

CITY OF NEW HAVEN, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

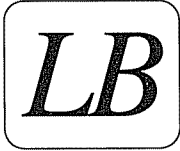
JUNE 30, 2009

CITY OF NEW HAVEN, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDIT REPORTS

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LEVITSKY & BERNEY

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of
the Board of Aldermen
New Haven, Connecticut

We have audited the 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 of New Haven, Connecticut's basic financial statements and have issued our report thereon dated December 18, 2009. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the New Haven Parking Authority and the New Haven Solid Waste Authority as described in our report on the City of New Haven's financial statements. The financial statements of the New Haven Parking Authority and the New Haven Solid Waste Authority were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. The financial statements of the New Haven Coliseum Authority were audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of New Haven, Connecticut's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of New Haven, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of New Haven, Connecticut's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questions costs to be significant deficiencies in internal control over financial reporting. (Findings 09-1 and 09-2).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

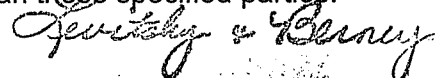
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of New Haven, Connecticut's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of New Haven, Connecticut's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of New Haven, Connecticut's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Aldermen and its Finance Committee, others within the entity, the Office of Policy and Management and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 18, 2009



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133, AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Honorable Mayor and Members of
the Board of Aldermen
New Haven, Connecticut

Compliance

We have audited the compliance of the City of New Haven, Connecticut with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of New Haven, Connecticut's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of New Haven, Connecticut's management. Our responsibility is to express an opinion on the City of New Haven, Connecticut's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The financial statements of the New Haven Parking Authority and the New Haven Solid Waste Authority were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. The financial statements of the New Haven Coliseum Authority were audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of New Haven, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of New Haven, Connecticut's compliance with those requirements.

In our opinion, the City of New Haven, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City of New Haven, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of New Haven, Connecticut's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of New Haven, Connecticut's internal control over compliance. The financial statements of the New Haven Parking Authority, the New Haven Solid Waste Authority, were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* or OMB Circular A-133. The financial statements of the New Haven Coliseum Authority were audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* but were not audited in accordance with OMB Circular A-133. Accordingly, this report does not extend to the New Haven Parking Authority, the New Haven Solid Waste Authority, or the New Haven Coliseum Authority.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

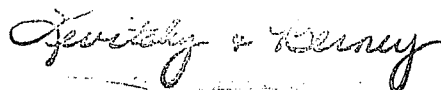
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented components 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, and have issued our report thereon dated December 18, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of New Haven, Connecticut's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Aldermen and its Finance Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 18, 2009

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Domestic Assistance Number	Pass-Through Grantor's Number	Expenditures
Department of Agriculture:			
Passed-Through the State Department of Education:			
USDA Commodities	10.550		\$ 503,792
Child and Adult Care - Cash in Lieu-2008	10.550	12060-SDE64370-20544	5,843
Child and Adult Care - Cash in Lieu-2009	10.550	12060-SDE-64370-20544	5,608
School Breakfast Program-2008	10.553	12060-SDE-64370-20508	855,103
School Breakfast Program-2009	10.553	12060-SDE-64370-20508	1,826,909
Child Care Food Program-2008	10.558	12060-SDE-64370-20518	108,855
Child Care Food Program-2009	10.558	12060-SDE-64370-20518	93,956
National School Lunch Program-2009	10.555	12060-SDE-64370-20560	3,645,709
National School Lunch Program-2008	10.555	12060-SDE-64370-20560	1,772,474
Total Department of Agriculture			\$ 8,818,249
Department of Housing and Urban Development:			
Directly Funded:			
Community Development Block Grant	14.218		\$ 3,954,705
CDBG Outstanding Loans	14.218		484,019
CDBG Program Income	14.218		353,907
Section 108 Income	14.219		272,994
Section 108 Outstanding Loans	14.219		330,780
Section 108 Grant Economic Development	14.219		280,772
Section 108 Income	14.219		15,152
Section 108 Outstanding Loans	14.219		25,831
UDAG Program Income	14.221		73,552
UDAG Outstanding Loans	14.221		876,695
Emergency Shelter Program	14.231		157,068
HOME Investment Program	14.239		1,456,322
HOME Program Income	14.239		65,817
HOME Outstanding Loans	14.239		10,553,658
Housing Opportunities for People with Aids	14.241		1,013,291
Lead Paint Abatement Program	14.900		915,099
Lead Paint Outstanding Loans	14.900		2,065,476
Empowerment Zone	14.244		859,047
West River EDI Special Grant	14.246		18,235
Total Department of Housing and Urban Development			\$ 23,772,420

