dollar Sub Fund	<u>15,379</u>	
Total Investments		<u>341,404,918</u>
<b>Total Assets</b>		<b>\$ <u>377,332,045</u></b>
<b>LIABILITIES</b>		
Accounts Payable		\$ 7,891,912
Accrued Liabilities		163,332
Other Liabilities		<u>1,029,160</u>
<b>Total Liabilities</b>		<b>\$ <u>9,084,404</u></b>
<b>NET ASSETS</b>		
Held In Trust For Pension Benefits		<b>\$ <u><u>368,247,641</u></u></b>

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

## CITY OF NEW HAVEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<b>Combined Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer Contributions	\$ 46,615,010
Plan Members	12,944,294
Plan Members Buybacks	140,606
Total Contributions	<u>\$ 59,699,910</u>
Investment Earnings:	
Net Increase (Decrease) In Fair Value Of Investments	\$ (101,962,778)
Interest	8,455,512
Dividends	4,208,082
Total Investment Income (Loss)	<u>\$ (89,299,184)</u>
Less: Investment Expenses:	
Investment Management Fees	2,289,474
Legal Fees	92,903
Interest Expense	160,681
Net Investment Earnings	<u>\$ (91,842,242)</u>
<b>Total Additions (Reductions)</b>	<u>\$ (32,142,332)</u>
<b>Deductions</b>	
Benefits	\$ 77,592,160
<b>Total Deductions</b>	<u>\$ 77,592,160</u>
<b>Net Increase (Decrease)</b>	\$ (109,734,492)
<b>Net Assets - Beginning of Year</b>	477,982,133
<b>Net Assets - End of Year</b>	<u>\$ 368,247,641</u>

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

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

### Note 1 – Summary of Significant Accounting Policies

#### Reporting Entity

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

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

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

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

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

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

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

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

#### Reporting Entity (Continued)

#### Discretely Presented Component Units

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

***New Haven Parking Authority*** — The New Haven Parking Authority (the Parking Authority) was created and established in 1951 by a special act of the General Assembly of the State for the purpose of developing, maintaining, and operating parking facilities for the City. The Parking Authority consists of the Traffic Engineer for the City and a Board of Commissioners with five members appointed by the Mayor of the City of New Haven. 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 of the City of New Haven, a member of the Board of Aldermen, and five City residents who are nominated by the Mayor and appointed by the Board of Aldermen.

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

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

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

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

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

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

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

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

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

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, 2009

---

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, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.
- Basic financial statements:

Government-wide financial statements consist of a statement of net assets and a statement of activities.

Fund financial statements consist of a series of statements focusing on information about the City's major governmental and enterprise funds. Separate financial statements are presented for the governmental, proprietary and fiduciary funds.

- Notes to the financial statements providing information that is essential to a user's understanding of the basic financial statements.
- Required supplementary information such as budgetary comparison schedules and other types of data required by GASB.

The government reports the following major governmental funds:

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

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

Additionally, the government reports the following fund types:

**Governmental Funds**

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

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

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

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

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

**Proprietary Funds**

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

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

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

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

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

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

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

#### **Fiduciary Funds**

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

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

#### **Proprietary Fund Accounting**

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

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

Accounting Estimates

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

Assets, Liabilities and Net Assets or Equity

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

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

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

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

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

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

**Restricted Assets** – At June 30, 2009, the Parking Authority had \$12,170,015 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. Additionally, certain assets of the Union Station Facility are restricted in accordance with the Lease and Funding Agreement.

At June 30, 2009 the Solid Waste Authority also had \$3,278,663 in restricted assets. The restricted assets were held in deposits and maintained to meet legal obligations of debt service, capital project fund, cost of bond issuance and other repairs and maintenance reserve funds.

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

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

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

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

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

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

**Long-term obligations** – In the government-wide financial statements and proprietary fund types 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. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

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

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

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

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



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

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

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

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

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

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

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

The details of this (\$639,793,314) difference is as follows:

Bonds Payable	\$(501,192,130)
Notes Payable	(3,430,000)
Contractual Obligation	(9,603,920)
Compensated Absences	(26,453,715)
Capital leases Payable	(1,079,771)
Accrued Workers Compensation	(33,144,478)
Other Liabilities	<u>(64,889,300)</u>
Net Adjustments to Reduce <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Assets of Government Activities</i> .	<u><u>\$(639,793,314)</u></u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

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

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

Exhibit E presents a reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities which includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The detail of this \$107,769,511 difference is as follows:

Capital Outlay	\$ 132,086,908
Depreciation Expense	(24,164,789)
Net of Disposals	<u>(152,608)</u>
Net adjustment to increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive At <i>Changes In Net Assets of Governmental Activities</i>	<u>\$ 107,769,511</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The detail of this (\$1,676,020) difference is as follows:

Debt Issued or Incurred:	
Issuance of General Obligation Bonds	(\$ 45,000,000)
Principal Repayments:	
Debt	42,147,976
Capital Lease Payments	<u>1,176,004</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>(\$ 1,676,020)</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

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

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

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds." The detail of this (\$23,047,293) difference is as follows:

Debt Issuance Costs	\$ 810,459
Amortization of Debt Issuance Costs	(301,607)
Net Decrease in Compensated Absences	535,254
Net Increase in Accrued Workers Compensation	(742,182)
Net Increase in Unfunded Pension Obligation	(405,437)
Net Increase in Unfunded OPEB Obligation	(22,862,327)
Net Decrease in Other	150,000
Net Increase in Accrued Interest	<u>(231,453)</u>

Net Adjustment to Decrease *Net Change In Fund Balances*  
*Total Governmental Funds to Arrive at Changes In Net*  
*Assets Of Governmental Activities* (\$ 23,047,293)

Note 3 – Stewardship, Compliance and Accountability

Budgetary Information

General Fund

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 3 – Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

General Fund (Continued)

- B. Concurrent with its submission to the Board of Aldermen, the budget is to be filed with the City Clerk. Within four business days after its filing, the clerk shall publish in a newspaper of general circulation in the City the proposed budget. The Board of Aldermen budget committee(s) shall hold at least two public hearings thereon. The first hearing shall be no later than 15 calendar days after the publication of the budget and another hearing shall be held at least 7 calendar days before the first reading by the Board of Aldermen.
- C. The Board of Aldermen can approve additional appropriations on the recommendation of the Mayor. However, the Board of Aldermen shall not reduce any item proposed by the Mayor for the payment of interest or principal of the municipal debt.
- D. The total amount of the annual appropriations for any year shall not exceed the estimated income for that year.
- E. Formal budgetary integration is employed as a management control device during the year.
- F. Except for the use of encumbrance accounting and the classification of certain revenues and expenditures, budgets are adopted on a modified accrual basis of accounting.
- G. Budgeted amounts reported in the financial statements have been revised to include Board of Aldermen revisions that were approved during the 2008-2009 fiscal year. Budgetary comparison schedules are presented in the supplemental section as Required Supplemental Information.
- H. In general, all unobligated appropriations lapse at year end.
- I. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order was issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year whereas they are shown as a reservation of fund balance on a GAAP basis of accounting.

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

Note 3 – Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

General Fund (Continued)

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

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>	<u>Fund Balance</u>
<b>Balance, Budgetary Basis</b>	\$ 455,078,101	454,560,570	16,025,789
State Teachers' Retirement and On-behalf Payment, not Recognized for Budgetary Purposes	<u>18,476,621</u>	<u>18,476,621</u>	<u>                    </u>
<b>Balance, GAAP Basis</b>	\$ <u><u>473,554,722</u></u>	<u><u>473,037,191</u></u>	<u><u>16,025,789</u></u>

Special Revenue Funds

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

Capital Projects Funds

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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	\$ 30,450,399	1,665,608	32,116,007
Community Development	7,904,006		7,904,006
Education Grants	7,082,542		7,082,542
Capital Project Funds	32,562,119		32,562,119
Other	9,687,253	829,119	10,516,372
Total Governmental Funds	\$ 87,686,319	2,494,727	90,181,046
Business-Type Activities	1,798,614		1,798,614
Internal Service Funds	2,477,669	293	2,477,962
Fiduciary Funds	1,027,736	17,999,009	19,026,745
<b>Total Cash and Cash Equivalents</b>	<b>\$ 92,990,338</b>	<b>20,494,029</b>	<b>113,484,367</b>
<b>Investments:</b>			
Governmental Funds:			
General Fund	\$	1,375,809	1,375,809
Community Development		2,829,980	2,829,980
Other		3,455,347	3,455,347
Total Governmental Funds	\$	7,661,136	7,661,136
Fiduciary Funds		341,404,918	341,404,918
Total Investments	\$ -	349,066,054	349,066,054
<b>Total Deposits and Investments</b>	<b>\$ 92,990,338</b>	<b>369,560,083</b>	<b>462,550,421</b>

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

	<u>Deposits</u>
<b>Cash and Cash Equivalents:</b>	
New Haven Parking Authority	\$ 18,125,356
New Haven Coliseum Authority	4,955
New Haven Solid Waste Authority	57,477
<b>Total Deposits</b>	<b>\$ 18,187,788</b>

At June 30, 2009 the New Haven Parking Authority cash and cash equivalents included \$9,259,913 of temporarily restricted cash and cash equivalents.

At June 30, 2009, the Solid Waste Authority's cash and cash equivalents included \$55,711 of temporarily restricted short-term investments classified as cash equivalents.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 4 - Deposits and Investments (Continued)

Deposits

The following is a summary of the carrying amount of cash and cash equivalents at June 30, 2009:

	<u>Total City</u>	<u>Business Type</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Bank Deposit Accounts	\$ 44,328,751	1,798,614	46,127,365	4,140,712
Money Market Funds	45,289,300		45,289,300	
Short-Term Investment Fund	2,920,783		2,920,783	7,917,947
Pension Cash and Short-Term Investment Fund	19,026,745		19,026,745	
U.S. Government Obligations				6,121,376
Cash On Hand	120,174		120,174	7,753
Total Cash and Cash Equivalents	<u>\$ 111,685,753</u>	<u>1,798,614</u>	<u>113,484,367</u>	<u>18,187,788</u>

Investments

As of June 30, 2009 the City held the following investments:

Investment Maturities (In Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Certificate of Deposit	\$ 304,953	304,953			
Asset Backed Securities	713,571		380,785		332,786
Short Term Bond Fund	575,795	147,489			428,306
Commercial Mortgage Backed	3,056,540				3,056,540
Common Stock	155,282,744	155,282,744			
Corporate Bonds	87,002,091	1,551,673	21,214,479	18,332,376	45,903,563
Government Agencies	4,618,141		2,662,904	960,336	994,901
Government Bonds	17,392,559	3,300,834	10,443,372	1,433,814	2,214,539
Government Mortgage Backed	17,153,208		83,219	2,415,165	14,654,824
Municipal/Provincial Bonds	655,848		273,294	382,554	
Mutual Funds	2,308,446	2,308,446			
Non-Government Backed	539,729				539,729
Other Stocks and Options	27,535,647	27,535,647			
Real Estate – Venture Ptnrshp	30,616,618	30,616,618			
Other Equity Fund	327,445	327,445			
Commodity Linked Fund	967,340	967,340			
Other Fixed Income	15,379				15,379
Total	<u>\$ 349,066,054</u>	<u>222,343,189</u>	<u>35,058,053</u>	<u>23,524,245</u>	<u>68,140,567</u>

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

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

#### Interest Rate Risk

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

#### Custodial Credit Risk

##### Cash

The bank balances of the Primary Government's cash accounts at June 30, 2009, were \$118,108,423. The amount of the bank balances covered under federal depository insurance was \$1,662,528. The remaining \$116,445,895 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, 2009, \$5,132,304 of uninsured deposits were collateralized under the provision.

