

CITY OF NEW HAVEN, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

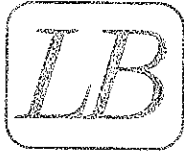
JUNE 30, 2007

CITY OF NEW HAVEN, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDIT REPORTS

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LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
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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 t-type activities, the aggregate 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, 2007, which collectively comprise the City of New Haven, Connecticut's basic financial statements and have issued our report thereon dated December 27, 2007. We did not audit the financial statements of the New Haven Parking Authority or the New Haven Coliseum Authority, component units of the City, which statements reflect total net assets of \$28,014,897 and total changes in net assets of \$2,959,794 for the year then ended. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the New Haven Parking Authority 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.

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.

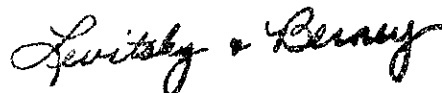
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of the Board of Aldermen and its Finance Committee, as well as the management of the City of New Haven, Connecticut, 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 27, 2007



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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 U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of New Haven, Connecticut's major federal 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 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 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, 2007.

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 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 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 entities 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, 2007, and have issued our report thereon dated December 27, 2007. 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 the Board of Aldermen and its Finance Committee, as well as the management of the City of New Haven, Connecticut, 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 27, 2007

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

| Federal Grantor/ Pass-Through Grantor/ Program Title | Pass-Through Grantor's Number | Catalog of Domestic Assistance Number | Expenditures |
|--|-------------------------------------|--|----------------------|
| Department of Agriculture: | | | |
| Passed Through the State Department of Education: | | | |
| USDA Commodities | | 10.550 | \$ 422,938 |
| Child and Adult Care - Cash in Lieu | | 10.550 | 15,300 |
| School Breakfast Program | 12060-170005 | 10.553 | 2,301,162 |
| Child Care Food Program | 12060-170005 | 10.558 | 141,356 |
| Child Care Food Program | 12060-170005 | 10.558 | 141,336 |
| National School Lunch Program | 12060-170005 | 10.555 | 5,349,268 |
| Hydroponic Produce and Market Salad/Greens | | 10.226 | 32,961 |
| Expanding Agricultural Science Education | | 10.226 | 11,600 |
| Total Department of Agriculture | | | \$ 8,415,921 |
| Department of Housing and Urban Development: | | | |
| Directly Funded: | | | |
| Community Development Block Grant | | 14.218 | \$ 4,993,968 |
| CDBG Outstanding Loans | | 14.218 | 506,200 |
| CDBG Program Income | | 14.218 | 586,365 |
| Section 108 Income | | 14.219 | 65,170 |
| Section 108 Outstanding Loans | | 14.219 | 567,400 |
| Section 108 Grant Economic Development | | 14.219 | 445,885 |
| Section 108 Income | | 14.219 | 19,637 |
| Section 108 Outstanding Loans | | 14.219 | 37,646 |
| UDAG Program Income | | 14.221 | 350,720 |
| UDAG Outstanding Loans | | 14.221 | 942,379 |
| Emergency Shelter Program | | 14.231 | 145,618 |
| HOME Investment Program | | 14.239 | 2,503,435 |
| HOME Program Income | | 14.239 | 583,245 |
| HOME Outstanding Loans | | 14.239 | 5,463,233 |
| Housing Opportunities for People with Aids | | 14.241 | 1,134,600 |
| Lead Paint Abatement Program | | 14.900 | 776,508 |
| Lead Paint Outstanding Loans | | 14.900 | 1,046,421 |
| Empowerment Zone | | 14.244 | 3,084,445 |
| West River EDI Special Grant | | 14.246 | 2,730 |
| Passed Through State of Connecticut Department of Economic and Community Development: | | | |
| Casa Familia | HM05-093 | 14.239 | 401,114 |
| Total Department of Housing and Urban Development | | | \$ 23,656,719 |