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Domestic Assistance Number	Pass-Through Grantor's Number	Expenditures
Department of Justice:			
Directly Funded:			
Federal Surplus Property Program	16.578		\$ 265,807
Weed and Seed	16.595		136,920
Enhancing Law Enforcement	16.738		205
JAG06/Enhancing Police Strategies to Prevent Crime	16.738		15,392
JAG07/Enhancing Police Strategies to Prevent Crime	16.738		147,005
JAG08/Enhancing Police Strategies to Prevent Crime	16.738		32,465
Secure Our Schools	16.710		34,808
Shotspotter	16.710		280,560
N.H. Restart Program	16.580		51,871
Passed-Through Office of Policy and Management:			
Byrne Formula Grant	16.579	12060-OPM-20350-21676	242,982
Ct Urban Crime & Community 2006	16.738	12060-OPM-20350-21921	56,250
Passed-Through Secretary of the State:			
HAVA Help America Vote Act	90.401	12060-SOS-12500-21465	50,174
Total Department of Justice			\$ <u>1,314,439</u>
Department of Transportation:			
Passed-Through the State Department of Transportation:			
Local Bridges - Hillhouse Avenue	20.600	12062-DOT-57161-22108	\$ 1,203,799
Non DEUC CWIP Whitney Derby site	20.205	12062-DOT-57161-22108	248,982
Local Bridges - Blake Street	20.600	12062-DOT-57161-22110	2,400
Expanded DUI Enforcement	20.000	12062-DOT-57343-22086	69,845
Total Department of Transportation			\$ <u>1,525,026</u>
National Park Services:			
Passed-Through the State Commission on Arts and Tourism:			
Historical Preservation Activities Grant Hot School Daniels	45.310	11000-CAT-45220-17067	\$ <u>3,000</u>
Institute of Museum & Library Services:			
Passed-Through the State Library:			
Grants to States	45.310	11000-CSL-66051-17003	\$ <u>7,541</u>
Environmental Protection Agency:			
Directly Funded:			
Community Care Initiative	66.035		\$ 76,000
Diesel Retrofit Project	66.034		8,529
Catch Basin Cleaning Program	66.202		41,071
New Haven Brewery Cleanup	66.818	BF 97131901	136,596
Total Environmental Protection Agency			\$ <u>262,196</u>

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Domestic Assistance Number	Pass-Through Grantor's Number	Expenditures
Department of Education:			
Directly Funded:			
Magnet School Assistance C/O	84.165		\$ 13,748
Magnet School Assistance	84.165		1,412,937
Magnet School Assistance	84.165		841,519
Magnet School Assistance	84.165		1,513,355
Volunteer School Choices	84.361		6,213
Volunteer School Choices	84.361		1,701,289
Volunteer School Choices	84.361		456,000
Impact Aid Title I	84.040		44,639
Impact Aid Title I c/o	84.040		14,017
Carol White Physical Education	84.215		480,826
Passed Through the State Department of Education:			
Title I - ESEA Part A-2009	84.010	12060-SDE-64370-20679	294,663
Title I - ESEA Part A-2008	84.010	12060-SDE-64370-20679	67,084
Title I - ESEA Part A- Basic 2009	84.010	12060-SDE-64370-20679	2,042,973
Title I - ESEA Part A- Basic 2008	84.010	12060-SDE-64370-20679	522
Title I - ESEA Part A Basic 2009	84.010	12060-SDE-64370-20679	11,155,471
Title I - Local N&D	84.010	12060-SDE-64370-20679	7,917
School Improvements	84.010	12060-SDE-64370-22223	66,776
School Improvements Columbus	84.010	12060-SDE-64370-22223	29,429
Education of Homeless Children and Youth C/O	84.196	12060-SDE-64370-20770	50,310
Adult Education - Improvement	84.002	12060-SDE-64370-20784	228,331
Fresh Fruit & Vegetables 2009	10.582	12060-SDE-64370-22051	6,724
Fresh Fruit & Vegetables 2009	10.582	12060-SDE-64370-22051	7,584
Fresh Fruit & Vegetables 2009	10.582	12060-SDE-64370-22051	3,405
Fresh Fruit & Vegetables Columbus 2009	10.582	12060-SDE-64370-22051	11,244
Fresh Fruit & Vegetables Fair Haven 2009	10.582	12060-SDE-64370-22051	22,208
Fresh Fruit & Vegetables J-Martinez 2009	10.582	12060-SDE-64370-22051	25,049
Title II Part D Technology c/o 2008	84.318	12060-SDE-64370-20826	16,391
Title II Part D Technology c/o 2009	84.318	12060-SDE-64370-20826	42,600
Title I, Part B, Reading First -Brennan 08	84.357	12060-SDE-64370-20854	244,249
Title I, Part B, Reading First-Conte 08	84.357	12060-SDE-64370-20854	245,084
Title I, Part B, Reading First-Strong 07	84.357	12060-SDE-64370-20854	131,331
Title I, Part B, Reading First-Conte 07	84.357	12060-SDE-64370-20854	121,312
Title I, Part B, Reading First-Martinez 08	84.357	12060-SDE-64370-20854	237,241
Title I, Part B, Reading First-Brennan 07	84.357	12060-SDE-64370-20854	124,362
Title II, Part A, Teachers C/O Training	84.367	12060-SDE-64370-20858	332,140
Title II, Part A, Teachers Training	84.367	12060-SDE-64370-20858	2,317,932
21 Century Cohort VII C/O 08/09	84.287	12060-SDE-64370-20863	16,056
21 Century Cohort V C/O	84.287	12060-SDE-64370-20863	3,004
21 Century Community Learning Centers 2009 - SDE 11	84.287	12060-SDE-64370-20863	162,123
21 Century Community Learning Centers 2009 - SDE 8	84.287	12060-SDE-64370-20863	159,510
21 Century Community Learning Centers 2009 - SDE 7	84.287	12060-SDE-64370-20863	201,740
21 Century Community Learning Centers 2009 - SDE 9	84.287	12060-SDE-64370-20863	181,215
Title III Part A English Language Acquisitions-2008	84.365	12060-SDE-64370-20868	49,871
Title III Part A English Language Acquisitions-2009	84.365	12060-SDE-64370-20868	282,759

