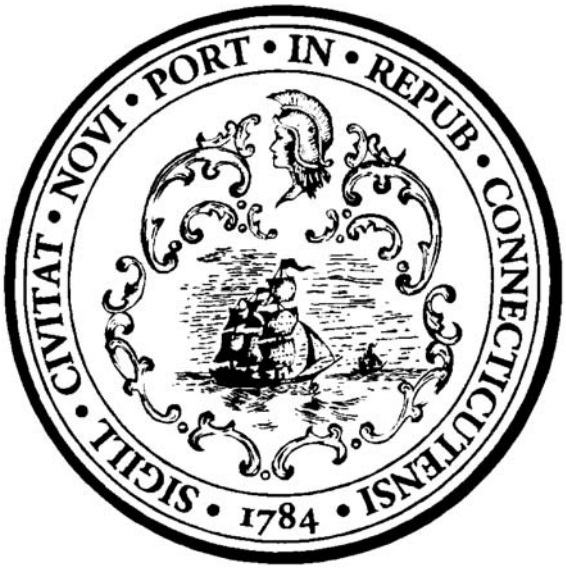
CITY OF NEW HAVEN, CONNECTICUT

Comprehensive Annual Financial Report



Fiscal Year 2014

July 1, 2013 – June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF NEW HAVEN, CONNECTICUT

FOR THE FISCAL YEAR ENDED

June 30, 2014

Prepared by the Department of Finance

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Maria Hunt, Accountant I
Andre Wilson, Audit Coordinator
Joseph Montagna, Treasury Investment Analyst

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INTRODUCTORY SECTION

CITY OF NEW HAVEN

DEPT. OF FINANCE

OFFICE OF THE CONTROLLER

TONI N. HARP.
Mayor

Daryl H. Jones
Controller

200 ORANGE STREET
ROOM 301
NEW HAVEN, CONNECTICUT 06510
Tel. (203) 946-8300- Fax. (203) 946-7244

February 12, 2015

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

State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of New Haven's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

New Haven was founded in 1638, and incorporated as a city in 1784. The City is located in the heart of the northeast corridor between New York City (75 miles away) and Boston (140 miles away). It occupies 20 square miles and serves a population of 130,000. The City is empowered to levy a property tax on real property, personal property and motor vehicles located within its boundaries.

The City is governed primarily under the Charter which provides for the election, organization, powers and duties of the legislative branch (the "Board of Aldermen"), the powers and duties of the executive branch and the City's fiscal budgetary matters, contracts procurement, property and records. The Mayor, serving as the chief executive officer, is responsible for the execution and enforcement of the laws and ordinances of the City and oversees all administrative functions. The City/Town Clerk serves a term

concurrent with that of the Mayor and is elected city-wide. The Board of Aldermen performs all legislative duties and its President serves as Acting Mayor in the absence of the Mayor.

The Charter provides that the City maintain a variety of public services including the protection of persons and property, maintenance of streets and establishment of health, recreation and welfare facilities. The Constitution of the State of Connecticut establishes free public elementary and secondary education as the responsibility of the State. This responsibility is legislatively delegated to the City acting through its Board of Education. Municipal services provided by the City include: police and fire protection; health care; certain welfare programs; construction and maintenance of streets, highways and bridges; trash collection and disposal; provision for recreational programs and facilities; the acquisition and maintenance of City real and personal property, including vehicles; maintenance of building codes and regulation of licenses and permits; maintenance of records and library services; collection of taxes and revenues; purchase of supplies and equipment; construction and maintenance of airport facilities; and maintenance and operation of on-street parking facilities.

Other governmental authorities provide service within the City, namely the New Haven Parking Authority, and the New Haven Solid Waste and Recycling Authority. The New Haven Parking Authority is an agency of the City established in 1951 to operate certain parking facilities for the City, as well as other parking facilities that are privately owned. The New Haven Solid Waste and Recycling Authority was established in 2008 and is specifically responsible for the operation and management of the City's transfer station for solid waste disposal and recycling.

The Board of Aldermen is required to adopt a budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. The annual budget serves as the foundation for the City's financial planning and control. Proposed commitments in excess of appropriations are not processed until additional appropriations are made available. The Board of Aldermen may establish by ordinance, from time to time, an amount of appropriation under the approved budget which the Controller, with the approval of the Mayor, shall be authorized to transfer between line items within any department or from one department to another. No such transfer in excess of such authorized amount shall be implemented unless it shall be proposed by the Mayor and approved by the Board of Aldermen, provided that an increase in the total appropriation shall be approved only by the vote of two-thirds of the entire Board of Aldermen. Budgetary revenues and expenditures are monitored by the Office of Management and Budget.

LOCAL ECONOMY

New Haven is the social and economic center of southern Connecticut. It is among the fastest growing cities in New England in terms of both population and economic significance. Economic drivers in education, the life sciences, advanced manufacturing, IT and supporting service industries are supporting new job growth. New Haven's job base grew 2% in 2011 (twice the state average) and there are now 79,314 jobs in the City, with nearly 356,898 in the New Haven MSA.

New Haven is a dynamic and growing city, placing its residents, employees and visitors at the cross-section of arts, culture, education, health care, and business. As the second largest city in Connecticut, with a population of 130,660 (2013 est.), New Haven is the economic center of a broader MSA region of 862,287 people (2013 est.), and is home to an evolving mixed-use urban core, strong and diverse communities and world-class institutions. While already well-established in New Haven, the so called "eds and meds" (medical, bio-science, and research/development) sector continues to grow. Yale University, Yale Medical School, and the Yale-New Haven Hospital give the City a stable and world-class participation in these sectors. With ample spin-offs from these institutions, entrepreneurship and bioscience have grown exponentially, and are growing in New Haven. Already, 39 of Connecticut's 52 biotech firms are located in the Greater New Haven area.

In the City of New Haven proper, the median household income is $38,482 as compared to $58,571 in the entire New Haven metro area. Due to the large number of undergraduate and graduate students residing in New Haven, average household income tends to skew low in official reporting. However, the external support and income sources for Yale University students as well as students from Albertus

Magnus College and Southern Connecticut State University give these students far greater purchasing power than official figures would indicate.

Healthcare, Biotechnology and Life Sciences are central to New Haven's economy and have been the primary driver of recent employment and tax base growth. These industries are centered on two core institutions: Yale-New Haven Hospital and Yale University, particularly the Yale School of Medicine, both of which are world leaders in healthcare, research and education that attract patients, doctors and students from across the world, region and state. These institutions form the center of a broader regional biotech and life sciences cluster consisting of 52 firms, 40 of which are located in the City itself, primarily in the Medical District around Yale-New Haven Hospital and Yale School of Medicine as well as Science Park, located just north of Yale University's main campus.

Yale University, Southern Connecticut State University, Albertus Magnus College, and Gateway Community College all call New Haven home and are major drivers for the local and regional economy. In the New Haven region, educational services employ 24,000 people. More importantly, however, these schools are expanding. Yale University completed construction of its new School of Management, which enrolled more than 500 students. In addition, Yale is building two new residential colleges, which will cost $500 million to construct and add 800 additional students, faculty and staff. Gateway Community College with its new Downtown campus was recently completed and has brought 7,328 students and 350 faculty to the heart of the City. New Haven's universities provide a platform from which the City can compete in the global arena. For example, Yale has $360 million in federal research and development obligations, which ranks 14th nationwide, and its Cooperative Research Technology Transfer program has been instrumental in attracting new biotechnology companies to the region. Additionally, Yale has produced some 48 new start-up companies in Greater New Haven. These companies have attracted over $3.6 billion in private capital.

Despite significant de-industrialization, manufacturing and food services remain an important component of New Haven's overall economy, but with fewer employees, far greater specialization, and more advanced fabrication methods. New Haven is home to several specialty manufacturers, such as Assa Abloy, a global leader in lock production, Uretek, a high tech fabric manufacturer, and Space Craft Manufacturing, a precision parts manufacturer for jet engines. The City also contains many specialized food services, including bakeries, meat packers, distributors and food wholesalers.

Professional and government services are also important to the local economy. With proximity to a large number of federal and state administrative agencies and federal and state courts, New Haven has a large concentration of attorneys and legal service companies. There are 110 law firms in the City, representing approximately 10% of the state total. In addition, there are some 75 architecture firms employing more than 500 professionals and support staff. The government sector includes major federal facilities, mainly at the Giaimo Federal Services Building in Downtown. The Federal Bureau of Investigation, Naval Reserve Center and United States Coast Guard also have stand-alone regional centers in the City.

In a recent study conducted for the Economic Development Corporation of New Haven, it was estimated that there are approximately 7,500 freelance or self employed workers in New Haven, a significant addition to the City's jobs base, and one that is typically elusive to quantify. These workers are comprised mostly of the telecommuting spouses of academic appointments, sector professionals, and consultants with a broad regional client base.

Long-Term Financial Planning

As a part of the annual budget process, the Mayor prepares and presents a five year capital plan. This plan identifies costs and financing methods for those capital projects that the City anticipates funding over the next five years. The current five year capital plan details projects through fiscal year 2019. The plan provides for the needs not only of the general government but also the Board of Education and addresses such issues as infrastructure, major equipment replacement, educational facilities, public safety, and economic development initiatives. This plan projects total project costs over the five year period of approximately $239 million. Financing, net of state and federal project grants, for these projects would

require debt proceeds of approximately $177 million. The financial impact of these initiatives is reviewed by the Board of Aldermen and the Capital Projects Committee.

Relevant Financial Policies

The City and the Board of Education maintain a comprehensive budgetary reporting system to monitor the results of budget operations and to ensure budgetary control and compliance with approved budgets. All annual budgets are recommended by the Mayor to the Board of Aldermen, which approves the final budget. Purchase orders are encumbered and considered as expenditures for budget reporting purposes to ensure the availability of budget appropriations. Purchase orders are not released unless funding is available. Open encumbrances, reflecting goods and services not received are shown as a reservation of fund balance in the financial statements under generally accepted accounting principles (GAAP).

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Haven for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the first year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Department of Finance. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report.

Respectfully submitted

Daryl H. Jones
Controller

City of New Haven, Connecticut

Principal City Officials
June 30, 2014

Mayor

Toni N. Harp

Coordinators

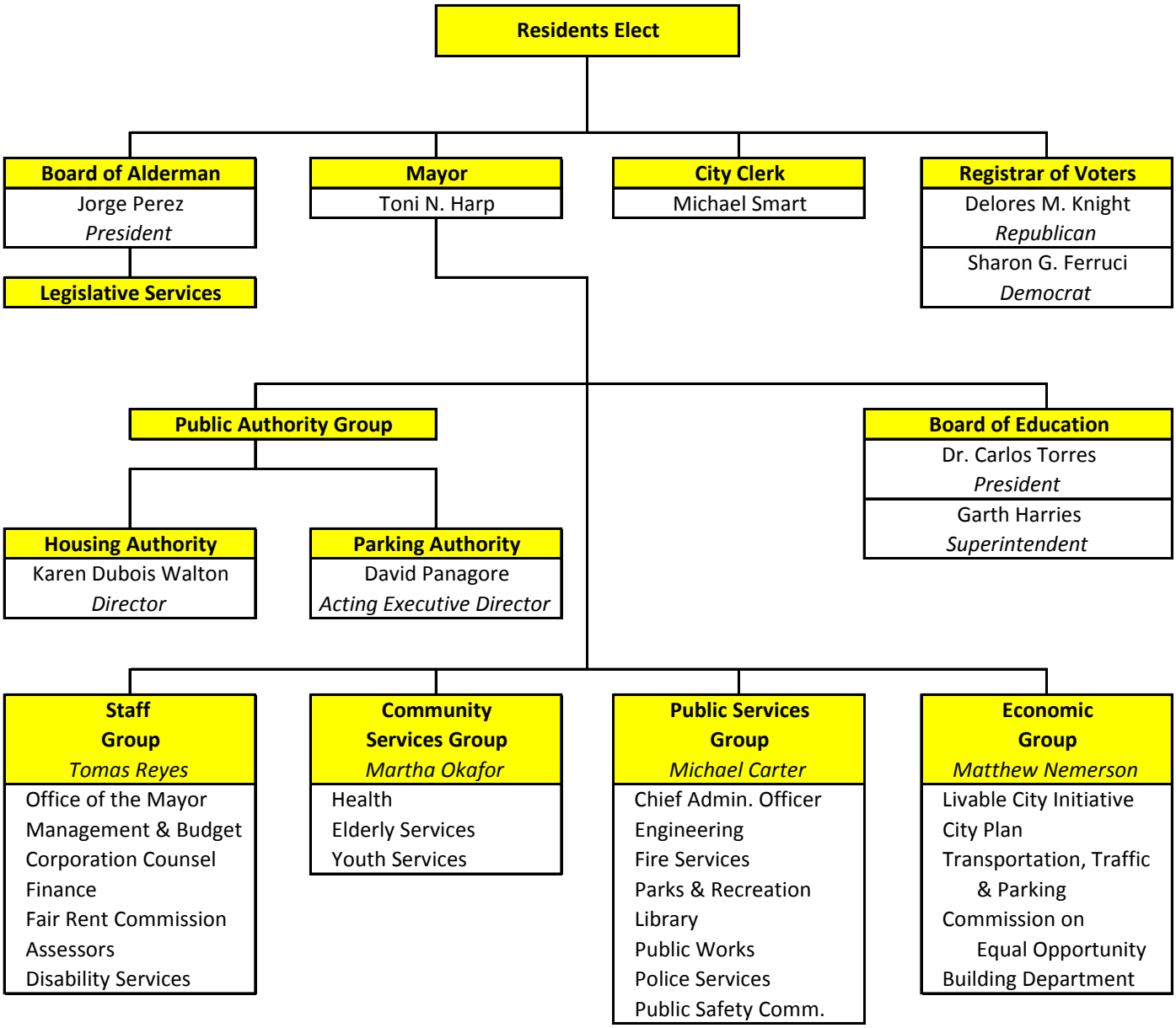
Joe Clerkin, Budget Director
Daryl H. Jones, Controller
Matthew Nemerson, Economic Development Administrator
Michael Carter, Chief Administrative Officer
Martha Okafor, Community Services Administrator

Board of Aldermen

Jorge Perez, President
Tyisha Walker, President Pro Tempore
Alphonse Paolillo, Jr., Majority Leader
Jeanette L. Morrison, Deputy Majority Leader

Ward	Ward	Ward
1. Sarah Eidelson	11. Barbara Constantinople	21. Brenda Foskey-Cyrus
2. Frank E. Douglas, Jr.	12. Richard Spears	22. Jeanette L. Morrison
3. Latrice E. James	13. Rosa Santana	23. Tyisha Walker
4. Andrea Jackson-Brooks	14. Santiago Berrios-Bones	24. Evette Hamilton
5. Jorge Perez	15. Ernie G. Santiago	25. Adam J. Marchand
6. Dolores Colón	16. Michelle Perez	26. Darryl Brackeen, Jr
7. Abigail Roth	17. Alphonse Paolillo, Jr.	27. Richard Furlow
8. Aaron Greenberg	18. Salvatore E. DeCola	28. Claudette Robinson-Thorpe
9. Jessica Holmes	19. Alfreda Edwards	29. Brian Wingate
10. Anna Festa	20. Delphine Clyburn	30. Carlton Staggers

City of New Haven Organizational Structure



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of New Haven

Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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FINANCIAL SECTION

McGladrey

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of New Haven, Connecticut (the "City"), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the New Haven Parking Authority, a component unit of the City, which represents 83 percent, 95 percent and 87 percent respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Haven Parking Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member of the RSM International network of independent accounting, tax and consulting firms.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11, budgetary comparison information on pages 79-83, the schedules of funding progress and employers contributions on pages 84-86, the schedule of changes in the City's net pension liability and related ratios on page 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McGladrey LLP

New Haven, Connecticut
February 12, 2015

CITY OF NEW HAVEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS, *unaudited*
JUNE 30, 2014

As management of the City of New Haven, Connecticut, we offer readers of the City of New Haven's financial statements this narrative overview and analysis of the financial activities of the City of New Haven for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report, as well as the City's basic financial statements that follow this section.

Financial Highlights

- The City finished FY 14 with a General Fund (primary operating fund) budgetary operating surplus of $4,743,602 (see exhibit D).
- As of the year-end, the General Fund had a fund balance of $22,047 (see exhibit C). This was an improvement from a negative fund balance of ($4,721,555) at the close of FY 13.
- The FY 14 audit does not contain a designation of fund balance in the "nonspendable" category. This is an improvement from the $4,000,000 designated in the FY 13 Comprehensive Annual Financial Report (CAFR) to recognize a deficit in the City's Self Insurance Fund.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $49,487,027, an increase of $85,253,135 in comparison with the prior year (see exhibit C).
- On a government-wide basis, the City's total net position was $783,329,645 (see Table 1).
- The City's mill rate was 40.80 (per thousand) in FY14 which was an increase over the 38.88 mill rate in FY 12-13.
- The City's FY14, total net taxable grand list increased to $6,084,699,295 as compared to FY13 total net taxable grand list of $5,994,731,716.
- As of the year-end, the Education Grant Fund reported a fund balance of $3,163,730.This is an increase of $1,074,343 from the fund balance of $2,089,387 at the close of FY 13 (see exhibit D).
- As of the year-end, the Capital Projects Fund reported a fund balance of $40,214,374 which is $84,554,999 more than the beginning of the year (see exhibit D). Major impacts were intergovernmental revenues for school construction from state, issuance of bonds, issuance of grant anticipation notes and expenditures mainly for school construction.

Overview of Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits A and B, respectively) provide information about the activities of the City as a whole and present a longer term view of the City's finances. Fund financial statements are presented in Exhibits C to J. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

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

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

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

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

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

Business Type Activities - The business type activities of the City of New Haven consist of the Golf Course Enterprise Fund, Skating Rink Enterprise Fund, and the Radio Tower Enterprise Fund.

Fund Financial Statements

The fund financial statements begin with Exhibit C and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by Charter. However, the Board of Aldermen establishes many other funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments). The City's funds are divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds (Exhibits C, D and E): Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in Exhibit E.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of New Haven's combined net position decreased from a year ago by ($29,487,603) to $783,329,645 The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. Approximately $20.8 million of the government-wide net position are restricted for governmental grants and a permanent fund.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $783,329,645 at the close of the fiscal year ended June 30, 2014. The decrease was due to an increase in the unrestricted category.

By far the largest portion of the City's assets reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment, construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of New Haven, Connecticut
Summary Statement of Net Position
June 30, 2014 and 2013

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	**2014**	2013	**2014**	2013
Current and other assets	**$ 214,129,574**	$ 212,826,260	**$ 791,562**	$ 840,380	**$ 214,921,136**	$ 213,666,640
Capital assets	**1,462,986,127**	1,467,678,537	**-**	-	**1,462,986,127**	1,467,678,537
Total assets	**1,677,115,701**	1,680,504,797	**791,562**	840,380	**1,677,907,263**	1,681,345,177
Deferred amounts	**2,396,022**	2,837,662	**-**	-	**2,396,022**	2,837,662
Total deferred outflows of resources	**2,396,022**	2,837,662	**-**	-	**2,396,022**	2,837,662
Other liabilities	**145,419,904**	224,754,451	**180,415**	386,834	**145,600,319**	225,141,285
Long-term liabilities outstanding	**737,393,563**	636,239,839	**-**	-	**737,393,563**	636,239,839
Total liabilities	**882,813,467**	860,994,290	**180,415**	386,834	**882,993,882**	861,381,124
Unavailable revenues	**13,368,611**	9,530,921	**-**	-	**13,368,611**	9,530,921
Total deferred inflows of resources	**13,368,611**	9,530,921	**-**	-	**13,368,611**	9,530,921
Net position:						
Net investment in capital assets	**952,587,372**	950,575,226	**-**	-	**952,587,372**	950,575,226
Restricted	**20,765,758**	16,333,526	**-**	-	**20,765,758**	16,333,526
Unrestricted	**(190,023,485)**	(154,091,504)	**611,147**	453,546	**(189,412,338)**	(153,637,958)
Total net position	**$ 783,329,645**	$ 812,817,248	**$ 611,147**	$ 453,546	**$ 783,940,792**	$ 813,270,794

The change in governmental net position is illustrated below:

City of New Haven, Connecticut
Summary Statement of Activities
For the Years Ended June 30, 2014 and 2013

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	**2014**	2013	**2014**	2013
Revenues:						
Program Revenues:						
Charges for services	**$ 35,291,621**	$ 36,907,521	**$ 1,078,769**	$ 1,189,355	**$ 36,370,390**	$ 38,096,876
Operating grants and contributions	**309,425,898**	299,280,981	**-**	-	**309,425,898**	299,280,981
Capital grants and contributions	**30,467,436**	49,720,146	**-**	-	**30,467,436**	49,720,146
General Revenues:						
Property taxes	**245,329,193**	232,021,388	**-**	-	**245,329,193**	232,021,388
Grants and contributions not restricted to specific programs	**55,924,054**	55,960,782	**-**	-	**55,924,054**	55,960,782
Investment earnings	**56,231**	119,890	**25**	56	**56,256**	119,946
Total revenues	**676,494,433**	674,010,708	**1,078,794**	1,189,411	**677,573,227**	675,200,119
Expenses:						
Program Expenses:						
General government	**42,374,815**	44,273,863	**-**	-	**42,374,815**	44,273,863
Education	**441,022,674**	422,504,443	**-**	-	**441,022,674**	422,504,443
Public safety	**103,204,821**	100,514,476	**-**	-	**103,204,821**	100,514,476
Public works	**36,849,330**	28,086,703	**-**	-	**36,849,330**	28,086,703
Public services	**37,089,015**	34,109,046	**-**	-	**37,089,015**	34,109,046
Economic Development	**20,216,634**	16,022,738	**-**	-	**20,216,634**	16,022,738
Interest on long-term debt	**25,334,747**	26,153,935	**-**	-	**25,334,747**	26,153,935
Business Type	**-**	-	**811,193**	1,178,023	**811,193**	1,178,023
Total expenses	**706,092,036**	671,665,204	**811,193**	1,178,023	**706,903,229**	672,843,227
Change in net position	**(29,597,603)**	2,345,504	**267,601**	11,388	**(29,330,002)**	2,356,892
Transfers	**110,000**	110,000	**(110,000)**	(110,000)	**-**	-
Net Position, beginning	**812,817,248**	810,361,744	**453,546**	552,158	**813,270,794**	810,913,902
Net Position, ending	**$ 783,329,645**	$ 812,817,248	**$ 611,147**	$ 453,546	**$ 783,940,792**	$ 813,270,794

Expenses and Program Revenues – Governmental Activities

Governmental activities' revenues totaled approximately $676 million for fiscal year 2014. Operating grants and contributions are the largest revenue source for the City and represent 45% of the governmental revenues. Property taxes are the City's second largest revenue and represent 36% of the governmental revenues. Grants and contributions not restricted to specific programs represent 7%.

On an overall basis revenues increased by $2.5 million over FY 13. Property taxes increase by $13 million, Operating grants and contributions increased by $10.8 million while capital grants and contributions decreased by $19.0 million.

Expenses

Governmental expenses totaled $706 million for the fiscal year. Of the expenditures, 63% is related to education; 15% is related to public safety; 6% to general government; and 5% to public services.

Education expenses increased 4% while public works and economic development increased by 31% and 26% respectively, mainly due to the many projects ongoing in the City.

General Fund: Fund Balance, Ratings and City Debt

The year ending audited General Fund-Fund balance for FY14 is a surplus of $22,047 with no additional portion of fund balance being designated as “Nonspendable” (see page 30 for definition). The FY 13 negative fund balance was ($4,721,555) plus an additional $4,000,000 designated as “Nonspendable” due to a negative fund balance in Self Insurance Fund.

The major credit rating agencies look to fund balance as a barometer of fiscal health for the City. These rating agencies rate the risk for investors willing to buy debt issued for the purpose of financing the City's capital projects. During 2014, each of the three major rating agencies maintained its ratings of the City and Moody’s removed it “Negative” outlook for the City and replaced it with a “Stable” outlook. Both Fitch and Standard and Poor’s affirmed its outlook at “negative” and “stable” respectively.

In conjunction with the City’s sale of $37,425,000 in general obligation bonds in August 2014, all three ratings agencies rated the City as follows:

Moody's Investment Services	A3 rating
Standard and Poor's	BBB+ rating
Fitch Investors Services	A- rating

All three rating agencies identified as strengths the City's economic base anchored by the higher education presence of Yale University and other education institutions, the strong presence of medical, healthcare, pharmaceuticals and biotechnology. Sizeable ongoing economic developments that should continue to bolster the property tax base and strong property tax collections were also cited as favorable factors. Contributing to the “negative” outlook assigned by the rating agencies were the City’s reliance on one-time revenues, declining reserves and large unfunded pension and other postemployment benefit (OPEB) liabilities.

The City's bonds outstanding, as of June 30, 2014 totaled $514,855,326 compared to June 30, 2013 total of $502,002,907.

Bonds Outstanding at Year-End	
June 30, 2014	$ 514,855,326
June 30, 2013	$ 502,002,907
June 30, 2012	$ 503,382,312
June 30, 2011	$ 499,238,340
June 30, 2010	$ 511,287,768
June 30, 2009	$ 501,192,130
June 30, 2008	$ 497,007,908
June 30, 2007	$ 490,896,510
June 30, 2006	$ 503,307,879
June 30, 2005	$ 525,278,746
June 30, 2004	$ 500,848,442
June 30, 2003	$ 428,682,276

The City's current debt service requirements attribute 58% of its costs to the City's Board of Education (includes both school construction and non-school construction capital costs) and 42% of its cost to other City capital expenses.

Additional information on the City's long-term debt can be found in Note 10.

Capital Assets

At June 30, 2014 the City had $1.5 billion invested in a broad range of capital assets, including land, construction in process, buildings, vehicles and equipment, roads, bridges and storm sewer lines.

City of New Haven, Connecticut **Table 3**
Capital Assets
(Net of Depreciation)

	2014	2013
Land	**$ 44,140,306**	$ 44,140,306
Construction in process	**39,810,516**	27,295,663
Land improvements	**6,445,314**	6,546,834
Building and improvements	**1,240,288,848**	1,264,666,222
Machinery and equipment	**17,130,679**	15,187,948
Vehicles	**8,791,101**	8,116,324
Infrastructure	**106,379,363**	101,725,240
Total	**$ 1,462,986,127**	$ 1,467,678,537

Major projects during FY14 included commitments for Economic Development, Engineering, Parks, Technology and Education.

Additional information on the City's capital assets can be found in Note 8.

FY14 General Fund Budget

The following table summarizes the General Fund operating results for FY14:

	Original Budget	**Final Budget**	**Actual**	**Positive (Negative) Variance**
Revenues	$ 497,454,609	$ 497,454,609	$ 495,516,785	$ (1,937,824)
Expenditures	497,454,609	497,454,609	490,773,186	6,681,423
Surplus/(Deficit)	$ -	$ -	$ 4,743,599	$ 4,743,599

The budget increased by 2.3% or $11 million over the previous year, and the mill rate was 40.80 mills. Budgeted property tax revenue increased by $13.8 million which was due to a 1.5% increase in the 2012 Grand List resulting in additional revenue of $2.6 million plus a millage increase of 1.92 mills that generated an additional $11.2 million in revenue. The revenue budget reflected the State approved budget which maintained core Education Cost Sharing funding but which saw a reduction of ($700k) in all other state revenue. The revenue budget contained no one time revenue and it saw several line items adjusted downwards to reflect actual expenditures from the prior year. These included modest decreases in parking meter receipts, investment income and parking tags.

In terms of expenditures, much of the FY14 budgeted growth fell in a small number of areas. Major increases included an increase of $3 million in Board of Education funding, Debt Service increased by $1.1m, pensions and FICA/social Security increased by $1 million, Police by $900,000 and the removal of expected labor savings as a budget reduction increased the budget by $3 million. All other increases totaled $2 million.

The City met its annual required contribution (ARC) to both its pension funds. The increase in required funding was a modest $210,628 over the previous year.

The City met its annual required contribution (ARC) to both its pension funds. The increase in required funding was a modest $210,628 over the previous year.

As the fiscal year progressed, there were many areas of change from the original budget. Some of these factors, both expenditure and revenue are highlighted below;

Expenditures

The expenditure budget experienced several significant variances and ended the year $6,684,656 under budget.

On January 7, 2014 the Board of Alders approved a budget transfer of $4,103,249 in savings arising from the Bond Sale Committee's approval on August 29, 2013 of a re-funding of previously issued debt that led to cash flow savings in the FY 13-14 debt service line item. These savings were designated by the Board to be applied to rainy day fund replenishment.