The bank balances of the component units' cash accounts at June 30, 2009 were \$18,264,332. The New Haven Coliseum Authority's bank balances totaled \$4,955, all of which was insured by either Federal Deposit Insurance Corporation (FDIC) coverage or public deposit protection under the Connecticut General Statutes. The New Haven Parking Authority's bank balances totaled \$18,201,900 of which \$686,795 was covered by FDIC protection and the remaining \$17,515,105 is uninsured. As of June 30, 2009, \$421,829 of the uninsured deposits were collateralized. The New Haven Solid Waste Authority's bank balance totaled \$57,477, all of which was insured by FDIC coverage or public deposit protection under the Connecticut General Statutes.

##### Investments

There is a risk that in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in possession of another party.

The City's Pension Boards for the City Retirement Fund and the Policemen and Firemen Retirement Fund authorized a Securities Lending Agreement for both pension funds. Collateral received for securities lent is required to be 102% of the market value of the borrowed securities. The agent invests the cash collateral in a collateral investment pool whose share values are based on program wide collateralization levels. A maximum of 30% of cash collateral received may be invested in securities which have a maturity date exceeding three months. A minimum of 20% of the cash collateral should be available each business day. Loans to borrowers can be terminated on demand by the City or its lending agent.

The majority of securities lent were comprised of fixed and equity securities and were exchanged for cash collateral. A small amount of non-cash collateral totaling \$12,145 in the form of a letter of credit was also received. Underlying securities are reported at market value as of June 30, 2009 and are included in the pension investments under their respective investment types. Of the total market value of securities loaned to borrowers in the amount of \$61,534,261, 14.87% is subject to custodial credit risk.



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 4 - Deposits and Investments (Continued)

Custodial Credit Risk (Continued)

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received	Non-Cash Collateral Received	Collateral Investment Value	Type of Collateral
US Agencies	\$ 2,119,836	2,168,319		2,168,319	Custodian's Short-term Investment Pool
US Corporate Fixed -Income Securities	13,897,778	14,265,712		14,265,712	Custodian's Short-term Investment Pool
US Equity Securities	40,952,239	42,150,187	12,145	42,162,721	Custodian's Short-term Investment Pool
US Government Fixed Securities	4,564,408	4,669,208		4,669,208	Custodian's Short-term Investment Pool
<b>Total</b>	\$ <u>61,534,261</u>	<u>63,253,426</u>	<u>12,145</u>	<u>63,265,960</u>	

As of June 30, 2009 a collateral deficiency exists in the retirement funds' investments as a result of securities lending. This collateral deficiency is presented as other liabilities in the statement of fiduciary funds' net assets for City Employees Retirement Fund and the Policemen and Firemen Retirement Fund in the amounts of \$318,635 and \$710,525, respectively.

The City Employees Retirement Fund paid to the investment custodian's the amount of \$303,389 on October 30, 2009 toward the collateral deficiency upon exiting the securities lending program. The Policemen and Firemen Retirement Fund has elected to stay in the securities lending program and leave the collateral deficiency in the fund with anticipation of a market correction that will rebuild the investments and negate the collateral deficiency.

The collateral deficiency balances of the City Employees Retirement Fund and the Policemen and Firemen Retirement Fund are \$0 and \$215,189, respectively, as of the date of this report.

**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.

# CITY OF NEW HAVEN, CONNECTICUT

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

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

#### Credit Risk (Continued)

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, 2009 the City Employees' Retirement Funds fixed income investments rating range from CCC-AAA by S & P and Aaa-Caa by Moody's. The rating of less than B represents .30% and .65% of the funds' investments respectively.

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, 2009 the City's Police and Fire fund's fixed income investments ratings range from CCC to AAA by S&P and C to Aaa by Moody's. The ratings of less than BB- and Ba3 represents 1.21% and 1.18% of all pension funds investments, respectively. The minimum quality rating for equity investments is that the investment should have (a) at least five years of publicly held earnings history and be profitable (from continuing operations) in at least three of the last five years.

The City's Library Fund requires risk for equity funds investments not to exceed that of the S&P 500, and risk for fixed income investments not to exceed that of the Shearson Lehman Government Corporate Bond Index. As of June 30, 2009 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 fixed income. As of June 30, 2009 the Library Fund had 30% of the total fund invested in fixed income and 70% invested in equities.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009**

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

**Foreign Currency Risk**

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

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

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

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

<u>Fund</u>	<u>Investment</u>	<u>Currency</u>	<u>Maturity</u>	<u>Fair Value</u>
Police & Firemen's Retirement	Govt. Bonds	Brazilian Real	10/1/28	\$ 381,410
	Corp Bonds, Municipal Bonds	Canadian Dollar	6/15/10-12/22/26	861,059
	Municipal Bonds, Govt. Agencies, Corporate Bonds	Australian Dollar	1/12/10-1/3/17	724,770
	Govt. Agencies, Corp. Bonds,	New Zealand Dollar	6/15/10-12/15/17	461,598
				<u>\$ 2,428,837</u>

**Component Unit Investments**

As of June 30, 2009, the New Haven Parking Authority's sole investment was in a Federal Home Loan Mortgage Corp (FHLMC) Discount Note with a carrying cost of \$2,910,102 and a maturity date of December 1, 2009.

As of June 30, 2009, the Solid Waste Authority had restricted investments of \$3,222,952 in Money Market Mutual Funds.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 5 - Receivables, Payables and Deferred Revenue

Receivables at June 30, 2009 were as follows:

	General	Community Development	Education Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
Property Taxes	\$ 7,939,313					7,939,313
Other	7,180,265	2,669,179	1,051,338	50,847	1,171,655	12,123,284
Intergovernmental	56,453,884	1,385,341	2,835,349	2,807,968	435,487	63,918,029
Gross Receivables	\$ 71,573,462	4,054,520	3,886,687	2,858,815	1,607,142	83,980,626
Allowance For						
Doubtful Accounts	3,705,863	784,708				4,490,571
Total Receivables, Net	\$ 67,867,599	3,269,812	3,886,687	2,858,815	1,607,142	79,490,055

The New Haven Parking Authority, a component unit, has accounts receivable of \$606,044 which include amounts due from customers for monthly parking and from tenants under lease agreements. These receivables are due within one year and are net of a reserve for doubtful accounts of \$45,672. The reserve method is used by the Authority based on historical experience and review of existing receivables.

The New Haven Solid Waste Authority, a component unit, has accounts receivable of \$1,009,591 which includes amounts due from customers for disposal of solid waste at the Authority's Transfer Station. These receivables are due in one year and are deemed by management to be collectible. There is no reserve for doubtful accounts as of June 30, 2009.

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

	Unavailable	Unearned	Total
General Fund:			
Current Property Taxes, Net	\$ 1,316,105		1,316,105
Delinquent Property Taxes, Net	1,653,910		1,653,910
Intergovernmental Grant Receivable	52,041,054		52,041,054
Miscellaneous Revenue	2,731,560	400,000	3,131,560
Other Major Funds:			
Intergovernmental Grants Received in Advance:			
Community Development		2,770,369	2,770,369
Nonmajor Governmental Funds:			
Intergovernmental Grants Received in Advance		343,457	343,457
Total	\$ 57,742,629	3,513,826	61,256,455

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 5 - Receivables, Payables and Deferred Revenue (Continued)

Accounts Payable at June 30, 2009 were as follows:

	<u>Vendors</u>	<u>Payroll Benefits</u>	<u>Total</u>
General Fund	\$ 13,849,285	2,659,234	16,508,519
Community Development	2,648,657		2,648,657
Education Grants	2,859,336		2,859,336
Capital Projects	20,245,790		20,245,790
Other Governmental Funds	2,460,655		2,460,655
	<u>\$ 42,063,723</u>	<u>2,659,234</u>	<u>44,722,957</u>

Note 6 - Loans Receivable

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

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

Loans receivable, which are included in loans and accounts receivable in the accompanying combined balance sheet, consist of various loans totaling \$34,112,596, of which there is an allowance for collection losses equal to 100 percent of the total loans receivable as of June 30, 2009.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 7 - Internal Balances and Transfers

**Internal Balances Receivables and Payables**

As of June 30, 2009, 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)	\$ 33,304,027	14,233,786	19,070,241
Internal Service Funds	\$ 5,256,903	15,414,315	(10,157,412)
Employee Retirement Funds	\$ 66,506	-	66,506
Special Revenue Funds:			
Major:			
Community Development	\$ 357,155	2,645,166	(2,288,011)
Education Grants	612,408	7,543,860	(6,931,452)
Other:			
Improvement		158,454	(158,454)
Human Resources	332,529	3,190,347	(2,857,818)
Redevelopment		4,443	(4,443)
Other	105,293	1,017,194	(911,901)
Total Special Revenue Funds	\$ 1,407,385	14,559,464	(13,152,079)
Debt Service	\$ 1,026,495		1,026,495
Other Expendable Trust Funds		51,297	(51,297)
Capital Project Funds	\$ 3,369,330	23,019	3,346,311
<b>Sub-Total</b>	<b>\$ 44,430,646</b>	<b>44,281,881</b>	<b>148,765</b>
Enterprise Funds	\$ 60,000	18,385	41,615
<b>Total Primary Government</b>	<b>\$ 44,490,646</b>	<b>44,300,266</b>	<b>190,380</b>
Component Units:			
Parking Authority General Fund	\$	130,380	(130,380)
Greater New Haven Solid Waste Authority		60,000	(60,000)
<b>Total Component Units</b>	<b>\$ -</b>	<b>190,380</b>	<b>(190,380)</b>
<b>Grand Total</b>	<b>\$ 44,490,646</b>	<b>44,490,646</b>	<b>-</b>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

**Transfers**

As of June 30, 2009, amounts transferred between funds were as follows:

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

**Note 8 - Capital Assets**

Capital asset activity for the year ended June 30, 2009 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	\$ 44,140,306			44,140,306
Construction In Progress	396,149,850	126,765,403	179,291,657	343,623,596
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 440,290,156</b>	<b>126,765,403</b>	<b>179,291,657</b>	<b>387,763,902</b>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 842,853,548	182,121,442	1,757,077	1,023,217,913
Land Improvements	14,747,557	519,679		15,267,236
Vehicles	39,588,907	1,872,943		41,461,850
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	16,628,465	99,098		16,727,563
Infrastructure	188,049,917			188,049,917
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 1,101,868,394</b>	<b>184,613,162</b>	<b>1,757,077</b>	<b>1,284,724,479</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 181,182,115	17,526,343	1,604,469	197,103,989
Land Improvements	14,473,921	509,968		14,983,889
Vehicles	32,988,469	1,533,087		34,521,556
Machinery, Equipment, Furniture, Fixtures and Other Related Assets	11,569,130	445,683		12,014,813
Infrastructure	111,897,280	4,149,708		116,046,988
<b>Total Accumulated Depreciation</b>	<b>\$ 352,110,915</b>	<b>24,164,789</b>	<b>1,604,469</b>	<b>374,671,235</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>\$ 749,757,479</b>	<b>160,448,373</b>	<b>152,608</b>	<b>910,053,244</b>
<b>Governmental Activities - Capital Activities - Net</b>	<b>\$ 1,190,047,635</b>	<b>287,213,776</b>	<b>179,444,265</b>	<b>1,297,817,146</b>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 8 - Capital Assets (Continued)