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Domestic Assistance Number	Pass-Through Grantor's Number	Expenditures
Department of Education: (Continued)			
Title IV - Safe and Drug Free Schools-2007	84.186	12060-SDE-64370-20873	\$ 6,535
Title IV - Safe and Drug Free Schools-2008	84.186	12060-SDE-64370-20873	184,897
Carl Perkins Career & Tech Act	84.243	12060-SDE-64370-20848	527,750
Title V-Innovative Education Strategies NP	84.298	12060-SDE-64370-20909	89
Title V-Innovative Education Strategies Public C/O	84.298	12060-SDE-64370-20909	19,154
IDEA Part B, Section 619 Preschool Incentive	84.173	12060-SDE-64370-20983	121,029
IDEA Part B, Section 619 Preschool	84.173	12060-SDE-64370-20983	27,276
IDEA Part B, Section 611 Handicapped Carryover	84.027	12060-SDE-64370-20977	249,268
IDEA Part B, Section 611 Entitlement NP	84.027	12060-SDE-64370-20977	202,751
IDEA Part B, Section 611 Entitlement	84.027	12060-SDE-64370-20977	4,665,860
CETO Carl Perkins Career & Tech Education Act	84.048	12060-SDE-64370-20742	23,663
Total Department of Education			\$ 31,401,425
Department of Health and Human Services:			
Directly Funded:			
Ryan White Formula and Supplement	93.915		\$ 5,883,410
Head Start Program	93.600		6,495,477
Passed-Through the State Department of Social Services:			
Social Services Block Grant (SAGA) 08	93.667	12060-DSS-60783-20701	134,022
Social Services Block Grant (SAGA) 09	93.667	12060-DSS-60783-20701	23,398
Passed-Through the State Department of Public Health:			
School Based Health Clinics	93.994	2009-0060	137,500
Bioterrorism 08/09	93.283		36,244
PHP Emergency Preparedness (Bioterrorism)	93.283	2008-1085	43,433
Bioterrorism 07/08	93.283	2004-1085	45,340
Vaccines	93.268		37,186
Immunization Action Plan	93.268	2007-0178	37,016
Immunization Program	93.268	2009-0203	49,926
Sexually Transmitted Disease	93.977	2007-0059	1,480
Diabetes Unintentional Injury	93.991	2009-0028	27,979
HIV - Prevention	93.940	2006-0274	27,435
AIDS Health Care and Support Service	93.940	2009-0145	93,000
Total Department of Health and Human Services			\$ 13,072,846
Department of Homeland Security:			
Directly Funded:			
FEMA Assistance to Firefighters Grant	97.044		307,440
IPP Port Security 2007	97.056		23,203
Passed-Through State of Connecticut Department of Emergency Management and Homeland Security:			
Emergency Management Performance Grant-2009	97.042	12060-EHS-99660-21881	41,367
Urban Area Strategic Initiative 2004	97.008	12060-EHS-99530-21878	30,954
Homeland Security Grant Program-2006	97.067	12060-EHS-99530-21877	13,656
CT Intelligence Center/CTIC	97.004	12060-EHS-99530-21877	30,000
Total Department of Homeland Security			\$ 446,620
Total Expenditures of Federal Awards			\$ 80,623,762

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF NEW HAVEN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of New Haven, Connecticut and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 – Reporting Entity

The City of New Haven, Connecticut for the purposes of the Schedule of Expenditures of Federal Awards includes all the funds of the primary government. It does not include the following:

- New Haven Coliseum Authority
- New Haven Parking Authority
- New Haven Solid Waste Authority

Note 3 – Non-Monetary Assistance

The City of New Haven's National School Lunch Program receives noncash federal awards in the form of food commodities from the Department of Agriculture. The City also receives noncash federal awards through the U.S. Department of Health and Human Services in the form of vaccines.