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, 2007

| Federal Grantor/ Pass-Through Grantor/ Program Title | Pass-Through Grantor's Number | Catalog of Domestic Assistance Number | Expenditures |
|--|-------------------------------------|--|-------------------|
| Department of Justice: | | | |
| Directly Funded: | | | |
| Federal Surplus Property Program | | 16.578 | \$ 96,243 |
| Law Enforcement Block Grant 2004 | | 16.592 | 22,428 |
| Weed and Seed | | 16.595 | 145,256 |
| Enhancing Law Enforcement | | 16.738 | 263,039 |
| JAG06/Enhancing Police Strategies to Prevent Crime | | 16.738 | 71,543 |
| Passed-Through Secretary of the State: | | | |
| Help America Vote | 12060-SOS1250-54770 | 90.401 | 15,841 |
| Total Department of Justice | | | <u>\$ 614,350</u> |
| Department of Transportation: | | | |
| Passed Through the State Department of Transportation: | | | |
| Local Bridges - Hillhouse Avenue | 92-559 | 20.600 | \$ 67,540 |
| Local Bridges - Blake Street | 92-460 | 20.600 | 478,460 |
| Computerized Traffic Signal System | 92-488 | 20.205 | 13,601 |
| Expanded DUI Enforcement | | 20.000 | 160,018 |
| Total Department of Transportation | | | <u>\$ 719,619</u> |
| National Park Services: | | | |
| Passed Through the State Commission on Arts and Tourism: | | | |
| Historical Preservation Activities Grant | 12060-CAT73001-21494 | 45.310 | \$ 13,500 |
| National Fish and Wildlife Foundation: | | | |
| National Fish and Wildlife | | 66.437 | \$ 5,802 |
| Institute of Museum & Library Services: | | | |
| Passed Through the State Library: | | | |
| Grants to States | 11000-CSL66051-17003 | 45.310 | \$ 6,895 |
| Total Institute of Museum and Library Services | | | |
| Environmental Protection Agency: | | | |
| Directly Funded: | | | |
| Healthy Communities | | 66.001 | \$ 4,009 |
| Community Care Initiative | | 66.035 | 58,331 |
| Total Environmental Protection Agency | | 66.818 | <u>\$ 78,854</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, 2007

| Federal Grantor/ Pass-Through Grantor/ Program Title | Pass-Through Grantor's Number | Catalog of Domestic Assistance Number | Expenditures |
|---|-------------------------------------|--|--------------|
| Department of Energy: | | | |
| Passed Through the State Department of Policy and Management: Energy Grant | 12060-OPM20600-21954 | 81.119 | \$ 50,000 |
| Department of Education: | | | |
| Directly Funded: | | | |
| Magnet School Assistance | | 84.165 | \$ 1,040,211 |
| Magnet School Assistance | | 84.165 | 418,239 |
| Volunteer School Choices | | 84.361 | 739,338 |
| Volunteer School Choices | | 84.361 | 2,021,797 |
| Bilingual Dual Language | | 84.215 | 37,138 |
| Impact Aid Title I | | 84.040 | 20,326 |
| Impact Aid Title I | | 84.040 | 34,223 |
| Partnerships in Character Education | | 84.000 | 151,756 |
| Emergency Response Crisis | | 84.040 | 181,207 |
| Teaching American History | | 84.215 | 224,909 |
| Reduction of Alcohol Abuse | S184A020062-04 | 84.184 | 46,928 |
| Passed Through the State Department of Education: | | | |
| Title I - ESEA Part A | 12060-20679-82070 | 84.010 | 11,568,479 |
| Title I - ESEA Part A School Improvement | 12060-20679-82071 | 84.010 | 36,430 |
| Title I - ESEA Part A | 12060-20679-82071 | 84.010 | 433,584 |
| Carl Perkins - Vocational Education | 12060-20742-84010 | 84.048 | 646,749 |
| Education of Homeless Children and Youth | 12060-20770-82079 | 84.196 | 10,539 |
| Adult Education | 12060-20784-84002 | 84.002 | 49,898 |
| Adult Education | 12060-20784-84005 | 84.002 | 35,000 |
| Adult Education | 12060-20784-84002 | 84.002 | 35,000 |
| Special Education | 12060-20599-82041 | 84.126 | 5,964 |
| Enhancement Education Through Technology | 12060-20826-82079 | 84.318 | 35,056 |
| Enhancement Education Through Technology | 12060-20826-82079 | 84.318 | 115,922 |
| Title I, Part B, Reading First | 12060-20826-82079 | 84.357 | 271,874 |
| Title I, Part B, Reading First | 12060-20826-82079 | 84.357 | 273,163 |
| Title I, Part B, Reading First | 12060-20826-82079 | 84.357 | 264,719 |
| Title II, Part A, Teachers | 12060-20858-84131 | 84.367 | 2,147,642 |
| Title II, Part A, Teachers | 12060-20858-84131 | 84.367 | 246,135 |
| 21 Century Community Learning Centers | 12060-20863-84131 | 84.287 | 281,984 |
| 21 Century Community Learning Centers | 12060-20863-84131 | 84.287 | 11,096 |
| 21 Century Community Learning Centers | 12060-20863-84131 | 84.287 | 375,212 |
| 21 Century Community Learning Centers | 12060-20863-84131 | 84.287 | 67 |
| 21 Century Community Learning Centers | 12060-20863-84131 | 84.287 | 150,380 |
| Title III Part A English Language Acquisitions | 12060-20868-82075 | 84.365 | 297,350 |
| Title III Part A English Language Acquisitions | 12060-20868-82075 | 84.365 | 56,468 |