Most General Fund Departments remained within budget. The most notable exception being the Fire Department which experienced high levels of overtime spending as a prospective class to fill a high number of vacancies was not seated as projected. Departments or functions which performed significantly under budget included the Police Department due to lapsed salary surplus funds as recruit classes were delayed in being seated and in the Workers Compensation program as expenditures were significantly improved from the prior year and under budget.

Revenues

The revenue budget experienced shortfall in many areas and ended the year ($1,937,824) under budget.

Taxes

Property Taxes did not achieve budget even as the collection rate improved. This resulted from assessment appeal decisions resulting primarily from appeals arising from the 2011 revaluation being adjudicated in FY 14 with a greater dollar reduction than had been anticipated.

State aid

Actual State aid received was ($1.8m) less than budget. The mid-year notification of the elimination of the Excess Cost Grant, School Transportation resulted in not receiving ($1,365,588) in budgeted revenue and the receipt of $1,287,658 in the State Property Tax Relief category was ($1,514,281) less than budget. These shortfalls were somewhat offset by modest increase in the regular school transportation line item and the Pequot fund line item.

Other Items

Other noteworthy variances included building inspections being short of budget by $1 million due to the delayed construction of the new residential college program at Yale University. Additionally, parking tags collections were a $1 million less than budget. The City recognized $2,550,000 from the sale of a city asset (243 Legion Ave.) as well as $1,749,713 in premium received from the issuance of debt in the 2013 Series B transaction.

Internal Service Funds:

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

Self-Insurance Reserve Fund:

The City's Self-Insurance Reserve Fund has a negative net position of $11.9 million of which, $4.4 million is attributed to case reserves. The City has addressed the accumulated deficits in the fund. In FY13, $6 million of general obligation bonds were issued to pay for certain settlements paid from the fund. In FY 15 re-funding cash flow savings of $7.4 million was designated by the Board of Alders to eliminate the non-case reserve negative balance. Additionally the City has introduced and maintained many risk control programs to its various City agencies in order to limit its risk. Most importantly, the City has worked steadfastly on work zone safety including street and road construction, driver training and conducts safety meetings with all of its City agencies. Additionally, the City maintains General Liability and Public Officials Liability insurance coverage, paying in excess of $1 million annually in insurance premiums.

Medical Self-Insurance:

As a self-insured entity, the City covers all associated costs for its employees' health benefits. Anthem Health Care Plans is the third-party administrator and the City uses the Anthem Health Care network. The Medical Self-Insurance Fund ended with a deficit of ($3,899,562) for the year ending June 30, 2014 and the total negative fund balance was ($6,377,867). In FY 15 re-funding cash flow savings of $6,377,866 were designated by the Board of Alders to eliminate the negative fund balance. Annually, the City solicits proposals from insurance companies interested in providing excess "stop-loss" medical benefit insurance. The City has been able to obtain this insurance from Anthem for FY15 which combines an individual stop loss threshold of $500,000 with an aggregate threshold of $1.5 million for the cumulative value of all claims in excess of $500,000. Additionally, Anthem and Yale New Haven Hospital have partnered to provide the City with a robust employee wellness plan that seeks to promote healthy lifestyles and health awareness to City employees and their families.

Workers Compensation Self Insurance:

The City and its third party Administrator (CT. Interlocal Risk Management Agency) oversee and administer the City's workers compensation and risk management programs. Through aggressive employee training and regular Safety Committee meetings at each of the City's major Department's workers Compensation costs have remained stable and fund balance is $41,558.

Capital Project Funds:

The City and Board of Education's capital projects are funded through the City's Capital Budget. Funds are borrowed to finance the cost of capital improvements throughout the City and Board of Education and for the City's share of the cost for the school construction program.

The Controller's Office enforces budgetary controls in its administration of capital projects. All capital expenditures must be appropriate in their use as stated in the capital funds narrative. The City implemented the Capital Funds Borrowing Plan in fiscal year 2003. The plan calls for annual reviews of all outstanding capital appropriations for their importance and priority. It also defines the life of a capital appropriation and establishes procedures so that capital borrowings meet the financial parameters established in the Capital Funds Borrowing Plan. The review of capital appropriations successfully resulted in the closing out of various capital accounts when projects were completed and funds remained unspent and un-obligated. In FY 2014, Capital Project Funds collectively had a fund balance of $40,214,374 which was an increase from the prior year deficit of ($44,340,625).

Education Grants:

The City's Education Grant Funds reported revenues of $82.3 million and expenses revenues and other financing sources totaling $84.6 million for a net positive operating result of $1,074,343 and an ending fund balance of $3,163,730.

Tax Collections

Current Taxes

The City's tax collection rate for FY14 was 98.35%, an increase from the prior year's rate of 97.5%. Total collections on current (Grand List 2012) taxes were as follows:

Real Estate	$ 201,729,889
Personal Property	23,680,097
Motor Vehicle	13,277,005
Supplemental Motor Vehicle	2,302,887
Total	$ 240,989,878

Conclusion

The preparation of this report could not have been accomplished if it were not for the dedicated service of the staffs of the Department of Finance, Office of Management and Budget and members of other City departments who assisted in its compilation. I extend my appreciation to each of these individuals, and to Mayor Toni N. Harp Board of Aldermen President Jorge Perez, Finance Committee Chair Andrea Jackson-Brooks and the Board of Alders for their interest and support in the conducting of the financial operations of this City in a responsible and progressive manner.

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BASIC FINANCIAL STATEMENTS

City of New Haven, Connecticut **Exhibit A**

Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total *	Parking Authority	Solid Waste Authority
Assets					
Cash and cash equivalents	$ 54,882,217	$ 758,031	$ 55,640,248	$ 1,906,383	$ 132,809
Investments	9,347,222	-	9,347,222	-	-
Receivables (net of allowance for uncollectible)	84,330,990	20,109	84,351,099	1,375,017	657,075
Inventories	120,068	-	120,068	-	-
Prepaid expenses and other assets	-	-	-	128,446	158
Due from component units	133,966		133,966	-	-
Internal balances	(13,422)	13,422	-	-	-
Restricted cash and cash equivalents	30,656,366	-	30,656,366	21,629,142	967,248
Restricted investments	-	-	-	2,910,502	3,108,908
Long-term intergovernmental receivables	34,672,167	-	34,672,167		
Capital assets not being depreciated	83,950,822	-	83,950,822	2,320,864	2,455,000
Capital assets being depreciated, net	1,379,035,305	-	1,379,035,305	27,950,278	4,589,214
Total assets	1,677,115,701	791,562	1,677,907,263	58,220,632	11,910,412
Deferred Outflows of Resources					
Deferred charges on refunding	2,396,022	-	2,396,022	61,556	-
	2,396,022	-	2,396,022	61,556	-
Liabilities					
Accounts payable and accrued liabilities	64,652,646	180,415	64,833,061	3,801,479	416,936
Accrued interest payable	8,422,674	-	8,422,674	25,016	-
Due from fiduciary funds	15,010	-	15,010	-	-
Due to primary government	-	-	-	33,966	100,000
Unearned revenue	1,533,454	-	1,533,454	-	-
Long-term Liabilities:					
Due within one year	70,796,120	-	70,796,120	3,332,000	435,000
Due in more than one year	737,393,563	-	737,393,563	6,928,432	8,430,000
Total liabilities	882,813,467	180,415	882,993,882	14,120,893	9,381,936
Deferred inflows of resources					
Advanced tax collections	13,368,611	-	13,368,611	-	-
Total deferred inflows of resources	13,368,611	-	13,368,611	-	-
Net Position					
Net investment in capital assets	952,587,372	-	952,587,372	23,415,608	1,044,214
Restricted for:					
Expendable:					
Education	5,312,296	-	5,312,296	-	-
Public service	7,717,862	-	7,717,862	-	-
General government	3,169,778	-	3,169,778	-	-
Public works	1,094,088	-	1,094,088	20,245,161	-
Nonexpendable:					
Permanent funds	3,471,734	-	3,471,734	-	-
Unrestricted (deficit)	(190,023,485)	611,147	(189,412,338)	500,526	1,484,262
Total net position	$ 783,329,645	$ 611,147	$ 783,940,792	$ 44,161,295	$ 2,528,476

See Notes to Financial Statements.

* After internal receivable and payables have been eliminated.

City of New Haven, Connecticut

Statement of Activities
For the Year Ended June 30, 2014

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ (42,374,815)	$ 19,042,494	$ 10,381,716	$ -
Education	(441,022,674)	923,396	264,899,876	27,348,506
Public Safety	(103,204,821)	2,970,592	-	-
Public Works	(36,849,330)	8,173,137	8,546,537	1,595,588
Public Services	(37,089,015)	4,182,002	25,597,769	1,523,342
Economic Development	(20,216,634)	-	-	-
Interest on Long-Term Debt	(25,334,747)	-	-	-
Total governmental activities	(706,092,036)	35,291,621	309,425,898	30,467,436
Business-Type Activities				
Golf course	(558,953)	859,292	-	-
Skating rink	(186,837)	176,120	-	-
East Rock Communications Tower	(65,403)	43,357	-	-
Total business-type activities	(811,193)	1,078,769	-	-
Total primary government	(706,903,229)	36,370,390	309,425,898	30,467,436
Component Units:				
Parking Authority	(21,044,800)	23,350,270	-	-
Solid Waste Authority	(5,591,049)	6,224,251	-	-
Total component units	(26,635,849)	29,574,521	-	-
		General revenues:		
		Property taxes		
		Grants and contributions not restricted to specific programs		
		Investment earnings		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning		
		Net position - ending		

See Notes to Financial Statements.

Exhibit B

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Parking Authority	Solid Waste Authority
$ (12,950,605)	$ -	$ (12,950,605)	$ -	$ -
(147,850,896)	-	(147,850,896)	-	-
(100,234,229)	-	(100,234,229)	-	-
(18,534,068)	-	(18,534,068)	-	-
(5,785,902)	-	(5,785,902)	-	-
(20,216,634)	-	(20,216,634)	-	-
(25,334,747)	-	(25,334,747)	-	-
(330,907,081)	-	(330,907,081)	-	-
-	300,339	300,339	-	-
-	(10,717)	-	-	-
-	(22,046)	-	-	-
-	267,576	-	-	-
(330,907,081)	267,576	(330,907,081)	-	-
-		-	2,305,470	-
-		-	-	633,202
-	-	-	2,305,470	633,202
245,329,193	-	245,329,193	-	-
55,924,054	-	55,924,054	-	-
56,231	25	56,256	165,562	5,331
110,000	(110,000)	-	-	
301,419,478	(109,975)	301,309,503	165,562	5,331
(29,487,603)	157,601	(29,330,002)	2,471,032	638,533
812,817,248	453,546	813,270,794	41,690,263	1,889,943
$ 783,329,645	$ 611,147	$ 783,940,792	$ 44,161,295	$ 2,528,476

Balance Sheet - Governmental Funds
June 30, 2014

	General Fund	Education Grant Funds	Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 22,817,282	$ 8,080,204	$ 6,167,467	$ 17,585,694	$ 54,650,647
Investments	2,342,991	-	-	7,004,231	9,347,222
Restricted cash	-	-	30,656,366	-	30,656,366
Receivables from other governments	34,672,167	7,041,976	46,314,859	1,948,450	89,977,452
Receivables, net	24,588,186	56,917	1,021,501	901,143	26,567,747
Due from other funds	15,156,712	-	9,030,868	-	24,187,580
Inventories	-	120,068	-	-	120,068
Total assets	$ 99,577,338	$ 15,299,165	$ 93,191,061	$ 27,439,518	$ 235,507,082
Liabilities					
Accounts payable	$ 21,040,412	$ 5,670,013	$ 6,890,135	$ 8,624,777	$ 42,225,337
Accrued liabilities	16,943,331	2,342,711	43,015	259,956	19,589,013
Due to other funds	-	4,122,711	-	9,671,234	13,793,945
Due to other governments	229,933	-	-	410,308	640,241
Unearned revenue	1,533,454	-	-	-	1,533,454
Other liabilities	-	-	-	2,147,860	2,147,860
Total liabilities	39,747,130	12,135,435	6,933,150	21,114,135	79,929,850
Deferred inflows of resources					
Advanced tax collections	13,368,611	-	-	-	13,368,611
Unavailable revenues	46,439,550	-	46,043,537	238,507	92,721,594
Total deferred inflows of resources	59,808,161	-	46,043,537	238,507	106,090,205
Fund balances (deficits)					
Nonspendable	-	120,068	-	2,381,320	2,501,388
Restricted	-	5,312,296	40,214,374	11,289,925	56,816,595
Unassigned (Deficits)	22,047	(2,268,634)	-	(7,584,369)	(9,830,956)
Total fund balances (deficits)	22,047	3,163,730	40,214,374	6,086,876	49,487,027
Total liabilities and fund balances (deficits)	$ 99,577,338	$ 15,299,165	$ 93,191,061	$ 27,439,518	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	1,462,986,127
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(8,422,674)
Deferred Charges	2,396,022
Deferred Inflows of Resources	92,721,594
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(18,189,422)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(797,649,029)
Net position of governmental activities	$ 783,329,645

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit D**

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Education Grant Funds	Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 243,999,342	$ -	$ -	$ -	$ 243,999,342
Licenses and permits	15,715,800	-	-	-	15,715,800
Intergovernmental	241,889,965	78,912,548	20,674,508	53,774,790	395,251,811
Charges for services	4,297,878	886,956	-	3,683,762	8,868,596
Fines	4,713,752	-	-	-	4,713,752
Investment earnings	(38,682)	782	-	94,131	56,231
Payment in lieu of taxes	1,975,822	-		-	1,975,822
Contributions and other	16,963,135	2,504,609	375,859	3,343,683	23,187,286
Total revenues	529,517,012	82,304,895	21,050,367	60,896,366	693,768,640
Expenditures					
Current:					
General government	25,779,121	-	-	6,154,812	31,933,933
Public safety	72,312,347	-	-	-	72,312,347
Public works	15,261,908	-	958,549	10,931,269	27,151,726
Public services	5,898,453	-	-	21,357,886	27,256,339
Other Departments	797,221	-	-	-	797,221
Employee benefits and insurance	124,811,581	-	-	-	124,811,581
Economic Development	6,798,014	-	3,772,089	9,646,131	20,216,234
Education	210,739,315	82,935,252	-	18,280,500	311,955,067
Debt Service:					
Principal	41,442,726	-	-	415,366	41,858,092
Interest	20,423,668	-	-	-	20,423,668
Capital outlay	-	-	42,297,623	-	42,297,623
Total expenditures	524,264,354	82,935,252	47,028,261	66,785,964	721,013,831
Revenues over (under) expenditures	5,252,658	(630,357)	(25,977,894)	(5,889,598)	(27,245,191)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	53,870,000	-	53,870,000
Issuance of grant anticipation notes	-	-	56,552,893	-	56,552,893
Premium on bond issuances	1,749,713	-	-	-	1,749,713
Transfers in	-	1,704,700	110,000	769,789	2,584,489
Transfers out	(2,474,489)	-	-	-	(2,474,489)
Payment to escrow agent	(25,602,585)	-	-	-	(25,602,585)
Issuance of refunding bonds	24,235,000	-	-	-	24,235,000
Bond premium on refunding	1,583,305	-	-	-	1,583,305
Total other financing sources (uses)	(509,056)	1,704,700	110,532,893	769,789	112,498,326
Net change in fund balances (deficits)	4,743,602	1,074,343	84,554,999	(5,119,809)	85,253,135
Fund Balances (Deficits), beginning	(4,721,555)	2,089,387	(44,340,625)	11,206,685	(35,766,108)
Fund Balances (Deficits), ending	$ 22,047	$ 3,163,730	$ 40,214,374	$ 6,086,876	$ 49,487,027

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit E**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:	
Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:	
Net change in fund balances-total governmental funds (Exhibit D)	$ 85,253,135
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(4,692,410)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(17,274,208)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(74,044,071)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(14,900,286)
Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(3,829,763)
Change in net position of governmental activities (Exhibit B)	$ (29,487,603)

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit F**

Statement of Net Position (Deficit) - Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	$ 758,031	$ 231,570
Accounts receivable (net allowance for uncollectible)	20,109	2,457,958
Due from other funds	13,422	-
Total assets	791,562	2,689,528
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	180,415	16,229
Due to other funds	-	10,322,067
Accrued estimated healthcare claims	-	6,140,654
Claims and judgments payable	-	712,500
Total current liabilities	180,415	17,191,450
Noncurrent liabilities:		
Claims and judgments payable	-	3,687,500
Total noncurrent liabilities	-	3,687,500
Total liabilities	180,415	20,878,950
Net Position (Deficit)		
Unrestricted	611,147	(18,189,422)
Total net position (deficit)	$ 611,147	$ (18,189,422)

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit G**

Statement of Activities - Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
Operating Revenues		
Charges for sales and services:		
Other services	$ 1,078,769	$ 103,388,384
Total operating revenues	1,078,769	103,388,384
Operating Expenses		
Costs of sales and services	811,193	-
Claims	-	107,218,147
Total operating expenses	811,193	107,218,147
Operating income (loss)	267,576	(3,829,763)
Nonoperating Revenues		
Interest income	25	-
Total non-operating revenues	25	-
Net income (loss) before transfers	267,601	(3,829,763)
Transfers		
Transfers out	110,000	-
Total transfers	110,000	-
Change in net position	157,601	(3,829,763)
Fund Net Position (Deficit), beginning	453,546	(14,359,659)
Fund Net Position (Deficit), ending	$ 611,147	$ (18,189,422)

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit H**

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
Cash Flow From Operating Activities		
Charges for services	$ -	$ 88,339,035
Charges for services from users	992,699	15,659,740
Payments to suppliers	(911,893)	-
Cash payment to other funds	-	(11,205)
Claims and other expenses paid	-	(105,533,151)
Net cash provided by (used in) operating activities	80,806	(1,545,581)
Cash Flows From Investing Activities		
Interest and dividends	25	-
Cash Flows From Non-Capital Activities		
Transfers to other funds	(110,000)	-
Decrease in cash and cash equivalents	(29,169)	(1,545,581)
Cash and Cash Equivalents		
Beginning	787,200	1,777,151
Ending	$ 758,031	$ 231,570
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	267,576	$ (3,829,763)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable, net	33,071	(177,166)
Increase (decrease) in accounts payable	(100,700)	(224,483)
Decrease in claims and judgments payable	-	(720,000)
Increase in accrued estimated healthcare payments	-	(731,091)
Increase (decrease) in due to other funds	(119,141)	4,136,922
Net cash provided by (used in) operating activities	$ 80,806	$ (1,545,581)

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit I**

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2014

	Trust Funds	Agency Funds
Assets		
Cash and short-term investments	$ 33,886,044	$ 1,003,230
Interest and dividends receivable	1,090,370	-
Accounts receivable - investment sales	4,669,358	-
Accounts receivable - other	552,871	-
Due from other funds	28,474	-
	40,227,117	1,003,230
Investments:		
Government agencies	6,808,212	-
Government bonds	9,515,426	-
Municipal bonds	126,201	-
Common and preferred stock	294,776,475	-
Fixed Income Funds	3,543,466	-
Commercial backed mortgages	1,211,190	-
Corporate bonds	44,236,244	-
Corporate convertible bonds	2,620,554	-
Managed Futures	15,842,833	-
Asset-backed securities	8,305,885	-
Venture capital partnerships	54,856,968	-
Commodity - ETFs	226,069	-
Non-government backed bonds	1,398,176	-
Private Equity - Real estate funds	34,030,347	-
Total investments	477,498,046	-
Total assets	517,725,163	1,003,230
Liabilities		
Accounts payable - vendors	950,196	-
Accounts payable - investment purchases	3,741,312	-
Accounts payable - other	251,646	-
Accrued liabilities	478,168	-
Due to other funds	13,464	-
Amounts held for others	-	1,003,230
Total liabilities	5,434,786	1,003,230
Net Position - Restricted for Pension Benefits	$ 512,290,377	$ -

See Notes to Financial Statements.

City of New Haven, Connecticut **Exhibit J**

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2014

	Trust Funds
Additions	
Contributions:	
Employer contributions	$ 62,992,087
Plan members	13,611,709
Total contributions	76,603,796
Investment Gain:	
Net appreciation in fair value of investments	68,287,127
Interest and dividends	12,878,528
Miscellaneous Income	40,450
Total investment income	81,206,105
Less investment expenses:	2,347,735
Net investment income	78,858,370
Total additions	155,462,166
Deductions	
Benefits	99,761,894
Investment administrative fees	1,224,608
Total deductions	100,986,502
Changes in net position	54,475,664
Net Position - Restricted for Pension Benefits	
Beginning of year	457,814,713
End of year	$ 512,290,377

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification 2100 have been considered, as a result, the component units discussed below are included in the City's reporting entity because of their operational significance or financial relationship with the City.

Discretely Presented Component Units: Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. They are financially accountable to the City, or have relationships with the City such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For each discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the City as a result of the existence of the component unit. For the discretely presented component units included in the City's financial statements, the City, generally acting through the Mayor, appoints a voting majority of the component units' governing boards.

New Haven Parking Authority - The New Haven Parking Authority (the "Parking Authority") was created and established in 1951 by a special act of the General Assembly of the State for the purpose of developing, maintaining, and operating parking facilities for the City. One of the individuals who serves on the Board of Commissioners of the Authority is also an employee of the City. This individual monitors the functioning of the Authority on behalf of the City and provides input from the City on various matters. All members of the Authority's Board of Commissioners are appointed by the Mayor of New Haven.

New Haven Solid Waste and Recycling Authority - The New Haven Solid Waste Authority is a public body politic and corporate of the state and is a political subdivision of the State established and created for the performance of the essential public and governmental function of furthering health, safety and welfare of the residents of the City. The City appoints a voting majority of the Board.

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

The City adopted the following accounting standards in the current year:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented as July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refundings were required to be reclassified to Deferred Outflows of Resources. In addition, amounts previously classified as deferred revenue were reclassified as deferred inflows of resources.

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 67, Financial Reporting for Pension Plans an amendment of GASB Statement No. 25, issued in June 2012, was effective for the City as of July 1, 2013. This Statement replaces the requirements of *Statements No. 25*, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and *Statement No. 50*, *Pension Disclosures,* as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The implementation of this statement had a material impact on the City's disclosures for the City's defined benefit plans that are reported as Pension Trust funds in the financial statements. See Note 12.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the City's financial statements.

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

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain discretely presented component units.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency fund financial statements are on the accrual basis with no measurement focus.

Note 1. Summary of Significant Accounting Policies (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days). Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as debt service payments and expenditures related to compensated absences, pension obligations and other post-employment obligations and claims and judgments, are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues, when eligibility requirements have been met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, primarily licenses and fees, are considered to be measurable only when cash is received.

The City reports the following major governmental funds:

The ***General Fund*** is the general operating fund of the City's government. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

The ***Education Grants Fund*** is used to account for and report the expenditures of State and Federal grants, as well as other sources of school-based income, received for a variety of school programs.

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

Additionally, the City reports the following fund types:

Governmental Funds

Special Revenue Funds - Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt.

Debt Service Fund – Used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Permanent Funds - Used to account for and report the resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs.

Proprietary Funds

Enterprise Funds - Used to account for operations as follows:

a. Financed and operated in a manner similar to private business enterprises;

b. Where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Fiduciary Funds

Agency Funds – Agency Funds account for monies held as a custodian for outside student and senior groups. Agency Funds use the accrual basis of accounting, and have no measurement focus.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise funds and internal service funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, claims, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Investments: Investments are stated at fair value, based on quoted market prices, except as disclosed below.

The pension and OPEB trust funds allow for investments in certain alternative investments and commingled funds. Such investments may include private equity partnerships, hedge and absolute return funds for which there may be no readily available market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager and is based on net asset value. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a readily available market for the securities existed.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. Investments in 2a7 like pools are stated at the position in the pool, and are the same as the value of the pool shares, amortized cost.

Property Taxes: Property taxes are assessed as of October 1, and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they are levied for. For this purpose, the City considers property tax revenue to be available if it is collected within 60 days of the end of the fiscal year.

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

Allowance for Doubtful Accounts: Accounts receivable including property taxes for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

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

Restricted Assets: At June 30, 2014, the City had approximately $30,626,000 in restricted assets. This amount relates to unspent grant anticipation notes which are to be used for the acquisition of capital assets.

At June 30, 2014, the Parking Authority had approximately $24,539,000 in restricted assets. In accordance with the resolutions of each bond issue, certain assets of their Union Station Facility are restricted and held by a trustee for the protection of the bondholders. Additionally, certain assets of the Union Station Facility are restricted in accordance with the Lease and Funding Agreement.

Note 1. Summary of Significant Accounting Policies (Continued)

At June 30, 2014 the Solid Waste Authority also had approximately $4,076,000 in restricted assets. The restricted assets were held in deposits and maintained to meet legal obligations of debt service and other repairs and maintenance reserve funds.

Capital Assets: Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems), are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets, not including infrastructure assets, as assets with an individual cost exceeding the capitalization thresholds as listed below, and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Pursuant to the implementation of GASB Statement No. 34, the historical costs of infrastructure assets (retroactive to January 1, 1979) are included as part of the governmental capital assets reported in the government-wide statements.

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

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

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Description	Capitalization Dollar Thresholds	Estimated Lives (Years)
Computers	$ 5,000	5
Machinery, equipment, furniture, fixtures and other related assets	10,000	5-20
Motor vehicles	5,000	8
Land improvements	50,000	20
Buildings and other structures	50,000	50
Infrastructure	250,000	10-50

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Compensated Absences: It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. Vacation pay and certain sick leave benefits are accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

Long-Term Obligations: In the government-wide financial statements and proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the unamortized bond premium or discount. Significant bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and bond principal payments are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Net Position: In government-wide and proprietary fund financial statements, net position is classified in the following categories:

- **Net Investment in Capital Assets** - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- **Restricted Net Position** - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Unrestricted Net Position (Deficit)** - This category represents the net position of the City which is not restricted and which is not reported in the other two categories. A deficit will require future funding.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance: In the governmental fund financial statements, the City reports the following fund balance classifications:

- **Nonspendable Fund Balance** – Amounts which cannot be spent either because they are not in spendable form, or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed Fund Balance** – This represents amounts constrained, prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (City of New Haven Board of Aldermen) in the form of a resolution. Once adopted, amounts remain committed until a similar action (resolution) is taken by the Board of Aldermen to remove or revise the limitations.
- **Assigned Fund Balance** – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the City's fund balance policy, the City Council has by resolution authorized the Controller or Chief Accountant to assign fund balance.
- **Unassigned Fund Balance** – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned.

Pension Accounting:

Pension Trust Funds: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds and Governmental Activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements.

Funding Policy: The City makes annual contributions based on the Board of Aldermen's decisions using actuaries' recommendation.

Note 1. Summary of Significant Accounting Policies (Continued)

Other Post Employment Obligations ("OPEB") Accounting:

OPEB Trust: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan. Plan members began contributing on July 1, 2007.

Governmental Funds and Governmental Activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

Funding Policy: The City makes annual contributions based on the Board of Aldermen's decisions using the actuaries' recommendation.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position: The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

The details of this difference are as follows:

Bonds payable	$ 514,855,326
Premium on bond issuance	11,784,587
Notes payable	1,165,000
GANs	56,552,893
Capital leases payable	3,258,140
Contractual obligation	10,198,302
Compensated absences	21,738,568
Accrued workers compensation	28,466,573
Retainage payable	1,314,179
Net pension obligation	13,717,623
Net OPEB obligation	132,075,000
Landfill post-closure costs	900,000
Pollution remediation	1,622,838
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ 797,649,029

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities: Exhibit E presents a reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities which includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$ 38,901,976
Depreciation expense	(43,594,386)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (4,692,410)

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

Debt issued or incurred:	
Issuance of general obligation bonds	$ (53,870,000)
Issuance of grant anticipation notes	(56,552,893)
Issuance of general obligation refunding bonds	(24,235,000)
Deferred loss on refunding	892,585
Capital lease	(370,597)
Premium on bond issuance	(3,802,537)
Principal repayments:	
Bond principal payment	39,649,996
Payment to escrow	25,602,585
Amortization of deferred items	(2,297,438)
Capital lease payments	329,228
Notes payable	610,000
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (74,044,071)

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Net decrease in compensated absences	$ 569,804
Net increase in GNHWPCA clean water fund notes	(1,610,541)
Net increase in accrued workers' compensation	(832,071)
Net decrease in retainage	2,248,678
Net increase in unfunded pension obligation	(12,642,000)
Net decrease in unfunded OPEB obligation	149,801
Net decrease in landfill closure and post-closure	150,000
Net increase in pollution remediation	(1,536,716)
Net increase in accrued interest	(1,397,241)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (14,900,286)

Note 3. Cash, Cash Equivalents and Investments

Deposits: The City's policy for investments other than pension plan and OPEB investments is to follow the State of Connecticut statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City does not have a custodial credit risk policy. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market funds and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Connecticut General Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Interest Rate Risk: The City's and the pension and OPEB funds' policies are to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual fund, or similar investment pools.