Non-monetary assistance is reported in the schedule at the fair market value of the items received and disbursed. The market value of the items issued is included in the Schedule of Expenditures of Federal Awards as follows:

Food Commodities	\$ <u>503,792</u>
Vaccines	\$ <u>37,186</u>

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control over Financial Reporting:

Material Weakness(es) Identified? _____ Yes X No

Significant Deficiency (ies) Identified That Are Not
 Considered To Be Material Weaknesses? X Yes _____ None Reported

Noncompliance Material to Financial
 Statements Noted? _____ Yes X No

Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified? _____ Yes X No

Significant Deficiency (ies) Identified that are not
 Considered To Be Material Weaknesses? _____ Yes X None Reported

Type of Auditor's Report Issued on Compliance
 For Major Programs: Unqualified

Any Audit Findings Disclosed that are Required
 To Be Reported In Accordance With Section
 510(a) of Circular A-133? _____ Yes X No

Identification of Major Programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555,	
10.558	National School Lunch Program Cluster
14.218	Community Development Block Grant
14.239	Home Investment Program
14.244	Empowerment Zone
84.361	Volunteer School Choices
84.010	Title I, ESEA – Part A
93.600	Head State Program

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section I – Summary of Audit Results (Continued)

Dollar threshold used to distinguish between
 Type A and Type B Programs: \$2,087,583

Auditee Qualified as a Low-Risk Auditee? Yes No

Section II – Federal Award Findings and Questioned Costs

No findings or questioned costs in accordance with OMB Circular A-133 were reported relating to major federal awards.

Section III – Financial Statement Findings

Finding 09-1: Unfunded Self-Insurance Fund

Criteria

Governmental Auditing Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, a self-insurance fund allows that fund deficits need not necessarily be charged back to the governmental funds in one year as long as adjustments are made over a series of years and the fund recovers in a reasonable amount of time. However, if the fund does not recover in a reasonable amount of time, the deficit should be charged back to the governmental funds and an expenditure should be recognized in that fund.

Condition

The City's self-insurance fund has maintained a fund deficit for several years. The fund deficit recent history is as follows:

<u>Fiscal Year</u>	<u>Fund Deficit</u>
2009	\$ 17,193,357
2008	16,569,048
2007	14,147,680
2006	13,042,287
2005	12,575,022
2004	7,676,340
2003	9,152,093
2002	7,768,177
2001	9,762,528
2000	11,448,942

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section III – Financial Statement Findings (Continued)

Finding 09-1: Unfunded Self-Insurance Fund (Continued)

Condition (Continued)

The funding for the self-insurance fund was increased; however, the current assets cannot fully fund the current liabilities as of June 30, 2009.

Context

The self-insurance fund liabilities are based on a significant amount of estimates and assumptions and not actual data. Accordingly, future results may be significantly different than the information reported in the accompanying report. However, we believe that there is a sufficient amount of data available that shows the trend of increased under-funding and fund deficits.

Effect

The self-insurance fund deficit is over \$17 million. This fund will require future resources from the governmental funds to satisfy the debt and liquidate future costs.

Cause

The self-insurance fund deficit was caused by under-funding, as well as increases in amounts reserved for claims.

Recommendation

The City should properly fund the self-insurance fund. In addition, the City should develop and implement a plan to fund this deficit so that they may recover in a reasonable amount of time. We recommend these deficits be budgeted over a five year period.

Views of Responsible Officials and Planned Corrective Action

The City's Office of the Controller agrees to the opinion that the City's self-insurance fund is not properly funded. It has set up and maintained many control features and has purchased insurance to limit the City's exposure on the liability side. Through more than half of the stated deficit is for, case reserves, there is concern that without additional funds placed into this fund, the account will never regain solvency.

This year, the City was able to pay less in litigation settlements as compared to the previous year. However, there are still a few cases to be settled which can further exasperate the City's ability to reduce the deficit.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section III – Financial Statement Findings (Continued)

Finding 09-1: Unfunded Self-Insurance Fund (Continued)

Views of Responsible Officials and Planned Corrective Action

As a result the City is expecting to increase its contribution into the fund through its annual operating appropriation. Also, the City will begin to look to long term relief by financing this deficit through a longer termed financing agreement.

Finding 09-2: Tax Collection Warrants

Criteria

Connecticut General Statutes require certain recordkeeping and oversight by municipalities who use tax warrants as a way of collecting past due taxes.

Condition

The City's Tax Collector's Office ("Tax Office") issues warrants to taxpayers with delinquent tax balances. These warrants are executed by State Marshals paid by the City. The City did not have sufficient controls in place to properly issue, monitor, collect, and record warrants, or taxes collected based on those warrants. The City initiated its own internal control evaluation in order to develop and implement effective internal controls over this process.

Questioned Cost

No questioned costs can be associated with this finding.

Context

Before the new policies were implemented, warrants were issued to taxpayers that did not have any outstanding tax balances or taxpayers that had outstanding balances but not delinquent balances. In addition, the execution of the warrants, and remittance to the Tax Office of collections, lacked internal control and resulted in taxpayer overpayments, underpayments, and complaints that were not addressed by the Tax Collector's Office.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section III – Financial Statement Findings (Continued)

Finding 09-2: Tax Collection Warrants (Continued)

Effect

The previous lack of sufficient internal controls resulted in taxpayer balance discrepancies, rejection of payments made from taxpayers directly to the tax office, and some erroneous warrants issued by the tax office resulted in refunds to taxpayers. Some warrants were never even served by Marshals. These issues prompted the City's internal review of the procedures over tax warrants and subsequent policy changes.