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

Governmental Activities:	
Education	\$ 15,293,916
General Government	651,343
Public Safety	1,303,000
Public Works	6,361,482
Culture and Recreation	555,048
<b>Total Depreciation Expense – Governmental Activities</b>	<u><u>\$ 24,164,789</u></u>

Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 106,000	2,455,000		2,561,000
Construction In Progress	749,717	2,308,085	2,381,292	676,510
Total Capital Assets, Not Being Depreciated	<u>\$ 855,717</u>	<u>4,763,085</u>	<u>2,381,292</u>	<u>3,237,510</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	\$ 83,323,816	4,020,268	2,455,000	84,889,084
Equipment And Motor Vehicles	4,411,445	111,834	4,898	4,518,381
Total Capital Assets Being Depreciated	<u>\$ 87,735,261</u>	<u>4,132,102</u>	<u>2,459,898</u>	<u>89,407,465</u>
Less: Accumulated Depreciation For:				
Buildings & Improvements	\$ 47,806,181	3,215,162		51,021,343
Equipment and Motor Vehicles	4,010,606	246,870	3,674	4,253,802
Total Accumulated Depreciation	<u>\$ 51,816,787</u>	<u>3,462,032</u>	<u>3,674</u>	<u>55,275,145</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 35,918,474</u>	<u>670,070</u>	<u>2,456,224</u>	<u>34,132,320</u>
Capital Assets, Net	<u>\$ 36,774,191</u>	<u>5,433,155</u>	<u>4,837,516</u>	<u>37,369,830</u>



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

Note 8 - Capital Assets (Continued)

Construction Commitments:

The City has the following major active construction projects as of June 30, 2009:

<u>Capital Project</u>	<u>Cumulative Authorization</u>	<u>Cumulative Expenditures</u>	<u>Remaining Construction Commitment Balance June 30, 2009</u>	<u>Expected Date of Completion</u>
Bishop Woods	\$ 37,000,000	28,030,759	8,969,241	09/01/09
Davis Magnet	42,000,000	7,787,823	34,212,177	01/01/11
East Rock	44,000,000	3,654,958	40,345,042	12/01/11
Hill Central	45,700,000	1,857,754	43,842,246	09/01/11
Metro Business Magnet	38,540,141	23,639,635	14,900,506	04/01/10
Roberto Clemente	42,000,000	13,523,470	28,476,530	09/01/10
UNH Science Academy	59,500,000		59,500,000	09/01/12
Worthington Hooker New	35,500,000	25,355,665	10,144,335	12/01/09
	\$ <u>344,240,141</u>	<u>103,850,064</u>	<u>240,390,077</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:

	<u>Balance June 30, 2008</u>	<u>Issuances</u>	<u>Payments</u>	<u>Balance June 30, 2009</u>
GANs	\$ <u>68,788,000</u>	<u>103,582,000</u>	<u>92,785,000</u>	<u>79,585,000</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 10 – Long-Term Liabilities

Changes In Long-Term Liabilities

A summary of changes in Long-Term Liabilities during the year ended June 30, 2009 is as follows:

	<u>Balance June 30, 2008</u>	<u>Issued/ Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>	<u>Within One Year</u>
<b>Government Activities:</b>					
Long-Term Debt:					
Bonds Payable	\$ 497,007,908	45,000,000	40,815,778	501,192,130	40,304,363
Notes Payable	3,920,000		490,000	3,430,000	520,000
Capital Leases	2,255,775		1,176,004	1,079,771	613,439
<b>Other Long-Term Liabilities:</b>					
Contractual Obligation – GNHWPCA	10,446,118		842,198	9,603,920	853,937
Compensated Absences	26,988,969	19,597,584	20,132,838	26,453,715	22,451,950
Accrued Workers' Compensation	32,402,296	9,289,529	8,547,347	33,144,478	11,270,485
Unfunded Pension Obligation	12,195,536	1,036,620	631,183	12,600,973	652,162
Unfunded OPEB Obligations	27,776,000	41,793,858	18,931,531	50,638,327	27,145,120
Landfill Closure And Post Closure	1,800,000		150,000	1,650,000	150,000
Total Governmental Debt	<u>\$ 614,792,602</u>	<u>116,717,591</u>	<u>91,716,879</u>	<u>639,793,314</u>	<u>103,961,456</u>
<b>Component Unit Activities:</b>					
Long Term-Debt:					
Revenue Bonds*	\$ 29,276,375		2,225,130	27,051,245	2,135,489
Capital Leases	181,709		72,969	108,740	69,623
Total Component Unit Debt	<u>\$ 29,458,084</u>	<u>-</u>	<u>2,298,099</u>	<u>27,159,985</u>	<u>2,205,112</u>

\* The New Haven Parking Authority's debt balance at June 30, 2009 is net of amount deferred on refunding bonds of (\$738,274) and premium on refunding of \$498,791. The New Haven Solid Waste Authority's debt balance at June 30, 2009 is net of deferred bond issuance costs of (\$484,272).

The reduction in the City's General Obligation Bonds of \$40,815,778 includes the following:

Principal Payments on:	
Clean Water Bonds	\$ 6,115
General Obligation Bonds	40,809,663
Total General Obligation Bonds Reductions	<u>\$ 40,815,778</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 10 – Long-Term Liabilities (Continued)

**A. General Obligation Bonds**

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

General obligation bonds are direct obligations and pledge the good faith and credit of the government. These bonds generally are issued as 15-year or 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose/Expiration</u>	<u>Interest Rate</u>	<u>Governmental Activity</u>
General Purpose Bonds Varying Expiration Dates Ranging From December 2009 to March 2029	3.00-9.50%	\$ 174,620,143
School Bonds Varying Expiration Dates Ranging From December 2009 to March 2029	.34-9.50%	314,501,636
Urban Renewal Bonds Varying Expiration Dates Ranging From December 2009 to March 2029	3.00-9.50%	12,064,952
Sewer Bonds Varying Expiration Dates Ranging From December 2009 to November 2022	3.25-9.50%	5,399
		\$ 501,192,130
Less Current Portion		40,304,363
Long-Term Portion		<u>\$ 460,887,767</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

Note 10 - Long-Term Liabilities (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 40,304,363	22,082,191
2011	38,734,426	20,506,882
2012	37,111,028	18,876,011
2013	36,884,239	17,249,503
2014	36,359,137	15,522,085
2015 Through 2019	169,490,330	52,586,762
2020 Through 2024	110,618,607	19,013,888
2025 Through 2029	31,690,000	3,550,763
	<u>\$ 501,192,130</u>	<u>169,388,085</u>

The State of Connecticut reimburses the City for eligible principal and interest costs the of the capital improvement bond issues used for school reconstruction. The amount of such reimbursements for the year ended June 30, 2009 was approximately \$4,776,754. The City expects to receive \$52,041,054 in principal payments and \$17,449,701 in interest payments over the next 20 years.

Qualified Zone Academy Bonds (QZAB) were issued pursuant to Section 1397E of the Internal Revenue Code. As such, a tax credit will be offered to the security provider and the City receives a reduction in interest payments. The QZAB's are general obligation bonds and require that annual payments be made to an escrow account where the City is guaranteed a fixed interest rate. On the termination date, these payments, together with the interest earnings, will be used to satisfy the Bonds on the respected termination date. These bonds are included in general obligation bonds and the related debt service requirements. The City is guaranteed to earn \$1,730,859 in interest over the next seven years to be used to relinquish the principal portion of the debt during the current year; the escrow account earned \$196,541.

**Bonds Authorized/Unissued**

At June 30, 2009, the City had \$215,630,787 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2009.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 10 - Long-Term Liabilities (Continued)

**Advance and Current Refunding**

The City has issued general obligation refunding bonds in prior years 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.

None of the City's general obligation debt was defeased during the year ended June 30, 2009. However, cumulative defeased debt outstanding is \$193,770,000.

**Conduit Debt**

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

As of June 30, 2009, there were 6 series of limited obligation industrial bonds outstanding, with an aggregate principal amount of \$9,154,215.

**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 \$17,275,000 of outstanding revenue bond debt at June 30, 2009 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>
2010	\$ 2,110,000	859,562
2011	2,215,000	751,437
2012	2,330,000	633,444
2013	2,450,000	504,982
2014	2,585,000	369,666
2015 through 2016	5,585,000	304,092
	<u>\$ 17,275,000</u>	<u>3,423,183</u>

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009**

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

The Solid Waste Authority, a component unit of the City, also issued bonds to finance the acquisition of its solid waste facility assets. Through the Solid Waste Authority, the City has \$10,500,000 of outstanding revenue bond debt at June 30, 2009 with an interest rate ranging from 4% to 5.375%.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$	524,788
2011	385,000	524,788
2012	400,000	509,388
2013	415,000	493,388
2014	435,000	476,269
2015 through 2019	2,480,000	2,069,319
2020 through 2024	3,180,000	1,374,907
2025 through 2028	3,205,000	441,826
	\$ <u>10,500,000</u>	<u>6,414,673</u>

**C. Notes Payable**

**General Government**

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$	138,624
2011	520,000	124,119
2012	550,000	106,573
2013	585,000	85,940
2014	610,000	62,566
2015 through 2017	1,165,000	78,806
	\$ <u>3,430,000</u>	<u>596,628</u>

**D. Capital Leases**

The City has entered into three lease agreements as lessee for the financing of energy conservation equipment. These equipment leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception. The interest rate varies on these leases from 2.695% to 4.290% per annum.

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 10 - Long-Term Liabilities (Continued)

D. Capital Leases (Continued)

That agreement provides for monthly principal and interest payments of \$6,599 through 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, 2009 were as follows:

Year Ending June 30,	General Government	Component Unit
		Parking Authority
2010	\$ 645,806	72,589
2011	197,024	39,594
2012	197,024	
2013	98,513	
Total Minimum Lease Payments	\$ 1,138,367	112,183
Less Amount Representing Interest	58,596	3,443
Present Value of Minimum Lease Payment	\$ 1,079,771	108,740

**Component Units:**

The net book value of property under capital leases for the New Haven Parking Authority was \$254,461 at June 30, 2009. Depreciation expense on leased assets was \$59,468 for the year ended June 30, 2009.

Note 11 - Fund Deficits

Certain individual funds had operating and/or fund balance deficits at June 30, 2009 as follows:

	Operating Deficit	Fund Balance Deficit
Major Governmental:		
Community Development	\$ 558,359	
Education Grants	253,655	
Capital Project Funds	16,634,093	62,167,683
Non-Major Governmental:		
Improvement	976,674	
Human Resources		1,098,930
Redevelopment Agency	118,950	
Other Special Revenue Funds		
Other Expendable Trust Funds	70,985	
Permanent Funds	545,232	
Enterprise Funds:		
Transfer Station	128,619	
East Rock Community Tower	78,211	
Internal Service Funds:		
Self-Insurance Reserve	1,362,647	17,931,695
Workers' Compensation	438,111	3,757,623
Fiduciary Funds:		
City Employees' Retirement Fund	54,909,464	
Policemen's and Firemen's Retirement Fund	54,791,869	
Other Retirement Fund	83,159	

## CITY OF NEW HAVEN, CONNECTICUT

### NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS JUNE 30, 2009

---

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

The Capital Projects Funds' deficits have arisen because either bond authorized for these projects have not been issued or State funding for these projects has not been received. State reimbursement for eligible capital project expenses ranges from 78%-100% depending on the type of project. Reimbursement under those rates is not received in full until the project is complete and the necessary reports have been submitted to the State. The City has major school construction projects in process as of June 30, 2009.