Concentrations of credit risk: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Note 3. Cash, Cash Equivalents and Investments (Continued)

Custodial Credit Risk:

Deposits: The bank balances of the Primary Government's cash accounts at June 30, 2014, were approximately $124,718,000. The amount of the bank balances covered under federal depository insurance was $3,897,000. The remaining $120,821,000 of deposits was uninsured. Provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2014, approximately $12,082,000 of uninsured deposits was collateralized under the provision.

The New Haven Parking Authority's bank balance totaled approximately $23,817,000, of which approximately $874,000 was covered by FDIC protection and the remaining $22,943,000 is uninsured. As of June 30, 2014, approximately $7,976,000 of the uninsured deposits was collateralized.

The New Haven Solid Waste Authority's bank balance totaled approximately $3,242,000, of which approximately $383,000 was insured and collateralized and $2,859,000 was uninsured and uncollateralized.

Investments: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's individual investments in fixed income securities, equities, U.S treasury securities, domestic corporate bonds, foreign bonds, and U.S government agency securities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the City's or Pension Plan's name. The City's other investments are held in alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination. The City or the Pension and OPEB plans do not have a custodial credit risk policy for investments.

Note 3. Cash, Cash Equivalents and Investments (Continued)

The City's Primary Government cash, cash equivalents and investments consist of the following at June 30, 2014:

Cash and Cash Equivalents	
Deposits with financial institutions	$ 112,268,666
State of Connecticut Short-Term Investment fund	3,328,847
Cutwater Connecticut CLASS Plus	5,588,375
Total cash and cash equivalents	121,185,888
Investments	
General Fund	
Corporate bonds	704,535
Municipal bonds	42,793
Other Bond Fund	154,375
Common Stock	1,441,288
Total General Fund	2,342,991
Other Nonmajor Funds	
Fixed income funds	1,840,727
Corporate bonds	850,069
Municipal bonds	51,632
Other Bond Funds	2,418,069
Common Stock	1,843,734
Total other nonmajor funds	7,004,231
Pension Trust Funds:	
Fixed income Funds	3,543,466
Government agency	6,808,212
Government bonds	9,515,426
Municipal bonds	126,201
Common stock	294,776,475
Commercial backed mortgages	1,211,190
Corporate bonds	44,236,244
Corporate convertible bond	2,620,554
Managed futures	15,842,833
Asset-backed securities	8,305,885
Venture capital partnerships	54,856,968
Commodity - ETF	226,069
Non-governmental backed bonds	1,398,176
Private Equity - Real estate funds	34,030,347
Total pension trust funds	477,498,046
Total investments	486,845,268
Total cash, cash equivalents and investments	$ 608,031,156

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and cash equivalents	$ 55,640,248
Investments	9,347,222
Restricted cash	30,656,366
	95,643,836
Fiduciary Funds	
Cash and cash equivalents	34,889,274
Investments	477,498,046
	512,387,320
Total cash, cash equivalents and investments	$ 608,031,156

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

Cash and Cash Equivalents	
New Haven Parking Authority	$ 23,535,525
New Haven Solid Waste Authority	1,100,057
Total deposits	$ 24,635,582

At June 30, 2014, the New Haven Parking Authority cash and cash equivalents included $21,629,142 of restricted cash and cash equivalents.

At June 30, 2014, the Solid Waste Authority's cash and cash equivalents included $967,248 of restricted short-term investments classified as cash equivalents.

Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments:

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt-type investments primarily held in pension trust funds to this risk using the segmented time distribution model is as follows:

		Investment Maturities (In Years)			
	Fair Value	Less than 1	1-5	6-10	More Than 10
Asset backed securities	$ 8,305,885	$ -	$ 1,622,603	$ 1,122,490	$ 5,560,792
Corporate convertible bonds	2,620,554	49,350	1,269,231	584,741	717,232
Commercial backed mortgages	1,211,190	-	-	-	1,211,190
Corporate bonds	45,790,848	6,397,088	13,372,391	14,731,942	11,289,427
Government agencies	6,808,212	1,158,994	3,148,895	1,583,455	916,868
Government bonds	9,515,426	2,000,000	2,710,874	3,643,069	1,161,483
Municipal bonds	220,626	-	53,301	-	167,325
Other bond funds	2,572,444	-	-	-	2,572,444
Non-governmental backed bonds	1,398,176	-	-	-	1,398,176
Fixed income funds	5,384,193	5,384,193	-	-	-
Pooled fixed income	8,917,222	8,917,222	-	-	-
Total	$ 92,744,776	$ 23,906,847	$ 22,177,295	$ 21,665,697	$ 24,994,937

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The following table provides a summary of the City's investments primarily held in pension trust funds (excluding U.S. Governmental Guaranteed Obligations) as rated by a nationally recognized rating organization.

Actual Rating	Asset Backed Securities	Commercial Mortgage-Backed	U.S. Gov't Agencies	Government Bonds	Municipal Bonds	Corporate Bonds
AAA	$ 1,363,214	$ 110,072	$ 431,726	$ -	$ -	$ -
AA	-	222,341	-	67,111	-	621,910
A	119,610		388,594	1,680,625	53,302	6,535,835
BBB	78,474	361,964	-	869,294	126,201	12,322,907
BB	-	77,488	-	779,524	-	9,944,347
B	-	255,659	-	713,847	-	6,887,707
CCC	-		-	235,281	-	1,476,942
CC	-		-	-	-	13,500
Unrated	6,744,587	183,666	5,987,892	5,169,744	41,123	7,987,700
	$ 8,305,885	$ 1,211,190	$ 6,808,212	$ 9,515,426	$ 220,626	$ 45,790,848

Note 3. Cash, Cash Equivalents and Investments (Continued)

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

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

Investment	Currency	Maturity	Fair Value
Government Bonds, Municipal/Provincial Bonds, Corporate Bonds, Cash & Cash Equivalents	Euro	4/9/2018 - 9/15/2026	$ 36,227
Government Bonds, Corporate Bonds, Cash & Cash Equivalents	South African Road	9/15/2017 - 2/282041	(24,523)
Government Bonds, Corporate Bonds, Cash & Cash Equivalents, Index Linked Government Bonds	Mexican Peso	6/14/2018 - 8/11/2046	2,007,039
Government Bonds, Cash & Cash Equivalents	New Romanian Leu	11/28/2018 - 4/26/2023	377,058
Government Bonds	British Pound Sterling	3/21/2023	141,980
Government Bonds	Indonesian Rupiah	5/15/2022 - 5/15/2023	274,028
Corporate Bonds	British Pound Sterling	2/1/2017 - 3/12/2020	141,547
Corporate Bonds	Peruvian Sol	4/11/2016	81,207
Corporate Bonds	Australian Dollar	3/3/16-5/9/17	231,437
Government Agencies	Philippine Peso	11/26/2015	388,594
Government Agencies	Chilean Peso	5/2/2016	135,478
Government Agencies	Brazilian Real	3/18/2016-5/2/16	296,310
Cash & Cash Equivalents	Russian Ruble	N/A	186,828
Cash & Cash Equivalents	Turkish Lira	N/A	175,830
Cash & Cash Equivalents	Polish Zloty	N/A	6
			$ 4,449,046

The Pension Trust Funds have additional commitments to invest in certain alternative investments of approximately $106.5 million at June 30, 2014.

Component Unit Investments: As of June 30, 2014, the New Haven Parking Authority's sole investment was in a Federal Home Loan Mortgage Corp. (FHLMC) Discount Note with a carrying value of $2,910,502 and a maturity date of December 1, 2014.

As of June 30, 2014, the Solid Waste Authority had restricted investments of $3,108,908 in Money Market Mutual Funds.

Note 4. Receivables

Receivables at June 30, 2014 were as follows:

	General	Education Grants	Capital Projects	Other Nonmajor Funds	Total Governmental Funds
Property taxes and interest	$ 26,513,465	$ -	$ -	$ -	$ 26,513,465
Amount due from component unit, Yale University and other receivables	15,392,575	56,917	1,021,501	3,379,210	19,850,203
Intergovernmental	34,672,167	7,041,976	46,314,859	1,948,450	89,977,452
Gross receivables	76,578,207	7,098,893	47,336,360	5,327,660	136,341,120
Allowance for doubtful accounts	(17,317,854)	-	-	-	(17,317,854)
Total receivables, net	$ 59,260,353	$ 7,098,893	$ 47,336,360	$ 5,327,660	$ 119,023,266

The New Haven Parking Authority, a component unit, has accounts receivable of $1,375,017 which includes amounts due from customers for monthly parking and from tenants under lease agreements. These receivables are net of an allowance for doubtful accounts of $350,965. The reserve method is used by the Authority based on historical experience and review of existing receivables.

The New Haven Solid Waste Authority, a component unit, has accounts receivable of $657,075 which includes amounts due from customers for disposal of solid waste at the Authority's Transfer Station. These receivables are net of an allowance for doubtful accounts of $50,000. The reserve method is based on historical experience and review of existing receivables.

Note 5. Unearned Revenue/Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds and governmental activities were as follows:

	Deferred Inflows	Unearned
General Fund		
Taxes and accrued interest on delinquent property taxes	$ 9,037,406	$ -
School construction receivable	34,668,231	-
Miscellaneous receivable	2,733,913	-
Tax overpayments	-	1,533,454
Advance tax collection	13,368,611	-
Capital Projects Fund		
Intergovernmental grants receivable	46,043,537	-
Nonmajor Governmental Funds		
Intergovernmental grants receivable	238,507	-
Total	$ 106,090,205	$ 1,533,454

Note 6. Loans Receivable

Loans receivable, net of allowance, are for amounts disbursed from U.S. Department of Housing and Urban Development grant proceeds and Economic Development Committee proceeds, which consist of direct loans that bear interest at rates ranging from 0.0 percent to 10.0 percent with maturities through June 2028.

Note 7. Interfund Balances, Interfund Transfers and Subsequent Event

Interfund Balances: As of June 30, 2014, interfund balances were as follows:

	Due From	Due To
Primary Government		
General Fund	$ 15,056,712	$ -
Major Funds:		
Education Grants	-	4,122,711
Capital Project Funds	9,030,868	-
	9,030,868	4,122,711
Other Nonmajor Funds:		
Community Development	-	820,804
Improvement	-	6,772,423
Human Resources	-	247,324
Other	-	1,770,865
Other ETF	-	59,818
	-	9,671,234
Internal Service Funds		10,322,067
Pension Trust Funds	28,474	13,464
Enterprise Funds	13,422	-
Total primary government	$ 24,129,476	$ 24,129,476

All balances result from a time lag between payment and reimbursement occurring between funds. All amounts are expected to be collected within one year.

Subsequent Event: In August 2014, the City issued $58,725,000 of general refunding obligation bonds (See Note 17 for more information). The result was a savings in debt payments of $14.5 million in FY 2015. The City signed a resolution appropriating this $14.5 million in savings to eliminate the interfund payment and most of the deficits in the internal service funds. In FY 2015, therefore, the above Internal Service Fund amount is reported as due to other funds rather than an advance from other funds. As June 30, 2013, $4 million of this interfund liability was reported as an advance from other funds which was also reported in the nonspendable fund balance in the General Fund.

Note 7. Interfund Balances, Interfund Transfers and Subsequent Event (Continued)

Interfund Transfers: For the year ended June 30, 2014, amounts transferred between funds were as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 2,474,489
Education Grant Funds	1,704,700	-
Capital Projects Funds	110,000	-
Enterprise Funds	-	110,000
Other nonmajor governmental funds	769,789	-
	$ 2,584,489	$ 2,584,489

Transfers from Enterprise Funds were to reimburse Capital Projects Funds for capital expenditures on behalf of Enterprise Funds. Transfers from the General Fund to the Education Grant Funds were to write-off advances that were deemed uncollectable, and to the other non-major governmental funds to cover deficits in those funds.

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2014 is as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 44,140,306	$ -	$ -	$ 44,140,306
Construction in progress	27,295,663	12,514,853	-	39,810,516
Total capital assets, not being depreciated	71,435,969	12,514,853	-	83,950,822
Capital assets, being depreciated:				
Buildings and improvements	1,580,259,951	9,683,073	-	1,589,943,024
Land improvements	19,566,924	469,831	-	20,036,755
Vehicles	49,276,912	2,606,956	2,951,001	48,932,867
Machinery, equipment, furniture, fixtures and other related assets	30,218,667	3,919,653	-	34,138,320
Infrastructure	234,895,067	9,707,610	-	244,602,677
Total capital assets being depreciated	1,914,217,521	26,387,123	2,951,001	1,937,653,643
Less accumulated depreciation for:				
Buildings and improvements	315,593,729	34,060,447	-	349,654,176
Land improvements	13,020,090	571,351	-	13,591,441
Vehicles	41,160,588	1,932,179	2,951,001	40,141,766
Machinery, equipment, furniture, fixtures and other related assets	15,030,719	1,976,922	-	17,007,641
Infrastructure	133,169,827	5,053,487	-	138,223,314
Total accumulated depreciation	517,974,953	43,594,386	2,951,001	558,618,338
Total capital assets, being depreciated, net	1,396,242,568	(17,207,263)	-	1,379,035,305
Governmental activities capital assets, net	$ 1,467,678,537	$ (4,692,410)	$ -	$ 1,462,986,127

Current period depreciation expense was charged to functions of the primary government as follows:

Governmental activities	
Education	$ 31,528,545
General government	3,373,233
Public safety	1,788,211
Public works	6,121,806
Culture and recreation	782,591
Total depreciation expense - governmental activities	$ 43,594,386

Note 8. Capital Assets (Continued)

Component units	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,561,000	$ -	$ -	$ 2,561,000
Construction in progress	9,193,249	5,441,496	(12,419,881)	2,214,864
Total capital assets, not being depreciated	11,754,249	5,441,496	(12,419,881)	4,775,864
Capital assets, being depreciated:				
Buildings and improvements	87,428,617	10,346,101	(1,507,429)	96,267,289
Equipment and motor vehicles	4,969,089	2,073,780	(851,675)	6,191,194
Total capital assets being depreciated	92,397,706	12,419,881	(2,359,104)	102,458,483
Less accumulated depreciation for:				
Buildings and improvements	63,456,750	3,279,126	(754,147)	65,981,729
Equipment and motor vehicles	4,481,799	307,137	(851,674)	3,937,262
Total accumulated depreciation	67,938,549	3,586,263	(1,605,821)	69,918,991
Total capital assets, being depreciated, net	24,459,157	8,833,618	(753,283)	32,539,492
Capital assets, net	$ 36,213,406	$ 14,275,114	$ (13,173,164)	$ 37,315,356

Construction Commitments: The City has the following major active construction projects as of June 30, 2014, the primary source of funding these projects will come from grants and bond proceeds:

Capital Project	Cumulative Authorization	Cumulative Expenditures	Remaining Construction Commitment Balance June 30, 2014	Expected Date of Completion
Bowen Field	$ 11,600,000	$ 1,017,005	$ 10,582,995	08/01/15
New Haven Academy	40,000,000	2,901,974	37,098,026	08/01/15
Helene Grant	43,000,000	4,398,942	38,601,058	08/01/15
UNH Science Academy	85,500,000	14,917,765	70,582,235	01/01/16
	$ 180,100,000	$ 23,235,686	$ 156,864,314	

Note 9. Temporary Notes Payable

The City of New Haven issued a general obligation note in anticipation of State grants for school construction projects under a tax-exempt revolving loan agreement. The outstanding amounts at June 30, 2013 were paid off with a new issuance of notes. This new general obligation note can accommodate the issuance of up to $70,000,000 of grant anticipation notes under the revolving loan agreement, with an interest rate of 1.12%, which expires on June 1, 2017. Activity for the fiscal year for the Grant Anticipation Notes (GANs) are as follows, and are included in long-term liabilities below:

	Balance June 30, 2013	Issuances	Payments	Balance June 30, 2014
GANs	$ 67,925,927	$ -	$ 67,925,927	$ -

Note 10. Long-Term Liabilities

A summary of changes in long-term liabilities during the year ended June 30, 2014 is as follows:

	Balance June 30, 2013	Issued/ Additions	Reductions	Balance June 30, 2014	Due Within One Year
Government activities					
Long-term debt:					
General obligation bonds payable	$ 502,002,907	$ 78,105,000	$ 65,252,581	$ 514,855,326	$ 31,234,860
Premiums/discounts on bonding, net	8,877,900	3,802,537	895,850	11,784,587	-
Notes payable	1,775,000	-	610,000	1,165,000	365,000
GANs	-	56,552,893	-	56,552,893	-
Capital leases	3,216,771	370,597	329,228	3,258,140	465,267
Other long-term liabilities					
Clean water fund notes-GNHWPCA	8,587,761	2,510,686	900,145	10,198,302	866,814
Compensated absences	22,308,372	19,631,250	20,201,054	21,738,568	18,000,000
Accrued workers' compensation	27,634,502	8,827,212	7,995,141	28,466,573	7,000,000
Accrued claims and other	11,991,745	97,771,915	99,223,006	10,540,654	10,000,000
Retainage	3,562,857	793,674	3,042,352	1,314,179	1,314,179
Unfunded pension obligation	13,867,424	41,135,282	41,285,083	13,717,623	-
Unfunded OPEB obligations	119,433,000	37,127,900	24,485,900	132,075,000	-
Landfill closure and post-closure	1,050,000	-	150,000	900,000	150,000
Pollution remediation	86,122	2,977,655	1,440,939	1,622,838	1,400,000
Total long-term liabilities	$ 724,394,361	$ 349,606,601	$ 265,811,279	$ 808,189,683	$ 70,796,120
Component unit activities					
Long-term debt:					
Revenue bonds*	$ 22,657,412	$ -	$ 3,531,980	19,125,432	$ 3,767,000
Total component unit	$ 22,657,412	$ -	$ 3,531,980	$ 19,125,432	$ 3,767,000

* The New Haven Parking Authority's debt balance at June 30, 2014 is net of a premium on refunding of $41,589.

Note 10. Long-Term Liabilities (Continued)

General Obligation Bonds: The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During the year, general obligation bonds totaling $78,105,000 were issued, $53,780,000 of which is for various capital projects and $24,435,000 of which is refunding bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15-year or 20-year serial bonds with equal amounts of principal maturing each year, and are payable from taxes levied on all taxable property located within the City. The City has not pledged any assets as collateral for general obligation bonds. General obligation bonds currently outstanding are as follows:

Purpose/Expiration	Interest Rate	Governmental Activities
General Purpose Bonds		
Varying Expiration Dates Ranging From		
August 2012 to August 2031	2.00-5.7%	$ 199,204,541
School Bonds		
Varying Expiration Dates Ranging From		
August 2012 to August 2031	.34-5.7%	299,931,240
Urban Renewal Bonds		
Varying Expiration Dates Ranging From		
August 2012 to August 2031	2.00-5.7%	15,719,545
		514,855,326
Less current portion		31,234,860
Long-term portion		$ 483,620,466

Annual debt service requirements to maturity for general obligation bonds are as follows, inclusive of the August 2014 refunding and the GANs:

Year Ending June 30,	Principal	Interest
2015	$ 31,234,860	$ 23,257,462
2016	39,436,641	21,530,829
2017	41,535,695	19,703,668
2018	41,182,523	17,816,146
2019	40,997,001	15,854,353
2020 through 2024	195,663,606	51,838,101
2025 through 2029	88,260,000	17,945,772
2030 through 2034	31,145,000	2,614,036
	$ 509,455,326	$ 170,560,367

Note 10. Long-Term Liabilities (Continued)

Qualified Zone Academy Bonds (QZAB) were issued pursuant to Section 1397E of the Internal Revenue Code. As such, a tax credit will be offered to the security provider and the City receives a reduction in interest payments. The QZAB's are general obligation bonds and require that annual payments be made to an escrow account where the City is guaranteed a fixed interest rate. On the termination date, these payments, together with the interest earnings, will be used to satisfy the Bonds. These bonds are included in general obligation bonds and the related debt service requirements. The City is guaranteed to earn $610,164 in interest over the next seven years to be used to relinquish the principal portion of the debt during the current year; the escrow account earned $238,610.

School Bond Reimbursements: The State of Connecticut reimburses the City for eligible principal and interest costs of the capital improvement bond issues used for school reconstruction. The amount of such reimbursements for the year ended June 30, 2014 was approximately $4,827,000. The City expects to receive approximately $34,668,000 in principal payments and approximately $5,310,000 in interest payments over the next 16 years.

Bonds Authorized/Unissued: At June 30, 2014, the City had approximately $214,000,000 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2014.

Advance and Current Refunding:

2014 General Obligation Refunding Bond – In-Substance Defeasance: In September 2013, the City issued $24,235,000 of general obligation refunding bonds with interest rates of 2 to 5%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the City (the “Refunding Bonds”). Net proceeds of $25,602,585 (after payment of expenses of $212,532), was placed in an irrevocable trust under an Escrow Agreement dated September 2013 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (“Government Obligations”). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $620,240, and a cash savings of $617,051 between the old debt payments and the new debt payments.

The balance of the defeased bonds was approximately $24.7 million at June 30, 2014. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-Substance Defeasance – Prior Years: In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City’s government-wide financial statements. As of June 30, 2014, the amount of defeased debt outstanding, but removed from the City’s government-wide financial statements, is approximately $115,695,000.

Note 10. Long-Term Liabilities (Continued)

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

As of June 30, 2014, there were 6 series of limited obligation industrial bonds outstanding, with an aggregate principal amount of approximately $3,485,000.

Revenue Bonds – Component Units: The Parking Authority, a component unit of the City, also issues bonds where the pledged income is derived from parking revenue. Through the Parking Authority, the City has $10,206,000 of outstanding revenue bond debt at June 30, 2014 with an interest rate ranging from 2.886% to 5.375%. As part of the transaction, the City, acting on behalf of the Authority, entered into an interest rate swap agreement dated January 31, 2012 and terminating January 1, 2022. The intention of the swap was to effectively change the Authority's variable interest rate on the bonds to a fixed rate of 2.886%. As of June 30, 2014, the swap agreement had a negative value of $12,843 and is recognized as a liability on the Authority's statement of net position.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest
2015	$ 3,332,000	$ 352,214
2016	3,477,000	184,564
2017	612,000	89,837
2018	612,000	72,195
2019	612,000	54,554
2020 through 2024	1,561,000	59,276
	$ 10,206,000	$ 812,640

The New Haven Solid Waste Authority, a component unit of the City, also issued bonds to finance the acquisition of its solid waste facility assets. Through the New Haven Solid Waste Authority, the City has $8,865,000 of outstanding revenue bond debt at June 30, 2014, with an interest rate ranging from 4% to 5.375%.

Year Ending June 30,	Principal	Interest
2015	$ 450,000	$ 457,781
2016	470,000	438,094
2017	495,000	416,944
2018	520,000	391,575
2019	545,000	364,925
2020 through 2024	3,180,000	1,374,907
2025 through 2029	3,205,000	441,826
	$ 8,865,000	$ 3,886,052

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

Note 10. Long-Term Liabilities (Continued)

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

Year Ending June 30,	Principal	Interest
2015	$ 365,000	$ 42,811
2016	390,000	26,812
2017	410,000	9,184
	$ 1,165,000	$ 78,807

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

The capitalized value of property under capital leases is approximately $3,401,000, which has accumulated depreciation of approximately $523,000 at year-end.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2014 were as follows:

Year Ending June 30,	General Government
2015	$ 465,267
2016	465,875
2017	466,501
2018	467,146
2019	467,146
2020-2024	1,459,724
2025 and thereafter	27,227
Total minimum lease payments	3,818,886
Less: Amount representing interest	560,746
Present value of minimum lease payment	$ 3,258,140

Note 11. Fund Deficits

The following funds had fund deficits as of June 30, 2014:

	Fund Deficits
Internal Service Funds	
Self-Insurance Reserve Fund	$ 11,853,113
Medical Self-Insurance Fund	6,377,867
Special Revenue Funds	
Improvement	1,891,101
Other	4,599,180

The Internal Service Fund deficits will be funded in future years from increased premiums and/or permanent financing in accordance with City's plan to reduce the deficit. The Other Special Revenue Funds deficit will be funded through increased charges for services.

Note 12. Employee Retirement Plans and Other Post-Employment Benefit Plans

Employee Pension Plans

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

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

The individual plan net position is as follows:

	Statement of Net Position June 30, 2014				
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Assets					
Cash and short-term investments	$ 9,842,993	$ 22,505,822	$ 1,215,257	$ 321,972	$ 33,886,044
Interest and dividends receivable	410,659	679,645	66	-	1,090,370
Accounts receivable-investment sales	4,442,877	226,481	-	-	4,669,358
Accounts receivable-other	134,183	418,335	353	-	552,871
Due from other funds	-	13,464	-	15,010	28,474
Investments	163,083,468	314,320,285	94,293	-	477,498,046
Total assets	177,914,180	338,164,032	1,309,969	336,982	517,725,163
Liabilities					
Accounts payable-vendors	569,406	350,790	-	-	920,196
Accounts payable-investment purchases	3,426,282	315,030	-	-	3,741,312
Accounts payable-other	72,139	179,507	-	30,000	281,646
Accrued liabilities	345,895	132,273	-	-	478,168
Due from other funds	13,464	-	-	-	13,464
Total liabilities	4,427,186	977,600	-	30,000	5,434,786
Net Position					
Restricted for Pension Benefits	$ 173,486,994	$ 337,186,432	$ 1,309,969	$ 306,982	$ 512,290,377

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

Individual changes in plan net position was as follows:

Statement of Changes in Net Position - Trust Funds
Year Ended June 30, 2014

	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Additions					
Contributions:					
Employer contributions	$ 16,927,028	$ 24,358,055	$ -	$ 21,707,004	$ 62,992,087
Plan members	4,104,738	6,728,075	-	2,778,896	13,611,709
Total contributions	21,031,766	31,086,130	-	24,485,900	76,603,796
Investment Earnings:					
Net increase in fair value of investments	20,865,594	47,411,746	9,787	-	68,287,127
Interest and dividends	4,078,552	8,792,596	6,228	1,152	12,878,528
Miscellaneous Income	31,926	8,524	-	-	40,450
Total investment income	24,976,072	56,212,866	16,015	1,152	81,206,105
Less Investment Expenses:	965,947	1,381,771			2,347,718
Net investment earnings	24,010,125	54,831,095	16,015	1,152	78,858,387
Total additions	45,041,891	85,917,225	16,015	24,487,052	155,462,183
Deductions					
Benefits	29,218,924	46,025,365	31,722	24,485,900	99,761,911
Investment administrative fees	377,446	845,314	1,848	-	1,224,608
Total deductions	29,596,370	46,870,679	33,570	24,485,900	100,986,519
Net increase (decrease)	15,445,521	39,046,546	(17,555)	1,152	54,475,664
Net Position, beginning of year	158,041,473	298,139,886	1,327,524	305,830	457,814,713
Net Position, end of year	$ 173,486,994	$ 337,186,432	$ 1,309,969	$ 306,982	$ 512,290,377

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

City Employees' Retirement Fund

Plan Membership: Membership in the plan consisted of the following at June 30, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,124
Terminated plan members entitled to but not yet receiving benefits	28
Active Plan Members	
Vested	638
Nonvested	323
Total	2,113

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

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

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

Plan Changes: The latest actuarial valuation as of June 30, 2012 did not include any material changes in funding method or assumptions. The latest actuarial valuation as of June 30, 2012 reflects no material changes in plan provisions or coverage.