Cause

The Tax Office did not have sufficient policies in place regarding tax warrants and the Tax Office had no historical record of warrants issued, outstanding, collected, etc.

Recommendation

We recommend the City adhere to its new written policies regarding tax warrants and continue to monitor the strength of its internal controls.

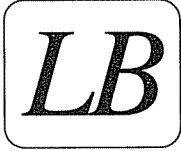
Views of Responsible Officials and Planned Corrective Action

In February 2009, the Office of the Controller had initiated an internal audit of the procedures and policies and the administration of the personal property tax warrant program in the Office of the Tax Collector. As a result, new procedures and policies were developed and incorporated into the program. In addition, the Internal Audit Division of the Department of Finance began a full audit of all practices in the Office of the Tax Collector in April 2009. This audit continued throughout the summer and ended in the fall of 2009. Presently, the Office of the Tax Collector has incorporated all new procedures, including those procedures relating to the personal property tax warrant program.

Also, the marshal selection process has been revised and mirrors the ordinance as adopted by the Board of Aldermen for the selection of marshals to do such in this program.

CITY OF NEW HAVEN, CONNECTICUT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

There were no prior audit findings relative to federal award programs that need to be included here for the fiscal year ended June 30, 2009.



LEVITSKY & BERNEY

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT

Honorable Mayor and Members of
the Board of Aldermen
New Haven, Connecticut

Compliance

We have audited the compliance of the City of New Haven, Connecticut with the types of compliance requirements described in the *Office of Policy and Management Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2009. The major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the City of New Haven, Connecticut's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). The financial statements of the New Haven Parking Authority and the New Haven Solid Waste Authority were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. The financial statements of the New Haven Coliseum Authority were audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of New Haven, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of New Haven, Connecticut's compliance with those requirements.

In our opinion, the City of New Haven, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2009.

Internal Control over Compliance

The management of the City of New Haven, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of New Haven Connecticut's internal control over compliance.

A *control deficiency* in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entities ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the City of New Haven, Connecticut's internal control.

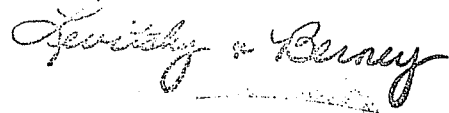
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the City of New Haven, Connecticut's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Financial Assistance

We have audited the 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, and have issued our report thereon dated December 18, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of New Haven, Connecticut's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management, Board of Aldermen and its Finance Committee, others within the entity, the Office of Policy and Management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 18, 2009

CITY OF NEW HAVEN, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009**

State Grantor/ Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Office of Policy and Management:		
Local Capital Improvement Program	12050-OPM-20600-40254	\$ 1,767,984
Payment in Lieu of Taxes for Manufacturing Machinery and Equipment	11000-OPM-20600-17031	1,255,676
Payment in Lieu of Taxes for Elderly Homeowners, Freeze Program	11000-OPM-20600-17021	24,835
Property Tax Relief for Totally Disabled	11000-OPM-20600-17011	10,275
Property Tax Relief for Veterans	11000-OPM-20600-17024	58,177
Property Tax Relief for Elderly	11000-OPM-20600-17018	421,609
State Distressed Municipalities	11000-OPM-20600-17016	28,099
Byrne Formula State Match	11000-OPM-20350-12251	80,994
Municipal Video Competition Trust Acct Grant	12060-OPM-20660-35362	2,661
Urban Crime & Community Safety Grant Program	11000-OPM-28350-12251	18,750
Heating Assistance	11000-OPM-20600-17096	237,075
Total Office of Policy and Management		\$ 3,906,135
Department of Public Safety:		
Telecommunications Fund (CMED) 08/09	12060-DPS-32740-35190	\$ 194,362
State Forfeiture Revolving Fund	12060-DPS-32155-35142	74,133
Local Officer Incentive	11000-DPS-32523-17089	15,600
Telecommunications Fund (E-911 Cities) 08/09	12060-DPS-32740-35190	563,942
Telecommunications Fund (E-911) Capital Expense	12060-DPS-32740-35190	8,360
Total Department of Public Safety		\$ 856,397
Department of Economic and Community Development:		
Urban Action Bonds:		
LCI-Urban Act	13019-ECD-46000-41236	\$ 117,567
Tax Abatement Program	11000-ECD-46400-17008	290,683
Gateway Project/Macy's	13019-ECD-46440-41240	291,573
River ST MDP	13019-ECD-46200-41240	846,591
360 State Street Garage	12052-ECD-46440-40414	9,618,069
Total Department of Economic & Community Development		\$ 11,164,483