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 \$9.2 million of case reserves and approximately \$8.7 million in under-funded liability for the City. The City has increased its funding appropriation from \$1.7 million in 2005 to \$2.5 million in 2006, to \$2.5 million in 2007, to \$2.8 million in 2008, and to \$2.75 million in 2009. There are long term plans for subsequent years' appropriations to be budgeted at similar appropriation amounts to 2008 and 2009 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, 2009 expenses for this claim totaled \$438,111.

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

##### Employee Pension Plans

The City maintains two single employer contributory, defined benefit pension plans, the City Employees' Retirement Fund (CERF) and the Policemen's and Firemen's Retirement Fund. These funds cover substantially all City employees, including 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, 2009

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

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

The individual plan net assets are as follows:

	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund
<b>ASSETS</b>				
Cash and Short – Term Investments	\$ 7,118,065	10,418,596	1,365,084	125,000
Interest and Dividends Receivables	640,957	920,137	539	
Accounts Receivable	11,206,827	4,065,279	137	
Due from Other Funds	16,506			50,000
Investments, At Fair Value	125,441,214	215,905,246	58,458	
<b>Total Assets</b>	<b>\$ 144,423,569</b>	<b>231,309,258</b>	<b>1,424,218</b>	<b>175,000</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,011,337	5,880,575		
Accrued Liabilities	137,232	26,100		
Other Liabilities	318,635	710,525		
<b>Total Liabilities</b>	<b>\$ 2,467,204</b>	<b>6,617,200</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>				
Held In Trust For Pension Benefits	\$ 141,956,365	224,692,058	1,424,218	175,000

Individual changes in plan net assets were as follows:

	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund
<b>ADDITIONS</b>				
Contributions:				
Employer Contributions	\$ 10,946,479	16,687,000		18,981,531
Plan Members	3,455,430	6,109,573		3,379,291
Plan Members Buybacks	139,514	1,092		
<b>Total Contributions</b>	<b>\$ 14,541,423</b>	<b>22,797,665</b>	<b>-</b>	<b>22,360,822</b>
Investments Earnings:				
Net Increase (Decrease) In Fair Value Of Investments	\$ (49,453,704)	(52,446,848)	(62,226)	
Interest	3,230,855	5,208,739	15,918	
Dividends	1,197,438	3,005,693	4,951	
<b>Total Investment Income (Loss)</b>	<b>\$ (45,025,411)</b>	<b>(44,232,416)</b>	<b>(41,357)</b>	<b>-</b>
Less: Investment Expenses:				
Investment Management Fees	997,079	1,292,395		
Legal Fees	68,110	24,793		
Interest Expense		160,681		
<b>Net Investment Earnings (Loss)</b>	<b>\$ (46,090,600)</b>	<b>(45,710,285)</b>	<b>-</b>	<b>-</b>
<b>TOTAL ADDITIONS (REDUCTIONS)</b>	<b>\$ (31,549,177)</b>	<b>(22,912,620)</b>	<b>(41,357)</b>	<b>22,360,822</b>
<b>DEDUCTIONS</b>				
Benefits	\$ 23,360,287	31,879,249	41,802	22,310,822
<b>TOTAL DEDUCTIONS</b>	<b>\$ 23,360,287</b>	<b>31,879,249</b>	<b>41,802</b>	<b>22,310,822</b>
<b>Net Increase (Decrease)</b>	<b>\$ (54,909,464)</b>	<b>(54,791,869)</b>	<b>(83,159)</b>	<b>50,000</b>
<b>Net Assets – Beginning of Year</b>	<b>196,865,829</b>	<b>279,483,927</b>	<b>1,507,377</b>	<b>125,000</b>
<b>Net Assets – End Of Year</b>	<b>\$ 141,956,365</b>	<b>224,692,058</b>	<b>1,424,218</b>	<b>175,000</b>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

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

City Employees' Retirement Fund

Plan Description and Contribution Information

Plan Membership

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

<u>Plan Description and Contribution Information</u>	
Membership in each plan consisted of the following at the date of the latest actuarial valuation	6/30/2008
Retirees and beneficiaries receiving benefits	1,051
Terminated plan members entitled to but not yet receiving benefits	14
Active Plan Members	
Vested	636
Nonvested	<u>556</u>
Total	<u>2,257</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 percent 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, 2009

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

City Employees' Retirement Fund (Continued)

Plan Description and Contribution Information (Continued)

Contributions

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

Plan Changes

The latest actuarial valuation as of June 30, 2008 did not include any material changes in funding method or assumptions. The latest actuarial valuation as of June 30, 2008 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)	%
6/30/03	\$ 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	
6/30/06	188,229,400	315,802,400	127,573,000	59.6	52,217,000	244.3	
6/30/07	198,695,200	327,906,400	129,211,200	60.6	55,510,000	232.8	
6/30/08	208,351,823	344,861,529	136,509,706	60.4	57,368,000	238.0	

Actuarial Assumptions and Methods

Reporting Date-End of Fiscal Year	6/30/2009
Latest Actuarial Valuation Date	6/30/2008
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, 2009

---

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

**City Employees' Retirement Fund** (Continued)

Plan Description and Contribution Information (Continued)

Actuarial Assumptions and Methods (Continued)

Actuarial Assumptions:

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

Turnover Assumption

The following are sample annual rates of turnover:

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

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

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

Disability Assumption

The following are sample annual rates of disability:

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

**City Employees' Retirement Fund** (Continued)

Plan Description and Contribution Information (Continued)

Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
2004	\$ 7,408,604	100%	7,408,604
2005	7,407,549	100%	7,407,549
2006	9,254,000	100%	9,254,000
2007	9,522,000	100%	9,522,000
2008	10,396,025	100%	10,396,025
2009	10,938,000	100%	10,938,000

Calculation of Annual Pension Cost (APC) and Net Pension Obligation (NPO):

Actuarially Required

1. Contribution (ARC)	\$ 10,938,000
2. Interest on NPO	134,570
3. Adjustment To (ARC)	<u>(84,436)</u>
4. Annual Pension Cost (APC)	\$ 10,988,134
5. Contribution Made	<u>10,938,000</u>
6. Increase In NPO	\$ 50,134
7. NPO Beginning of Year	<u>1,583,180</u>
8. NPO End of Year	\$ <u><u>1,633,314</u></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>
6/30/07	\$ 9,299,658	99.5%	1,487,481	9,254,000
6/30/08	9,569,104	99.5%	1,534,585	9,522,000
6/30/09	10,988,134	99.5%	1,633,314	10,938,000

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

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

Policemen and Firemen Retirement Fund

Plan Description and Contribution Information

Plan Membership

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

	June 30, 2008
Retirees and Beneficiaries Receiving Benefits	1,092
Terminated Plan Members Entitled To But Not Yet Received Benefits	3
Active Plan Members	<u>773</u>
Total	<u>1,868</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 percent 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 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 80% (83% for police) of highest average pay. Normal Retirement Age is after 20 years of continuous service. Benefits and contributions are established by the City and may be amended by the City.

Contributions

Fire members contribute 8.75% of all City earnings. (Effective July 1, 2006 police contribute 9.25% of all City earnings). In addition, policemen contribute 4.800% of extra duty earnings and firemen contribute 4.375% of extra duty earnings. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

Policemen and Firemen Retirement Fund (Continued)

Plan Description and Contribution Information (Continued)

Plan Changes

The latest actuarial valuation dated June 30, 2008 did not include any material changes in funding methods or actuarial assumptions.

The latest actuarial valuation dated June 30, 2008 reflects no material changes in plan provisions or coverage:

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)
6/30/2003	272,056,400	388,896,100	116,839,700	70.0%	51,856,000	225.3%
6/30/2004	266,358,100	406,432,500	140,074,400	65.5%	51,385,000	272.6%
6/30/2005	262,584,200	423,997,500	161,413,300	61.9%	53,854,000	299.7%
6/30/2006	267,476,700	450,434,000	182,957,300	59.4%	52,998,500	345.2%
6/30/2007	285,490,700	470,931,700	185,441,000	60.6%	55,602,000	333.5%
6/30/2008	301,004,223	512,853,088	211,848,865	58.7%	58,017,427	365.1%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2004	10,404,000	100%	10,404,000
2005	11,028,000	100%	11,028,000
2006	12,871,000	100%	12,871,000
2007	13,481,000	100%	13,481,000
2008	15,000,000	100%	15,000,000
2009	16,687,000	100%	16,687,000

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

Calculation of Annual Pension Cost (APC) and Net Pension Obligation (NPO)

Actuarially Required

1. Contribution (ARC)	\$ 16,687,000
2. Interest on NPO	902,050
3. Adjustment To (ARC)	(546,747)
4. Annual Pension Cost (APC)	\$ 17,042,303
5. Contribution Made	16,687,000
6. Increase In NPO	\$ 355,303
7. NPO Beginning of Year	10,612,356
8. NPO End of Year	\$ 10,967,659

Actuarial Assumptions and Methods:

Reporting Date-End of Fiscal Year	6/30/2009
Latest Actuarial Valuation Date	6/30/2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent
Remaining Amortization Period	30 Year Open Period
Asset Valuation Method	Phase in of Investment Gains and Losses, 20% Per Year for 5 years
Actuarial Assumptions:	
Investment Rate of Return*	8.50%
Projected Salary Increases*	Age Related Scale With Average of 5.00%
*Includes inflation at	3.00%
Cost of Living Adjustments	1.50%

Turnover Assumption

The following are sample annual rates of turnover:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	4.00%	6.00%
30	3.00%	4.00%
40	1.20%	2.00%
50	0.00%	0.00%

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

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



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

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

Plan Description and Contribution Information (Continued)

Disability Assumption

The following are sample annual rates of disability:

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

Expenses estimated to be \$150,000 per year.