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, 2007

| Federal Grantor/ Pass-Through Grantor/ Program Title | Pass-Through Grantor's Number | Catalog of Domestic Assistance Number | Expenditures |
|---|-------------------------------------|--|----------------------|
| Department of Education: (Continued) | | | |
| Title IV - Safe and Drug Free Schools | 12060-20873-84131 | 84.186 | \$ 247,840 |
| Title IV - Safe and Drug Free Schools | 12060-20873-84131 | 84.186 | 62,134 |
| Title V-Innovative Education Strategies | 12060-20909-84131 | 84.298 | 6,381 |
| Title V-Innovative Education Strategies | 12060-20909-84131 | 84.298 | 40,805 |
| Title V-Innovative Education Strategies | 12060-20909-84131 | 84.298 | 3,572 |
| Title V-Innovative Education Strategies | 12060-20909-84131 | 84.298 | 48,290 |
| IDEA Part B, Section 619 | 12060-20983-82032 | 84.173 | 82,316 |
| IDEA Part B, Section 619 | 12060-20983-82032 | 84.027 | 46,485 |
| IDEA Part B, Section 611 | 12060-20977-82032 | 84.027 | 4,303,206 |
| IDEA Part B, Section 611 | 12060-20977-82032 | 84.027 | 99,728 |
| IDEA Part B, Section 611 | 12060-20977-82032 | 84.027 | 754,122 |
| IDEA Special Project Disability Mentoring | 12060-21973-82041 | 84.173 | 7,700 |
| Mathematics and Science Partnership | 12060-21592-84131 | 84.366 | 20,399 |
| Mathematics and Science Partnership | 12060-21592-84131 | 84.366 | 23,543 |
| Mathematics and Science Partnership | 12060-21592-84131 | 84.366 | 170,678 |
| Mathematics and Science Partnership | 12060-21592-84131 | 84.366 | 156,679 |
| Emergency Impact Aid - Displaced Students - Katrina | 12060-22038-82079 | 84.938 | 10,980 |
| Total Department of Education | | | \$ 28,349,641 |
| Department of Health and Human Services: | | | |
| Directly Funded: | | | |
| Ryan White Formula and Supplement | | 93.915 | \$ 5,643,083 |
| Head Start Program | | 93.600 | 6,400,702 |
| Passed Through the State Department of Social Services: | | | |
| Social Services Block Grant (SAGA) | 093-SBG-51 | 93.667 | 85,574 |
| Social Services Block Grant (SAGA) | 093-SBG-53 | 93.667 | 92,151 |
| Passed Through the State Department of Public Health: | | | |
| School Based Health Clinics | 2005-206 | 93.994 | 137,500 |
| Bioterrorism | 2002-424 | 93.283 | 73,033 |
| Bioterrorism | 2004-1085 | 93.283 | 40,266 |
| Vaccines | | 93.268 | 65,196 |
| Immunization | 2003-152 | 93.268 | 37,016 |
| Immunization | 2005-161 | 93.268 | 33,223 |
| Venereal Disease Control | 2003-166 | 93.977 | 7,509 |
| Diabetes Unintentional Injury | 2004-026 | 93.991 | 28,232 |
| Aids - Prevention | 2005-38 | 93.940 | 86,457 |
| Total Department of Health and Human Services | | | \$ 12,729,942 |
| Department of Homeland Security: | | | |
| Passed Through State of Connecticut Military Department: | | | |
| Emergency Management Performance Grant | 12060-MIL36160-21092 | 97.042 | \$ 63,065 |
| Passed through State of Connecticut Department of Emergency Management and Homeland Security: | | | |
| Law Enforcement Terrorism Prevention Program | 12060-EHS99530-21879 | 97.067 | 85,527 |
| Urban Area Strategic Initiative | 12060-EHS99530-21878 | 97.008 | 369,348 |
| Homeland Security Grant Program | 12060-EHS99530-21877 | 97.067 | 113,393 |
| Buffer Zone Protection Program | 12060-EHS99530-21903 | 97.078 | 6,549 |
| CT Intelligence Center/CTIC | 12060-EHS99530-21879 | 97.004 | 60,000 |
| Total Department of Homeland Security | | | \$ 697,882 |
| Total Expenditures of Federal Awards | | | \$ 75,339,125 |

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, 2007

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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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

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>422,938</u> |
| Vaccines | <u>65,196</u> |

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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(s) Identified That Are Not Considered To Be Material Weakness(es)? _____ Yes X 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(s) Identified that are not Considered To Be Material Weakness(es)? _____ 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> |
|---------------------|---|
| 14.218 | Community Development Block Grant |
| 14.239 | HOME Program |
| 84.010 | Title I, ESEA, Part A |
| 84.281 | Title II, Part A, Teachers |
| 93.600 | Headstart Program |

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Section I – Summary of Audit Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B Programs: \$2,081,091

Qualification of Auditee 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

No findings or questioned costs in accordance with Government Auditing Standards were reported relating to the financial statements.