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009

State Grant/ Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Public Health:		
Per Capita Funding (2009-0.01)	11000-DPH-48558-17009	\$ 147,153
Immunization Action Plan	11000-DPH-48664-10020	12,910
School Based Health Centers 2008 (2009-0060)	11000-DPH-48832-17019	1,345,754
Sexually Transmitted Diseases (2007-0059)	11000-DPH-48665-17013	25,400
Lead Poisoning Prevention 2009 (2009-0114)	11000-DPH-48766-12227	51,135
Aids - Health Care and Support	11000-DPH-48852-12100	110,209
Aids - Health Care and Support	11000-DPH-48852-12236	101,791
Aids - Health Care and Support	11000-DPH-48554-12236	1,152,153
Tuberculosis Control (2007-0059)	11000-DPH-48666-16112	70,472
Diabetes/Fall Prevention Local Health (2009-0028) 7/8-6/9	11000-DPH-48558-10020	3,997
Total Department of Public Health		\$ 3,020,974
Department of Transportation:		
Closed Loop Traffic System (92-562)	12062-DOT-57115-22108	\$ 65,433
Local Bridges - Ferry Street Design (92-582)	12062-DOT-57191-22108	46,323
Farmington Canal Phase 3	12062-DOT-57191-22108	2,707
Farmington Canal Architecture	12062-DOT-57191-22108	2,100
Farmington Canal Phase 4	12062-DOT-57191-22108	61,903
Local Bridges - Blake Street (92-460)	12062-DOT-57161-22108	600
Closed Loop Traffic System (92-562)	12062-DOT-57115-22108	78,411
NON DEUC CWIP Whitney, Derby, Congress	12062-DOT-57161-22108	62,246
Prospect Street Bridge	12062-DOT-57191-22117	840,604
Farmington Canal Phase 3 Construction Inspection	12062-DOT-57191-22108	146,582
Town Aid Road Grant	12001-DOT-57131-17036	610,478
Total Department of Transportation		\$ 1,917,387
Department of Social Services:		
Child Daycare - Infant and Toddler 08	12060-DSS-60794-20699	\$ 950,523
Child Daycare - Infant and Toddler 09	12060-DSS-60794-20699	126,568
End Chronic Homeless	11000-DSS-60783-16149	40
Husky Outreach Services	11000-DSS-60521-12127	40,000
Hill Dental	12052-DSS-60783-40401	100,000
Senior Center Computers - Special Initiative	11000-DSS-60782-16123	10,000
Food Stamp Education (093-FSE-02)	12060-DSS-60799-20735	9,720
Food Stamp Education (093-FSE-02) 10/07	12060-DSS-60799-20735	62,605
Connectability Grant 08/09	12060-DSS-60771-20940	64,394
Healthy Start (093-HUO-05)	11000-DSS-60521-16105	423,938
Total Department of Social Services		\$ 1,787,788

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009**

State Grantor/ Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education:		
Child Nutrition Program Lunch State Match	11000-SDE-64370-16072	\$ 93,154
Head Start Expansion	11000-SDE-64370-16101	201,611
Head Start Enhancement	11000-SDE-64370-16106	138,205
Family Resource Centers Program - Wexler	11000-SDE-64370-16110	97,200
Family Resource Centers Program - Brennan	11000-SDE-64370-16110	97,200
Family Resource Centers Program - Hill	11000-SDE-64370-16110	97,200
Head Start Early Childhood Link	11000-SDE-64370-16202	121,125
Vocational Education Agriculture	11000-SDE-64370-17017	549,547
Adult Education Cooperating Eligibility Entity	11000-SDE-64370-17030	38,733
Adult Education Provider	11000-SDE-64370-17030	4,304,861
Adult Education Young Adult Learner	11000-SDE-64370-17091	73,527
Nonpublic Health Services	11000-SDE-64370-17034	89,319
Bilingual Education	11000-SDE-64370-17042	222,204
Priority School Districts	11000-SDE-64370-17043-82052	6,333,924
Extended School Hours	11000-SDE-64370-17043	331,417
School Accountability - Summer School	11000-SDE-64370-17043	381,576
School Readiness	11000-SDE-64370-17043-82056	7,592,345
Young Parents Program	11000-SDE-64370-17044	16,325
Interdistrict Cooperative - Sound Marine	11000-SDE-64370-17045-82065	200,000
Interdistrict Cooperative - Sound	11000-SDE-64370-17045	131,000
Interdistrict Cooperative - Yale Summer	11000-SDE-64370-17045	116,984
Youth Service Bureau	11000-SDE-64370-17052	88,019
Youth Service Bureau Enhancement	11000-SDE-64370-16201	110,235
School Breakfast Program	11000-SDE-64370-17046	126,000
School Breakfast Program Public State Match	11000-SDE-64370-17046	124,400
Magnet School Operating (SDE000079)	11000-SDE-64370-17057	1,320,190
Magnet School Operating (SDE000080)	11000-SDE-64370-17057	2,048,400
Magnet School Operating (SDE000081)	11000-SDE-64370-17057	2,018,480
Magnet School Operating (SDE000082)	11000-SDE-64370-17057	3,132,640
Magnet School Operating (SDE000083)	11000-SDE-64370-17057	833,370
Magnet School Operating (SDE000088)	11000-SDE-64370-17057	2,112,540
Magnet School Operating (SDE000093)	11000-SDE-64370-17057	1,661,630
Magnet School Operating (SDE000094)	11000-SDE-64370-17057	943,080
Magnet School Operating (SDE000106)	11000-SDE-64370-17057	990,590
Magnet School Operating (SDE000107)	11000-SDE-64370-17057	1,913,070
Magnet School Operating (SDE000111)	11000-SDE-64370-17057	584,930
Magnet School Operating (SDE000114)	11000-SDE-64370-17057	816,340
Magnet School Operating (SDE000127)	11000-SDE-64370-17057	1,826,390
Magnet School Operating (SDE000128)	11000-SDE-64370-17057	1,636,090
Magnet School Operating (SDE000143)	11000-SDE-64370-17057	501,420
Magnet School Operating (SDE000144)	11000-SDE-64370-17057	761,860
Magnet School Operating (SDE000146)	11000-SDE-64370-17057	357,170
Magnet School Operating (SDE000147)	11000-SDE-64370-17057	365,200
Magnet School Transportation	11000-SDE-64370-17057	2,600,000
Quality Enhancement	12060-SDE-64370-90242	136,926
Minor Capital Improvements for Tech Infrastructure	12052-SDE-64300-42861	10,769
After School Program-East Rock Nathan Hale	11000-SDE-64370-17084	147,963
After School Program-Brennan	11000-SDE-64370-17084	150,000
After School Program-Ross/West Hills	11000-SDE-64370-17084	150,000
After School Stem Tech Science, Engineering, Math	11000-SDE-64370-17084	149,623
Healthy Foods	11000-SDE-64370-16072	280,819
Total Department of Education		\$ 49,125,601