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Actual Contribution</u>
6/30/2007	13,813,656	97.6%	10,268,563	13,481,000
6/30/2008	15,343,793	97.8%	10,612,356	15,000,000
6/30/2009	17,042,303	97.9%	10,967,659	16,687,000

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

Contributions to the Custodians' and Engineers' Retirement Fund and Special Widows' Relief Fund are primarily based on the "pay as you go" method whereby the City contributes only those funds needed to pay current year benefit payments in excess of current year contributions made by City employees. Contributions are approved by the Board of Aldermen. This method is not an acceptable method of determining pension costs under accounting principles generally accepted in the United States Of America. No contributions were made for the above funds for the year ended June 30, 2009. The City does not contribute to the Teachers' Retirement Fund, a plan that was established to provide benefits to teachers hired prior to 1944, because investments, investment earnings and reimbursements from the State are sufficient to meet the benefit payments and other obligations.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

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

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

Teachers' Retirement Plan

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

Covered Employees

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

Vesting Requirements

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

Pension Contribution Requirements/Amounts By State

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in sections 10-183l and 10-183z C.G.S. For the fiscal year ended June 30, 2009, the sum of \$539,302,674 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2009 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 \$3,492,305,102. The State's appropriation represented 15.44% of the total estimated payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by section 10-183b(7) C.G.S. For the 2008-2009 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 \$119,667,237.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

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

Teachers' Retirement Plan (Continued)

For the year ended June 30, 2009 the following information is applicable to the City:

Total Number of Teachers Participating	<u>1,938</u>
Participant Contributions	<u>\$ 8,675,875</u>
On Behalf State Payments	<u>\$ 18,476,621</u>

Other Post-Employment Benefit Plans

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

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

Plan Description

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

Funding Policy

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

The OPEB obtained its latest actuarial valuation as of June 30, 2008 upon which the annual required contribution for the fiscal year ended June 30, 2009 was determined based on a 5% discount rate.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
7/1/08	\$ -	430,522,000	430,522,000	-%	272,235,306	158.1 %

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

The accrued liability is equal to the portion of the present value of future benefits that is allocated to years of service before the valuation date. The accrued liability is amortized over 30 years as a level dollar amount.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funding status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2008	\$ 42,126,000	34.1 %	14,350,000
2009	\$ 42,126,000	44.9	18,931,531

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009**

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

Annual OPEB Cost and Net OPEB Obligation

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

The calculation of the change in the net OPEB obligation for the year ended June 30, 2009 follows:

<u>Actuarially Required</u>		
1. Contribution (ARC)*	\$	42,126,000
2. Interest on NOO		1,388,800
3. Adjustment To (ARC)		<u>(1,720,942)</u>
4. Annual OPEB Cost (AOC)	\$	41,793,858
5. Contribution Made		<u>18,931,531</u>
6. Increase In NOO	\$	22,862,327
7. NOO Beginning of Year		<u>27,776,000</u>
8. NOO End of Year	\$	<u><u>50,638,327</u></u>

Fiscal Year Ending	<u>Annual OPEB Cost and Net OPEB Obligation Three-Year Trend Information*</u>			
	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net Operating Obligation</u>
6/30/2008	\$ 42,126,000	14,350,000	34.1%	\$ 27,776,000
6/30/2009	<u>\$ 41,793,858</u>	<u>18,931,531</u>	<u>45.3%</u>	<u>50,638,327</u>

\* June 30, 2009 is the first year in which the ARC and Net OPEB obligation calculation has been completed.

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

Eligibility

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

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

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

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

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

Contributions

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

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

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

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

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

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

The actuarial assumptions to value benefits for all locations except Police, Fire, Teachers, and School Administrators as of July 1, 2007:

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 12 – Employee Retirement and Other Post-Employment Benefit Plans (Continued)  
City Employees' Other Post-Employment Benefit Plan (Continued)

Termination	Sample Yearly Rates of Termination		
	Age	Male	Female
	15	12.0%	17.0%
	20	12.0%	17.0%
	25	10.0 %	15.8%
	30	9.0%	12.0%
	35	8.0%	9.6%
	40	6.3%	7.2%
	45	4.4%	4.8%
	50	2.2%	2.4%
	55	2.0%	1.0%
	60	2.0%	1.0%

Disability                      The assumed rates of disability are from the 1985 Pension Disability Table Class, 1 professional administrative, supervisory, sales, and clerical occupations.

Discount Rate                5.0%

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

Aging Rate effect on Medical Costs	Increase per year	
		Up to 39
	40-54	3.3%
	55-59	3.6%
	60-64	4.2%
	65-69	3.0%
	70-74	2.5%
	75-79	2.0%
	80-84	1.0%
	85-89	0.5%
	90+	0.0%

Assumed Retirement Age    Active members are assumed to retire on the earlier of 62 with 20 years or meeting the Rule of 80. Any member who has reached the Assumed Retirement Age is expected to retire immediately.

Survivorship                 85% of male employees and 65% of female employees are assumed married, wives are 2 years younger than husbands.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009**

---

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

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

Eligibility

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

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

Contributions

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

	Century <u>Preferred</u>	Blue <u>Care 1</u>	Blue <u>Care 2</u>
<b>Police - Individual</b>	\$50/mo.	\$45/mo.	
<b>Police – Employee and Spouse</b>	105/mo.	85/mo.	
<b>Fire - Individual</b>	55/mo.	45/mo.	\$40/mo.
<b>Fire – Employee and Spouse</b>	110/mo.	85/mo.	80/mo.

The actuarial assumptions to value benefits for Police and Fire as of July 1, 2007:

Mortality Basis                      RP-2000 projected to the valuation years + 10 years with separate male and female tables, with blue collar adjustment for participants only, and separate tables for active members and annuitants.

Termination	<u>Sample Yearly Rates of Termination</u>		
	<u>Age</u>	<u>Male</u>	<u>Female</u>
	20	4.0%	6.0%
	25	4.0%	6.0%
	30	3.0%	4.0%
	35	2.0%	3.0%
	40	1.2%	2.0%
	45	0.6%	1.0%
	50	0.0%	0.0%



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

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

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

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

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

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

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

School Administrators and Teachers Other Post-Employment Benefit Plan

Eligibility

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

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

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

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

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

Contributions

Retirees pay a portion of the cost of medical coverage.

The actuarial assumptions to value benefits for Teachers and School administrators as of July 1, 2007:

Mortality Basis

As used in the Connecticut State Teachers' Retirement System 2006 Pension Valuation; age 61 and under use the Pre-retirement rates; 62 and over the Post-retirement rates.

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	.0210%	.0109%
35	.0431%	.0249%
45	.0790%	.0527%
55	.1489%	.1316%
61	.3282%	.3029%
62	.4966%	.4596%
65	.7659%	.6953%
75	2.2802%	2.0100%
85	7.7020%	5.4696%
95	22.0697%	16.4072%
105	38.3040%	26.6044%
110	100.0000%	100.0000%

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

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

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

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

<u>Service</u>	<u>Male Rate</u>	<u>Female Rate</u>
0-1	.1400%	.1200%
1-2	.0850%	.0900%
2-3	.0550%	.0700%
3-4	.0450%	.0600%
4-5	.0350%	.0550%
5-6	.0250%	.0500%
6-7	.0240%	.0450%
7-8	.0230%	.0350%
8-9	.0220%	.0300%
9-10	.0210%	.0250%
10 +	Use age-related rates until eligible to retire	

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

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

Disability                      None

Discount Rate                      5.0%

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

---

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

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

Aging Rates Effect on Medical Costs:

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

Assumed Retirement Age:

Eligible for Normal  
 (Unreduced) Retirement  
 (Age 60 & 20 Yrs Service)  
 Or 35 Yrs Service)

Eligible for Early (Reduced)  
 Retirement (age 55 and 20  
 Yrs of Service or 25 Yrs  
 Service)

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50-51	27.5%	15.0%	2.0%	2.0%
52	27.5%	15.0%	3.0%	4.0%
53	27.5%	15.0%	3.0%	4.5%
54	27.5%	15.0%	5.0%	5.5%
55	38.5%	30.0%	5.0%	7.5%
56	38.5%	30.0%	7.0%	8.5%
57	38.5%	30.0%	10.0%	9.5%
58	38.5%	30.0%	11.0%	10.0%
59	38.5%	30.0%	12.0%	10.0%
60	22.0%	20.0%		
61-62	25.3%	22.5%		
63-64	27.5%	22.5%		
65	36.3%	30.0%		
66-69	27.5%	30.0%		
70-79	100.0%	40.0%		
80	100.0%	100.0%		

Survivorship 70% of males and 35% of females; wives are three years younger than husbands.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009**

---

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

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

**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 \$830,050 and the Authority's contributions amounted to \$124,559 for the year ended June 30, 2009.

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, 2009 amounted to \$3,374,546. The Authority's contributions for the year ended June 30, 2009 amounted to \$512,737.

**Note 13 - Commitments and Contingencies**

**General Government**

The City is a defendant in various liability claims and lawsuits relating to deaths and personal injuries, civil rights violations, contractual obligations and other matters, which are incidental to performing governmental functions. The City has determined that it is probable that it has potential liability of up to \$11.1 million for such claims. The City has accrued \$9.2 million in the self-insurance reserve internal service fund. But the self-insurance fund has a deficit of \$17.2 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.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 13 - Commitments and Contingencies (Continued)

Operating Lease Agreements

The City leases office space and garage under cancelable and non-cancelable operating leases with terms extending over the next one to nine years. As of June 30, 2009, total future minimum rental payments under these leases are as follows:

Year Ending June 30,	
2010	\$ 4,426,501
2011	2,764,777
2012	1,977,665
2013	1,494,596
2014	1,362,871
Thereafter	2,170,845
	<u>\$ 14,197,255</u>

Rent expense related to these agreements amounted to approximately \$4,698,588 for the year ended June 30, 2009.

Component Units

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

Parking Authority Lease Agreements

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, 2009 is \$32,898.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

Note 13 - Commitments and Contingencies (Continued)

The following is a schedule, as of June 30, 2009, 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,	
2010	\$ 394,771
2011	394,771
2012	394,771
2013	394,771
2014	394,771
2015 and Thereafter	<u>394,771</u>
	<u>\$ 2,368,626</u>

Total Parking Authority rental expense under cancelable and non-cancelable operating leases is included in the statement of revenues, expenses and changes in fund net assets and totaled \$744,575 for the year ended June 30, 2009.

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, 2009 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,	
2010	\$ 1,560,506
2011	1,560,506
2012	926,478
2013	901,213
2014	735,349
2015 and Thereafter	<u>2,201,236</u>
	<u>\$ 7,885,288</u>

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

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

The Parking Authority has entered into several long-term contracts for improvements to its parking facilities. As of June 30, 2009 there was approximately \$1,492,000 of commitments outstanding for improvements to unrestricted facilities and approximately \$3,957,000 of commitments outstanding for improvements to restricted facilities.

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

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

**Subsidies**

The City has historically subsidized various non-related party activities through General Fund expenditures for development. The amount subsidized for fiscal-year-ended June 30, 2009 was \$1,103,507 which included \$260,000 for the Shubert Performing Arts Center, \$710,000 for Tweed-New Haven Airport, and \$133,507 for the PILOT Pen tennis tournament. The Shubert and Tweed-New Haven Airport also receive a favorable lease agreement of \$1 per year for occupying City owned property. These expenditures are approved annually by the Board of Alderman during the budgetary meetings.

**Note 14 – Closure and Post Closure Care Cost**

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The estimated total current cost of the landfill closure and post closure care, aggregating \$1,650,000, 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, 2009. 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.



CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 15 - Risk Management

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

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

The City contracts with a private insurance company to administer workers' compensation claims and provide an actuarial estimate of claims payable as of June 30, 2009. The liability for workers' compensation and heart and hypertension not transferred and not expected to be paid with current available resources is reported in the long-term debt in the amount of \$33,144,478. 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.

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
2009		7,710,563	4,705,777	3,233,552	9,182,788
2008		4,339,063	8,272,610	4,901,110	7,710,563
		Medical Self-Insurance Fund			
Fiscal Year Ended	\$	Claims Payable July 1	Claims and Changes In Estimates	Claims Paid	Claims Payable June 30
2009		5,208,708	77,432,810	76,391,251	6,250,267
2008		5,156,028	67,126,579	67,073,899	5,208,708
		Workers' Compensation Account			
Fiscal Year Ended	\$	Claims Payable July 1	Claims and Changes In Estimates	Claims Paid or Transferred	Claims Payable June 30
2009		32,402,296	9,289,529	8,547,347	33,144,478
2008		30,869,725	9,715,516	8,182,945	32,402,296

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

**Note 16 – Related Party Transactions**

**New Haven Parking Authority**

The City conducts activity with the New Haven Parking Authority (the "Parking Authority"). Two of the individuals who serve on the Board of Commissioners of the Parking Authority are also employees of the City. These individuals monitor the functioning of the Parking Authority on behalf of the City and provide input from the City on various matters. All members of the Parking Authority's Board of Commissioners are appointed by the Mayor of the City of New Haven.