CITY OF NEW HAVEN, CONNECTICUT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007

There were no prior audit findings relative to federal award programs that need to be included here for the fiscal year ended June 30, 2007.



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT, AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

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, 2007. 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. We did not audit the compliance of the New Haven Coliseum Authority, a component unit, which had expenditures of State financial assistance of \$168,909. Those compliance requirements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the information included for the New Haven Coliseum Authority, is based on the report of the other auditors. 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 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, 2007.

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 on 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.

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

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 entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-1 and 07-2 to be significant deficiencies.

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 entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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, 2007, and have issued our report thereon dated December 27, 2007. 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 Board of Aldermen and its Finance Committee, as well as the management of the City of New Haven, Connecticut, 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 27, 2007

CITY OF NEW HAVEN, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2007

| State Grantor/ Pass-Through Grantor/ Program Title | State Grant Program Identification Number | Expenditures |
|---|--|---------------------|
| Office of Policy and Management: | | |
| Local Capital Improvement Program - Receivable | 11000-OPM20600-40254 | \$ 2,434,421 |
| Local Capital Improvement Program | 11000-OPM20600-40254 | 1,750 |
| Payment in Lieu of Taxes for Manufacturing Machinery and Equipment | 11000-OPM20600-17031 | 1,146,680 |
| Payment in Lieu of Taxes for Elderly Homeowners, Freeze Program | 11000-OPM20600-17021 | 54,039 |
| Property Tax Relief for Totally Disabled | 11000-OPM20600-17011 | 10,830 |
| Property Tax Relief for Veterans | 11000-OPM20600-17024 | 62,408 |
| Property Tax Relief for Elderly | 11000-OPM20600-17018 | 416,732 |
| State Distressed Municipalities | 11000-OPM20600-17016 | 338,812 |
| One-Time Surplus | 11000-OPM21600-17086 | 3,201,924 |
| Total Department of Policy and Management | | \$ 7,667,596 |
| Department of Public Safety: | | |
| Telecommunications Fund (Priority Dispatch) | 12060-DPS32740-35190 | \$ 2,700 |
| Telecommunications Fund (CMED) | 12060-DPS32740-35190 | 145,573 |
| State Forfeiture Revolving Fund | 13019-DPS32110-41238 | 108,121 |
| Local Officer Incentive | 13019-DPS32740-00000 | 64,372 |
| Telecommunications Fund (E-911 Cities) | 12060-DPS32740-35190 | 358,733 |
| Total Department of Public Safety | | \$ 679,499 |
| Department of Environmental Protection: | | |
| Edgewood & East Rock Trail | 12052-DEP43000-0000 | \$ 178 |
| Amistad Docks PSA2004-4139 | 12052-DEP43000-0000 | 1,500 |
| Farmington Canal Linear Park | 12052-DEP43000-0000 | 5,135 |
| Hazardous Mitigation | 12060-DEP43740-20381 | 7,505 |
| Beach Access | 12060-DEP43760-40203 | 15,548 |
| Total Department of Environmental Protection | | \$ 29,866 |
| Department of Economic and Community Development : | | |
| Urban Action Bonds: | | |
| Macy's | 13019-ECD46000-41236-093 | \$ 5,262 |
| Livable Cities | 13019-ECD46000-41236-093 | 104,813 |
| Tax Abatement Program | 11000-ECD46400-17008-038 | 322,770 |
| Gateway Project/Macy's | 13019-ECD46200-41240 | 681,864 |
| River ST MDP | 13019-ECD46200-41240 | 681,818 |
| Total Department of Economic & Community Development | | \$ 1,796,527 |