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

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/2012	$ 169,537,900	$ 398,562,100	$ 229,024,200	42.5%	$ 53,572,400	427.5%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Assumptions and Methods:

Latest Actuarial Valuation Date	6/30/2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent
Remaining Amortization Period	30 Year Open Period
Asset Valuation Method	Phase-in of investment gains and losses, 20% per year for 5 years
Actuarial Assumptions:	
Investment Rate of Return*	8.25%
Projected Salary Increases*	Age related scale with average of 4.0%
* Includes Inflation at	3.00%
Cost of Living Adjustments	2.50%

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

Actuarially Required

1. Contribution (ARC)	$ 16,869,954
2. Interest on NPO	132,049
3. Adjustment To (ARC)	(134,451)
4. Annual Pension Cost (APC)	16,867,552
5. Contribution Made	16,927,028
6. Decrease in NPO	(59,476)
7. NPO Beginning of Year	1,600,589
8. NPO End of year	$ 1,541,113

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

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Actual Contribution
6/30/12	$ 16,302,366	100.2%	$ 1,626,035	$ 16,332,514
6/30/13	16,951,921	100.2%	1,600,589	16,977,367
6/30/14	16,867,552	100.4%	1,541,113	16,927,028

Policemen and Firemen Retirement Fund

Plan Membership: Membership in the plan consisted of the following at June 30, 2012, the date of the last actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	1,197
Terminated plan members entitled to but not yet receiving benefits	9
Active Plan Members	699
Total	1,905

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

The City provides retirement benefits through a single employer, contributory, defined benefit plan. Under the Plan, all policemen and firemen are eligible. Employees are 100 percent vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned without interest. The retirement benefit is calculated at 2.5 percent of the participant's highest average pay for each year of service and fraction thereof up to 20 years plus 3% of highest average pay for each year of service and fraction thereof in excess of 20 thereafter subject to a maximum of 80% (83% for police) of highest average pay. Normal Retirement Age is after 20 years of continuous service, 25 years for new hires. Benefits and contributions are established by the City and may be amended by the City.

Contributions: Fire members contribute 8.75% of all City earnings. (Effective July 1, 2010 police contribute 10.00% of all City earnings). In addition, policemen contribute 4.80% of extra duty earnings and firemen contribute 4.375% of extra duty earnings. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees.

Plan Changes: The latest actuarial valuation dated June 30, 2012 did not include any material changes in funding methods or actuarial assumptions. The latest actuarial valuation dated June 30, 2012 reflects no material changes in plan provisions or coverage.

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

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/2012	$ 282,689,200	$ 594,979,800	$ 312,290,600	47.5%	$ 56,661,400	551.2%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Assumptions and Methods:

Latest Actuarial Valuation Date	6/30/2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent
Remaining Amortization Period	30 Year Open Period
Asset Valuation Method	Phase-in of investment gains and losses, 20% per year for 5 years
Actuarial Assumptions:	
Investment Rate of Return*	8.25%
Projected Salary Increases*	Age related scale with average of 4.00%
* Includes Inflation at	3.00%
Cost of Living Adjustments	1.50%

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

Actuarially Required

1. Contribution (ARC)	$ 24,286,140
2. Interest on NPO	1,012,014
3. Adjustment To (ARC)	(1,030,424)
4. Annual Pension Cost (APC)	24,267,730
5. Contribution Made	24,358,055
6. Increase in NPO	(90,325)
7. NPO Beginning of Year	12,266,835
8. NPO End of year	$ 12,176,510

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

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Actual Contribution
6/30/12	$ 23,637,977	98.7%	$ 11,951,882	$ 23,331,000
6/30/13	24,573,308	98.7%	12,266,835	24,258,000
6/30/14	24,267,730	100.4%	12,176,510	24,358,055

City Employees' Retirement Plan (GASB 67)

Investments: The set asset allocation parameters are as follows:

Asset Class	Target Allocation
US Large Cap Value	15.00%
US Large Cap Growth	10.00%
US Mid Cap	14.00%
International Equities	12.00%
Emerging Markets Equities	6.00%
US High Yield Bonds	4.00%
International Fixed Income	12.00%
US REITs	7.00%
Global REITs	5.20%
Managed Futures	5.90%
Hedged Strategies	2.20%
Hedged Strategies Global Macro	6.70%
	100.00%

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

Plan Administration: The City's pension plan is separately administered by its own respective pension board. The Mayor, Controller and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typical meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The "joint pension board" which comprises of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

Concentrations: The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

There are no investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2014.

Net Pension Liability: The components of the net pension liability (GASB 67) of the City at June 30, 2014 were as follows:

Net Pension Liability (GASB 67) as of June 30, 2014	City Employees' Retirement Fund
Total Pension Liability	$ 430,199,726
Plan Fiduciary Net Position	172,601,205
Net Pension Liability	$ 257,598,521
Plan Fiduciary Net Position as a percentage of total pension liability	40.12%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 14.17%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2012, using the following actuarial assumptions, applied to all periods included in the measurement:

	Description of Actuarial Methods
Actuarial Method Used:	Entry Age Normal Cost
Mortality Basis:	
Current:	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with Scale AA.
Mortality Improvement:	Projected to date of decrement using Scale AA (generational mortality).

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

Description of Actuarial Methods

Salary Scale:

Current: The following adjusted table:

Age	Rate*
20	7.00%
20	6.50%
25	6.25%
30	6.00%
35	5.00%
40	5.00%
45	4.75%
50	4.50%
55	4.25%
60	4.00%
65+	3.50%

* Implicit inflation assumption implicit in both tables = 3.0%

Overtime and Longevity Pay:

Current: Project actual total compensation with salary scale to expected retirement and compare with projected final budgeted pay.

Payroll Increase Assumption:

Current: Total annual payroll is assumed to increase at a rate of 4.0% per year for purposes of amortizing the unfunded actuarial liability.

8.25% per year, net of investment expenses

Administrative Expenses: Estimated expenses are added to annual budget estimates at the time of their preparation.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus a closed amortization of the plan's unfunded liability over 30 years from July 1, 2012, as a level percentage of pay.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
US Large Cap Value	15.00%	5.80%	0.87%
US Large Cap Growth	10.00%	5.80%	0.58%
US Mid Cap	14.00%	6.40%	0.90%
International Equities	12.00%	5.70%	0.68%
Emerging Markets Equities	6.00%	7.10%	0.43%
US High Yield Bonds	4.00%	5.30%	0.21%
International Fixed Income	12.00%	1.80%	0.22%
US REITs	7.00%	4.90%	0.34%
Global REITs	5.20%	5.00%	0.26%
Managed Futures	5.90%	2.90%	0.17%
Hedged Strategies	2.20%	4.30%	0.09%
Hedged Strategies Global Macro	6.70%	4.60%	0.31%
	100.00%		5.06%
Long-Term Inflation Expectation			2.70%
Long-Term Expected Nominal Return			7.76%

* Long-term returns are provided by Morgan Stanley. The returns are geometric means.

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 8.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the City of New Haven contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members (retired and active employees who qualify under the Plan) and their beneficiaries are included.

Based on the plan’s current contribution policy, the plan’s net fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the 8.25% interest rate assumption was used to discount plan liabilities.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City of New Haven City Employees' Retirement Plan, calculated using the discount rate of 8.25% as well as what the City of New Haven City Employees' Retirement Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.25%) or 1-percentage-point higher (9.25%) than the current rate:

City Employees' Retirement Fund	1% Decrease 7.25%	Current Discount Rate 8.25%	1% Increase 9.25%
Net Pension Liability	$ 304,060,841	$ 257,598,521	$ 218,182,918

Policemen and Firemen Retirement Plan (GASB 67)

Investments: The set asset allocation parameters are as follows:

Asset Class	**Target Allocation**
US Large Cap Core Equities	12.50%
US Mid Cap Core Equities	10.00%
US Small Cap Core Equities	10.00%
International Equities	15.00%
Global Equities	9.00%
Private Equity	10.00%
US Investment Grade Bonds	15.00%
US High Yield Bonds	5.00%
US Private Real Estate	6.00%
Hedged Strategies	4.00%
Cash	3.50%
	100.00%

Plan Administration: The City's pension plan is separately administered by its own respective pension board. The Mayor, Controller and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typical meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The "joint pension board" which comprises of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

Concentrations: The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

There are no investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2014.

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

Net Pension Liability: The components of the net pension liability (GASB 67) of the City at June 30, 2014 were as follows:

Net Pension Liability (GASB 67) as of June 30, 2014	Policemen and Firemen Retirement Fund
Total Pension Liability	$ 634,748,646
Plan Fiduciary Net Position	337,651,179
Net Pension Liability	$ 297,097,467
Plan Fiduciary Net Position as a percentage of total pension liability	53.19%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 18.52%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2012, using the following actuarial assumptions, applied to all periods included in the measurement:

	Description of Actuarial Methods
Actuarial Method Used:	Entry Age Normal Cost
Mortality Basis:	RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment (employees only), separate table for non-annuitants and annuitants, projected to the valuation date with Scale AA.
Mortality Improvement:	Projected to date of decrement using Scale AA (generational mortality).

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

Description of Actuarial Methods, Continued

Salary Scale:

Current Basis: The following adjusted table:

Age	Rate*
20	9.0%
25	8.0%
30	5.5%
35	1.4%
40	1.0%
45	0.9%
50	0.7%
55 and above	0.5%

* Implicit inflation assumption implicit in both tables = 3.0%

Investment Return:

Current Basis: 8.25% per year, net of investment expenses.

Administrative Expenses: Estimated expenses are added to annual budget estimates at the time of their preparation.

Payroll Increase Assumption:

Current Basis: Total annual payroll is assumed to increase at a rate of 4.0% per year for purposes of amortizing the unfunded actuarial liability.

50% of the eligible employees are assumed to buyout the Cost of Living provision upon retirement.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus a closed amortization of the plan's unfunded liability over 30 years from July 1, 2012, as a level percentage of pay.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
US Large Cap Core Equities	12.50%	5.80%	0.73%
US Mid Cap Core Equities	10.00%	6.40%	0.64%
US Small Cap Core Equities	10.00%	7.00%	0.70%
International Equities	15.00%	5.70%	0.86%
Global Equities	9.00%	6.00%	0.54%
Private Equity	10.00%	9.20%	0.92%
US Investment Grade Bonds	15.00%	1.50%	0.23%
US High Yield Bonds	5.00%	4.70%	0.24%
US Private Real Estate	6.00%	2.90%	0.17%
Hedged Strategies	4.00%	4.30%	0.17%
Cash	3.50%	0.00%	0.00%
	100.00%		5.20%
Long-Term Inflation Expectation			2.70%
Long-Term Expected Nominal Return			7.90%

* Long-term returns are provided by Morgan Stanley. The returns are geometric means.

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 8.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the City of New Haven contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members (retired and active employees who qualify under the Plan) and their beneficiaries are included.

Based on the plan’s current contribution policy, the plan’s net fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the 8.25% interest rate assumption was used to discount plan liabilities.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City of New Haven Policemen and Firemen Retirement Plan, calculated using the discount rate of 8.25% as well as what the City of New Haven Policemen and Firemen Retirement Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.25%) or 1-percentage-point higher (9.25%) than the current rate:

Policemen and Firemen Retirement Fund	1% Decrease 7.25%	Current Discount Rate 8.25%	1% Increase 9.25%
Net Pension Liability	$ 365,887,890	$ 297,097,467	$ 238,979,097

Teachers' Retirement Plan

All City of New Haven certified teachers participate in the State of Connecticut Teachers' Retirement System, a cost-sharing multiple-employer public employee retirement system (PERS), established under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: (1) attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut, or (2) attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which is service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The City does not have any liability for teacher pensions. For the year ended June 30, 2014 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of $33,001,000 as payments made by the State of Connecticut on-behalf of the City.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Other Post-Employment Benefit Plans: Membership in the Plan consisted of the following at the date of the latest actuarial valuation, June 30, 2011:

Division	Active Participants	Retired Participants and Spouses	Total
General City	$ 797	$ 811	$ 1,608
Police and Fire	651	1,308	1,959
BOE Non-Certified	148	185	333
Teachers and Administrator	1,873	824	2,697
Total	$ 3,469	$ 3,128	$ 6,597

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

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

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

The OPEB obtained its latest actuarial valuation as of July 1, 2011 upon which the annual required contribution for the fiscal year ended June 30, 2014 was determined based on a 5% discount rate.

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
7/01/11	$ 227,000	$ 444,370,000	$ 444,143,000	0.1%	$ 285,140,448	155.7%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

Annual OPEB cost and Net OPEB Obligation: The City’s annual post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45 for employers in plans with more than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

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

The calculation of the change in the net OPEB obligation for the year ended June 30, 2014 follows:

Actuarially Required

1.	Contribution (ARC)	$ 38,556,000
2.	Interest on Net OPEB obligation	5,971,700
3.	Adjustment To (ARC)	(7,399,800)
4.	Annual OPEB Cost (AOC)	37,127,900
5.	Contribution Made	24,485,900
6.	Increase in Net OPEB obligation	12,642,000
7.	Net OPEB obligation, beginning of year	119,433,000
8.	Net OPEB obligation, end of year	$ 132,075,000

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

Fiscal Year Ending	Annual OPEB Cost (AOC)	Annual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/12	$ 37,378,600	$ 22,471,000	60%	$ 103,998,500
6/30/13	36,819,400	21,384,900	58%	119,433,000
6/30/14	37,127,900	24,485,900	66%	132,075,000

City Employees' Other Post-Employment Benefit Plan

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

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

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

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

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

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

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

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

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

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

Cafeteria Workers, Local 217 – There is no retiree contribution.

Actuarial Assumptions: The actuarial assumptions to value benefits for all locations except Police, Fire, Teachers, and School Administrators as of July 1, 2011:

	Description of Actuarial Assumptions
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30 Years, Level Dollar, Open
Asset Valuation Method:	Market Value
Mortality Basis:	RP-2000 projected to the valuation year using Scale AA with separate male and female tables and separate tables for active employees and annuitants.
Disability:	The assumed rates of disability are from the 1985 Pension Disability Table Class, 1 professional administrative, supervisory, sales, and clerical occupations.
Discount Rate:	5.0%
Medical Inflation:	Claim costs and premiums are assumed to increase 10% for 2011, decreasing 1% per year to 5% for 2016 and later.
Survivorship:	85% of male employees and 65% of female employees are assumed married, wives are 2 years younger than husbands.
Percentage of Actives Eligible at Retirement Who Continue with Medical Coverage:	100%

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

Policemen and Firemen Other Post-Employment Benefit Plan

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

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

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

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

Actuarial Assumptions: The actuarial assumptions to value benefits for Police and Fire as of July 1, 2011:

	Description of Actuarial Assumptions
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30 Years, Level, Open
Asset Valuation Method:	Market Value
Mortality Basis:	RP-2000 projected using Scale AA to the valuation year with separate male and female tables, with blue collar adjustment for participants only, and separate tables for active members and annuitants.
Disability:	The 1985 Disability Pension Study, Class 4 hazardous occupations.
Discount Rate:	5.0%
Medical Inflation:	Claims and premiums are assumed to increase 10% for 2011, decreasing 1% per year to 5% for 2016 and later.
Survivorship:	90% of employees and wives are two years younger than husbands.
Percentage of Actives Eligible at Retirement Who Continue with Medical Coverage:	100%

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

School Administrators' and Teachers' Other Post-Employment Benefit Plan

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

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

Contributions: Retirees pay a portion of the cost of medical coverage.

Actuarial Assumptions: The actuarial assumptions to value benefits for Teachers and School Administrators as of July 1, 2011:

	Description of Actuarial Methods
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30 Years, Level Dollar, Open
Asset Valuation Method:	Market Value
Mortality Basis:	As used in the Connecticut State Teachers' Retirement System 2010 OPEB Valuation; age 61 and under use the Pre-retirement rates, 62 and over the Post-retirement rates.
Disability:	None
Discount Rate:	5.0%
Medical Inflation:	Claims and premiums are assumed to increase 10% for 2011, decreasing 1% per year to 5% for 2016 and later. It is assumed that fees and administrative expenses of $580 per person would increase 4% per year.
Survivorship:	70% of males and 35% of females; wives are three years younger than husbands
Percentage of Actives Eligible at Retirement Who Continue with Medical Coverage:	100%
Percentage of Non-Medicare Eligible Continuing after 65:	20% (25% in prior valuation).

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

Component Unit

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

Total payroll for nonunion employees amounted to approximately $911,000 and the Authority's contributions amounted to $136,701 for the year ended June 30, 2014.

The Authority also participates in the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Local 531 Pension Fund (the "Fund"). This Plan requires contributions to be made on behalf of all bargaining unit employees and all other employees on the payroll such as temporary and casual employees. Under the terms of the union agreement, the Authority's contributions to this Fund were based on 16.7% of union salaries.

The total payroll of all bargaining unit employees for the year ended June 30, 2014 amounted to approximately $3,743,000. The Authority's contributions for the year ended June 30, 2014 amounted to $619,873.

Note 13. Commitments and Contingencies

General Government: The City is a defendant in various liability claims and lawsuits relating to deaths and personal injuries, civil rights violations, contractual obligations and other matters, which are incidental to performing governmental functions. The City has determined that it is probable that it has potential liability of approximately $4,400,000 for such claims, which is recorded in the self-insurance reserve internal service fund. But the self-insurance reserve fund has a fund net position of approximately $660,000; therefore, funding has not been provided for these potential liabilities (see Note 11 regarding fund deficits). The City's liabilities for claims and judgments were based on information available. It is reasonably possible that, as the cases evolve, the resulting estimates will be adjusted significantly in the near term.

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

Operating Lease Agreements: The City leases office space and garage under cancelable and non-cancelable operating leases with terms extending over the next one to nine years. As of June 30, 2013, total future minimum rental payments under these leases are as follows:

Year Ending June 30,	
2015	$ 3,211,392
2016	2,067,767
2017	740,390
2018	290,035
2019	298,736
Thereafter	307,698
	$ 6,916,018

Note 13. Commitments and Contingencies

Rent expense related to these agreements amounted to approximately $4,441,000 for the year ended June 30, 2014.

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

Parking Authority Lease Agreements: The Parking Authority also leases the Granite Square Garage facility for a period of 25 years. The lease for the facility requires monthly rental payments which are based primarily upon the recovery of costs to finance the facility. The estimated monthly rent at June 30, 2014 is $44,960.

The following is a schedule, as of June 30, 2014, of estimated future minimum rental payments, which are required of the Authority as lessee under this agreement:

Year Ending June 30,	
2015	$ 539,520
	$ 539,520

Total Parking Authority rental expense under cancelable and non-cancelable operating leases is included in the statement of revenues, expenses and changes in fund net position and totaled approximately $944,000 for the year ended June 30, 2014.

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

A schedule as of June 30, 2014 of minimum future rentals for the next four years on non-cancelable leases, where the Parking Authority, as owner or in its capacity as agent, is the lessor, is summarized as follows:

Year Ending June 30,	
2015	$ 1,486,269
2016	1,234,307
2017	676,969
2018	60,300
2019	60,300
Thereafter	301,500
	$ 3,819,645

The Parking Authority has entered into several long-term contracts for improvements to its parking facilities. As of June 30, 2014, there was approximately $3,050,000 of commitments outstanding for improvements to unrestricted facilities, and approximately $8,500,000 of commitments outstanding for improvements to restricted facilities.

Note 13. Commitments and Contingencies (Continued)

Subsidies: The City has historically subsidized various non-related party activities through General Fund expenditures for development. The amount subsidized for fiscal-year-ended June 30, 2014 was approximately $675,000 which included approximately $250,000 for the Shubert Performing Arts Center, $325,000 for Tweed-New Haven Airport, and $100,000 for the PILOT Pen tennis tournament. The Shubert and Tweed-New Haven Airport also receive a favorable lease agreement of $1 per year for occupying City owned property. These expenditures are approved annually by the Board of Aldermen during the budgetary meetings.

Note 14. Landfill Post Closure Care Cost

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The estimated total current cost of the landfill post-closure care, aggregating $900,000, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfill as of June 30, 2014. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Note 15. Risk Management

The City is self-insured for property, general and automobile liability, workers' compensation and employee health. Workers' compensation and employee health are administered by private insurance companies. Losses in the amount of $1,000,000 or more for property, general and automobile liability are covered by insurance.

The City contracts with a private insurance company to administer workers' compensation claims and provide an actuarial estimate of claims payable as of June 30, 2014. The liability for workers' compensation and heart and hypertension not expected to be paid with current available resources is reported in the government-wide statements in the amount of approximately $28,467,000 with a discount rate of 4%. Employee health claims are funded based on estimates by the City's insurance consultants and expenses are recognized as incurred. These amounts are recorded in the Internal Service Fund as operating revenues and expenses.

Claims and claims incurred but not reported are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Coverage has not been reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

Note 15. Risk Management (Continued)

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

	Self-Insurance Reserve Fund			
Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2014	$ 5,120,000	$ 1,620,081	$ 2,340,081	$ 4,400,000
2013	8,358,217	2,520,096	5,758,313	5,120,000

	Medical Self-Insurance Fund			
Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2014	$ 6,871,745	$ 96,151,834	$ 96,882,925	$ 6,140,654
2013	6,586,651	90,049,507	89,764,413	6,871,745

	Workers' Compensation and Heart & Hypertension			
Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2014	$ 27,634,502	$ 8,827,212	$ 7,995,141	$ 28,466,573
2013	$ 30,187,111	$ 6,750,249	$ 9,302,858	$ 27,634,502

Note 16. Related Party Transactions

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

Related party account balances at June 30, are as follows:

	2014
Accounts payable and accrued expenses to the City from the Authority	$ 33,966

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

Note 16. Related Party Transactions (Continued)

Related Party Rental Expense of the Authority:

	2014
Under Air Rights	$ 51,120
Dwight and Orchard	130,032
State Street Surface Lots	39,528
Orchard and Sherman	99,360
	$ 320,040

During 2014, the City received a voluntary financial assistance payment of $2,500,000 from the Parking Authority.

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

Related party activity of the Authority at June 30, 2014 is as follows:

	2014
Operating revenue received by Authority from the City for services	$ 2,837,028

Note 17. Subsequent Events

In August 2014, the City issued $96,150,000 in general obligation bonds, consisting of $37,425,000 general obligation bonds and $58,725,000 general obligation refunding bonds due in 2034 and 2024, respectively. The refunding bonds have a net present value savings of $1,303,968. The proceeds of the general obligation bond are to be used to fund the City's various public improvements, urban renewal and school construction projects. The refunding bonds have an interest rate ranging from 4% to 5% and mature on February 1, 2025.

Note 18. Fund Balances (Deficits)

Below is a table of fund balance categories and classifications at June 30, 2014 for the City's governmental funds:

	General Fund	Education Grants	Capital Project Funds	Nonmajor Governmental Funds
Fund balances (deficits):				
Non-spendable:				
Inventory	$ -	$ 120,068	$ -	$ -
Permanent funds	-	-	-	2,381,320
	-	120,068	-	2,381,320
Restricted:				
General government-parks	-	-	691,793	2,227,975
General government-City/Town	-	-	-	250,000
Education	-	5,312,296	-	-
Public works	-	-	39,522,581	1,094,088
Public services-other	-	-	-	1,123,868
Public services-human resources	-	-	-	4,521,992
Public services-community	-	-	-	2,072,002
	-	5,312,296	40,214,374	11,289,925
Unassigned (deficits)	22,047	(2,268,634)	-	(7,584,369)
Total fund balances (deficits)	$ 22,047	$ 3,163,730	$ 40,214,374	$ 6,086,876

Note 19. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 68, for which there will be a material effect due to the underfunded pension plan. See Note 12:

- **GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27, was issued in June 2012.** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014.

Note 19. Governmental Accounting Standards Board (GASB) Statements (Continued)

- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,*** was issued in January 2013. This Statement provides guidance for:
  - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
  - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
  - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
  - Reporting the disposal of government operations that have been transferred or sold.

  The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement date, an amendment of GASB Statement No. 68.*** The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, Accounting and Financial Reporting for Pensions, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2014.

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REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Required Supplementary Information
Schedule of Revenues and Other Financing Sources - Budget and Actual - (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Current City Taxes:				
Real Estate	201,808,963	201,808,963	201,729,889	(79,074)
Personal Property	22,511,887	22,511,887	23,680,097	1,168,210
Motor Vehicle	13,241,107	13,241,107	13,277,005	35,898
Supplemental	2,035,000	2,035,000	2,302,887	267,887
Current Interest	1,100,000	1,100,000	1,059,051	(40,949)
Collection Fees	-	-	(86,068)	(86,068)
Total Current City Taxes	240,696,957	240,696,957	241,962,861	1,265,904
Tax Collection Initiatives:				
Real and Personal Property Initiatives	2,444,614	2,444,614	-	(2,444,614)
Delinquent City Taxes:				
Real and Personal Property	1,700,000	1,700,000	925,672	(774,328)
Interest and Penalties	725,000	725,000	1,110,809	385,809
Total Delinquent City Taxes	2,425,000	2,425,000	2,036,481	(388,519)
Education Grants:				
Education Cost Sharing	142,509,525	142,509,525	142,476,671	(32,854)
School Construction Reimbursement	6,185,271	6,185,271	6,298,139	112,868
School Transportation	3,460,954	3,460,954	2,427,010	(1,033,944)
Education of the Legally Blind	120,000	120,000	-	(120,000)
Health Services Non Public Schools	60,000	60,000	46,989	(13,011)
Total Education Grants	152,335,750	152,335,750	151,248,809	(1,086,941)
Other Government Grants:				
Distressed Cities Exemption	87,000	87,000	231,722	144,722
Homeowners Tax Relief - Elderly Circuit Breaker	437,000	437,000	434,350	(2,650)
Low Income Tax Abatement Program	205,000	205,000	85,128	(119,872)
Pequot Funds	6,879,144	6,879,144	7,417,028	537,884
State Property Tax Relief	2,801,939	2,801,939	1,287,658	(1,514,281)
PILOT - Colleges & Hospitals	38,569,007	38,569,007	38,404,315	(164,692)
PILOT - State Property	4,744,727	4,744,727	5,070,786	326,059
PILOT- Low Income	54,000	54,000	52,427	(1,573)
PILOT - Disabled	12,000	12,000	11,231	(769)
Shell Fish	-	-	32,229	32,229
Tax Relief for the Elderly Freeze	10,000	10,000	4,000	(6,000)
Telecommunications Property Tax	585,000	585,000	615,596	30,596
Town Aid Roads	1,248,685	1,248,685	1,244,746	(3,939)
Total Other Government Grants	55,633,502	55,633,502	54,891,216	(742,286)
Total State Aid	207,969,252	207,969,252	206,140,025	(1,829,227)

Required Supplementary Information
Schedule of Revenues and Other Financing Sources - Budget and Actual - (Non-GAAP Budgetary Basis) - General Fund (Continued)
For the Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues (Continued)				
Licenses, Permits and Other Fees:				
Animal Shelter	6,500	6,500	3,755	(2,745)
Building Inspections	9,000,000	9,000,000	7,923,711	(1,076,289)
Engineers- Cost Recovery	25,000	25,000	7,584	(17,416)
Fire Service	75,000	75,000	72,155	(2,845)
Fire Service Emergency Response	120,000	120,000	77,820	(42,180)
Health Services	335,000	335,000	333,205	(1,795)
High School Athletics	25,000	25,000	36,440	11,440
Map/Bid Documents	5,000	5,000	4,235	(765)
Office of Technology	2,000	2,000	2,315	315
Parks - Lighthouse Carousel	5,000	5,000	1,345	(3,655)
Parks - Lighthouse Admissions & Concessions	125,000	125,000	68,395	(56,605)
Parks - Other Fees	50,000	50,000	58,833	8,833
Police Service	145,000	145,000	111,990	(33,010)
Public Works - Evictions	3,000	3,000	3,735	735
Public Works - Public Space, Licenses & Permits	175,000	175,000	143,058	(31,942)
Registrar of Vital Statistics	700,000	700,000	679,859	(20,141)
Residential Parking Permits	36,000	36,000	33,285	(2,715)
Other Agencies	350,000	350,000	397,560	47,560
Traffic & Parking Meter Receipts	5,500,000	5,500,000	5,756,520	256,520
Total Licenses, Permits and Other Fees	16,682,500	16,682,500	15,715,800	(966,700)
Investment Income:				
Interest Income	40,000	40,000	(38,682)	(78,682)
Received From Fines:				
Coliseum Lots	240,000	240,000	240,000	-
Miscellaneous Community Development Rent	92,021	92,021	15,060	(76,961)
Parking Space Rental	4,000	4,000	3,025	(975)
Parking Tags	5,300,000	5,300,000	4,257,684	(1,042,316)
Parks Employees Rents	10,000	10,000	5,820	(4,180)
Fines False Alarm Ordinance	-	-	147,778	147,778
Public Works - Public Space Violations	5,000	5,000	300	(4,700)
Superior Court	90,000	90,000	44,085	(45,915)
LCI Tickets	50,000	50,000	-	(50,000)
Total Received From Fines	5,791,021	5,791,021	4,713,752	(1,077,269)

See Note to Required Supplementary Information.