Related party account balances at June 30 are as follows:

	<u>2009</u>	<u>2008</u>
Accounts Payable and Accrued Expenses to the City from the Authority	\$ <u>130,380</u>	<u>78,075</u>

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

Related Party Rental Expense of the Authority

	<u>2009</u>	<u>2008</u>
Under Air Rights	\$ 42,600	53,560
Dwight and Orchard	112,800	112,800
Howe and Dwight		24,500
State Street Surface Lots	12,624	11,987
Sherman and Tyler	24,000	24,000
Orchard and Sherman	24,000	3,613
	\$ <u>216,024</u>	<u>230,460</u>

During 2009 the City received a voluntary financial assistance payment of \$2,000,000 from the Parking Authority.

**Solid Waste Authority**

The City also conducts activity with the New Haven Solid Waste and Recycling Authority (the "Solid Waste Authority"). The Authority entered into an Asset Purchase Agreement with the City of New Haven in June 2008. Under the agreement, the City sold its Transfer Station assets and assigned all of its Transfer Station system responsibilities and liabilities to the Authority. Two officers of the Solid Waste Authority are also employees of the City. There is one individual who is a management level employee of both the City and the Authority. These individuals function as activity monitors for the City and provide input from the City on various matters. All members of the Solid Waste Authority's Board are appointed by the Mayor of the City of New Haven.

**CITY OF NEW HAVEN, CONNECTICUT**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**Note 16 – Related Party Transactions (Continued)**

Related party account balance at June 30, 2009 is as follows:

	<u>2009</u>	<u>2008</u>
Accounts Payable and Accrued Expenses to the City From the Authority	\$ <u>60,000</u>	<u>-</u>

Related party activity of the Authority at June 30, 2009 is as follows:

	<u>2009</u>	<u>2008</u>
Operating Revenue Received for use of the Authority by the City	\$ 3,877,998	-
Capital Contribution Made by the City to the Authority for Transfer Station Improvements	<u>1,638,977</u>	<u>-</u>
Total Amount Provided to the Authority by the City	\$ <u>5,516,975</u>	<u>-</u>

**Note 17 – Discontinued Operations – Component Units**

**New Haven Coliseum Authority**

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

**Note 18 – Subsequent Events**

**Risk and Uncertainties**

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

**Bond Anticipation Notes**

On July 29, 2009, the City issued \$45,000,000 in bond anticipation notes (BAN's) maturing on February 15, 2010 with an interest rate between 1.25% and 2.00%. The BAN's were issued for various capital projects. General obligation bonds will be issued to pay off the BAN.

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 18 – Subsequent Events (Continued)

New Haven Coliseum Authority

On August 3, 2009, the Board of Aldermen of the City of New Haven approved the dissolution of the New Haven Coliseum Authority by amending the original ordinance that created the Authority in 1966.

Pronouncements Issued, Not Yet Effective

The Government Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2009 that may impact future financial presentation.

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

- GASB Statement No. 51, "Accounting and Financial Reporting For Intangible Assets," issued June 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks and computer software. Intangible assets and more specifically easements are referred to in the description of capital assets in Statement No. 34 "Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments."

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

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

CITY OF NEW HAVEN, CONNECTICUT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2009

---

Note 18 – Subsequent Events (Continued)

Pronouncements Issued, Not Yet Effective (Continued)

- GASB Statement Number 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the Authority required by the GASB during the fiscal year ending June 30, 2010. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going considerations for all state and local governments. The implementation of this statement will not result in any change to the financial statements.

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, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Current City Taxes:</b>				
Real Estate	\$ 173,634,120	173,634,120	170,348,595	(3,285,525)
Personal Property	16,330,454	16,330,454	12,215,662	(4,114,792)
Motor Vehicle	13,266,656	13,266,656	13,266,657	1
Supplemental	1,500,000	1,500,000	1,500,000	-
Current Interest	1,000,000	1,000,000	995,840	(4,160)
<b>Total Current City Taxes</b>	<b>\$ 205,731,230</b>	<b>205,731,230</b>	<b>198,326,754</b>	<b>(7,404,476)</b>
<b>Tax Collection Initiatives:</b>				
Real & Personal Property Initiatives	\$ 750,000	750,000	3,265,306	2,515,306
<b>Total Tax Collection Initiatives</b>	<b>\$ 750,000</b>	<b>750,000</b>	<b>3,265,306</b>	<b>2,515,306</b>
<b>Delinquent City Taxes:</b>				
Real & Personal Property	\$ 924,692	924,692	1,199,311	274,619
Interest & Penalties	924,692	924,692	613,371	(311,321)
<b>Total Delinquent City Taxes</b>	<b>\$ 1,849,384</b>	<b>1,849,384</b>	<b>1,812,682</b>	<b>(36,702)</b>
<b>Total Property Taxes</b>	<b>\$ 208,330,614</b>	<b>208,330,614</b>	<b>203,404,742</b>	<b>(4,925,872)</b>
<b>Education Grants:</b>				
Education Cost Sharing	\$ 142,509,525	142,509,525	141,074,791	(1,434,734)
State Aid for Construction & Reconstruction	7,621,959	7,621,959	7,886,902	264,943
School Transportation	4,027,420	4,027,420	4,152,528	125,108
Education of the Legally Blind	300,000	300,000	180,415	(119,585)
Health Services - Non-Public Schools	75,000	75,000	89,319	14,319
<b>Total Education Grants</b>	<b>\$ 154,533,904</b>	<b>154,533,904</b>	<b>153,383,955</b>	<b>(1,149,949)</b>
<b>Other Government Grants:</b>				
PILOT - State Property	\$ 4,704,815	4,704,815	4,386,317	(318,498)
PILOT - Colleges & Hospitals	37,306,120	37,306,120	37,096,533	(209,587)
Distressed Cities Exemption	200,000	200,000	28,099	(171,901)
Tax Relief for the Elderly Freeze	65,000	65,000	24,835	(40,165)
Homeowners Tax Relief - Elderly Circuit Breaker	400,000	400,000	421,609	21,609
Reimbursements for Low Income Veterans	41,843	41,843	58,177	16,334
Reimbursements for the Disabled	9,502	9,502	10,275	773
Low Income Tax Abatement Program			290,683	290,683
PILOT - Boats	33,783	33,783	33,783	-
PILOT - Machinery & Equipment	1,681,942	1,681,942	1,255,676	(426,266)
Shell Fish	37,861	37,861	28,609	(9,252)
Pequot Funds	9,987,262	9,987,262	9,931,902	(55,360)
Town Aid for Roads	613,026	613,026	610,478	(2,548)
<b>Total Other Government Grants</b>	<b>\$ 55,081,154</b>	<b>55,081,154</b>	<b>54,176,976</b>	<b>(904,178)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues: (Continued)</b>				
<b>Licenses, Permits &amp; Other Fees:</b>				
Other Agencies	\$ 50,000	50,000	54,206	4,206
Map/Bid Documents	7,000	7,000	4,310	(2,690)
Office of Technology	1,500	1,500	3,197	1,697
Parks - Lighthouse Admissions & Concessions	150,000	150,000	133,355	(16,645)
Parks - Carousel & Building	5,000	5,000	4,071	(929)
Parks - Other Fees	50,000	50,000	40,123	(9,877)
Town Clerk/City Clerk	575,000	575,000	421,028	(153,972)
Police Service	90,000	90,000	113,186	23,186
Animal Shelter	5,000	5,000	5,059	59
Towing Licenses			4,768	4,768
Fire Service	40,000	40,000	44,042	4,042
Health Services	300,000	300,000	295,978	(4,022)
Registrar of Vital Statistics	450,000	450,000	437,218	(12,782)
Public Works - Public Space, Licenses & Permits	225,000	225,000	227,887	2,887
Public Works - Evictions	2,000	2,000	1,010	(990)
OBIE - Refuse Licenses			680	680
Residential Parking Permits	40,000	40,000	33,060	(6,940)
Traffic & Parking Meter Receipts	3,554,153	3,554,153	4,068,266	514,113
Building Inspections	8,200,000	8,200,000	11,405,362	3,205,362
High School Athletics	25,000	25,000	23,154	(1,846)
<b>Total Licenses, Permits &amp; Other Fees</b>	<b>\$ 13,769,653</b>	<b>13,769,653</b>	<b>17,319,960</b>	<b>3,550,307</b>
<b>Investment Income:</b>				
Interest Income	\$ 3,250,000	3,250,000	690,339	(2,559,661)
<b>Total Investment Income</b>	<b>\$ 3,250,000</b>	<b>3,250,000</b>	<b>690,339</b>	<b>(2,559,661)</b>
<b>Received From Fines:</b>				
Superior Court	\$ 40,000	40,000	56,409	16,409
Parking Tags	5,500,000	5,500,000	5,221,466	(278,534)
Police False Alarms/Registration	35,000	35,000	-	(35,000)
Public Works - Public Space Violations	7,300	7,300	5,100	(2,200)
Fines	75,000	75,000	68,735	(6,265)
<b>Total Received From Fines</b>	<b>\$ 5,657,300</b>	<b>5,657,300</b>	<b>5,351,710</b>	<b>(305,590)</b>
<b>Payment in Lieu of Taxes (PILOT):</b>				
Telecommunications Property Tax	\$ 917,190	917,190	898,942	(18,248)
South Central Regional Water Authority	865,163	865,163	828,826	(36,337)
Air Rights Garage - Temple Medical	65,707	65,707	35,810	(29,897)
Temple Arcade			23,357	23,357
52 Howe Street	58,741	58,741	58,741	-
Hospital of St. Raphael	9,603	9,603	9,603	-
Ninth Square	580,065	580,065	580,065	-
<b>Total Payment In Lieu of Taxes</b>	<b>\$ 2,496,469</b>	<b>2,496,469</b>	<b>2,435,344</b>	<b>(61,125)</b>
<b>Other Taxes &amp; Assessments:</b>				
Real Estate Conveyance Tax	\$ 1,800,000	1,800,000	1,434,631	(365,369)
Yale Payment For Fire Services	2,621,799	2,621,799	2,639,065	17,266
Air Rights Garage	183,333	183,333	200,000	16,667
<b>Total Other Taxes &amp; Assessments</b>	<b>\$ 4,605,132</b>	<b>4,605,132</b>	<b>4,273,696</b>	<b>(331,436)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues: (Continued)</b>				
<b>Miscellaneous:</b>				
Parks Employee Rent	\$ 7,000	7,000	10,940	3,940
Misc. Community Development Rents	400,000	400,000	407,530	7,530
Parking Space Rent	4,600	4,600	4,620	20
Off Track Betting (OTB)	1,300,000	1,300,000	933,329	(366,671)
Controllers	1,123,115	1,123,115	3,042,979	1,919,864
Personal Motor Vehicles Reimbursements	30,000	30,000	16,178	(13,822)
Neighborhood Preservation Loan Payments	94,000	94,000	39,315	(54,685)
Welfare Department	19,000	19,000	-	(19,000)
Non - Profits	4,186,575	4,186,575	4,405,051	218,476
Fire Insurance Recoveries			15,813	15,813
1-95 Highway Expansion	50,000	50,000	78,244	28,244
United Illuminating Rebate	100,000	100,000	3,400	(96,600)
GNHWPCA - PILOT	609,000	609,000	608,400	(600)
Sale of Capital Assets	-	-	4,475,580	4,475,580
<b>Total Miscellaneous Revenue</b>	<b>\$ 7,923,290</b>	<b>7,923,290</b>	<b>14,041,379</b>	<b>6,118,089</b>
<b>Total Budgetary Revenues</b>	<b>\$ 455,647,516</b>	<b>455,647,516</b>	<b>455,078,101</b>	<b>(569,415)</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.