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, 2007

| State Grantor/ Pass-Through Grantor/ Program Title | State Grant Program Identification Number | Expenditures |
|---|--|---------------------|
| Department of Public Health: | | |
| Per Capita Funding | 11000-DPH48500-17009 | \$ 119,291 |
| Needle and Syringe Exchange (2006-274) | 11000-DPH48500-12100 | 806 |
| Immunization (2005-161) | 11000-DPH48500-10020 | 12,910 |
| Aids - Prevention (2006-274) | 11000-DPH48500-12236 | 989 |
| School Based Health Centers (2007-0069) 7/6 - 6/7 | 11000-DPH48500-17019 | 1,300,928 |
| Venereal Transmitted Diseases 7/6-6/7 (2007-0059) | 11000-DPH48500-17013 | 25,400 |
| Lead Poisoning Prevention (2007-1503) | 11000-DPH48500-12227 | 48,868 |
| Lead Poisoning Prevention 12/6/7 (2007-0083) | 11000-DPH48500-12227 | 23,125 |
| Aids - Prevention (2006-274) | 11000-DPH48500-12236 | 107,469 |
| Tuberculosis Control (2007-0059) | 11000-DPH48500-16112 | 70,472 |
| Immunization (2007-0178) | 11000-DPH48500-10020 | 12,910 |
| Needle and Syringe Exchange (2006-274) | 11000-DPH48500-12100 | 83,803 |
| Needle and Syringe Exchange (2006-274) | 11000-DPH48500-10020 | 146 |
| Diabetes/Fall Prevention Local Health (2007-0031) 7/6-6/7 | 11000-DPH48500-10020 | 4,052 |
| Total Department of Public Health | | \$ 1,811,169 |
| Department of Transportation: | | |
| Closed Loop Traffic System (92-562) | 21010-DOT57000-00000 | \$ 31,478 |
| Local Bridges - Blake Street (92-460) | 21010-DOT57000-42310 | 119,615 |
| Local Bridges - Ferry Street Design (92-582) | 21010-DOT57000-42310 | 220,197 |
| Farmington Canal Phase 2 Construction | 12062-DOT57000-30361 | 131,998 |
| Farmington Canal Phase 3 Construction | 12062-DOT57000-30361 | 12,531 |
| Town Aid Road Grant | 12001-DOT57000-17036 | 614,983 |
| Traffic Sign Mast-Arm Supports | 13033-DOT57000-41392 | 91,838 |
| Spot Safety - 92-554 | 12001-DOT57000-12293 | 96,943 |
| Total Department of Transportation | | \$ 1,319,583 |
| Department of Social Services: | | |
| Child Daycare | 11000-DSS60000-16152 | \$ 1,020,256 |
| Child Daycare | 11000-DSS60000-16152 | 523,312 |
| Teenage Pregnancy Prevention -2006 | 11000-DSS60000-17032 | 187,713 |
| Food Stamp Education (093-FSE-02) | 11000-DSS60000-12127 | 287,791 |
| Healthy Start (093-HUO-05) | 11000-DSS60000-12127 | 431,810 |
| Total Department of Social Services | | \$ 2,450,882 |

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, 2007

| State Grantor/ Pass-Through Grantor/ Program Title | State Grant Program Identification Number | Expenditures |
|--|--|----------------------|
| Department of Education: | | |
| Child Nutrition Program | 11000-16072-82051-2007 | \$ 125,501 |
| Head Start Expansion | 11000-16101-82079-2007 | 212,222 |
| Head Start Enhancement | 11000-16106-82079-2007 | 145,479 |
| Family Resource Centers Program - Wexler | 11000-16110-82079-2007 | 102,250 |
| Family Resource Centers Program - Brennan | 11000-16110-82079-2007 | 89,879 |
| Family Resource Centers Program - Hill | 11000-16110-82079-2007 | 97,701 |
| Vocational Education | 11000-17017-84010-2007 | 283,434 |
| Adult Education Cooperating Eligibility Entity | 11000-17030-84004-2007 | 144,121 |
| Adult Education Provider | 11000-17030-84002-2007 | 4,202,545 |
| Nonpublic Health Services | 11000-SDE64000-17034 | 94,368 |
| Bilingual Education | 11000-17042-82079-2007 | 207,391 |
| Priority School Districts | 11000-17043-82052-2007 | 6,625,100 |
| Early Reading Success | 11000-17043-82053-2007 | 2,510,138 |
| Extended School Hours | 11000-17043-82054-2007 | 340,783 |
| School Accountability - Summer School | 11000-17043-82055-2007 | 392,527 |
| School Readiness | 11000-17043-82056-2007 | 6,706,630 |
| Young Parents Program | 11000-17044-82079-2007 | 16,342 |
| Interdistrict Cooperative - Sound Marine | 11000-17045-82065-2007 | 131,000 |
| Interdistrict Cooperative - Sound Marine | 11000-17045-82066-2007 | 200,000 |
| Interdistrict Cooperative - Yale Summer | 11000-17045-82067-2007 | 107,068 |
| Youth Service Bureau | 11000-17052-82079-2007 | 125,691 |
| School Breakfast Program | 11000-17046-82058-2007 | 40,115 |
| School Breakfast Program | 11000-17046-82057-2007 | 174,458 |
| Open Choice Program - Receiving District | 11000-17053-82060-2007 | 116,326 |
| Magnet School Operating (SDE000079) | 11000-17057-82062-2007-79 | 1,144,937 |
| Magnet School Operating (SDE000080) | 11000-17057-82062-2007-80 | 1,177,132 |
| Magnet School Operating (SDE000081) | 11000-17057-82062-2007-81 | 1,491,217 |
| Magnet School Operating (SDE000082) | 11000-17057-82062-2007-82 | 2,506,791 |
| Magnet School Operating (SDE000083) | 11000-17057-82062-2007-83 | 817,716 |
| Magnet School Operating (SDE000088) | 11000-17057-82062-2007-88 | 1,928,215 |
| Magnet School Operating (SDE000093) | 11000-17057-82062-2007-93 | 1,199,286 |
| Magnet School Operating (SDE000094) | 11000-17057-82062-2007-94 | 1,013,450 |
| Magnet School Operating (SDE000106) | 11000-17057-82062-2007-106 | 755,957 |
| Magnet School Operating (SDE000107) | 11000-17057-82062-2007-107 | 1,285,807 |
| Magnet School Operating (SDE000111) | 11000-17057-82062-2007-111 | 723,349 |
| Magnet School Operating (SDE000114) | 11000-17057-82062-2007-114 | 670,365 |
| Magnet School Operating (SDE000127) | 11000-17057-82062-2007-127 | 698,396 |
| Magnet School Operating (SDE000128) | 11000-17057-82062-2007-128 | 549,157 |
| Magnet School Transportation | 11000-17057-82061-2007 | 1,912,300 |
| Quality Enhancement Grant | 12060-90242-82079-2007 | 136,895 |
| State Funds for Tech Infrastructure - Minor CAP Improve. | 12052-42861-82079-2007 | 21,250 |
| After School Program-Clinton & Martinez | 11000-17084-82079-2007 | 142,638 |
| Adult Young Learner | 11000-17091-84013-2007 | 73,017 |
| After School Program-Brennan | 11000-17084-82079-2007 | 138,655 |
| Healthy Foods | 11000-16072-8010-2007 | 259,338 |
| Total Department of Education | | \$ 41,836,937 |