(Continued on next page)

Required Supplementary Information
Schedule of Revenues and Other Financing Sources - Budget and Actual - (Non-GAAP Budgetary Basis) - General Fund (Continued)
For the Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Payment in Lieu of Taxes (PILOT):				
52 Howe Street	65,000	65,000	67,097	2,097
Air Rights Garage - Yale	200,000	200,000	200,000	-
Eastview PILOT	30,000	30,000	28,616	(1,384)
Ninth Square	750,000	750,000	580,065	(169,935)
Hospital of St. Raphael	9,500	9,500	-	(9,500)
South Central Regional Water Authority	1,100,000	1,100,000	1,033,236	(66,764)
Trinity Housing	40,000	40,000	66,808	26,808
Total Payment in Lieu of Taxes (PILOT)	2,194,500	2,194,500	1,975,822	(218,678)
Other Taxes and Assessments:				
Air Rights Garage- Temple	57,000	57,000	43,609	(13,391)
Real Estate Conveyance Tax	1,275,000	1,275,000	1,549,397	274,397
Yale Payment For Fire Services	2,704,872	2,704,872	2,704,872	-
Total Other Taxes and Assessments	4,036,872	4,036,872	4,297,878	261,006
Miscellaneous:				
BABS Revenue	891,088	891,088	820,247	(70,841)
Other Licenses, Permits & Fees	50,000	50,000	45,356	(4,644)
Controllers	1,000,000	1,000,000	848,115	(151,885)
GNHWPCA-Pilot	608,400	608,400	608,400	-
I-95 Highway Expansion	225,000	225,000	350,842	125,842
Neighborhood Preservation Loan Payments	3,000	3,000	822	(2,178)
NHPA: PILOT	2,500,000	2,500,000	2,500,000	-
Sale of Capital Assets		-	2,550,000	2,550,000
Bulk Trash Permits	45,000	45,000	45,458	458
Off Track Betting	885,000	885,000	840,328	(44,672)
Personal Motor Vehicles Reimbursements	15,000	15,000	12,331	(2,669)
Other Contributions	8,951,405	8,951,405	8,341,236	(610,169)
Total Miscellaneous	15,173,893	15,173,893	16,963,135	1,789,242
Bond Premium Proceeds:				
Total Bond Premium Proceeds	-	-	1,749,713	1,749,713
Total revenues and other financing sources	$ 497,454,609	$ 497,454,609	$ 495,516,785	$ (1,937,824)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	33,001,000
Refunding, net	25,818,305
Excess cost - student based	2,748,940
Total revenues and other financing uses as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.	$ 557,085,030

See Note to Required Supplementary Information.

Required Supplementary Information
Schedule of Expenditures and Other Financing Uses - Budget and Actual - (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
General Government:				
Assessor's Office	861,910	861,910	812,620	49,290
Chief Administrators Office	1,672,939	1,672,939	1,500,210	172,729
City/Town	476,269	476,269	420,626	55,643
Corporation Counsel	1,812,304	1,812,304	1,695,454	116,850
Finance	10,985,295	10,985,295	10,522,942	462,353
Legislative Services	812,353	812,353	751,060	61,293
Library	3,606,879	3,606,879	3,745,135	(138,256)
Mayor's Office	894,770	894,770	894,770	-
Parks	4,817,998	4,817,998	4,814,140	3,858
Registrar of Voters	562,684	562,684	622,164	(59,480)
Total General Government	26,503,401	26,503,401	25,779,121	724,280
Public Safety:				
Fire	30,687,248	30,687,248	32,568,905	(1,881,657)
Police	38,328,550	38,328,550	36,546,601	1,781,949
Public Safety Communications	3,336,240	3,336,240	3,196,841	139,399
Total Public Safety	72,352,038	72,352,038	72,312,347	39,691
Public Works & Engineering:				
Engineering	3,113,455	3,113,455	3,261,347	(147,892)
Public Works	11,649,892	11,649,892	12,000,561	(350,669)
Total Public Works	14,763,347	14,763,347	15,261,908	(498,561)
Human Services:				
Community Services Admin	1,993,712	1,993,712	1,959,822	33,890
Disability Services	87,031	87,031	83,458	3,573
Elderly Services	671,562	671,562	668,097	3,465
Fair Rent Commission	63,368	63,368	66,142	(2,774)
Health	3,176,306	3,176,306	3,067,580	108,726
Youth Services	337,405	337,405	318,188	19,217
Total Human Services	6,329,384	6,329,384	6,163,287	166,097
Economic Development:				
Building Inspection & Enforcement	906,420	906,420	860,631	45,789
City Plan	497,563	497,563	445,008	52,555
Equal Opportunities	100,945	100,945	104,503	(3,558)
Development Operating Contributions	1,051,600	1,051,600	1,067,628	(16,028)
Economic Development	1,318,372	1,318,372	1,303,741	14,631
Livable City Initiative	683,671	683,671	645,562	38,109
Transportation/Traffic & Parking	2,478,045	2,478,045	2,370,941	107,104
Total Economic Development	7,036,616	7,036,616	6,798,014	238,602

See Note to Required Supplementary Information.

(Continued on next page)

Required Supplementary Information
Schedule of Expenditures and Other Financing Uses - Budget and Actual - (Non-GAAP Budgetary Basis) - General Fund (Continued)
For the Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Departments:				
Contract Reserve	(497,605)	(497,605)	-	(497,605)
Non -Public Transportation	465,000	465,000	408,925	56,075
Various Organizations	388,295	388,295	388,295	-
Total Other Departments	355,690	355,690	797,220	(441,530)
Pensions/Insurance/Benefits:				
Employee Benefits	75,722,554	75,722,554	74,155,869	1,566,685
Pensions	45,678,055	45,678,055	45,954,714	(276,659)
Self-Insurance	4,701,000	4,701,000	4,701,000	-
Total Insurance Benefits	126,101,609	126,101,609	124,811,583	1,290,026
Education:				
Total Education	177,219,297	177,219,297	177,199,032	20,265
Debt Service:				
Principal	43,019,217	43,019,217	41,442,726	1,576,491
Interest	23,774,010	19,670,761	20,207,948	
Rainy Day Replenishment	-	4,103,249	-	4,103,249
Total Debt Service	66,793,227	66,793,227	61,650,674	5,142,553
Total Expenditures and Other Financing Uses	$ 497,454,609	$ 497,454,609	$ 490,773,186	$ 6,681,423

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	33,001,000
Refunding, net	25,818,302
Excess Cost-student based	2,748,940
Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.	$ 552,341,428

See Note to Required Supplementary Information.

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
City Employees'-Retirement Plan
June 30, 2014
(Unaudited)

Schedule of Funding Progress

Fiscal Year-End	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/08	$ 198,695,200	$ 327,906,400	$ 129,211,200	60.6%	$ 55,510,000	232.8%
6/30/09	208,351,800	344,861,000	136,509,700	60.4%	57,368,000	238.0%
6/30/10	201,039,400	357,226,500	156,187,100	56.3%	55,394,700	282.0%
6/30/11	177,317,300	381,259,400	203,942,100	46.5%	57,998,200	351.6%
6/30/12	180,206,600	394,371,700	214,165,100	45.7%	60,152,100	356.0%
6/30/13	169,537,900	398,562,100	229,024,200	42.5%	53,572,400	427.5%
6/30/14	172,601,205	430,199,726	257,598,521	40.1%	53,572,427	480.8%

Schedule of Employer Contributions

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2005	$ 7,407,549	$ 7,407,549	$ -	$ 50,217,000	14.8%
2006	9,254,000	9,254,000	-	52,217,000	17.7%
2007	9,522,000	9,522,000	-	55,510,000	17.2%
2008	10,396,025	10,396,025	-	55,510,000	18.7%
2009	10,938,000	10,938,000	-	57,368,000	19.1%
2010	11,501,900	11,501,900	-	55,394,700	20.8%
2011	11,941,035	12,015,996	(74,961)	57,998,200	20.7%
2012	16,258,723	16,332,514	(73,791)	60,152,100	27.2%
2013	16,909,072	16,977,367	(68,295)	53,572,400	31.7%
2014	16,869,954	16,869,954	-	53,572,427	31.5%

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Police and Firemen-Retirement Plan
June 30, 2014
(Unaudited)

Schedule of Funding Progress

Fiscal Year-End	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/08	$ 285,490,700	$ 470,931,700	$ 185,441,000	60.6%	$ 55,602,000	333.5%
6/30/09	301,004,200	512,853,100	211,848,900	58.7%	58,017,427	365.1%
6/30/10	297,398,600	534,902,000	237,503,400	55.6%	54,570,400	435.2%
6/30/11	290,172,300	557,015,300	266,843,000	52.1%	57,301,700	465.7%
6/30/12	290,015,000	580,710,100	290,695,100	49.9%	63,313,700	459.1%
6/30/13	282,689,200	594,979,800	312,290,600	47.5%	56,661,400	551.2%
6/30/14	337,651,179	634,748,646	297,097,467	53.2%	56,661,371	524.3%

Schedule of Employer Contributions

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
2005	$ 11,028,000	$ 11,028,000	$ -	$ 53,854,000	20.5%
2006	12,871,000	12,871,000	-	52,998,500	24.3%
2007	13,481,000	13,481,000	-	64,713,000	20.8%
2008	15,000,000	15,000,000	-	55,602,000	27.0%
2009	16,687,000	16,687,000	-	58,017,427	28.8%
2010	17,811,000	17,811,000	-	54,570,400	32.6%
2011	18,692,000	18,692,000	-	57,301,700	32.6%
2012	23,331,000	23,331,000	-	63,313,700	36.8%
2013	24,258,000	24,258,000	-	56,661,400	42.8%
2014	24,286,140	24,358,055	(71,915)	56,661,371	43.0%

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
OPEB Plan
June 30, 2014
(Unaudited)

Schedule of Funding Progress - OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
07/01/07	$ -	$ 430,522,000	$ 430,522,000	0.0%	$ 272,235,306	158.1%
07/01/09	-	413,995,000	413,995,000	0.0%	284,120,415	145.7%
07/01/11	227,000	444,370,000	444,143,000	0.1%	285,140,448	155.8%
07/01/13	305,830	441,057,000	440,751,170	0.1%	239,239,541	184.2%

Schedule of Employer Contributions - OPEB Plan

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2008	$ 42,126,000	34.1%	$ 14,350,000
2009	42,126,000	44.9%	18,931,531
2010	42,126,000	47.1%	19,835,300
2011	37,865,000	53.0%	20,232,800
2012	38,444,000	58.0%	22,471,000
2013	38,063,000	56.0%	21,384,900
2014	38,556,000	64.0%	24,485,900

Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Fiscal Year
June 30, 2014

	Policemen and Firemen Retirement Plan	City Employees' Retirement Plan
Changes in Net Pension Liability		
Total Pension Liability		
Service cost	$ 11,711,492	$ 5,924,895
Interest on total pension liability	50,164,370	34,174,249
Effect of plan changes	-	(3,308,888)
Benefit payments	(46,025,365)	(29,218,925)
Net change in total pension liability	15,850,497	7,571,331
Total Pension Liability, beginning	618,898,149	422,628,395
Total pension liability, ending (a)	634,748,646	430,199,726
Fiduciary Net Position		
Employer contributions	24,358,055	16,927,028
Member contributions	6,728,075	4,104,739
Investment income net of investment expenses	53,666,112	22,372,907
Benefit payments	(46,025,365)	(29,218,925)
Administrative expenses	(474,588)	(377,446)
Other	1,391,044	161,739
Net change in plan fiduciary net position	39,643,333	13,970,042
Fiduciary Net Position, beginning	298,007,846	158,631,163
Fiduciary net position, ending (b)	337,651,179	172,601,205
Net pension liability, ending = (a) - (b)	$ 297,097,467	$ 257,598,521
Fiduciary net position as a % of total pension liability	53.19%	40.12%
Covered payroll	$ 56,661,371	$ 53,572,427
Net pension liability as a % of covered payroll	524.34%	480.84%

NOTE: As 2014 is the implementation year, only 2014 information is available.

Note 1. Budgetary Information

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

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

B. Concurrent with its submission to the Board of Aldermen, the budget is to be filed with the City Clerk. Within four business days after its filing, the clerk shall publish in a newspaper of general circulation in the City the proposed budget. The Board of Aldermen budget committee(s) shall hold at least two public hearings thereon. The first hearing shall be no later than 15 calendar days after the publication of the budget and another hearing shall be held at least 7 calendar days before the first reading by the Board of Aldermen.

C. The Board of Aldermen can approve additional appropriations on the recommendation of the Mayor. However, the Board of Aldermen shall not reduce any item proposed by the Mayor for the payment of interest or principal on municipal debt.

D. The total amount of the annual appropriations for any year shall not exceed the estimated income for that year.

E. Formal budgetary integration is employed as a management control device during the year.

F. Except for the use of encumbrance accounting and the classification of certain revenues and expenditures, budgets are adopted on a modified accrual basis of accounting.

G. Budgeted amounts reported in the financial statements have been revised to include Board of Aldermen revisions that were approved during the 2013-2014 fiscal year. Budgetary comparison schedules are presented in the supplemental section as Required Supplemental Information.

H. In general, all unobligated appropriations lapse at year end.

I. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order was issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year whereas they are shown as assigned fund balance on a GAAP basis of accounting.

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

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

Note 1. Budgetary Information (Continued)

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

During the year ended June 30, 2014, the following line items over expended their appropriations:

Department	Amount
Library	$136,256
Registrar of Voters	$59,480
Fire	$1,881,657
Engineering	$147,892
Public Works	$350,669
Fair Rent Commission	$2,774
Equal Opportunities	$3,558
Development Operating Contributions	$16,028
Pensions	$276,659

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Combining and Individual Fund Financial Statements and Other Schedules

NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are established in the City pursuant to State Statutes and local ordinance or resolution. Special revenue funds are a governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Fund	Funding Source	Function
Community Development	Federal grants	Housing assistance
Improvement	State, federal, other grants	Various programs
Human Resources	State and federal grants	Human Resources
Redevelopment	State and federal grants	Redevelopment project
Other	Grants and contributions	Various
Other ETF	Various	Various

Debt Service Fund

The debt service fund is used to report resources to pay down long-term debt of the City.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes as defined by the grantor.

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City of New Haven

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Assets				
Cash and cash equivalents	$ 4,441,120	$ 6,453,626	$ 2,346,444	$ 140,772
Investments	1,471,781	-	-	-
Receivables, net	212,208	6,950	247,230	2,426
Receivables from other governments	1,031,443	784,611	91,942	-
Total assets	$ 7,156,552	$ 7,245,187	$ 2,685,616	$ 143,198
Liabilities				
Accounts payable	$ 1,361,006	$ 2,163,313	$ 228,746	$ 109,744
Accrued liabilities	62,227	-	137,544	-
Due to other funds	820,804	6,772,423	247,324	-
Due to other governments	390,523	19,785	-	-
Other liabilities	-	-	-	-
Total liabilities	2,634,560	8,955,521	613,614	109,744
Deferred inflows of resources				
Unavailable revenue	-	180,767	-	-
Total deferred inflow of resources	-	180,767	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	4,521,992	-	2,072,002	33,454
Assigned	-	-	-	-
Unassigned	-	(1,891,101)	-	-
Total fund balances	4,521,992	(1,891,101)	2,072,002	33,454
Total liabilities and fund balances	$ 7,156,552	$ 7,245,187	$ 2,685,616	$ 143,198

Schedule 1

Special Revenue Funds			
Other	Other ETF	Permanent Funds	Total Non-major Governmental Funds (See Exhibit C)
$ 1,627,826	$ 1,950,423	$ 625,483	$ 17,585,694
-	2,208,872	3,323,578	7,004,231
383,298	49,031	-	901,143
40,454	-	-	1,948,450
$ 2,051,578	$ 4,208,326	$ 3,949,061	$ 27,439,518
$ 4,761,968	$ -	$ -	$ 8,624,777
60,185	-	-	259,956
1,770,865	59,818	-	9,671,234
-	-	-	410,308
-	1,670,533	477,327	2,147,860
6,593,018	1,730,351	477,327	21,114,135
57,740	-	-	238,507
57,740	-	-	238,507
-	-	2,381,320	2,381,320
1,094,088	2,477,975	1,090,414	11,289,925
-	-	-	-
(5,693,268)	-	-	(7,584,369)
(4,599,180)	2,477,975	3,471,734	6,086,876
$ 2,051,578	$ 4,208,326	$ 3,949,061	$ 27,439,518

City of New Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Revenues				
Intergovernmental	$ 8,739,497	$ 8,491,943	$ 8,280,288	$ -
Investment earnings	92,522	-	-	11
Charges for services	952,826	-	267,398	-
Other contributions	699,713	54,594	1,523,342	-
Total revenues	10,484,558	8,546,537	10,071,028	11
Expenditures				
Current:				
General government	18,285	-	-	100,000
Education	-	-	-	-
Public works	-	10,931,269	-	-
Economic development	-	-	-	-
Public services	10,664,735	-	10,693,151	-
Debt service:				
Principal	415,366	-	-	-
Total expenditures	11,098,386	10,931,269	10,693,151	100,000
Excess (deficiency) of revenues over expenditures	(613,828)	(2,384,732)	(622,123)	(99,989)
Other Financing Sources (Uses)				
Transfer in	-	-	769,789	-
Total other financing sources (uses)	-	-	769,789	-
Net change in fund balances (deficits)	(613,828)	(2,384,732)	147,666	(99,989)
Fund Balances (Deficits), beginning	5,135,820	493,631	1,924,336	133,443
Fund Balances (Deficits), ending	$ 4,521,992	$ (1,891,101)	$ 2,072,002	$ 33,454

Schedule 2

Special Revenue Funds			
Other	Other ETF	Permanent Funds	Total Non-major Governmental Funds (See Exhibit D)
$ 28,263,062	$ -	$ -	$ 53,774,790
934	664	-	94,131
2,463,538	-	-	3,683,762
399,154	644,263	22,617	3,343,683
31,126,688	644,927	22,617	60,896,366
6,036,527	-	-	6,154,812
18,280,500	-	-	18,280,500
-	-	-	10,931,269
9,646,131	-		9,646,131
-	-	-	21,357,886
-	-	-	415,366
33,963,158	-	-	66,785,964
(2,836,470)	644,927	22,617	(5,889,598)
-	-	-	769,789
-	-	-	769,789
(2,836,470)	644,927	22,617	(5,119,809)
(1,762,710)	1,833,048	3,449,117	11,206,685
$ (4,599,180)	$ 2,477,975	$ 3,471,734	$ 6,086,876

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NONMAJOR ENTERPRISE FUNDS

NONMAJOR ENTERPRISE FUNDS

Nonmajor Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

Golf Course – is used to account for revenues and expenditures related to the City Golf Course.

Skating Rink – is used to account for revenues and expenditures related to the City Skating Rink.

East Rock Communications Tower – is used to account for revenues and expenditures related to the communication tower at East Rock.

Combining Statement of Net Position - Nonmajor Enterprise Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 367,775	$ 74,470	$ 315,786	$ 758,031
Accounts receivable	14,320	-	5,789	20,109
Due from other funds	-	8,705	4,717	13,422
Total assets	382,095	83,175	326,292	791,562
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	96,027	84,073	315	180,415
Due to other funds	-	-	-	-
Total current liabilities	96,027	84,073	315	180,415
Net Position				
Unrestricted	286,068	(898)	325,977	611,147
Total net position (deficit)	$ 286,068	$ (898)	$ 325,977	$ 611,147

City of New Haven, Connecticut **Schedule 4**

Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Operating Revenues				
Charges for services	$ 859,292	$ 176,120	$ 43,357	$ 1,078,769
Total operating revenues	859,292	176,120	43,357	1,078,769
Operating Expenses				
Cost of service	558,953	186,837	65,403	811,193
Total operating expenses	558,953	186,837	65,403	811,193
Operating (loss) income	300,339	(10,717)	(22,046)	267,576
Nonoperating Revenues				
Interest income	-	-	25	25
Total nonoperating revenues	-	-	25	25
Net (loss) income	300,339	(10,717)	(22,021)	267,601
Transfers out				
Transfers out	(110,000)			(110,000)
Change in net position	190,339	(10,717)	(22,021)	157,601
Fund Net Position, beginning	95,729	9,819	347,998	453,546
Fund Net Position (Deficit), ending	$ 286,068	$ (898)	$ 325,977	$ 611,147

Combining Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Cash Flows From Operating Activities				
Receipts from customers and users	$ 759,327	$ 167,490	$ 65,882	$ 992,699
Payments to suppliers and personnel	(666,184)	(180,621)	(65,088)	(911,893)
Net cash provided by (used in) operating activities	93,143	(13,131)	794	80,806
Cash Flows From Investing Activities				
Interest income	-	-	25	25
Net increase (decrease) in cash and cash equivalents	93,143	(13,131)	819	80,831
Cash Flows From Financing Activities				
Transfers out to other funds	(110,000)	-	-	(110,000)
Cash and Cash Equivalents				
Beginning	384,632	87,601	314,967	787,200
Ending	$ 367,775	$ 74,470	$ 315,786	$ 758,031
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	$ 300,339	$ (10,717)	$ (22,046)	$ 267,576
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Changes in assets and liabilities:				
Decrease in other receivables	10,035	75	22,961	33,071
Increase (Decrease) in accounts payable	(107,231)	6,216	315	(100,700)
Increase in due to other funds and advance	(110,000)	(8,705)	(436)	(119,141)
Net cash provided by (used in) operating activities	$ 93,143	$ (13,131)	$ 794	$ 80,806

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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the City, or to other governments, on a cost-reimbursement basis.

The City maintains three (3) internal service funds to account for the risk management program for employee benefits including retirees, municipal actives, workers' compensation, and general liability, including property damage.

City of New Haven, Connecticut **Schedule 6**

Combining Statement of Net Position (Deficit)
Internal Service Funds
June 30, 2014

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit F)
Assets				
Current Assets:				
Cash and cash equivalents	$ 943	$ 222,876	$ 7,751	$ 231,570
Receivables, net	-	2,231,927	226,031	2,457,958
Due from other funds	-	-	-	-
Total current assets	943	2,454,803	233,782	2,689,528
Liabilities				
Current Liabilities:				
Accounts payable	8,564	-	-	8,564
Due to other funds	7,437,827	2,692,016	192,224	10,322,067
Accrued estimated healthcare claims	-	6,140,654	-	6,140,654
Claims and judgments	712,500	-	-	712,500
Other liabilities	7,665	-	-	7,665
Total current liabilities	8,166,556	8,832,670	192,224	17,191,450
Noncurrent Liabilities:				
Claims and judgments	3,687,500	-	-	3,687,500
	3,687,500	-	-	3,687,500
Total liabilities	11,854,056	8,832,670	192,224	20,878,950
Net Position (Deficit)				
Unrestricted (deficit)	(11,853,113)	(6,377,867)	41,558	(18,189,422)
Total net position (deficit)	$ (11,853,113)	$ (6,377,867)	$ 41,558	$ (18,189,422)

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
Internal Service Funds
For the Year Ended June 30, 2014

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit G)
Operating Revenues				
Employer's contribution	$ 2,400,000	$ 74,117,328	$ -	$ 76,517,328
Charges for services	-	14,872,183	-	14,872,183
Other revenue	-	3,993,852	8,005,021	11,998,873
Total operating revenues	2,400,000	92,983,363	8,005,021	103,388,384
Operating Expenses				
Insurance claims and expenses	2,340,081	96,882,925	7,995,141	107,218,147
Total operating expenses	2,340,081	96,882,925	7,995,141	107,218,147
Change in net position (deficit)	59,919	(3,899,562)	9,880	(3,829,763)
Net Position (Deficit), beginning	(11,913,032)	(2,478,305)	31,678	(14,359,659)
Net Position (Deficit), ending	$ (11,853,113)	$ (6,377,867)	$ 41,558	$ (18,189,422)

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit H)
Cash Flows from Operating Activities				
City's contribution	$ 2,400,000	$ 77,981,643	$ 7,957,392	$ 88,339,035
Cash received from users (including other funds)	-	15,659,740	-	15,659,740
Cash payments to other funds	-		(11,205)	(11,205)
Claims and other expenses paid	(2,401,262)	(95,136,748)	(7,995,141)	(105,533,151)
Net cash (used in) provided by operating activities	(1,262)	(1,495,365)	(48,954)	(1,545,581)
Cash and Cash Equivalents				
Beginning of year	2,205	1,718,241	56,705	1,777,151
End of year	$ 943	$ 222,876	$ 7,751	$ 231,570
Reconciliation of Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities				
Operating income (loss)	$ 59,919	$ (3,899,562)	$ 9,880	$ (3,829,763)
Change in Assets and Liabilities:				
Increase in receivables, net	-	(129,537)	(47,629)	(177,166)
Decrease in accrued estimated healthcare payments	-	(731,091)	-	(731,091)
Decrease in claims and judgments	(720,000)	-	-	(720,000)
Decrease in accounts payable and other	(9,735)	(214,748)	-	(224,483)
Increase (decrease) in due to other funds and advances	668,554	3,479,573	(11,205)	4,136,922
Net cash (used in) operating activities	$ (1,262)	$ (1,495,365)	$ (48,954)	$ (1,545,581)

City of New Haven, Connecticut **Schedule 9**

Combining Statement of Activities
Internal Service Funds - Medical Self-Insurance Fund
For the Year Ended June 30, 2014

	Medical Self-Insurance Current Employees	Medical Self-Insurance Retirees	Total Medical Self-Insurance
Operating Revenues			
Employer's contribution	$ 52,410,324	$ 21,707,004	$ 74,117,328
Charges for services	16,087,139	2,778,896	18,866,035
Total operating revenues	68,497,463	24,485,900	92,983,363
Operating Expenses			
Insurance claims and expenses	72,397,025	24,485,900	96,882,925
Total operating expenses	72,397,025	24,485,900	96,882,925
Change in net position (deficit)	(3,899,562)	-	(3,899,562)
Net Position (Deficit), beginning	(2,478,305)	-	(2,478,305)
Net Position (Deficit), ending	$ (6,377,867)	$ -	$ (6,377,867)

FIDUCIARY FUNDS

Combining Statement of Trust Fund Net Position
Fiduciary Funds
June 30, 2014

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post-Employment Benefit Plan Fund	Combined Trust Funds (See Exhibit I)
Assets					
Cash and short-term investments	$ 9,842,993	$ 22,505,822	$ 1,215,257	$ 321,972	$ 33,886,044
Interest and dividends receivable	410,659	679,645	66	-	1,090,370
Accounts receivable-investment sales	4,442,877	226,481	-	-	4,669,358
Accounts receivable- other	134,183	418,335	353	-	552,871
Due from other funds	-	13,464	-	15,010	28,474
	14,830,712	23,843,747	1,215,676	336,982	40,227,117
Investments					
Government agencies	87,924	6,720,288	-	-	6,808,212
Government bonds	3,794,182	5,721,244	-	-	9,515,426
Municipal bonds	-	126,201	-	-	126,201
Common stock	100,379,079	194,303,103	94,293	-	294,776,475
Fixed income funds	3,543,466	-	-	-	3,543,466
Commercial backed mortgages	-	1,211,190	-	-	1,211,190
Corporate bonds	20,068,125	24,168,119	-	-	44,236,244
Corporate convertible bond	-	2,620,554	-	-	2,620,554
Managed futures	12,229,513	3,613,320	-	-	15,842,833
Asset-backed securities	-	8,305,885	-	-	8,305,885
Venture capital partnerships	11,678,122	43,178,846	-	-	54,856,968
Commodity - ETFs	226,069	-	-	-	226,069
Non-governmental backed bonds	-	1,398,176	-	-	1,398,176
Private Equity - Real estate funds	11,076,988	22,953,359	-	-	34,030,347
Total investments	163,083,468	314,320,285	94,293	-	477,498,046
Total assets	177,914,180	338,164,032	1,309,969	336,982	517,725,163
Liabilities					
Accounts payable-vendors	569,406	350,790	-	30,000	950,196
Accounts payable-investment purchases	3,426,282	315,030	-	-	3,741,312
Accounts payable-other	72,139	179,507	-	-	251,646
Accrued liabilities	345,895	132,273	-	-	478,168
Due to other funds	13,464	-	-	-	13,464
Total liabilities	4,427,186	977,600	-	30,000	5,434,786
Net Position					
Restricted for Pension Benefits	$ 173,486,994	$ 337,186,432	$ 1,309,969	$ 306,982	$ 512,290,377