18,476,621

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

\$ 473,554,722



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, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget (Positive)/ Negative
	Original	Final		
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Mayor and Administration	\$ 1,373,522	1,504,336	1,481,123	(23,213)
Board of Alderman	716,678	716,678	667,370	(49,308)
Corporation Counsel	1,954,122	1,969,122	1,956,374	(12,748)
Development	5,356,105	5,516,105	5,370,367	(145,738)
Finance	9,193,610	10,160,962	10,160,961	(1)
Tax and Assessors	577,781	659,068	659,067	(1)
General Government Other	1,915,290	1,755,290	863,570	(891,720)
Human Resources	929,028	929,028	832,359	(96,669)
Office of Technology	1,495,464	1,495,464	1,305,125	(190,339)
Liability - Self Insurance	4,454,500	4,181,549	4,181,549	-
Concessions/Layoff	(5,855,879)	(5,855,879)	-	5,855,879
<b>Total General Government</b>	<b>\$ 22,110,221</b>	<b>23,031,723</b>	<b>27,477,865</b>	<b>4,446,142</b>
<b>Public Safety:</b>				
Police	\$ 37,309,457	37,891,827	37,891,826	(1)
Fire	31,029,701	30,918,580	30,918,579	(1)
<b>Total Public Safety</b>	<b>\$ 68,339,158</b>	<b>68,810,407</b>	<b>68,810,405</b>	<b>(2)</b>
<b>Public Works:</b>				
Department of Public Works	\$ 14,155,756	13,378,744	12,752,815	(625,929)
Engineering	3,523,292	3,321,153	3,321,153	-
Traffic and Parking	2,137,469	2,230,295	2,230,294	(1)
<b>Total Public Works</b>	<b>\$ 19,816,517</b>	<b>18,930,192</b>	<b>18,304,262</b>	<b>(625,930)</b>
<b>Public Services:</b>				
Health & Welfare	\$ 7,240,312	7,285,153	6,959,729	(325,424)
<b>Total Public Services</b>	<b>\$ 7,240,312</b>	<b>7,285,153</b>	<b>6,959,729</b>	<b>(325,424)</b>
<b>Cultural &amp; Recreation:</b>				
Cultural & Recreation	\$ 9,764,129	9,470,882	9,110,439	(360,443)
<b>Total Cultural &amp; Recreation</b>	<b>\$ 9,764,129</b>	<b>9,470,882</b>	<b>9,110,439</b>	<b>(360,443)</b>
<b>Employee Benefits:</b>				
Pension, Medicare & Social Security	\$ 31,097,929	31,394,015	31,394,015	-
Employee Insurance	60,101,018	60,104,121	60,104,121	-
<b>Total Employees Benefits</b>	<b>\$ 91,198,947</b>	<b>91,498,136</b>	<b>91,498,136</b>	<b>-</b>
<b>Education</b>				
<b>Total Education</b>	<b>\$ 174,119,297</b>	<b>173,562,088</b>	<b>173,547,926</b>	<b>(14,162)</b>
	<b>\$ 174,119,297</b>	<b>173,562,088</b>	<b>173,547,926</b>	<b>(14,162)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget (Positive)/ Negative
	Original	Final		
<b>Debt Service:</b>				
Principal	\$ 39,611,435	40,099,900	37,296,440	(2,803,460)
Interest	23,447,500	22,959,035	21,555,368	(1,403,667)
<b>Total Debt Service</b>	\$ 63,058,935	63,058,935	58,851,808	(4,207,127)
<b>Total Expenditures</b>	\$ 455,647,516	455,647,516	454,560,570	(1,086,946)

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.

18,476,621

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

\$ 473,037,191

CITY OF NEW HAVEN, CONNECTICUT

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

	Special Revenue Funds		
	Improvement	Human Resources	Redevelopment Agency
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,852,216	2,374,950	32,654
Investments			
Receivables, Net		966,008	2,425
Receivables From Other Governments	25,615	230,324	
Due From Other Funds		332,529	
<b>Total Assets</b>	<b>\$ 2,877,831</b>	<b>3,903,811</b>	<b>35,079</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 436,857	1,784,410	
Accrued Liabilities	789	27,984	
Retainage Payable	56,954		
Due To Other Funds	158,454	3,190,347	4,443
Unearned Revenue	19,785		
Deferred Revenue	185,459		
Other Liabilities			9,744
<b>Total Liabilities</b>	<b>\$ 858,298</b>	<b>5,002,741</b>	<b>14,187</b>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	\$ 4,244,110	4,296,031	
Unreserved	(2,224,577)	(5,394,961)	20,892
<b>Total Fund Balances</b>	<b>\$ 2,019,533</b>	<b>(1,098,930)</b>	<b>20,892</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,877,831</b>	<b>3,903,811</b>	<b>35,079</b>

SCHEDULE 3

Special Revenue Funds			Permanent Funds	Total Non-major Governmental Funds (See Exhibit C)
Other	Other ETF	Total		
3,082,200	1,580,545	9,922,565	593,807	10,516,372
	1,185,774	1,185,774	2,269,573	3,455,347
154,191	49,031	1,171,655		1,171,655
179,548		435,487		435,487
105,293		437,822		437,822
<u>3,521,232</u>	<u>2,815,350</u>	<u>13,153,303</u>	<u>2,863,380</u>	<u>16,016,683</u>
239,388		2,460,655		2,460,655
18,135		46,908		46,908
		56,954		56,954
1,017,194	51,297	4,421,735		4,421,735
		19,785		19,785
138,213		323,672		323,672
13,064	1,679,467	1,702,275	415,855	2,118,130
<u>1,425,994</u>	<u>1,730,764</u>	<u>9,031,984</u>	<u>415,855</u>	<u>9,447,839</u>
839,752		9,379,893		9,379,893
1,255,486	1,084,586	(5,258,574)	2,447,525	(2,811,049)
<u>2,095,238</u>	<u>1,084,586</u>	<u>4,121,319</u>	<u>2,447,525</u>	<u>6,568,844</u>
<u>3,521,232</u>	<u>2,815,350</u>	<u>13,153,303</u>	<u>2,863,380</u>	<u>16,016,683</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, 2009

	<b>Special Revenue Funds</b>		
	<u>Improvement</u>	<u>Human Resources</u>	<u>Redevelopment Agency</u>
<b>Revenues:</b>			
Intergovernmental	\$ 82,279	10,995,188	
Investment Earnings	9	935	195
Other	75,946	2,115,995	
<b>Total Revenues</b>	<u>\$ 158,234</u>	<u>13,112,118</u>	<u>195</u>
<b>Expenditures:</b>			
Current:			
General Government	\$ 1,134,908		
Public Works		13,084,507	119,145
Public Services			
<b>Total Expenditures</b>	<u>\$ 1,134,908</u>	<u>13,084,507</u>	<u>119,145</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (976,674)</u>	<u>27,611</u>	<u>(118,950)</u>
<b>Other Financing Sources (Uses):</b>			
Transfer In	\$		
Transfer Out			
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (976,674)</u>	<u>27,611</u>	<u>(118,950)</u>
<b>Fund Balances - Beginning</b>	<u>2,996,207</u>	<u>(1,126,541)</u>	<u>139,842</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 2,019,533</u></u>	<u><u>(1,098,930)</u></u>	<u><u>20,892</u></u>

SCHEDULE 4

Special Revenue Funds			Permanent Funds	Governmental Funds (See Exhibit D)
Other	Other ETF	Total		
2,834,912		13,912,379		13,912,379
7,436	9,765	18,340		18,340
2,682,547		4,874,488		4,874,488
5,524,895	9,765	18,805,207	-	18,805,207
5,430,386		5,430,386		5,430,386
		1,134,908		1,134,908
	80,750	13,284,402	545,232	13,829,634
5,430,386	80,750	19,849,696	545,232	20,394,928
94,509	(70,985)	(1,044,489)	(545,232)	(1,589,721)
		-		-
		-		-
-	-	-	-	-
94,509	(70,985)	(1,044,489)	(545,232)	(1,589,721)
2,000,729	1,155,571	5,165,808	2,992,757	8,158,565
2,095,238	1,084,586	4,121,319	2,447,525	6,568,844

**This page intentionally left blank**

## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2009**

	<u>Self-Insurance Reserve</u>	<u>Medical Self-Insurance</u>	<u>Worker's Compensation</u>	<u>Total (See Exhibit G)</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,906,444	389,074	182,444	2,477,962
Receivables, Net		2,151,729	16,845	2,168,574
Due From Other Funds		5,256,903		5,256,903
<b>Total Current Assets</b>	<u>\$ 1,906,444</u>	<u>7,797,706</u>	<u>199,289</u>	<u>9,903,439</u>
<b>Total Assets</b>	<u>\$ 1,906,444</u>	<u>7,797,706</u>	<u>199,289</u>	<u>9,903,439</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 50,785	104,319		155,104
Due To Other Funds	10,596,901	1,427,697	3,389,717	15,414,315
Accrued Estimated Healthcare Claims		6,250,267		6,250,267
Claims and Judgments	132,500			132,500
Other Liabilities	7,665	1,249	567,195	576,109
<b>Total Current Liabilities</b>	<u>\$ 10,787,851</u>	<u>7,783,532</u>	<u>3,956,912</u>	<u>22,528,295</u>
<b>Noncurrent Liabilities:</b>				
Claims and Judgments	\$ 9,050,288			9,050,288
<b>Total Liabilities</b>	<u>\$ 19,838,139</u>	<u>7,783,532</u>	<u>3,956,912</u>	<u>31,578,583</u>
<b>NET ASSETS</b>				
Unrestricted	\$ (17,931,695)	14,174	(3,757,623)	(21,675,144)
<b>Total Net Assets</b>	<u>\$ (17,931,695)</u>	<u>14,174</u>	<u>(3,757,623)</u>	<u>(21,675,144)</u>



## CITY OF NEW HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Self-Insurance Reserve</u>	<u>Medical Self-Insurance</u>	<u>Workers' Compensation</u>	<u>Total (See Exhibit H)</u>
<b>Operating Revenues:</b>				
Employer's Contribution	\$ 2,750,000	44,391,351	7,680,765	54,822,116
Charges For Services		8,609,273		8,609,273
Miscellaneous	1,200	4,720,633	428,470	5,150,303
<b>Total Operating Revenues</b>	<u>\$ 2,751,200</u>	<u>57,721,257</u>	<u>8,109,235</u>	<u>68,581,692</u>
<b>Operating Expenses:</b>				
Insurance Claims and Expenses	\$ 4,113,851	57,707,083	8,547,346	70,368,280
<b>Total Operating Expenses</b>	<u>\$ 4,113,851</u>	<u>57,707,083</u>	<u>8,547,346</u>	<u>70,368,280</u>
<b>Operating Income (Loss)</b>	<u>\$ (1,362,651)</u>	<u>14,174</u>	<u>(438,111)</u>	<u>(1,786,588)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment Earnings	\$ 4			4
<b>Change In Net Assets</b>	<u>\$ (1,362,647)</u>	<u>14,174</u>	<u>(438,111)</u>	<u>(1,786,584)</u>
<b>Net Assets - Beginning</b>	<u>(16,569,048)</u>	<u>-</u>	<u>(3,319,512)</u>	<u>(19,888,560)</u>
<b>Net Assets - Ending</b>	<u>\$ (17,931,695)</u>	<u>14,174</u>	<u>(3,757,623)</u>	<u>(21,675,144)</u>

## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<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	\$ 2,750,000	44,391,351	7,680,765	54,822,116
Cash Received From Users (Including Other Funds)		8,483,754		8,483,754
Internal Activity - Payments From (To) Other Funds	(45)	(1,670,594)	542,990	(1,127,649)
Claims and Other Expenses Paid	(1,872,620)	(57,653,267)	(8,547,347)	(68,073,234)
Other Receipts	1,200	4,720,633	436,453	5,158,286
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ 878,535</u>	<u>(1,728,123)</u>	<u>112,861</u>	<u>(736,727)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest and Dividends	\$ 4			4
<b>Net Cash Provided By Investing Activities</b>	<u>\$ 4</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	\$ 878,539	(1,728,123)	112,861	(736,723)
<b>Balances - Beginning Of The Year</b>	<u>1,027,905</u>	<u>2,117,197</u>	<u>69,583</u>	<u>3,214,685</u>
<b>Balances - End Of The Year</b>	<u>\$ 1,906,444</u>	<u>389,074</u>	<u>182,444</u>	<u>2,477,962</u>
<b>Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities:</b>				
Operating Income (Loss)	\$ (1,362,651)	14,174	(438,111)	(1,786,588)
Change In Assets And Liabilities:				
(Increase) Decrease in Receivables, Net		(125,519)	7,983	(117,536)
(Increase) Decrease In Due From Other Funds		(1,683,658)		(1,683,658)
Increase (Decrease) In Accrued Estimated Healthcare Payments		1,041,559		1,041,559
Increase (Decrease) In Claims and Judgments	1,472,225			1,472,225
Increase (Decrease) In Accounts Payable and Other	30,668	(987,743)	(1)	(957,076)
Increase (Decrease) In Due To Other Funds	738,293	13,064	542,990	1,294,347
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ 878,535</u>	<u>(1,728,123)</u>	<u>112,861</u>	<u>(736,727)</u>

## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF EMPLOYEE RETIREMENT FUND NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2009**

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post- Employment Benefit Plan Fund	Combined Employee Retirement Funds (See Exhibit J)
<b>ASSETS</b>					
Cash and Short-Term Investments	\$ 7,118,065	10,418,596	1,365,084	125,000	19,026,745
Interest and Dividends Receivable	640,957	920,137	539		1,561,633
Accounts Receivable	11,206,827	4,065,279	137		15,272,243
Due From Other Funds	16,506			50,000	66,506
<b>Total</b>	<b>\$ 18,982,355</b>	<b>15,404,012</b>	<b>1,365,760</b>	<b>175,000</b>	<b>35,927,127</b>
<b>Investments, At Fair Value:</b>					
Government Agency	\$ 1,064,587	8,157,055			9,221,642
Government Bonds	6,250,733	3,553,553			9,804,286
Municipal Bonds	214,160	441,688			655,848
Government Mortgages	27,533	17,125,675			17,153,208
Indexed Linked Government Bonds		1,262,509			1,262,509
Government Issued Commercial Backed Mortgage Securities		70,557			70,557
Common Stock	62,258,502	90,805,220	58,458		153,122,180
Sub Custodian Investment Equities		27,477,211			27,477,211
Commercial Backed Mortgages		3,056,540			3,056,540
Corporate Bonds	54,113,667	31,454,083			85,567,750
Corporate Convertible Bond	438,563	206,313			644,876
Asset Backed Securities	101,368	612,203			713,571
Venture Capital Partnerships		30,616,618			30,616,618
Commodity - ETF	967,340				967,340
Non-Government Backed Bonds		539,729			539,729
Guaranteed Fixed Income		515,674			515,674
Core U.S. Dollar Sub Fund	4,761	10,618			15,379
<b>Total Investments</b>	<b>\$ 125,441,214</b>	<b>215,905,246</b>	<b>58,458</b>	<b>-</b>	<b>341,404,918</b>
<b>Total Assets</b>	<b>\$ 144,423,569</b>	<b>231,309,258</b>	<b>1,424,218</b>	<b>175,000</b>	<b>377,332,045</b>
<b>LIABILITIES</b>					
Accounts Payable	2,011,337	5,880,575			7,891,912
Accrued Liabilities	\$ 137,232	26,100			163,332
Other Liabilities	318,635	710,525			1,029,160
<b>Total Liabilities</b>	<b>\$ 2,467,204</b>	<b>6,617,200</b>	<b>-</b>	<b>-</b>	<b>9,084,404</b>
<b>NET ASSETS</b>					
Held In Trust For Pension Benefits	\$ 141,956,365	224,692,058	1,424,218	175,000	368,247,641

## CITY OF NEW HAVEN, CONNECTICUT

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>City Employees' Retirement Fund</u>	<u>Policemen's and Firemen's Retirement Fund</u>	<u>Other Retirement Fund</u>	<u>Post- Employment Benefit Plan Fund</u>	<u>Combined Employee Retirement Funds (See Exhibit K)</u>
<b>ADDITIONS</b>					
Contributions:					
Employer Contributions	\$ 10,946,479	16,687,000		18,981,531	46,615,010
Plan Members	3,455,430	6,109,573		3,379,291	12,944,294
Plan Members Buybacks	139,514	1,092			140,606
Total Contributions	<u>\$ 14,541,423</u>	<u>22,797,665</u>	<u>-</u>	<u>22,360,822</u>	<u>59,699,910</u>
Investment Earnings:					
Net Increase (Decrease) In Fair Value of Investments	\$ (49,453,704)	(52,446,848)	(62,226)		(101,962,778)
Interest	3,230,855	5,208,739	15,918		8,455,512
Dividends	1,197,438	3,005,693	4,951		4,208,082
Total Investment Income (Loss)	<u>\$ (45,025,411)</u>	<u>(44,232,416)</u>	<u>(41,357)</u>	<u>-</u>	<u>(89,299,184)</u>
Less: Investment Expenses:					
Investment Management Fees	997,079	1,292,395			2,289,474
Legal Fees	68,110	24,793			92,903
Interest Expense		160,681			160,681
Net Investment Earnings (Loss)	<u>\$ (46,090,600)</u>	<u>(45,710,285)</u>	<u>(41,357)</u>	<u>-</u>	<u>(91,842,242)</u>
<b>TOTAL ADDITIONS (REDUCTIONS)</b>	<u>\$ (31,549,177)</u>	<u>(22,912,620)</u>	<u>(41,357)</u>	<u>22,360,822</u>	<u>(32,142,332)</u>
<b>DEDUCTIONS</b>					
Benefits	\$ 23,360,287	31,879,249	41,802	22,310,822	77,592,160
<b>TOTAL DEDUCTIONS</b>	<u>\$ 23,360,287</u>	<u>31,879,249</u>	<u>41,802</u>	<u>22,310,822</u>	<u>77,592,160</u>
<b>Net Increase (Decrease)</b>	<u>\$ (54,909,464)</u>	<u>(54,791,869)</u>	<u>(83,159)</u>	<u>50,000</u>	<u>(109,734,492)</u>
<b>Net Assets - Beginning of Year</b>	<u>196,865,829</u>	<u>279,483,927</u>	<u>1,507,377</u>	<u>125,000</u>	<u>477,982,133</u>
<b>Net Assets - End of Year</b>	<u>\$ 141,956,365</u>	<u>224,692,058</u>	<u>1,424,218</u>	<u>175,000</u>	<u>368,247,641</u>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2009

Total Tax Collections (Including Interest and Lien Fees)  
For The Year Ended June 30, 2009

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	\$ 457,716,548	
4 1/2 Times Base		915,433,097
3 3/4 Times Base		
3 1/4 Times Base		
3 Times Base		
7 Times Base		
	<hr/>	<hr/>
<b>Total Debt Limitation</b>	<b>\$ 457,716,548</b>	<b>915,433,097</b>
	<hr/>	<hr/>
<b>Indebtedness:</b>		
Bonds Payable	\$ 174,620,143	314,501,636
School Grants Receivable		(52,041,054)
Bonds Authorized and Unissued		<hr/> 215,630,787
	<hr/>	<hr/>
<b>Total Indebtedness of the City</b>	<b>\$ 174,620,143</b>	<b>478,091,369</b>
	<hr/>	<hr/>
<b>Component Unit Indebtedness:</b>		
New Haven Parking Authority	17,275,000	
New Haven Solid Waste Authority	<hr/> 10,500,000	
	<hr/>	<hr/>
<b>Total Indebtedness</b>	<b>\$ 202,395,143</b>	<b>478,091,369</b>
	<hr/>	<hr/>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ 255,321,405</b>	<b>437,341,728</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE 10**

\$ 203,404,742

24,835

\$ 203,429,577

<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Bonding</b>	<b>Total</b>
762,860,914	661,146,125	610,288,731	<u>1,424,007,039</u>
<u>762,860,914</u>	<u>661,146,125</u>	<u>610,288,731</u>	<u>1,424,007,039</u>
5,399	12,064,952		501,192,130 (52,041,054) <u>215,630,787</u>
5,399	12,064,952	-	664,781,863
			17,275,000 <u>10,500,000</u>
<u>5,399</u>	<u>12,064,952</u>	<u>-</u>	<u>692,556,863</u>
<u><u>762,855,515</u></u>	<u><u>649,081,173</u></u>	<u><u>610,288,731</u></u>	<u><u>731,450,176</u></u>

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2009

Grand List Year	Balance Uncollected July 1, 2008	Current Levy	Additions (Deletions)	Transfers To Suspense	Adjusted Tax Receivable
1992	\$ 102,249		(102,249)		-
1993	122,905				122,905
1994	122,678				122,678
1995	127,421				127,421
1996	137,392				137,392
1997	113,470				113,470
1998	102,650				102,650
1999	99,559		105		99,664
2000	101,728		105		101,833
2001	127,138		(3,643)		123,495
2002	190,737		(1,855)		188,882
2003	172,269		(2,101)		170,168
2004	217,424		(32,297)		185,127
2005	1,314,736		(171,117)	(776,528)	367,091
2006	3,801,280		(456,427)		3,344,853
Prior Years					
Total	\$ 6,853,636	-	(769,479)	(776,528)	5,307,629
2007		208,699,225	(4,643,527)		204,055,698
	\$ 6,853,636	208,699,225	(5,413,006)	(776,528)	209,363,327

SCHEDULE 11

General Taxes	Collections		Balance Uncollected June 30, 2009
	Interest and Fees	Total	
		-	
		-	122,905
		-	122,678
	125	125	127,421
		-	137,392
12	22	34	113,458
12	20	32	102,638
117	18	135	99,547
916	223	1,139	100,917
788	220	1,008	122,707
46,569	6,041	52,610	142,313
29,728	20,037	49,765	140,440
8,242	20,268	28,510	176,885
66,667	30,768	97,435	300,424
<u>1,806,795</u>	<u>350,476</u>	<u>2,157,271</u>	<u>1,538,058</u>
1,959,846	428,218	2,388,064	3,347,783
<u>199,464,168</u>	<u>852,466</u>	<u>200,316,634</u>	<u>4,591,530</u>
<u>201,424,014</u>	<u>1,280,684</u>	<u>202,704,698</u>	<u>7,939,313</u>



**This page intentionally left blank**