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009

State Grantor/ Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Division of Special Revenue:		
Bingo Payments	34003-DSR-18309-42350	\$ 327
Payment to Municipalities-Parimutuels	34004-DSR-18307-40001	1,030,017
Total Division of Special Revenue		\$ 1,030,344
Department of Children and Family Services:		
Therapeutic Child Care	11000-DCF-91178-16064	\$ 93,346
Department of Children Trust Fund:		
Nurturing Families Network	11000-CTF-94000-12042	\$ 197,826
Commission On Arts, Tourism, Culture, History and Film:		
CT 29th Colored Civil War Monument	12052-CAT-45241-42851	\$ 97,875
Local Arts Agency Program	12060-CAT-45220-20328	5,760
Historic Preservation Activities Grant	12060-CAT-45241-21494	5,000
Total Commission on Arts, Tourism, Culture, History & Film		\$ 108,635
Office of the State Comptroller:		
Boat Grant	12027-OSC-15910-40211	\$ 33,783
Payment in Lieu of Taxes on Colleges and General Hospitals	11000-OSC-15910-17006	37,191,892
Payment in Lieu of Taxes on State Owned Property	11000-OSC-15910-17004	4,614,631
Mashantucket Pequot Grant	12009-OSC-15910-17005	9,931,902
Total Office of the State Comptroller		\$ 51,772,208
Commission on Fire Prevention & Control:		
Fire Training School-New Haven	11000-FPC-36510-16034	\$ 48,364
Judicial Branch:		
Distribution to Towns	34001-JUD-95162-40001	\$ 56,409
State Library:		
Connecticard	11000-CSL-66051-17010	\$ 4,831
Historical Documents Preservation	12060-CSL-66094-35150	17,000
Total State Library		\$ 21,831
Department of Education and Services for the Blind:		
Services for the Blind	11000-ESB-65020-12060	\$ 180,415
Department of Agriculture:		
Connecticut Aquaculture Bureau	34003-DAG-42660-42337	\$ 28,309
Farm Viability Grant	12060-DAG-42710-90456	7,100
Total Department of Agriculture		\$ 35,409
Department of Mental Health and Addiction Services:		
ST Substance Abuse Reporting	12060-MHA-53282-35319	\$ 95,074
Enforce Underage/CT Strategic Prevention	12060-MHA-53282-21831	60,000
Enforce Underage/CT Strategic Prevention Initiative	12060-MHA-53282-21831	39,883
Total Department of Mental Health and Addiction Services		\$ 194,957