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, 2007

| State Grantor/ Pass-Through Grantor/ Program Title | State Grant Program Identification Number | Expenditures |
|--|--|----------------------|
| Division of Special Revenues: | | |
| Bingo Payments | 34004-DSR18307-29109 | \$ 204 |
| Payment to Towns | 34004-DSR18307-29109 | 1,246,121 |
| Total Division of Special Revenues | | <u>\$ 1,246,325</u> |
| Department of Children and Family Services: | | |
| Therapeutic Child Care | 11000-DCF91110-16064 | <u>\$ 91,750</u> |
| Commission On Arts, Tourism, Culture, History and Film: | | |
| Arts Presentation Grant Program | 11000-CAT45220-17067 | <u>\$ 4,455</u> |
| Office of the State Comptroller : | | |
| Boat Grant | 12027-OSC15910-40211 | \$ 33,783 |
| Payment in Lieu of Taxes on Colleges and General Hospitals | 11000-OSC15910-17006 | 37,897,139 |
| Payment in Lieu of Taxes on State Owned Property | 11000-OSC15910-17004 | 4,648,351 |
| Mashantucket Pequot Grant | 12009-OSC15910-17005 | 10,619,837 |
| Fire Training School | 11000-OSC15910-16034 | 43,127 |
| Total Office of the State Comptroller | | <u>\$ 53,242,237</u> |
| Judicial Branch: | | |
| Distribution to Towns | 34001-JUD95162-40001 | <u>\$ 29,736</u> |
| State Library: | | |
| Connecticard | 11000-CSL66051-17010 | \$ 3,093 |
| Historical Documents Preservation | 12060-CSL66094-35150 | 17,000 |
| Total State Library | | <u>\$ 20,093</u> |
| Department of Education and Services for the Blind: | | |
| Services for the Blind | ESB65000-0000 | <u>\$ 213,663</u> |
| Department of Agriculture: | | |
| Connecticut Aquaculture Bureau | 34003-DAG42660-42350 | <u>\$ 58,714</u> |
| Department of Mental Health and Addiction Services: | | |
| CT Strategic Prevention | 12060-MHA5328-21831 | <u>\$ 11,698</u> |