Combining Statement of Changes in Trust Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post-Employment Benefit Plan Fund	Combined Trust Funds (See Exhibit J)
Additions					
Contributions:					
Employer contributions	$ 16,927,028	$ 24,358,055	$ -	$ 21,707,004	$ 62,992,087
Plan members	4,104,738	6,728,075	-	2,778,896	13,611,709
Total contributions	21,031,766	31,086,130	-	24,485,900	76,603,796
Investment Earnings:					
Net appreciation in fair value of investments	20,865,594	47,411,746	9,787	-	68,287,127
Interest and dividends	4,078,552	8,792,596	6,228	1,152	12,878,528
Miscellaneous Income	31,926	8,524	-	-	40,450
Total investment income	24,976,072	56,212,866	16,015	1,152	81,206,105
Less Investment Expense:	965,964	1,381,771	-	-	2,347,735
Net investment earnings	24,010,108	54,831,095	16,015	1,152	78,858,370
Total additions	45,041,874	85,917,225	16,015	24,487,052	155,462,166
Deductions					
Benefits	29,218,907	46,025,365	31,722	24,485,900	99,761,894
Investment administrative fees	377,446	845,314	1,848	-	1,224,608
Total deductions	29,596,353	46,870,679	33,570	24,485,900	100,986,502
Net increase (decrease)	15,445,521	39,046,546	(17,555)	1,152	54,475,664
Restricted for Pension Benefits:					
Fund Net Position, beginning of year	158,041,473	298,139,886	1,327,524	305,830	457,814,713
Fund Net Position, end of year	$ 173,486,994	$ 337,186,432	$ 1,309,969	$ 306,982	$ 512,290,377

Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Student Activity Funds				
Assets:				
Cash and cash equivalents	$ 433,943	$ 1,226,742	$ (1,135,229)	$ 525,456
Total assets	$ 433,943	$ 1,226,742	$ (1,135,229)	$ 525,456
Liabilities:				
Due to student groups	$ 433,943	$ 1,226,742	$ (1,135,229)	$ 525,456
Total liabilities	$ 433,943	$ 1,226,742	$ (1,135,229)	$ 525,456

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Performance Bond				
Assets:				
Cash and cash equivalents	$ 460,536	$ 41,217	$ (23,979)	$ 477,774
Total assets	$ 460,536	$ 41,217	$ (23,979)	$ 477,774
Liabilities:				
Amounts held for others	$ 460,536	$ 41,217	$ (23,979)	$ 477,774
Total liabilities	$ 460,536	$ 41,217	$ (23,979)	$ 477,774

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Total Agency Funds				
Assets:				
Cash and cash equivalents	$ 894,479	$ 1,267,959	$ (1,159,208)	$ 1,003,230
Total assets	$ 894,479	$ 1,267,959	$ (1,159,208)	$ 1,003,230
Liabilities:				
Amounts held for others	$ 894,479	$ 1,267,959	$ (1,159,208)	$ 1,003,230
Total liabilities	$ 894,479	$ 1,267,959	$ (1,159,208)	$ 1,003,230

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OTHER SCHEDULES

Schedule of Debt Limitation
For the Year Ended June 30, 2014

Total tax collections (including interest and lien fees) received for the year ended June 30, 2014	$ 244,374,699
Reimbursement for revenue loss from:	
Elderly tax relief	4,000
BASE	$ 244,378,699

	General Purpose	Schools	Sewer	Urban Renewal	Pension Bonding
Debt Limitation					
2-1/4 times base	$ 549,852,073	$ -	$ -	$ -	$ -
4-1/2 times base	-	1,099,704,146	-	-	-
3-3/4 times base	-	-	916,420,121	-	-
3-1/4 times base	-	-	-	794,230,772	-
3 times base	-	-	-	-	733,136,097
Total debt limitation	549,852,073	1,099,704,146	916,420,121	794,230,772	733,136,097
Indebtedness					
Bonds payable	199,204,541	299,931,240	-	15,719,545	-
Grant anticipation note	-	56,552,893	-	-	-
School grants receivable	-	(34,668,231)	-	-	-
Bonds authorized and unissued	-	214,226,804	-	-	-
Total indebtedness of the City	199,204,541	536,042,706	-	15,719,545	-
Component Unit Indebtedness					
New Haven Parking Authority	16,465,000	-	-	-	-
New Haven Solid Waste Authority	8,865,000	-	-	-	-
Total indebtedness	224,534,541	536,042,706	-	15,719,545	-
Debt Limitation in Excess of Outstanding and Authorized Authorized Debt	$ 325,317,532	$ 563,661,440	$ 916,420,121	$ 778,511,227	$ 733,136,097

Total indebtedness amounts to $750,966,792, but in no event shall total indebtedness exceed $1,710,650,893 (seven times the base for debt limitation).

City of New Haven, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2014

Grand List	Uncollected Taxes July 1, 2013	Current Levy	Lawful Corrections Additions/ Deductions	Transfers to Suspense	Net Amount Collectible
1997	$ 66,146	$ -	$ (66,146)	$ -	$ -
1998	65,072	-	(421)	-	64,651
1999	63,589	-	(421)	-	63,168
2000	65,731	-	(421)	-	65,310
2001	80,088	-	(591)	-	79,497
2002	94,202	-	(619)	-	93,583
2003	102,614	-	(635)	-	101,979
2004	115,262	-	(684)	-	114,578
2005	172,727	-	(721)	-	172,006
2006	228,036	-	(11,369)	-	216,667
2007	305,467	-	(22,186)	-	283,281
2008	413,975	-	(26,877)	-	387,098
2009	1,911,250	-	(73,937)	(1,376,131)	461,182
2010	2,393,255	-	(142,888)	-	2,250,367
2011	5,800,248	-	(2,005,985)	-	3,794,263
Prior Years' Total	11,877,662	-	(2,353,901)	(1,376,131)	8,147,630
2012	-	251,983,655	(6,420,048)	-	245,563,607
	$ 11,877,662	$ 251,983,655	$ (8,773,949)	$ (1,376,131)	$ 253,711,237

Schedule 14

Collections				
Taxes	Interest and Lien Fees	Lien Fees	Total	Uncollected Taxes June 30, 2014
$ 64	$ 31	$ -	$ 95	$ (64)
64	29	-	93	64,587
64	27	-	91	63,104
173	188	-	361	65,137
198	220	-	418	79,299
203	204	-	407	93,380
2,722	6,439	-	9,161	99,257
2,450	2,742	-	5,192	112,128
1,540	10,561	-	12,101	170,466
3,987	25,737	-	29,724	212,680
18,299	33,895	-	52,194	264,982
40,556	45,571	-	86,127	346,542
487,792	215,116	-	702,908	(26,610)
1,409,002	586,889	-	1,995,891	841,365
-	-	-	-	3,794,263
1,967,114	927,649	-	2,894,763	6,180,516
240,521,693	958,243	-	241,479,936	5,041,914
$ 242,488,807	$ 1,885,892	$ -	$ 244,374,699	$ 11,222,430

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STATISTICAL SECTION
(Unaudited)

Statistical Section - Unaudited

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).

Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the financial reports for the relevant year.

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City of New Haven, Connecticut

Net Position by Component - Governmental Activities
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Governmental Activities				
Net investment in capital assets	$ 392,890,484	$ 475,295,189	$ 590,164,856	$ 690,783,952
Restricted	16,805,421	34,516,475	27,821,177	15,289,232
Unrestricted	(39,174,978)	(68,687,186)	(70,483,768)	(108,981,890)
Total governmental activities	370,520,927	441,124,478	547,502,265	597,091,294
Business-Type Activities				
Unrestricted	93,389,793	3,619,367	3,835,849	1,785,564
Total business-type activities	93,389,793	3,619,367	3,835,849	1,785,564
City Net Position				
Net Invested in capital assets,	392,890,484	475,295,189	590,164,856	690,783,952
Restricted	16,805,421	34,516,475	27,821,177	15,289,232
Unrestricted (deficit)	54,214,815	(65,067,819)	(66,647,919)	(107,196,326)
Total governmental activities	$ 463,910,720	$ 444,743,845	$ 551,338,114	$ 598,876,858

Source: Department of Finance

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 795,545,245	$ 790,216,721	$ 889,013,623	$ 933,256,161	$ 950,575,226	$ 952,587,372
12,887,497	12,550,193	16,979,104	13,770,223	16,333,526	3,471,734
(148,878,781)	(37,143,425)	(97,426,220)	(136,664,640)	(154,091,504)	(190,023,485)
659,553,961	765,623,489	808,566,507	810,361,744	812,817,248	766,035,621
1,647,934	652,000	520,387	552,158	453,546	611,147
1,647,934	652,000	520,387	552,158	453,546	611,147
795,545,245	790,216,721	889,013,623	933,256,161	950,575,226	952,587,372
12,887,497	12,550,193	16,979,104	13,770,223	16,333,526	3,471,734
(147,230,847)	(36,491,425)	(96,905,833)	(136,112,482)	(153,637,958)	(189,412,338)
$ 661,201,895	$ 766,275,489	$ 809,086,894	$ 810,913,902	$ 813,270,794	$ 766,646,768

City of New Haven, Connecticut

Statement of Activities
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
Expenses				
Governmental Activities:				
General government	$ 33,331,449	$ 37,587,972	$ 32,110,858	$ 37,693,461
Education	241,022,920	256,839,100	267,469,133	345,341,470
Public safety	58,787,561	60,927,432	64,576,785	68,514,288
Public works	24,064,622	24,219,150	25,542,135	24,673,176
Public services	40,469,049	35,216,619	35,211,562	42,186,718
Employee benefits and insurance	68,942,717	73,886,275	82,174,588	114,344,620
Culture and recreation	-	-	9,273,135	9,927,948
Economic development	-	-	23,549,651	21,962,659
Health and welfare	8,619,934	8,465,545	-	-
Other	35,889,536	24,432,970	-	-
Interest on long-term debt	23,593,036	19,686,081	20,141,346	24,529,443
Total governmental expenses	534,720,824	541,261,144	560,049,193	689,173,783
Business-type activities:				
Recreation	17,986,375	67,698,317	1,379,843	1,772,097
Total business-type expenses	17,986,375	67,698,317	1,379,843	1,772,097
Total expenses	552,707,199	608,959,461	561,429,036	690,945,880
Program Revenues:				
Governmental activities:				
Charges for services	47,916,429	54,068,180	69,016,817	65,209,673
Operating grants and contributions	217,694,875	233,395,097	230,990,261	310,303,937
Capital grants and contributions	72,110,067	71,712,343	123,116,731	108,404,390
Total governmental activities	337,721,371	359,175,620	423,123,809	483,918,000
Business-type activities:				
Recreation	13,260,242	(22,072,109)	1,596,325	(278,188)
Total business-type activities	13,260,242	(22,072,109)	1,596,325	(278,188)
Total program revenues	350,981,613	337,103,511	424,720,134	483,639,812
Net (expense)/revenue				
Governmental activities	(196,999,453)	(182,085,524)	(136,925,384)	(205,255,783)
Business-type activities	(4,726,133)	(89,770,426)	216,482	(2,050,285)
Total net expenses	(201,725,586)	(271,855,950)	(136,708,902)	(207,306,068)

Source: Department of Finance

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 33,128,676	$ 38,324,187	$ 38,378,265	$ 42,912,415	$ 44,273,863	$ 42,374,815
281,171,745	369,049,226	387,620,341	398,188,801	422,504,443	441,022,674
70,113,405	95,866,212	100,362,361	100,752,656	100,514,476	103,204,821
25,800,652	46,150,257	43,462,757	29,571,591	28,086,703	36,849,330
41,512,155	36,094,387	34,963,806	35,226,515	34,109,046	37,089,015
115,508,082	-	-	-	-	-
9,665,487	12,194,921	11,008,820	-	-	-
39,221,060	8,599,509	7,778,651	7,748,513	16,022,738	20,216,634
-	-	-	-	-	-
-	-	-	-	-	-
21,900,866	22,380,844	22,625,151	24,802,662	26,153,935	25,334,747
638,022,128	628,659,543	646,200,152	639,203,153	671,665,204	706,092,036
1,255,002	883,496	1,269,621	1,086,086	1,178,023	811,193
1,255,002	883,496	1,269,621	1,086,086	1,178,023	811,193
639,277,130	629,543,039	647,469,773	640,289,239	672,843,227	706,903,229
48,839,095	32,703,214	23,694,252	25,775,734	36,907,521	35,291,621
273,622,190	304,571,883	290,018,680	281,391,602	299,280,981	309,425,898
110,706,951	69,966,267	94,495,718	43,861,614	49,720,146	30,467,436
433,168,236	407,241,364	408,208,650	351,028,950	385,908,648	375,184,955
1,117,372	1,353,464	1,137,624	1,227,809	1,189,355	1,078,769
1,117,372	1,353,464	1,137,624	1,227,809	1,189,355	1,078,769
434,285,608	408,594,828	409,346,274	352,256,759	387,098,003	376,263,724
(204,853,892)	(221,418,179)	(237,991,502)	(288,174,203)	(285,756,556)	(330,907,081)
(137,630)	469,968	(131,997)	141,723	11,332	267,576
(204,991,522)	(220,948,211)	(238,123,499)	(288,032,480)	(285,745,224)	(330,639,505)

(Continued)

City of New Haven, Connecticut

Statement of Activities (Continued)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Property taxes	151,508,587	170,130,655	179,455,921	189,489,128
Grants and contributions not restricted to specific purposes	51,603,825	51,943,898	58,812,019	56,177,412
Investment income	2,075,304	3,642,522	4,925,231	3,068,272
Miscellaneous	-	-	-	-
Transfers	7,310,000	27,242,000	110,000	6,110,000
Other - prior period adjustments	6,000,000	-	-	-
Total governmental activities	218,497,716	252,959,075	243,303,171	254,844,812
Business-type activities:				
Investment income	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Total general revenues	218,497,716	252,959,075	243,303,171	254,844,812
Change in Net Position:				
Governmental activities	21,498,263	70,873,551	106,377,787	49,589,029
Business-type activities	(4,726,133)	(89,770,426)	216,482	(2,050,285)
Change in net position	$ 16,772,130	$ (18,896,875)	$ 106,594,269	$ 47,538,744

Source: Department of Finance

Fiscal Year					
2009	2010	2011	2012	2013	2014
205,341,992	213,331,992	223,589,061	229,270,651	232,021,388	245,329,193
53,565,509	54,721,798	53,781,158	60,472,827	55,960,782	55,924,054
823,478	192,676	114,301	115,962	119,890	56,231
7,475,580	3,775,000	3,450,000	-	-	-
110,000	1,466,241	-	110,000	110,000	110,000
-	-	-	-	-	-
267,316,559	273,487,707	280,934,520	289,969,440	288,212,060	301,419,478
1,818	339	384	48	56	25
(110,000)	(1,466,241)	-	(110,000)	(110,000)	(110,000)
(108,182)	(1,465,902)	384	(109,952)	(109,944)	(109,975)
267,208,377	272,021,805	280,934,904	289,859,488	288,102,116	301,309,503
62,462,667	52,069,528	42,943,018	1,795,237	2,455,504	(29,487,603)
(245,812)	(995,934)	(131,613)	31,771	(98,612)	157,601
$ 62,216,855	$ 51,073,594	$ 42,811,405	$ 1,827,008	$ 2,356,892	$ (29,330,002)

City of New Haven, Connecticut

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	-	-	-	-	-
Unreserved/unassigned	12,979,396	13,023,677	14,722,550	15,508,258	16,025,789
Total general fund	$ 12,979,396	$ 13,023,677	$ 14,722,550	$ 15,508,258	$ 16,025,789
All Other Governmental Funds:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	113,570,894	135,103,246	164,214,106	162,569,834	119,254,075
Unreserved, reported in:					
Special revenue funds	(3,567,842)	(379,035)	3,270,197	(1,030,960)	(4,394,417)
Capital projects funds	(134,175,840)	(165,069,421)	(187,149,898)	(194,775,989)	(166,587,369)
Permanent funds	2,801,892	2,862,116	3,253,463	2,992,757	2,447,525
Total all other governmental funds	$ (21,370,896)	$ (27,483,094)	$ (16,412,132)	$ (30,244,358)	$ (49,280,186)

* In fiscal year 2011, the City implemented GASB Statement No. 54, which requires fund balance to be reported as nonspendable, restricted, committed, assigned or unassigned. See Notes to the Financial Statements for definitions of each type of fund balance.

Source: Department of Finance

Fiscal Year				
2010	2011*	2012	2013	2014
$ -	$ 7,000,000	$ 5,000,000	$ 4,000,000	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,827,620	3,791,796	-	-
7,000,000	-	-	-	-
9,177,717	-	-	(8,721,555)	22,047
$ 16,177,717	$ 16,827,620	$ 8,791,796	$ (4,721,555)	$ 22,047
$ -	$ 2,495,040	$ 2,415,247	$ 2,501,388	$ 2,501,388
-	13,149,999	12,577,203	13,952,206	56,816,595
-	2,480,268	2,480,268	-	-
-	858,106	696,429	783,844	-
-	(42,124,903)	(41,238,667)	(48,281,991)	(9,830,956)
74,673,938	-	-	-	-
(10,990,440)	-	-	-	-
(107,306,164)	-	-	-	-
2,536,873	-	-	-	-
$ (41,085,793)	$ (23,141,490)	$ (23,069,520)	$ (31,044,553)	$ 49,487,027

City of New Haven, Connecticut

Changes in Fund Balance, General Fund
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Property taxes	$ 154,152,809	$ 171,146,908	$ 180,637,982	$ 186,365,020
Licenses and permits	8,736,457	11,883,627	17,057,976	15,747,687
Intergovernmental	195,217,738	206,882,655	213,875,363	289,221,907
Charges for services	-	-	-	-
Fines	3,735,640	4,673,454	4,623,108	5,316,063
Investment income	1,597,216	3,258,300	4,447,214	2,808,124
Payments in lieu of taxes	3,021,734	2,595,622	2,490,936	2,596,308
Other	10,217,841	11,286,873	12,908,838	14,799,598
Total revenues	376,679,435	411,727,439	436,041,417	516,854,707
Expenditures:				
Current:				
General government	21,771,687	25,391,443	26,533,223	27,431,981
Public safety	57,323,054	59,561,325	63,189,813	67,413,221
Public works	15,684,406	16,380,352	17,586,935	17,944,810
Public services	6,980,100	6,927,069	7,839,371	7,408,779
Other departments	-	-	-	-
Culture and recreation	8,016,916	7,931,044	8,659,659	9,367,840
Employee benefits and insurance	66,606,908	75,337,706	79,590,747	84,643,661
Economic development	-	-	-	-
Education	162,878,021	174,302,677	179,948,440	256,210,171
Debt service:				
Principal	28,899,255	29,487,295	34,248,447	35,916,870
Interest	15,688,193	16,364,247	16,745,909	15,731,666
Capital outlay	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	383,848,540	411,683,158	434,342,544	522,068,999
Excess (Deficiency) of Revenues over Expenditures	(7,169,105)	44,281	1,698,873	(5,214,292)
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Payment to escrow	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	7,200,000	-	-	6,000,000
Transfers out	-	-	-	-
Sale of general capital assets	-	-	-	-
Total other financing sources (uses)	7,200,000	-	-	6,000,000
Net Change in Fund Balances	30,895	44,281	1,698,873	785,708
Fund Balance at Beginning of Year	12,948,501	12,979,396	13,023,677	14,722,550
Fund Balance at End of Year	$ 12,979,396	$ 13,023,677	$ 14,722,550	$ 15,508,258
Debt Service as a Percentage of Noncapital Expenditures	13.14%	12.53%	13.30%	10.98%

Source: Department of Finance

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 203,404,742	$ 206,824,921	$ 218,720,737	$ 226,146,445	$ 230,988,343	$ 243,999,342
17,319,960	18,844,871	13,195,587	12,562,691	16,207,851	15,715,800
226,037,552	228,896,975	227,634,807	237,628,410	234,142,830	241,889,965
-	-	3,698,997	3,860,919	5,999,796	4,297,878
5,351,710	5,077,231	5,709,988	5,312,756	4,502,154	4,713,752
690,339	120,213	20,088	37,183	249	(38,682)
2,435,344	5,364,603	1,820,138	2,018,863	1,943,383	1,975,822
13,839,495	12,765,347	15,121,761	12,974,300	13,238,985	16,963,135
469,079,142	477,894,161	485,922,103	500,541,567	507,023,591	529,517,012
27,477,865	25,646,932	22,657,537	24,261,712	25,676,922	25,779,121
68,810,405	70,769,960	73,739,649	72,617,616	72,103,165	72,312,347
18,304,262	16,625,665	15,178,767	13,916,281	14,239,985	15,261,908
6,959,729	6,354,148	6,537,247	5,911,710	5,984,801	5,898,453
-	-	677,539	665,839	1,437,285	797,221
9,110,439	8,700,514	8,576,710	-	-	
91,498,136	97,698,274	106,160,244	120,102,608	128,736,336	124,811,581
-	-	-	6,262,137	6,735,033	6,798,014
192,024,547	194,071,482	193,103,792	203,686,746	204,422,059	210,739,315
37,296,440	39,149,788	41,068,348	40,356,563	42,374,766	41,442,726
21,555,368	20,417,006	23,246,280	20,989,969	21,856,695	20,423,668
-	-	-	3,663,000	-	-
-	-	-	-	432,533	-
473,037,191	479,433,769	490,946,113	512,434,181	523,999,580	524,264,354
(3,958,049)	(1,539,608)	(5,024,010)	(11,892,614)	(16,975,989)	5,252,658
-	-	15,695,000	-	53,700,000	24,235,000
4,475,580	3,775,000	3,450,000	3,663,000	-	-
-	-	(16,569,312)	-	(51,372,532)	(25,602,585)
-	-	874,312	2,549,093	5,643,416	3,333,018
-	-	4,356,227	-	-	-
-	(2,083,464)	(2,132,314)	(2,355,303)	(9,008,246)	(2,474,489)
-	-	-	-	4,500,000	-
4,475,580	1,691,536	5,673,913	3,856,790	3,462,638	(509,056)
517,531	151,928	649,903	(8,035,824)	(13,513,351)	4,743,602
15,508,258	16,025,789	16,177,717	16,827,620	8,791,796	(4,721,555)
$ 16,025,789	$ 16,177,717	$ 16,827,620	$ 8,791,796	$ (4,721,555)	$ 22,047
14.21%	14.19%	15.07%	13.60%	13.97%	12.75%

City of New Haven, Connecticut

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts Expressed in Thousands) (Unaudited)

	Real Property		Personal Property	
Fiscal Year	**Residential Property**	**Commercial Property**	**Motor Vehicles**	**Other**
2005	$ 1,790,884,410	$ 1,571,946,910	$ 271,349,697	$ 467,055,237
2006	1,802,062,890	1,621,556,170	278,942,500	422,021,275
2007	1,819,398,620	1,597,853,900	67,486,299	(37,058,790)
2008	3,411,397,150	2,260,828,080	313,342,830	404,019,919
2009	3,428,850,340	2,310,515,125	321,996,973	396,358,880
2010	3,437,114,420	2,208,958,215	315,393,301	407,674,964
2011	3,973,614,568	1,840,721,855	321,478,498	409,367,741
2012	3,571,992,829	2,395,227,050	343,992,459	509,570,687
2013	2,772,894,791	2,496,147,879	361,250,916	605,119,213
2014	2,777,322,135	2,482,446,816	358,091,434	659,574,253

Source: City Assessor's Office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.

Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (Mill Rate)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 150,824,459	$ 3,950,411,795	39.53	$ 5,858,908,934	70%
146,505,344	3,978,077,491	42.53	5,892,261,193	70%
146,291,211	3,301,388,818	44.85	4,925,257,184	70%
1,983,059,263	4,406,528,716	42.21	9,127,982,827	70%
1,512,930,290	4,944,791,028	42.21	9,225,316,169	70%
1,019,742,733	5,349,398,167	42.21	9,098,772,714	70%
1,095,687,099	5,449,495,563	43.90	9,350,260,946	70%
1,669,479,635	5,151,303,390	43.90	9,743,975,750	70%
240,681,083	5,994,731,716	38.88	8,907,732,570	70%
148,748,005	6,128,686,633	40.80	8,967,763,769	70%

City of New Haven, Connecticut

Principal Taxpayers
Current Year and Ten Years Ago
(Unaudited)

	Current Fiscal year			Ten Years Ago		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
United Illuminating Co	$ 222,142,207	1	3.651 %	$ 72,758,344	4	1.848 %
Winn-Stanley	157,967,123	2	2.596	-	-	-
Fusco	148,754,954	3	2.445	41,134,658	5	1.045
PSEG Power Connecticut LLC	112,614,456	4	1.851	88,905,629	2	2.258
Yale University	105,934,937	5	1.741	77,766,417	3	1.975
Carabetta	71,472,776	6	1.175	-	-	-
MEPT Chapel Street LLC	53,754,675	7	0.883	-	-	-
Chase Enterprises	48,771,786	8	0.802	-	-	-
Intercontinental Fund IV	45,467,520	9	0.747	-	-	-
SNET	44,701,177	10	0.735	90,932,730	1	2.310
	$ 1,011,581,611		16.625 %	$ 371,497,778		9.436 %

Source: City Assessor's Capital Office

City of New Haven, Connecticut

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	$ 152,337,248	$ 149,063,884	97.85	$ 1,027,462	$ 150,091,346	98.53
2006	168,035,275	165,513,357	98.50	1,056,041	166,569,398	99.13
2007	179,529,208	176,093,542	98.09	2,286,365	178,379,907	99.36
2008	185,890,697	182,089,417	97.96	2,164,370	184,253,787	99.12
2009	204,055,698	199,464,168	97.75	2,862,107	202,326,275	99.15
2010	206,066,188	201,314,351	97.69	2,089,746	203,404,097	98.71
2011	219,290,220	213,902,372	97.54	2,683,968	216,586,340	98.77
2012	226,835,431	220,502,270	97.21	3,288,954	223,791,224	98.66
2013	233,426,979	227,626,731	97.52	1,409,002	229,035,733	98.12
2014	245,563,608	240,521,693	97.95	-	240,521,693	97.95

Source: Department of Finance, Office of the Tax Collector

City of New Haven, Connecticut

Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds (in 000's)	Percentage of Actual Taxable Value of Property	Debt Per Capita	Percentage of Personal Income
2005	$ 525,279	8.97%	4,845	24.01%
2006	503,308	8.54%	3,954	20.06%
2007	490,897	9.97%	3,976	18.89%
2008	497,008	5.44%	3,994	19.12%
2009	501,192	5.43%	4,064	18.70%
2010	511,288	5.62%	3,938	18.31%
2011	499,238	5.34%	3,852	18.96%
2012	503,382	5.17%	3,783	16.21%
2013	510,590	5.73%	3,934	16.86%
2014	525,053	6.04%	4,018	17.22%

Source: Department of Finance

City of New Haven, Connecticut

Schedule of Debt Limitation
For the Year Ended June 30, 2014
(Unaudited)

Total tax collections (including interest and lien fees) received for the year ended June 30, 2014	$ 244,374,697
Reimbursement for revenue loss from:	
Elderly tax relief	4,000
BASE	$ 244,378,697

	General Purpose	Schools	Sewer	Urban Renewal	Pension Bonding	Total
Debt Limitation						
2-1/4 times base	$ 549,852,068	$ -	$ -	$ -	$ -	$ 549,852,068
4-1/2 times base	-	1,099,704,137	-	-	-	1,099,704,137
3-3/4 times base	-	-	916,420,114	-	-	916,420,114
3-1/4 times base	-	-	-	794,230,765	-	794,230,765
3 times base	-	-	-	-	733,136,091	733,136,091
Total debt limitation	549,852,068	1,099,704,137	916,420,114	794,230,765	733,136,091	4,093,343,175
Indebtedness						
Bonds payable	199,204,541	299,931,240	-	15,719,545	-	514,855,326
Grant anticipation note	-	56,552,893	-	-	-	56,552,893
School grants receivable	-	(34,668,231)	-	-	-	(34,668,231)
Bonds authorized and unissued	-	214,226,804	-	-	-	214,226,804
Total indebtedness of the City	199,204,541	536,042,706	-	15,719,545	-	750,966,792
Component Unit Indebtedness						
New Haven Parking Authority	16,465,000	-	-	-	-	16,465,000
New Haven Solid Waste Authority	8,865,000	-	-	-	-	8,865,000
Total indebtedness	224,534,541	536,042,706	-	15,719,545	-	776,296,792
Debt Limitation in Excess of Outstanding and Authorized Debt	$ 325,317,527	$ 563,661,431	$ 916,420,114	$ 778,511,220	$ 733,136,091	$ 3,317,046,383