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009**

<u>State Grantor/ Pass-Through Grantor/ Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
Department of Homeland Security:		
School Security Competitive Grant 09	12060-EHS-99530-90516	\$ <u>76,094</u>
Department of Public Utilities:		
PEGPETIA Public Educational & Govt Prog Education Tech	12060-PUC-39170-35363	\$ <u>60,000</u>
Office of State Treasurer:		
Storm Water Authority Pilot	21014-OTT-14230-40001	\$ <u>90,880</u>
Department of Higher Education:		
Gear - Up Project c/o	12060-DHE-66500-20398	\$ 214,594
Gear - Up Project	12060-DHE-66500-20398	47,490
Total Department of Higher Education		\$ <u>262,084</u>
Total Expenditures of State Financial Assistance Before Exempt Programs		\$ <u>126,007,567</u>
Exempt Programs:		
School Construction Magnet Schools 08	13010-SDE-64370-40901	\$ 3,938,112
School Construction Magnet 09	13010-SDE-64370-40901	42,149,269
School Construction Progress Payments 08	13010-SDE-64370-40901	337,506
School Construction Progress Payments 09	13010-SDE-64370-40901	48,001,672
School Construction Progress Interest 2008	13009-SDE-64370-40896	175,753
School Construction - Interest 2009	13009-SDE-64370-40896	2,689,655
School Construction - Principle 2009	13010-SDE-64370-40901	4,795,760
School Construction - Principle 2008	13010-SDE-64370-40901	225,640
Transportation for School Children - Non Public	11000-SDE-64370-17049	249,223
Transportation for School Children - Public	11000-SDE-64370-17027	3,903,305
Education Cost Sharing	11000-SDE-64370-17041	141,074,791
ESC Accountability Priorities 09	11000-SDE-64370-17041	1,201,230
ESC Accountability Priorities 08 c/o	11000-SDE-64370-17041	186,104
Special ED-AG. Placements and Excess Costs	11000-SDE-64370-17047	2,754,661
Special ED-AG. Placements and Excess Costs	11000-SDE-64370-17047	1,304
Special ED-AG. Placements and Excess Costs	11000-SDE-64370-17047	365,766
Special ED-AG. Placements and Excess Costs	11000-SDE-64370-17047	580,987
Total Exempt Programs		\$ <u>252,630,738</u>
Total Expenditures of State Financial Assistance		\$ <u>378,638,306</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT
STATE FINANCIAL ASSISTANCE PROGRAMS
NOTES TO SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Various departments and agencies of the State of Connecticut have provided financial assistance to the City of New Haven, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including Education, Public Safety and General Government, Public Works, Health and Social Services and Property Tax Relief for certain individuals.

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the City of New Haven, Connecticut conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting

The financial statements contained in the City of New Haven, Connecticut's annual audit report are prepared on the modified accrual basis. The following is a summary of such basis:

Revenues are recognized in the accounting period in which they become available and measurable. Those revenues which are susceptible to accrual are property taxes, intergovernmental revenue and interest revenue. Certain special revenue fund grants are measurable at the time all eligibility requirements are met.

Expenditures are recorded when the related liability is incurred except for the following items, which are recorded when payments are made: interest on general long-term debt, vacation pay and sick pay.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT
STATE FINANCIAL ASSISTANCE PROGRAMS
NOTES TO SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Note 2 – Reporting Entity

The City of New Haven, Connecticut, for the purposes of the Schedule of Expenditures of State Financial Assistance, includes all the funds of the primary government. It does not include the New Haven Coliseum Authority, the New Haven Solid Waste Authority, and the New Haven Parking Authority.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

I. Summary of Audit Results

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control over Financial Reporting:

Material Weakness(es) Identified?	<u> </u> Yes	<u> X </u> No
Significant Deficiency (ies) Identified That Are Not Considered To Be Material Weaknesses?	<u> X </u> Yes	<u> </u> None Reported

Noncompliance Material to Financial Statements Noted?	<u> </u> Yes	<u> X </u> No
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State Financial Assistance

Internal Control over Major Programs:

Material Weakness(es) Identified?	<u> </u> Yes	<u> X </u> No
Significant Deficiency (ies) Identified that are not Considered To Be Material Weaknesses?	<u> </u> Yes	<u> X </u> None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any Audit Findings Disclosed that are Required To Be Reported In Accordance With Section 4-236-24 of the Regulations to the to the State Single Audit Act?	<u> </u> Yes	<u> X </u> No
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CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

I. Summary of Audit Results (Continued)

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
Department of Education:		
Adult Education	11000-SDE64370-17030	\$ 4,343,594
Priority School Districts	11000-SDE64370-17043-82052	6,333,924
School Readiness	11000-SDE64370-17043-82056	7,592,345
Magnet School	11000-SDE64370-17057	26,423,390
Total Department of Education		\$ 44,693,253
Office of Policy and Management:		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 1,767,984
Department of Public Health:		
School Based Health Centers	11000-DPH48832-17019	\$ 1,345,754
Office of State Comptroller:		
Payment in Lieu of Taxes (PILOT) On Colleges & General Hospitals	11000-OSC15910-17006	\$ 37,191,892
Payment in Lieu of Taxes (PILOT) On State Owned Property	11000-OSC15910-17004	4,614,631
Mashantucket Pequot Grant	12009-OSC15910-17005	9,931,902
Total Office of State Comptroller		\$ 51,738,425
Department of Economic & Community Development:		
360 State Street Garage	12052-ECD46440-40414	\$ 9,618,069
Total Major Programs		\$ 109,163,485

II. Summary of Findings Related To Financial Statements Required Under Generally Accepted Government Auditing Standards

- We issued reports, dated December 18, 2009, on compliance and on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicates two significant deficiencies, as items 09-1 and 09-2. These items are not considered to be material weaknesses.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

III. State Financial Assistance Findings and Questioned Costs

No findings or questioned costs are reported relating to State Financial Assistance Programs.