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, 2007

| State Grantor/ Pass-Through Grantor/ Program Title | State Grant Program Identification Number | Expenditures |
|--|--|-----------------------|
| Department of Higher Education: | | |
| Gear - Up Project | 11000-DHE66500-12188 | \$ 116,000 |
| Gear - Up Project | 11000-DHE66500-12188 | 234,100 |
| Total Department of Higher Education: | | <u>\$ 350,100</u> |
| | | |
| Total Expenditures of State Financial Assistance Before Exempt Programs | | <u>\$ 112,860,830</u> |
| | | |
| Exempt Programs: | | |
| School Construction Magnet Schools | 13010-40901-82007-2006 | \$ 5,174,433 |
| School Construction Progress Payments | 13010-40901-82006-2006 | 4,988,787 |
| School Construction Progress Payments | 13010-40901-82006-2007 | 43,185,255 |
| School Construction Progress Payments | 13010-40901-82007-2007 | 56,351,545 |
| School Construction Projects - Interest 2006 | 13009-40896-82004-2006 | 118,335 |
| School Construction Projects - Interest 2007 | 13009-40896-82004-2007 | 2,913,370 |
| School Construction Projects - Principle | 13010-40901-82003-2007 | 6,415,385 |
| School Construction Projects - Principle | 13010-40901-82003-2006 | 3,431,866 |
| Transportation for School Children - Public | 11000-17027-82010-2007 | 3,795,454 |
| Education Equalization | 11000-17041-82010-2007 | 128,296,594 |
| Special ED-AG. Placements and Excess Costs | 11000-17047-82016,18 19-2007 | 3,474,739 |
| Transportation for School Children - Nonpublic | 11000-17049-82010-2007 | 292,455 |
| Total Exempt Programs | | <u>\$ 258,438,218</u> |
| | | |
| Total Expenditures of State Financial Assistance | | <u>\$ 371,299,048</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, 2007

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 in conformity with the requirements of the Governmental Accounting Standards Board and conform to generally accepted accounting principals as applicable to municipalities. The following is a summary of such basis:

Revenues are recorded 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, 2007

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 and the New Haven Parking Authority.

Note 3 – Clean Water Fund Obligations

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule of Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2007:

Department of Environmental Protection:

Clean Water Funds:

| | Date Issued | Interest Rate | Original Amount | Balance June 30, 2006 | Retired | Assumed By GNH WPCA | Balance June 30, 2007 |
|-----------------------------------|-------------|---------------|-----------------|-----------------------|---------|---------------------|-----------------------|
| 107-C | 12/14/90 | 2% | \$ 1,293,171 | 103,454 | 25,858 | 77,596 | - |
| 108-D | 11/26/91 | 2% | 919,997 | 82,800 | 18,400 | 64,400 | - |
| 108-C | 6/30/93 | 2% | 7,935,645 | 956,472 | 159,412 | 797,060 | - |
| 272-D | 1/31/91 | 2% | 432,387 | 56,931 | 7,927 | 49,004 | - |
| 108-CD1 | 10/31/94 | 2% | 529,473 | 72,613 | 11,094 | 61,519 | - |
| 243-C | 3/1/95 | 2% | 1,054,378 | 163,429 | 21,088 | 142,341 | - |
| 243-CD1 | 6/29/95 | 2% | 666,191 | 116,898 | 15,084 | 101,814 | - |
| 272-C | 3/31/97 | 2% | 3,314,300 | 705,742 | 60,650 | 645,092 | - |
| 272-CD2 | 4/30/99 | 2% | 2,225,629 | 547,178 | 47,025 | 500,153 | - |
| 350-D | 7/31/98 | 2% | 1,141,173 | 272,701 | 20,334 | 252,367 | - |
| 333-C | 4/30/97 | 2% | 2,474,972 | | | | |
| 350-C | 6/30/03 | 2% | 3,364,745 | 1,122,198 | 54,074 | 1,068,124 | - |
| 463-C | 1/31/05 | 2% | 11,236,716 | 4,004,463 | 175,836 | 3,828,627 | - |
| | | | \$ 36,588,777 | 8,204,879 | 616,782 | 7,588,097 | - |
| Interim Funding Obligation | | | | | | | |
| 463-CD1 | | | | 174,098 | | 174,098 | - |
| 563-DC | | | | 3,537,874 | | 3,537,874 | - |
| | | | \$ 36,588,777 | 3,711,972 | | 3,711,972 | - |

CITY OF NEW HAVEN, CONNECTICUT
STATE FINANCIAL ASSISTANCE PROGRAMS
NOTES TO SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007

Note 3 – Clean Water Fund Obligations (Continued)

On August 29, 2005 New Haven WPCA assets and the assumption of clean water fund obligations were sold to the Greater New Haven Water Pollution Control Authority (GNHWPCA) under an Asset Purchase Agreement.

During the fiscal year ended June 30, 2007, Clean Water Fund loans previously in the City's name were transferred to the name of GNHWPCA. As of June 30, 2007 the City has a contractual obligation to pay the GNHWPCA for its remaining portion of the Clean Water Fund loans in the amount of \$10,895,652.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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 (s) Identified That Are Not Considered To Be Material Weakness(es)? | <u> </u> Yes | <u> X </u> None Reported |
| Noncompliance Material to Financial Statements Noted? | <u> </u> Yes | <u> X </u> No |

State Financial Assistance

Internal Control over Major Programs:

| | | |
|--|------------------|-----------------------------|
| Significant Deficiency (s) Identified? | <u> X </u> Yes | <u> </u> No |
| Significant Deficiency (s) Identified that are not Considered To Be Material Weakness(es)? | <u> X </u> Yes | <u> </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 |
|--|-------------------|-----------------|