Source: Department of Finance

City of New Haven, Connecticut

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	2005	2006	2007	2008
Debt limit	$ 1,079,596,861	$ 1,198,488,158	$ 1,264,844,147	$ 1,304,875,551
Total net debt applicable to limit	736,180,410	676,866,724	677,462,562	688,741,505
Legal debt margin	$ 343,416,451	$ 521,621,434	$ 587,381,585	$ 616,134,046
Total net debt applicable to the limit as a percentage of debt limit	68.19%	56.48%	53.56%	52.78%

Source: Department of Finance

2009	2010	2011	2012	2013	2014
$ 1,424,007,039	$ 2,984,366,075	$ 3,650,066,669	$ 3,760,220,716	$ 3,886,957,715	$ 4,093,343,175
692,566,863	770,266,215	743,923,424	723,700,313	793,344,746	776,296,792
$ 731,440,176	$ 2,214,099,860	$ 2,906,143,245	$ 3,036,520,403	$ 3,093,612,969	$ 3,317,046,383
48.64%	25.81%	20.38%	19.25%	20.41%	18.96%

City of New Haven, Connecticut

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age
2005	108,412	2,187,537	20,178	30.7
2006	127,288	2,509,483	19,715	29.7
2007	123,475	2,598,037	21,041	29.5
2008	124,447	2,599,076	20,885	29.4
2009	123,314	2,680,476	21,737	28.6
2010	129,849	2,792,533	21,506	30.5
2011	129,591	2,633,289	20,320	30.2
2012	129,585	2,956,352	22,814	30.0
2013	130,749	3,055,212	23,367	29.0
2014	129,779	287,754	21,789	30.1

Source: U.S. Department of Commerce, Census Bureau

Educational Attainment			
High School	Bachelors Degree	School Enrollment	Unemployment Rate
26.4%	17.4%	20,451	5.0%
32.9%	12.6%	20,214	4.6%
31.0%	12.3%	20,033	4.8%
25.7%	16.5%	19,846	5.8%
26.7%	15.0%	19,050	8.2%
29.4%	14.8%	19,810	9.5%
30.0%	14.1%	19,841	9.2%
28.3%	14.7%	19,826	9.7%
29.3%	14.1%	20,794	10.1%
89.8%	33.5%	20,474	9.8%

City of New Haven, Connecticut

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	Current Fiscal Year			Nine Years Ago		
	Employees	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Hospital of Saint Raphael	13,000	1	16.40%	9,123	1	16.36%
Yale University	9,469	2	23.10%	8,071	2	14.47%
ASSA ABLOY America	9,400	3	11.86%	750	5	1.34%
Covidien	3,000	4	3.78%	-	-	0.00%
Pritchard Industries	1,200	5	1.51%	-	-	0.00%
United Illuminating	1,066	6	1.34%	837	4	1.50%
Southern Connecticut State University	1,001	7	1.26%	941	3	1.69%
AT&T (includes SBC/SNET)	1,000	8	1.26%	700	6	1.25%
New Alliance Bank	800	9	1.01%	-	-	0.00%
Knights of Columbus	600	10	0.76%	600	7	1.08%
Wal-Mart Stores	224	11	0.28%	-	-	0.00%
Higher One	125	12	0.16%	24	8	0.04%
Comcast Corporation	110	13	0.14%	-	-	0.00%
	40,995		62.86%	21,046		37.73%
Total City Employment		Estimate	79,279		Estimate	55,779

Source: City Assessor's Office

City of New Haven, Connecticut

Full-Time Equivalent Government Employees By Function/Program
Last Nine Fiscal Years
(Unaudited)

	2014	2013	2012*	2011	2010	2009	2008	2007	2006
General Government									
Mayor's Office	9	9	10	10	10	11	13	12	11
Legislative Services	10	10	10	10	10	10	10	10	10
Human Resources	-	-	-	7	7	7	7	6	5
Labor Relations	-	-	-	2	2	2	2	2	2
Economic Development									
Economic Development	11	12	13	11	9	9	6	5	6
Transportation, Traffic and Parking	32	30	33	31	31	33	33	32	33
City Plan	6	6	8	7	7	9	9	9	8
Building Inspection and Enforcement	14	14	16	14	14	16	-	15	13
Commission on Equal Opportunity	2	1	40	2	2	3	3	3	3
Livable City Initiative	9	9	9	11	11	16	34	19	19
Administrative Services									
Chief Administrator's Office	11	11	11	5	5	7	7	9	6
Finance Department	61	61	67	66	64	73	68	51	51
Assessor's Office	12	12	12	13	13	7	7	7	7
Corporation Counsel	17	17	17	18	18	22	22	22	22
Town Clerk	5	5	5	5	5	5	5	5	5
Registrar of Voters	6	6	6	6	6	6	6	6	6
Fair Rent	1	1	1	1	1	1	1	1	1
Disability Services	1	1	1	2	2	2	2	2	2
Public Safety									
Police	552	525	554	551	589	614	616	603	548
Fire	376	376	376	382	397	399	400	399	400
Public Safety Communications	59	59	77	53	-	-	-	-	-
Physical Services									
Public Works	116	113	115	116	115	132	130	129	130
Engineering	9	8	14	8	8	9	9	9	8
Human Services									
Youth & Family Services	1	3	5	1	1	2	1	1	1
Senior & Community Services	10	10	13	10	10	20	22	22	22
Public Health	57	56	86	62	62	68	66	65	66
Leisure/Culture									
Parks & Recreation	56	56	59	59	59	69	69	68	69
Public Library	39	39	39	45	45	50	50	50	47
Education	2368	2288	2500	2,295	2,307	2,301	2,276	2,305	2,273
Total Town & Education	3,850	3,738	4,097	3,803	3,810	3,903	3,874	3,867	3,774

* Estimated. As of FY2012 board of education positions are not authorized by the Board of Aldermen in conjunction with the City's annual budget process.

Note: Information prior to 2006 is not available.

City of New Haven, Connecticut

Operating Indicators by Function/Program
For the Years Ended June 30, 2014 and 2013
(Unaudited)

		2014		2013
Performance Indicator: Corporation Counsel				
A. Lawsuits:				
i. Total New Cases Received During Year		268		422
ii. Total New Cases Closed During Year		606		259
iii. Settlement		107		95
iv. Withdrawal		95		44
v. Statute Expired, Bankruptcy & Workers Compensation)		345		74
vi. Dispositive Motion		14		9
vii. Pending Active Cases (as of 12/7/12)		973		1,268
viii. CMN-19, MAW-69, ACK-271, RRW-116		108		111
B. Notices Of Intent To Sue:				
i. Notices Received		144		132
C. Contracts:				
i. Number of New Contracts Received		607		635
ii. Number of Contracts Completed		571		624
iii. Contracts Not Executed)		36		19
D. Legal Opinions:				
i. Legal Opinions Formally Delivered		4		8
E. Freedom of Information Requests:				
i. Freedom of Information Requests Received		161		168
F. Subrogation Claims:				
i. Claims Brought Against the City		25		23
ii. Amount Claimed	$	75,617	$	-
iii. Amount Paid by the City	$	23,877	$	15,340
G. Property Damage Claims:				
i. Claims Brought Against the City		140		99
ii. Amount Claimed	$	142,513	$	166,935
iii. Amount Paid By the City	$	15,278	$	15,612
Performance Indicator: Department of Finance				
A. Accounts Payable:				
i. No. of Checks Issued		23,370		24,312
ii. No. of 1099's Issued		1,424		1,298
B. Internal Audit:				
i. Operational Reviews		13		10
ii. Other Special Projects		32		9
A. Accounting:				
i. Total Bank Reconciliations		163		194
ii. Completion Date of Audit		1/31/2015		12/31/2013
D. Tax Collector's Office				
i. Collection Rate		98.35%		97.84%
ii. Delinquent Property Values	$	1,000,000	$	1,000,000

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
E. Payroll:		
i. Payroll Checks Processed	205,435	207,336
ii. Employee Verifications	2,100	1,300
F. Treasury:		
i. Total Deposits Received	1,500	1,480
ii. Bond Issuance Debt	$ 53,870,000	$ 43,000,000
G. Accounts Receivable:		
i. Parking Tickets Paid	$ 4,257,684	$ 5,721,900
ii. Residential Permits Paid	$ 33,285	$ 34,040
iii. Police Private Duty Payments	$ 6,600,136	$ 6,178,180
H. Purchasing:		
i. Purchase Orders Processed	11,300	11,200
ii. Solicitations	185	180
I. Labor Relations:		
i. Contract Negotiations - To begin 01/01/15	4	4
ii. Grievances Filed	157	125
iii. MPPs Filed	49	45
K. Workers Compensation:		
i. Number of Cases Filed	859	889
ii. Number of Cases Resolved	621	679
L. Management & Budget:		
i. Number of Grant Applications Processed	87	74
ii. Monthly/Annual Financial Reports	16	16
Performance Indicator: Department of Assessments		
A. Real Estate Corrections	636	600
B. Motor Vehicle Corrections	5,080	4,000
C. Supp Motor Vehicle Corrections	914	600
D. Personal Property Corrections	745	700
E. City Elderly Applications	256	400
F. State Elderly Applications	258	350
G. City Veterans Applications	121	125
H. State Veterans Applications	107	100
I. Change Mailing Address Apps	466	500
J. Number of Field Inspections	244	750
K. Personal Property Declarations	3,874	4,000
L. Income and Expense Reports	2,330	2,300
Performance Indicator: Library		
A. Hours/Week open to Public	178	178
B. Number of visits (Total)	618,821	604,331
i. Main	353,324	354,309
ii. Branches	264,497	250,022

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
C. New Card Registrations	9,858	9,687
D. Circulation	377,618	365,078
E. Reference Activity	78,852	102,164
F. Database Usage	248,352	308,337
G. Library Programs	2,066	2,058
H. Attendance	39,892	45,129
I. Computer Usage (session log-ins)	150,592	N/A
J. Website Sessions (active engagement)	320,848	N/A
Performance Indicator: Parks, Recreation, and Trees		
A. Parks System Profile:		
i. Parks	142	142
ii. Playgrounds	65	65
iii. Acres per 1,000 Persons	15.40	15.40
B. Park Services & Programs:		
i. # of Park Visits	625,000	600,000
ii. # of Playground Inspections Performed	360	355
iii. # of Trees Trimmed	1,017	1,825
iv. # of Trees Removed	145	500
v. # of Stumps Removed	218	510
vi. # of Trees Planted	350	500+
C. Recreation Programs:		
i. Athletic Field Permits Issued	6,000	6,000
ii. # of Participants in Summer Day Camp (average per day)	1,600	1,500
iii. # of Participants in Youth Basketball	275	225
iv. # of Youth Programs	55	51
v. # of Adult Programs	15	15
vi. Total # of Participants	350,000	350,000
vii. # of Summer Day Camps	17	15
viii. # of Volleyball Participants (ages 12-15)	165	159
ix. Youth Basketball	275	221
x. Youth Baseball Little Leagues	7	7
D. Revenue:		
i. Skating Rinks	$ 195,000	$ 210,000
ii. Golf Course	$ 950,000	$ 945,000
iii. Lighthouse	$ 130,000	$ 153,030
E. Other Park Services:		
i. # of participations/Visitors Ranger Programs (non-school)	58,200	30,000
ii. # of Ranger Programs offered to the Public	523	450
iii. # of Park Permits	7,000	7,000
iv. # of School Groups Visit to Lighthouse Park	225	150
v. # of Lighthouse Park Permits Issued for Parking	5,200	3,000
vi. # of Permits Issued for Carousel Facility	80	80
vii. # of Volunteers in Park Programs/Services	2,500	2,500
viii. # of Organized Park Friends Groups	14	14

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
Performance Indicator: City/Town Clerk		
i. # of deeds Recorded	12,522	12,392
ii.# of recording fees	304,768	335,462
iii. Conveyance fees	$ 1,148,836	$ 1,742,380
iv. City Land Preservation	$ 10,073	$ 36,238
v. Capital Projects Land Preservation	$ 45,219	$ 39,960
vi. Trade Name Certificates	$ 2,390	$ 2,730
vii. Liquor Permits	456	494
viii. Notary Fees	1,068	1,085
ix. Copies	44,130	38,379
x. Maps	386	360
xi. Dog Licenses	$ 5,518.00	$ 4,731.00
xii. Legal Documents - Scanned/Indexed	649	1,198
xiii. Absentee Ballots Issued	1,500	5,000
xiv. Aldermanic Committee Minutes	100 % bound	100 % bound
xv. Dog Licenses Issued	675	669
Performance Indicator: Department of Public Safety		
i. Number of 911 Calls Received	103,402	133,543
ii. Number of Dispatchers Crossed Trained	4	6
iii. Number of Complaints Received	10	13
iv. Percentage of 911 Calls Answered in less than 10 seconds	96	96
Performance Indicator: Public Health		
A. Health Program Division		
i. Syringes Distributed Through Needle Exchange	98,238	75,754
ii. Average # of Clients Served Through Needle Exchange	339	600
iii. HIV Tests Performed	117	266
iv. Child Home Safety Assessments	N/A	N/A
v. Child Passenger Safety Presentations	6	7
B. Bureau of Nursing:		
i. Schools Served	52	51
ii Students Served	23,647	22,569
iii. Students With Health Problems	7,723	7,480
iv. Nurse/Student Ratio	1:788	1:753
Information Services:		
C. Epidemiology		
i. Average # of Reportable Disease and Lab Findings Reviewed Per Month	398	446
ii. Interviews Conducted for Enteric Pathogens, Hepatitis, TB and Legionnella	N/A	40
iii. Data Requests for program planning & grant applications	11	N/A
iv. Presentations to City officials, community organizations & the public	7	N/A
v. Major documents (author or significant contributor)	2	N/A
vi. Infectious disease surveillance reports	12	N/A
D. Infectious Disease Control Measures		
i. Outbreak & contact investigations	12	N/A
ii. Foodborne disease patient interviews	44	N/A

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
D. Vital Statistics		
i. Birth Certificates (Full Size)	17,045	17,616
ii. Death Certificates	10,757	10,190
iii. Burial, Cremation, Disinterment	2,549	2,362
iv. Marriage Licenses	1,419	1,315
v. Marriage Certificates	2,671	2,370
vi. State Copies Processed	3,121	3,000
vii. Resident Town Copies Processed	2,445	3,265
E. Maternal & Child Health Division:		
i. Pregnant/Postpartum Women Enrolled in HUSKY	801	911
ii. Children Enrolled in HUSKY	547	615
iii. Pregnant/Postpartum Women Screened for Depression & Appropriately Educated/Referred	620	722
iv. Woman Served Through Intensive Care Management	137	78
v. Children Served Through Intensive Care Management	137	98
vi. Home Visits Through CT Healthy Start	580	514
vii. Outreach Sessions Conducted Each Month Through Federal Healthy Start	282	30
viii. Families Served Through Nurturing Families Program	42	40
ix. Home Visits Through Nurturing Families	1,074	1,128
F. Maternal & Child Health Division:		
i. Pregnant/Postpartum Women Enrolled in HUSKY	801	911
ii. Children Enrolled in HUSKY	547	615
iii. Pregnant/Postpartum Women Screened for Depression & Appropriately Educated/Referred	620	722
iv. Woman Served Through Intensive Care Management	137	78
v. Children Served Through Intensive Care Management	137	98
vi. Home Visits Through CT Healthy Start	580	514
vii. Outreach Sessions Conducted Each Month Through Federal Healthy Start	282	30
viii. Families Served Through Nurturing Families Program	42	40
ix. Home Visits Through Nurturing Families	1,074	1,128
G. Bureau of Environmental Health:		
i. Food Service Inspections & Re-Inspections	1,581	1,802
ii. Food Service Licenses	1,065	1,089
iii. Temporary Food Service Inspections & Licenses	1,250	1,668
iv. Child Daycare Inspections	37	32
v. Group Daycare Inspections	5	2
vi. Swimming Pool Inspections	144	148
vii. Bathing Area Inspections	92	93
viii. Lead Inspections of Housing Units	66	55
ix. New Cases of Lead Housing Units	95	55
x. Re-Inspections Performed During Lead Abatement	762	731
xi. Cases of Lead Poisoning Close	54	16
xii. Housing Units Abated for Lead	39	12
xiii. Nuisance Complaints Investigated & Resolved	128	182
xiv. Food Service Complaints Investigated and Resolved	50	40
H. HUD Lead Hazard Control Grant Activities:		
i. Housing Units Inspected for Lead	56	47
ii. Housing Units Lead Abated	34	39
iii. Individuals Trained in Lead Abatement Field	162	63
iv. Education Outreach Events	59	52
v. Individuals Reached	17,833	36,639

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
I. Office of Emergency Preparedness:		
i. Flu Vaccinations Provided	510	510
ii. Number of Mass Vaccination Tabletop Exercises	0	0
iii. Number of Activation EOC Events	2	2
Performance Indicator: Fair Rent		
i. Number of Inquiries	1,200	1,300
ii. Number of Complaints	60	80
iii. Number of Inspections	60	80
iv. Number of Preliminary Hearings	60	60
v. Number of Public Hearings	30	30
Performance Indicator: Elderly Services		
A. Estimated Service Population		
i. 55 and Up		
ii. 65 and Up	19,000	N/A
iii. 85 and Up	12,000	11,996
	1,700	1,794
B. Senior Centers:		
i. Average Weekly Attendance	723	891
C. Energy Assistance:		
i. Seniors Served	84	215
ii. Number of Centers Providing Services	5	3
D. Rental Rebate		
i. Seniors Approved	4,868	5,048
ii. Centers Providing Service	N/A	3
E. Share Program		
i. Centers Providing Service	3	3
F. Transportation Services:		
i. Seniors Transported to Centers	115	130
ii. Trips	11,870	11,572
G. Property Tax Credit/Tax Freeze	146	N/A
Performance Indicators: Youth Services Department		
A. Youth Commission:		
i. Youth Commission Number of Meetings	9	6
B. Youth @ Work		
i. Jobs Funding	595,000	650,000
ii. Number of School Year Employers	48	49
iii. Number of Summer Employers	80	82
iv. Number of Applicants Processed	1,128	1,120
v. Number of Students Employed School Year/ Summer	617	844
vi. % of Participants Job Ready: Pre Program	40%	50%
vii. % of Participants Job Ready: Post Program	90%	85%

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
C. CDBG Programs:		
i. CDBG Monitoring Number of Programs Monitored	13	15
D. Open Schools:		
iv. Programs offered	12	12
E. Summer Busing:		
i. Number of Organizations served	44	36
F. Street Outreach Workers:		
i. # of outreach workers	8	8
ii. # of youth served (undup)	210	220
iii. Ratio (Workers to Youth)	1:25	1:25
iv. Percentage of youth engaged in a program who have not recommitted a crime or acts of violence	89%	90%
v. % Employment of program participants	32%	30%
vi. % of Participants Enrolled in School	65%	60%
G. Leadership Council		
i. # of youth engaged/enrolled	20	20
ii. % attendance	80%	80%
H. Youth Map:		
i. # of organizational partners registered	N/A	201
ii. # of website hits	N/A	N/A
I. Youth Texting:		
i. # of teens signed up	N/A	N/A
J. Youth Guide		
i. # of guides distributed	5,000	18,000
Performance Indicator: Services for Persons With Disability		
i. Handles all requests for disability related accommodations as requested by the Americans With Disabilities Act. Pursuant to 42 USC 1201 et seq. and New Haven Ordinance 16 1/2 - 17 (c)(5)	15	24
ii. Monitoring and taking appropriate action to ensure that federal and state laws and regulations pertaining to persons with disabilities are complied with the City. New Haven Ordinance 16 1/2 - 17 (c)(5)	3	2
iii. Upon request or complaint assist other department with various aspects of ADA compliance.	8	7
iv. Represent residents with disabilities at various local and statewide events, committees and conferences.	26	23
v. Advocate for legislative initiatives that will benefit New Haven residents with disabilities	1	1
vi. Provide training and/or consultations on various disability related issues, promote access and understanding of individuals with disabilities. Recent trainings include Yale Medical School, UNH Diversity Class, and Greater New Haven Chamber of Commerce.	12	13

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

		2014		2013
Performance Indicator: Community Service Administration				
i. Persons receiving SAGA Medical/ Medical LIA (SS)*		2,690		7,725
ii. Persons receiving SNAP's - Food Stamps (S)*		N/A		7,837
iii. Outreach to SNAP Recipients (S)		N/A		7,874
iv. Number of clients served through SNAP E&T (S)		N/A		7,252
v. Structured Job Skill Training		N/A		179
vi. Work Experience in Community Service Programs (S)		N/A		70
vii. SNAP Recipients Education Enrollment (S)		N/A		2
viii. Vocational/Occupational Skills Training Services (S)		N/A		4
ix. Number of Client Assessments Completed (SS)		426		322
x. Number of Client Assessments Completed (S)		N/A		167
xi. Number of Client Service Plans Created (SS)		426		322
xii. Number of Clients receiving transportation assistance		555		487
xiii. Instances of Clients receiving CT Drivers' License services		37		55
xiv. Number of Clients receiving CT Non-Drivers' Photo Identification		27		57
xii. Number of Client Service Plans Created (S)		N/A		167
xiii. % Clients in the program have successfully obtained food, clothing, fuel assistance, shelter and other basic needs (SS)*		118%		89%
xiv. % Clients in Program seeking employment that obtain employment (SS)*		6%		11%
xv. Amt ($) collected on liens and assignments of interest (Welfare)		1,723		-
Performance Indicator: Public Works				
A. Administration				
i. Creation of budget materials, monitoring of expenditures, purchase requisitions and ordering results. Surplus/(Deficit)	$	-	$	246,359
ii. Solid Waste and Recycling Authority Surplus/(Deficit)	$	613,047	$	626,403
B. Bridges (24 hour operation of three bridges):				
i. Maintenance cost: Ferry Street	$	2,850	$	2,621
ii Maintenance cost: Chapel Street	$	3,100	$	3,029
iii. Maintenance cost: Grand Avenue	$	2,940	$	2,637
vi. Total number of closures		12		11
C. Solid Waste/Refuse Management:				
i. Tons of residential solid waste		31,001		29,946
ii. Tons of residential recycling		5,976		6,337
iii. Recycling per household		1 lbs/day		1.09 lbs/day
iv. Percent Recycling		16.19%		17.66%
v. Number of litter barrels		400		400
vi. Number of residential transfer station customers served		2,454		2,218
vii. Number of commercial transfer station customers served		10,518		9,882
viii. Total tons of municipal solid waste		64,159		65,087
D. Street Division:				
i. Tons of pothole patching		2,093		4,080
ii. Pavement conditions rating		40		10
iii. Number of storms		16		13
iv. Overtime expenses	$	328,303	$	164,831
v. Cost of bulk trash pickup	$	300	$	300

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
E. Storage and disposal of the possessions of evicted individuals:		
i. Total labor hours	140	68
ii. Number of right of way warnings issued	-	75
iii. Number of right of way citations issued	-	13
Performance Indicator: Engineering		
A. Sewer Separation:		
i. Pollution Overflow	18	24
ii. Miles of Combined Sewer	52	52
iii. Miles of New Storm Sewers Installed	0.7	1
iv. Projects Under Design or Construction	4	2
B. City Bridges		
i. City Bridges	49	49
ii. Bridges in Poor Condition	1	7
iii. Projects Under Design or Construction	8	7
iv. Bridges Completed and Open	-	-
C. Drainage:		
i. Drainage Complaints	260	300
ii. Catch Basin Backlog	60	65
D. Road Improvements:		
i. Miles of Local Roads	225.0	224.8
ii. Road Design	1.60	1.80
iii. Road Reconstructed	0.25	2.30
E. Support Service:		
i. Department Support Service Project	105	120
ii. Property Inquires	200	600
iii. Plan Reviews	125	150
Performance Indicator: City Plan		
A. Zoning Board of Appeals:		
i. Hearings	12	12
ii. Zoning Compliance Letter	244	251
iii. Agenda Items	138	115
B. City Plan Commission:		
i. CAL	7	10
ii. Meetings	15	13
iii. Total Number of Agenda Items	197	224
iv. Ordinance Text & Map Amendments	7	11
v. Items Associated with Planned Development	2	2
vi. Items Associated with Inland Wetlands Reviews	5	17
vii. Items Associated with Land Disposition	1	21
viii. Items Associated with Coastal Site Plans	3	24
ix. Items Associated with Site Plan Review	42	56
x. Items Referred by Zoning Board of Appeals	30	21
xi. Items Associated with Livable City Initiative	30	43
xii. Items Associated with Special Permits	12	10
xiii. Other Items referred to by the Board of Alderman	37	56

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
C. Walk-In Applicants Assistance:		
i. Zoning & City Plan Inquiries	660	850
D. Project Management:		
i. Development Projects	7	6
ii. Dollar Value of Development Projects Managed	$100m	$80m
F. Neighborhood Plans:		
i. Zoning Ordinance Amendments/Sections	3	3
ii. G.I.S. Maps provided to public	N/A	N/A
iii. G.I.S. Maps to City Departments	N/A	No Charge
G. Publications Sold:		
i. Zoning Maps	N/A	N/A
H. Zoning:		
i. Applications/Historic District Commission - New	4	6
Performance Indicator: Transportation, Traffic and Parking		
A. Traffic Signals:		
i. Signalized Intersections	331	331
ii. Intersections Rebuilt	18	18
iii. Repair Visits	1,400	1,500
iv. % of Requests for Emergency Service on Traffic Control Equipment within 1 hour	100%	100%
B. Signs and Markings:		
i. Inventory of Street Signs	110,000	110,000
ii. Signs Replaced	3,750	3,500
iii. Cost of Contact Service (Painting)	150,000	150,000
C. Enforcement & Collection:		
i. Tickets Written	133,008	161,870
ii. Revenue Collected	5,513,700	5,721,901
iii. Appeals Adjudicated	5,483	9,712
D. Meters:		
i. Total Collections	6,329,089	5,709,645
ii. Repair Visits	4,200(+/-)	3,000 (+/-)
iii. Total Replacements	-	600
E. Other:		
i. & of Plans Reviews within 30 days	100%	100%
ii. Zoning Changes	100%	100%
iii. Building Permits	100%	100%
iv. Planned Unit Development	100%	100%
v. Streetscape Projects	100%	100%
vi. Reported Crashes per 1000 population	100%	100%

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
Performance Indicator: Office of Building Inspection and Enforcement		
A. Number of Permits Issued:		
i. Building	1,434	1,515
ii. Electrical	1,071	1,072
iii. HVAC	562	632
iv. Plumbing	583	613
v. Demolition	29	47
vi. Total	3,679	3,879
B. Building Permits Issued By Category:		
i. Residential (new)	24	44
ii. Non-Residential (new)	21	16
iii. Mixed Use (new)	4	1
iv. Residential (Rehab)	913	937
v. Non-Residential (Rehab)	422	450
vi. Mixed Use(Rehab)	50	67
C. Demolition		
i. Residential	4	9
ii. Non-Residential	25	39
iii. Revenue from Permits & Fees	$ 7,995,027	$ 8,904,382
iv. Routine Building Inspections	7,090	7,069
v. Building & Zoning Code Violations Cited	380	379
vi. Auction	-	-
vii. Broker	17	22
viii. One Day Food Vendor	7	8
xi. Food Vendor	250	219
x. Parking Lot	11	13
xi. Peddler	52	57
xii. One Day Peddler	52	66
xiii. Rooming House	44	44
xiv. Excavation Permit	600	599
xv. Obstruction	347	404
xvi. Sidewalk License	51	45
xvii. Sandwich Board	11	14
xviii. Special Event	170	159
xix. Outdoor Seating	21	27

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
Performance Indicator: Livable City Initiative		
i.# of Complaints	48	41
ii. # of Letters	48	41
iii. # of Citations	25	15
iv. # of Foreclosures	8	5
v. # of Community Meetings Attended	227	227
vi. # of Complaints Addressed	2,410	2,400
vii. # of Vacant Homes Monitored	630	750
viii. # of Foreclosed Properties Registered	545	469
ix. # of Tons of Trash Removed	243	244
x. # of Properties Maintained	210	250
xi,. # of Liens Placed as it relates to Property Maintenance	45	117
xii. # of Structures to be Demolished	6	13
xiii. # of Properties Demolished	6	12
xiv. # of Liens Placed as it Relates to Demolition of Private & City Owned Property	6	6
xv. # of Properties for Sale	224	221
xvi. # of Properties Sold	14	13
xvii. # of Properties Condemned due to Fire	7	-
xvii. # of Properties Condemned	11	36
xviii. # of Persons Temp Relocated Fire	3	-
xviii. # of Persons Temporarily Relocated	10	43
xix. # of Persons Permanently Relocated	16	104
xx. # of Liens Placed as it Relates to Relocation	7	14
xxi. # of For Profit Community Partners	6	5
xxii. # of Not-For-Profit Community Partners	17	17
xxiii. # of Projects in Development	23	31
xxiv. # of Units in Development	436	328
xxv. # of Rental Units Completed	45	38
xxvi. # of Homeownership Units Completed	39	62
xxvii. # of Individuals Completing Post Purchase/Homeownership/Counseling	32	15
xxviii. # of Down Payment Loans	14	14
xxix. # of Energy Improvement Loans	22	15
xxx. # of Elderly/Disabled Emergency Repair Loans	9	17
xxxi. # of Complaints as it Relates to Code Enforcement	1,473	1,800
xxxii. # of Cases Resolved	582	1,200
xxxiii. # of Units Inspected.	4,473	5,200
Performance Indicator: Livable City Initiative, Continued		
xxviii. # of Down Payment Loans	14	14
xxix. # of Energy Improvement Loans	22	15
xxx. # of Elderly/Disabled Emergency Repair Loans	9	17
xxxi. # of Complaints as it Relates to Code Enforcement	1,473	1,800
xxxii. # of Cases Resolved	582	1,200
xxxiii. # of Units Inspected.	4,473	5,200
Performance Indicator: Economic Development Administration		
A. Citywide Indicators		
i. Employment Base-Total number of jobs in New Haven.	79,500	79,279
ii. Unemployment Rate-% of city residents who are unemployed.	9%	10%
iii. Business Start-Ups-Total number of business start-ups in the city.	63	49
iv. Downtown Retail Occupancy-% of downtown retail storefronts that are occupied.	90%	86%
v. Commercial Vacancy Rate-% of vacant citywide commercial office space.	14%	15%

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2014 and 2013
(Unaudited)

	2014	2013
B. Department Indicators		
i. Technical Assistance to Small- and MBE-Contractors-Number of contractors served in-person by ED.	324	195
ii. Registered Small- and MBE-Contractors-Number of contractors registered in SCD program.	140	135
iii. Contractor Participation Rate-% of City contracts awarded to non-women-owned MBEs.	8%	8%
iv. Contractor Workshops-Number of contractor workshops conducted by ED.	11	11
v. Arts, Culture and Tourism Events-Number of people served.	10,750	6,600
vi. Project Storefronts Activity-Number of participating businesses.	62	2

*These numbers are from the Police mapping system (not CAD records) and should not be considered official statistics.