CITY OF NEW HAVEN, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

I. Summary of Audit Results (Continued)

| State Grantor and Program | State Grant Program Identification Number | Expenditures |
|---|--|-----------------------|
| Department of Education: | | |
| Adult Education | 11000-SDE64000-17030 | \$ 4,346,666 |
| Priority School Districts | 11000-SDE64000-17043-82052 | 6,625,100 |
| Early Reading Success | 11000-SDE64000-17043-82053 | 2,510,138 |
| School Readiness | 11000-SDE64000-17043-82056 | 6,706,630 |
| Magnet School | 11000-SDE64000-17057 | 17,874,075 |
| Total Department of Education | | \$ 38,062,609 |
| Office of Policy and Management: | | |
| Local Capital Improvement Program | 11000-OPM20600-40254 | \$ 2,436,171 |
| Payment in Lieu of Taxes (PILOT) For Manufacturing Machinery & Equipment | 11000-OPM20600-17031 | 1,146,680 |
| One-Time Surplus | 11000-OPM21600-17086 | 3,201,924 |
| Total Office of Policy & Management | | \$ 6,784,775 |
| Department of Public Health: | | |
| School Based Health Centers | 11000-DPH48500-17019 | \$ 1,300,928 |
| Office of State Comptroller: | | |
| Payment in Lieu of Taxes (PILOT) On Colleges & General Hospitals | 11000-OSC15910-17006 | \$ 37,897,139 |
| Payment in Lieu of Taxes (PILOT) On State Owned Property | 11000-OSC15910-17004 | 4,648,351 |
| Mashantucket Pequot Grant | 12009-OSC15910-17005 | 10,619,837 |
| Total Office of State Comptroller | | \$ 53,165,327 |
| Department of Special Revenue: | | |
| Payments to Towns (OTB) | 34004-DSR18307-29109 | \$ 1,246,325 |
| Department of Social Services: | | |
| Child Daycare | 11000-DSS-60000-16152 | \$ 1,543,568 |
| Department of Economic & Community Development: | | |
| Gateway Project/Macy's/River St. MDP | 13019-ECD46200-41240 | \$ 1,363,682 |
| Total Major Programs | | \$ 103,467,214 |

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

- We issued reports, dated December 27, 2007, on compliance and on internal control over financial reporting 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 indicated no reportable conditions

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

III. State Financial Assistance Findings and Questioned Costs

Finding # 07-1

Grantor: Office of Policy & Management
State Program Name: Payment in Lieu of Taxes (PILOT) for
Manufacturing Machinery & Equipment
State Program Identification Number: 11000-OPM20600-40254

Condition:

The Assessment Office has procedures in place to review and recalculate forms for various discrepancies that are filed with the State; however, the review process is not one hundred percent effective at identifying and correcting discrepancies.

Criteria:

Proper internal control procedures require information and calculations on assessor's reports submitted to the State to be reviewed by a second City employee to verify the accuracy of reports.

Questioned Costs:

There are no questioned costs associated with this finding.

Context:

A sample of 26 taxpayer applications chosen under the program found three missing taxpayers' signatures, one calculation error, and one error in the original cost of a new acquisition.

Cause:

The City's Assessor's Office reviewed and corrected taxpayer values but inadvertently failed to carryforward the correction to the report submitted to the State of Connecticut.

Effect:

The City's may be under or over reimbursed under the PILOT program.

Recommendation:

The Assessor's Office should strengthen its review procedures in order to identify and correct all discrepancies in forms filed with the State.

CITY OF NEW HAVEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

III. State Financial Assistance Findings and Questioned Costs (Continued)

Finding # 07-2

Grantor: Department of Social Services
State Program Name: Child Development/Infant/Toddler Program
State Program Identification Number: 11000-DSS60000-16152

Condition:

The New Haven Child Development/Infant/Toddler Program did not submit a program report required under the grant contract.

Criteria:

Special reporting requirements under the Department of Social Services state that certain child care facilities are required to submit a six month Outcome Management Report (DSS 309C) by July 31.

Questioned Costs:

There are no questioned costs associated with this finding.

Context:

The Early Childhood Program subcontractor did not submit the required Outcome Management Report (DSS 309C) for one of its day care facilities. This was a new required report beginning in fiscal year ended June 30, 2007. The requirement was state in the contract and overlooked by the recipient.

Cause:

The requirement to complete and submit the required report was inadvertently overlooked at a day care facility due to a communication gap.

Effect:

The City's Child Daycare Program is not in compliance with the Department of Social Services reporting requirements.

Recommendation:

The City should submit the required DSS 309C report and strengthen internal controls to ensure all reporting requirements are met.