City of New Haven, Connecticut

Federal and State Financial and Compliance Report
Year Ended June 30, 2014

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McGladrey

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of New Haven, Connecticut's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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.* 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Member of the RSM International network of independent accounting, tax and consulting firms.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-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, 2014, and the related notes to the financial statements, which collectively comprise the City of New Haven, Connecticut's basic financial statements. We issued our report thereon dated February 12, 2015, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the New Haven Parking Authority. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

McGladrey LLP

New Haven, Connecticut
February 12, 2015

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State of Connecticut			
Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program - 2012	10.555	12060-SDE64370-20560	$ 13,092
National School Lunch Program - 2013	10.555	12060-SDE64370-20560	3,612,164
National School Lunch Program - 2014	10.555	12060-SDE64370-20560	4,112,962
USDA Commodities-Noncash	10.555	N/A	591,193
School Breakfast Program - 2013	10.553	12060-SDE64370-20508	1,023,592
School Breakfast Program - 2014	10.553	12060-SDE64370-20508	1,971,368
Total Child Nutrition Cluster			11,324,371
Child Care Food Program - 2013	10.558	12060-SDE64370-20518	94,317
Child Care Food Program - 2014	10.558	12060-SDE64370-20518	126,836
Total Child Care Food			221,153
Child and Adult Care - Cash in Lieu-2013	10.550	12060-SDE64370-20544	5,031
Child and Adult Care - Cash in Lieu-2014	10.550	12060-SDE64370-20544	6,892
Total Child and Adult Care			11,923
Total U.S. Department of Agriculture			11,557,447
U.S. Department of Housing and Urban Development			
Direct Program:			
Community Development Block Grant	14.218	N/A	3,023,506
CDBG Program Income	14.218	N/A	144,128
Total Community Development Block Grant			3,167,634
Section 108 Income LCI	14.219	N/A	2
Section 108 Grant Economic Development	14.219	N/A	1,778
Section 108 Income Economic Development	14.219	N/A	1,553
Total Section 108			3,333
UDAG Program Income	14.221	N/A	62,745
Emergency Shelter Program	14.231	N/A	303,595
HOME Investment Program	14.239	N/A	1,581,116
HOME Program Income	14.239	N/A	173,327
Total HOME Investment Grant			1,754,443
Housing Opportunities for Persons with AIDS	14.241	N/A	957,729
Lead Based Paint Hazard Control Program	14.900	N/A	453,375
Total - Direct			6,702,854

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through the State of Connecticut			
Office of Economic and Community Development:			
Neighborhood Stabilization - Title III	14.256	12060-ECD46400-22466	$ 747,975
Community Challenge Planning Grant (HUD) - 2012	14.704	12060-ECD46400-22455	561,020
Total - Pass Through			1,308,995
Total U.S. Department of Housing and Urban Development			8,011,849
U.S. Department of Justice			
Direct Program:			
Cops Hiring Recovery 2009 - ARRA	16.710	N/A	44,345
Prison Re-entry	16.753	N/A	157,397
Federal Surplus Property Program	16.578	N/A	48,538
Justice Assistance Grant Cluster:			
JAG10/Enhancing Police Strategies to Prevent Crime	16.738	N/A	6,206
JAG 2011	16.738	N/A	15,654
P.A.S.T.	16.738	N/A	186,365
JAG 2012	16.738	N/A	52,258
JAG 2013	16.738	N/A	108,525
Total Justice Assistance Grant Cluster			369,008
Total U.S. Department of Justice			619,288
U.S. Department of Environmental Protection			
Passed through the State of Connecticut Department of Environmental Protection:			
34 Lloyd St. Cleanup	66.XXX	BF-97171801-2	2,425
10 Wall Str. Brownfields	66.818	BF-96132601-0	45,781
Brown field Revolving Loan	66.XXX	BF-96132701-0	255,634
Total U.S. Department of Environmental Protection			303,840

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Transportation			
Passed through the State of Connecticut			
Department of Transportation:			
Highway Planning and Construction Cluster:			
Tiger II - Downtown Crossing	20.205	12062-DOT57161-22108	$ 4,935,320
Boat house Long Wharf	20.205	12062-DOT57191-22108	232,457
Computerized Traffic Signal Project	20.205	N/A	1,731,552
Traffic Signal System	20.205	N/A	49,530
East Rock Bridge 04419 2013	20.205	12062-DOT57191-22108	1,172,919
Farmington Canal Phase 4	20.205	12062-DOT-57191-22108	86,208
Boathouse Canal Rock	20.205	12062-DOT-57161-22112	6,992,590
Central Control Signal System	20.205	12062-DOT57191-22108	40,453
Pavement Rehab on Dixwell, Davenport & Grand Ave.	20.205	12062-DOT57161-22108	130,043
Rt. 34 Construction	20.205	12062-DOT57191-22108	939,107
Wilmont Road Bridge	20.205	12062-DOT-57191-22109	60,363
Harbor Access	20.205	12062-DOT-57161-22111	905,392
Total Highway Planning and Construction Cluster			17,275,934
Airport Improvement Program	20.106	13033-DOT57757-41389	1,197,714
Alcohol Open Container Requirements			
Expanded DUI Enforcement	20.607	12062-DOT57513-22086	100,784
DUI Comprehensive Enforcement	20.607	12062-DOT-57513-22091	32,891
DUI Comprehensive Enforcement Equipment 2013	20.607	12062-DOT-57513-22091	3,000
Click it or Ticket	20.607	12062-DOT57513-20559	21,040
Total Alcohol Open Container Requirements			157,715
Total U.S. Department of Transportation			18,631,363
U .S. Department of Education			
Direct Program:			
Magnet School Assistance:			
Magnet School Assistance C/O	84.165	N/A	905,436
NH Magnet Schools Program	84.165	N/A	1,143,375
Total Magnet School Assistance			2,048,811
Impact Aid Title I	84.040	N/A	23,384
Volunteer School Choices	84.361	N/A	5,118
Teachers Incentive	84.374A	N/A	4,753,824
Total - Direct			6,831,137

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U .S. Department of Education, Continued			
Passed through the State of Connecticut			
Department of Education:			
Title I Part A, Cluster:			
Title I - Improving Basic Programs - 13-15	84.010A	12060-SDE64370-20679	$ 7,503,912
Title I - Improving Basic Programs - 12-14	84.010	12060-SDE64370-20679	1,316,893
Title I - Part A 1003(A) School Improvement 12-14	84.010	12060-SDE64370-20679	320,895
Total Title I Part A, Cluster			9,141,700
School Improvement Grants Cluster:			
ARRA - School Improvement - Central Office	84.388	12060-SDE64370-29064	114,688
ARRA - School Improvement - Brennan 09	84.388	12060-SDE64370-29064	115,411
ARRA - School Improvement - Hill Central 09	84.388	12060-SDE64370-29064	40,748
ARRA - School Improvement - Hill House 09	84.388	12060-SDE64370-29064	56,114
ARRA - School Improvement - W Cross 09	84.388	12060-SDE64370-29064	94,310
School Improvement (SCG) Clemente	84.377	12060-SDE64370-22223	734,742
School Improvement (SCG) Clemente	84.377	12060-SDE64370-22223	59,908
Total School Improvement Grants Cluster			1,215,921
Education of Homeless Children and Youth C/O	84.196	12060-SDE64370-20770	40,000
Adult Education - Improvement	84.002	12060-SDE64370-20784	80,000
Title II, Part A, Teachers Training 12-14	84.367	12060-SDE64370-20858	204,691
Title II, Part A, Teachers Training 13-15	84.367	12060-SDE64370-20859	1,814,843
Total Title II, Part A Teachers Training			2,019,534
Special Education Cluster:			
IDEA Part B, Section 619 Preschool 12-14	84.173	12060-SDE64370-20983	21,405
IDEA Part B, Section 619 Preschool 13-15	84.173	12060-SDE64370-20983	75,597
IDEA Part B, Section 611 12-14	84.027	12060-SDE64370-20977	354,500
IDEA Part B, Section 611 13-15	84.027	12060-SDE64370-20977	4,556,466
IDEA Part B, Section 611 - Non Public - 13-15	84.027	12060-SDE64370-20977	239,173
Total Special Education Cluster			5,247,141
21st Century Cohort VIII 2014	84.287	12060-SDE64370-20863	97,230
21st Century Cohort VIII 2014 sde 07	84.287	12060-SDE64370-20863	94,688
21st Century Cohort VIII 2013	84.287	12060-SDE64370-20863	7,857
21st Century Cohort VIII 2013 SDE07	84.287	12060-SDE64370-20863	6,006
21st Century Cohort VIII 2014 SDE08	84.287	12060-SDE64370-20864	11,255
21st Century Cohort VIII 2014 sde 08	84.287	12060-SDE64370-20863	98,548
21st Century Cohort XI Davis/Riverside SDE6	84.287	12060-SDE64370-20863	10,066
21st Century Cohort XI Davis/Riverside SDE 9	84.287	12060-SDE64370-20863	187,093
21st Century Cohort XI Wexler/Hhouse SDE 9	84.287	12060-SDE64370-20863	40,776
21st Century Cohort XI Wexler/Hhouse SDE 9	84.287	12060-SDE64370-20863	181,837
Total 21st Century Cohort			735,356

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U .S. Department of Education, Continued			
Passed through the State of Connecticut			
Department of Education, Continued:			
Title III Part A English Language Acquisition - 13-15	84.365	12060-SDE64370-20868	$ 292,678
Title III Part A English Language Acquisition - 12-14	84.365	12060-SDE64370-20868	75,837
Total Title III Part A English Language Acquisition			368,515
Carl Perkins- Career and Technical Education Act	84.048	12060-SDE64370-20742	408,515
Supports for Pregnant Teens - 2014	93.500	12060-SDE64370-22439	159,225
Supports for Pregnant Teens - 2013	93.500	12060-SDE64370-22439	29,457
Total Pregnancy Assistance Program			188,682
Total Passed through the State of Connecticut Department of Education			19,445,364
Total U.S. Department of Education			26,276,501
U.S. Department of Health and Human Services			
Direct Program:			
Ryan White Formula and Supplement	93.914	N/A	5,138,600
Head Start Program	93.600	N/A	6,507,031
Total - Direct			11,645,631
Passed through the State of Connecticut			
Department of Social Services:			
Social Services Block Grant 10/1/12-9/30/13 & 10/1/13-9/30/14	93.667	12060-DSS60783-20701	196,963
Passed through the Office of Early Childhood:			
SSBG Day Care Grant	93.xxx	12060-OEC-64841-26155	121,226
Total Social Services Block Grant			318,189
Passed through the State Department of Public Health:			
School Based Health Clinics	93.994	12060-DPH48832-21531	137,500
PHP Cluster:			
PHP Emergency Preparedness (Bioterrorism) 7/1/2012-6/30/2013	93.069	12060-DPH48558-22333	58,446
Total PHP Cluster			58,446
Immunization Program 1/1/2012-12/31/2012	93.268	12060-DPH48664-20911	112,485

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through the State of Connecticut			
Department of Public Health:			
Obesity Unintentional Injury	93.991	12060-DPH48558-21530	$ 35,714
AIDS Prevention Education Services 1/1/2013 - 12/31/2014	93.940	12060-DPH48852-22511	22,023
Total State Department of Public Health			366,168
Total U.S. Department of Health and Human Services			12,329,988
U.S. Department of Homeland Security			
Passed through the State of Connecticut			
Department of Public Safety:			
Emergency Management Performance Grant	97.042	12060-DPS32960-21881	66,846
CTIC RILO	97.067	N/A	40,000
FEMA Camera Software	97.056	N/A	454,554
Port Security Grant Program:			
Camera Software	97.056	12060-DPS32160-22327	279,898
Dock Project	97.056	12060-DPS32160-22327	26,048
Total Port Security Grant program			305,946
Disaster Grants - Public Assistance:			
FEMA (Sept. 2011 Storm)	97.036	12060-DPS32990-21891	100,811
Storm Sandy Fund	97.036	CT-DR-4087	379,069
Blizzard 2013 Nemo	97.036	CT-DR-4106	7,170
Total Disaster Grants - Public Assistance			487,050
Total U.S. Department of Homeland Security			1,354,396
Institute of Museum and Library Science			
Grants to states	45.310	11000-CSL66051-17003	1,406
Total Expenditures of Federal Awards			$ 79,086,078

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of New Haven, Connecticut (the "City") under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Component Units

The schedule does not include any expenditures of federal awards of the City's discretely presented component units.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87*, Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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Note 3. Contributions

Donated commodities in the amount of $591,193 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555 and for the Department of Public Health, donated vaccines in the amount of $112,485, CFDA # 93.268. The amount represents the market value of commodities received.

City of New Haven, Connecticut

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	____ Yes	X No	
• Significant deficiency(ies) identified?	____ 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(ies) identified?	____ Yes	X None reported	

Type of auditor's report issued on compliance for major programs: unmodified

• Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	____ Yes	X No	

Identification of Major Programs

CFDA Numbers	Name of Federal Program of Cluster
20.106	Airport Improvement Program
14.704	Community Challenge Planning Grant
14.256	Neighborhood Stabilization – Title III
84.374A	Teachers Incentive
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs $2,372,582

Auditee qualified as low-risk auditee? X Yes ____ No

II. Financial Statement Findings

No matters were reported.

III. Federal Award Findings and Questioned Costs

No matters were reported.

City of New Haven, Connecticut

Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014

There were no findings relative to federal awards in the prior year's Federal Single Audit.

McGladrey

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*

Independent Auditor's Report

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

We have audited, in accordance with the 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut (the "City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2015. Our report includes a reference to other auditors who audited the financial statements of the New Haven Parking Authority, as described in our report on the City of New Haven, Connecticut's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

New Haven, Connecticut
February 12, 2015

McGladrey

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the City of New Haven, Connecticut's (the "City") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2014. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of the types of compliance requirements referred to above. 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). 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'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 on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Member of the RSM International network of independent accounting, tax and consulting firms.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, 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's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business-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, 2014, and the related notes to the financial statements, which collectively comprise the City of New Haven, Connecticut's basic financial statements. We issued our report thereon dated February 12, 2015, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the New Haven Parking Authority. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

McGladrey LLP

New Haven, Connecticut
February 12, 2015

City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Office of Policy and Management:		
Local Capital Improvement Program	12050-OPM20600-40254	$ 6,642,046
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	11,231
Property Tax Relief for Veterans	11000-OPM20600-17024	52,427
Property Tax Relief for Elderly	11000-OPM20600-17018	434,350
PILOT Exempt Property of Manufacturing Facilities - Distressed	11000-OPM20600-17016	231,722
Property Tax Elderly Homeowner's - Freeze Program	11000-OPM20600-17021	4,000
PILOT State-Owned Property	11000-OPM20600-17004	5,070,786
Municipal Grant-in-Aid	12052-OPM20660-43587	1,287,650
Payment in Lieu of Taxes (PILOT) on State Colleges and General Hospitals	11000-OPM20600-17006	38,567,488
Project Longevity	11000-OPM20350-17098	55,388
Total Office of Policy and Management		52,357,088
Department of Emergency Services and Public Protection:		
State Forfeiture Revolving Fund	12060-DPS32155-35142	45,880
Local Officer Incentive	12060-DPS32523-26185	16,500
Telecommunications Fund (E-911 Cities) 08/09	12060-DPS32740-35190	598,029
Telecommunications Fund (CMED) FY11	12060-DPS32740-35190	178,103
Telecommunications Fund E-911 Capital Expense Grant	12060-DPS32740-35190	52,358
Fire Training School	11000-DPS32251-16034	45,946
Total Department of Emergency Services and Public Protection		936,816
Department of Economic and Community Development:		
Tax Abatement Program	11000-ECD46400-17008	85,128
424 Grand Ave. Remediation	2001093021	62,785
Gateway Project/Macy's	13019-ECD46440-41240	4,320
100 River St. Colony Hardware	13019-ECD46440-41240	392,207
Downtown Crossing Project	13019-ECD46440-41240	2,404,817
DECD Arts Catalyze Placement	11000-ECD46820-16196	47,141
DECD Arts Catalyze Placement FY14	11000-ECD46820-16258	10,000
Total Department of Economic and Community Development		3,006,398
Department of Energy and Environmental Protection:		
Community Gardens	12060-DEP43153-35328	6,942
Department of Public Health:		
Per Capita Funding	11000-DPH48500-17009	152,910
School Based Health Clinics 2011	11000-DPH48500-17019	1,348,088
Tuberculosis Control	11000-DPH48500-16112	64,059
Lead Poisoning Prevention 7/1/11 - 6/30/12 (2012-1501)	11000-DPH48500-12126	141,458
Aids - Prevention Education Services	11000-DPH48800-12236	17,558
Aids - Prevention Education Services	11000-DPH48852-12236	22,024
Sexually Transmitted Diseases	11000-DPH48500-17013	21,811
Syringe Exchange Programs	11000-DPH48500-12100	140,935
Total Department of Public Health		1,908,843

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Transportation:		
East Rock Rd Bridge	12062-DOT57191-22108	$ 58,114
Long Wharf Parcels G&H	12062-DOT57191-22108	6,170
Harbor Access Proj 92-583	12062-DOT57161-22111	181,078
Boathouse at Canal Rock Proj 92-570	12062-DOT57161-22112	1,748,148
Brookside Bridge Proj 92-002	12060-DOT57161-22108	80,757
Total		2,074,267
Town Aid Road Grant - STO	13033-DOT57131-43459	1,244,746
TOD - PILOT Program	N/A	269,177
Total Department of Transportation		3,588,190
Department of Social Services:		
Food Stamp Education	12060-DSS60799-20735	52,927
Nurturing Families Network	11000-DSS60406-12042	241,872
Healthy Start	11000-DSS60521-16105	407,440
Total Department of Social Services		702,239
Office of Early Childhood:		
Quality Enhancement	11000-OEC64845-17097	108,098
School Readiness - Priority School District	11000-OEC64845-17101-82056	7,587,092
Child Daycare - Infant and Toddler	11000-OEC64845-12520	787,966
Head Start Services	11000-OEC64845-16106	201,611
Head Start Enhancement	11000-OEC64845-16101	138,205
Total Office of Early Childhood		8,822,972
Department of Education:		
Child Nutrition Program Lunch State Match	11000-SDE64370-16211	125,694
Vocational Education Agriculture	11000-SDE64370-17017	962,832
Family Resource Centers Program - Wexler	11000-SDE64370-16110	98,355
Family Resource Centers Program - Brennan	11000-SDE64370-16110	97,879
Family Resource Centers Program - Hill	11000-SDE64370-16110	95,974
Family Resource Centers Program - Fair Haven	11000-SDE64370-16110	97,938
Family Resource Centers Program - Ross/Wood	11000-SDE64370-16110	82,609
Total		472,755
Adult Education Cooperating Eligibility Entity	11000-SDE64370-17030	202,082
Adult Education Provider	11000-SDE64370-17030	4,800,000
Adult Ed Transition PILOT	11000-SDE64370-17030	100,000
Total		5,102,082
Youth Service Bureau	11000-SDE64370-17052	124,863
Youth Service Bureau Enhancement	11000-SDE64370-16201	9,874
School Breakfast Program	11000-SDE64370-17046	129,000
School Breakfast Program Public State Match	11000-SDE64370-17046	34,251
		163,251

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Education, Continued:		
Nonpublic Health Services	11000-SDE64370-17034	$ 46,989
Open Choice	11000-SDE64370-17053	316,503
Open Choice Supplemental Program	11000-SDE64370-17053	262,500
Open Choice Supplemental for Increased Enrollment	11000-SDE64370-17053	1,779
		580,782
School Accountability Summer School	11000-SDE64370-17043-82055	400,374
Bilingual Education	11000-SDE64370-17042	216,226
Priority School Districts	11000-SDE64370-17043-82052	5,879,547
Extended School Hours	11000-SDE64370-17043-82054	334,895
Young Parents Program	11000-SDE64370-17044	43,741
Interdistrict Cooperative - Sound Marine	11000-SDE64370-17045	161,840
Magnet School Operating (SDE000079)	11000-SDE64370-17057	1,047,440
Magnet School Operating (SDE000080)	11000-SDE64370-17057	2,289,300
Magnet School Operating (SDE000081)	11000-SDE64370-17057	2,864,975
Magnet School Operating (SDE000082)	11000-SDE64370-17057	3,029,400
Magnet School Operating (SDE000083)	11000-SDE64370-17057	946,715
Magnet School Operating (SDE000088)	11000-SDE64370-17057	2,325,040
Magnet School Operating (SDE000093)	11000-SDE64370-17057	2,258,790
Magnet School Operating (SDE000106)	11000-SDE64370-17057	919,270
Magnet School Operating (SDE000107)	11000-SDE64370-17057	2,497,765
Magnet School Operating (SDE000111)	11000-SDE64370-17057	1,734,815
Magnet School Operating (SDE000114)	11000-SDE64370-17057	1,255,840
Magnet School Operating (SDE000127)	11000-SDE64370-17057	2,583,425
Magnet School Operating (SDE000128)	11000-SDE64370-17057	2,738,785
Magnet School Operating (SDE000143)	11000-SDE64370-17057	1,968,240
Magnet School Operating (SDE000144)	11000-SDE64370-17057	2,147,535
Magnet School Operating (SDE000146)	11000-SDE64370-17057	2,793,425
Magnet School Operating (SDE000147)	11000-SDE64370-17057	2,512,760
Magnet School Transportation	11000-SDE64370-17057	3,434,600
Total		39,348,120
CT K-3 Literacy Initiative Expansion		26,469
Alt High School and Adult Read Incentive	11000-SDE-64370-12567	500,000
High Quality School & Common Core Implementation	12052-SDE-64370-43538	2,503,451
Local Charter School Start up (Elm City Montessori)	11000-SDE-64370-17041	250,000

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Education, Continued:		
Science Improvement For Education Reform Districts	11000-SDE64370-12543	$ 83,231
ECS - Alliance District Funding	11000-SDE64370-17041	7,746,323
Charter Schools - 268 Common Ground	11000-SDE64370-17041	1,890,000
Charter Schools - 279 Amistad	11000-SDE64370-17041	9,838,500
Charter Schools - 289 Elm City	11000-SDE64370-17041	6,552,000
Total		18,280,500
Healthy Foods Initiative	11000-SDE64370-16212	257,264
Commission Network Turnaround	11000-SDE-64370-12547	1,335,231
Wrap Around Services	11000-SDE64370-12544	141,057
School Health Coordinator Pilot	11000-SDE64370-12546	94,320
Low Performing Schools	12052-SDE64370-43539	710,929
School Security Competitive	N/A	429,922
Parent Academy	11000-SDE64370-12545	69,617
Total Department of Education		86,402,179
Division of Consumer Protection:		
Payment to Town OTB	34004-DCP39930-40001	775,934
Bingo Payments	34003-DCP39940-42350	247
Total Division of Consumer Protection		776,181
Judicial Branch:		
Distribution to Towns	34001-JUD95162-40001	56,035
Youth Violence Prevention Grant	11000-JUD96114-12555	505,000
Total Judicial Branch		561,035
Department of Labor:		
Construction Workforce Initiative II 2013	11000-OWC22000-12108	370
CT Green Jobs Funnel	GJF 23420 00826 12 7004	162,222
Total Department of Labor		162,592
State Library:		
Connecticard	11000-CSL66051-17010	3,428
Historical Documents Preservation	12060-CSL66094-35150	9,500
		12,928
Department of Agriculture:		
Connecticut Agriculture Bureau	34003-DAG42660-42337	32,228
Total Expenditures of State Financial Assistance Before Exempt Programs		159,276,631

(Continued)

City of New Haven, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Exempt Programs:		
Office of Policy and Management:		
Mashantucket Pequot Grant	12009-OPM20600-17005	$ 7,417,028
Municipal Revenue Sharing	12060-OPM20600-35458	2,653,467
Municipal Video Competition	12060-OPM20660-35362	20,213
Total Office of Policy and Management		10,090,708
Department of Education:		
Transportation for School Children - Non-Public	11000-SDE64000-17049	2,210,733
Transportation for School Children - Public	11000-SDE64000-17027	216,277
Education Cost Sharing	11000-SDE64000-17041	142,476,671
Special ED - AG. Placements and Excess Costs	11000-SDE64000-17047	1,757,916
Special ED - AG. Placements and Excess Costs	11000-SDE64000-17047	929,870
Special ED - AG. Placements and Excess Costs	11000-SDE64000-17047	61,154
Total Department of Education		147,652,621
Department of Administrative Services:		
School Construction Progress Payments 14	13010-DAS28246-40901	10,107,346
School Construction Progress Payments - Magnet 14	13010-DAS28246-40901	6,564,513
School Construction Reg Principal 14	13010-DAS28246-40901	4,833,618
School Construction Reg Interest 14	13009-DAS28246-40896	1,472,696
Total Department of Administrative Services		22,978,173
Total Exempt Programs		180,721,502
Total Expenditures of State Financial Assistance		$ 339,998,133

See Notes to Schedule of Expenditures of State Financial Assistance

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City, under programs of the State of Connecticut for the year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in fund balance, and changes in net position or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, 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.

Note 3. Component Units

The schedule does not include any expenditure of State awards of the City's discretely presented component units.

City of New Haven, Connecticut

Schedule of State Single Audit Findings and Questioned Costs
For the Year Ended June 30, 2014

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified? _____ Yes __X__ None reported

Noncompliance material to financial statements noted? _____ Yes __X__ No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified? _____ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: unmodified.

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes __X__ No

The following schedule reflects the major programs included in the State Single Audit.

State Grantor and Program	State CORE-CT Number	Expenditures
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on State Colleges and General Hospitals	11000-OPM20600-17006	$ 38,567,488
Municipal Aid Grant	12052-OPM20600-43587	1,287,650
Department of Economic and Community Development:		
Urban Action Bond	13019-ECD46440-41240	2,801,344
Department of Transportation:		
Boathouse at Canal Rock	12062-DOT57161-22122	1,748,148

City of New Haven, Connecticut

Schedule of State Single Audit Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014

State Grantor and Program	State CORE-CT Number	Expenditures
Department of Education:		
Magnet School Operating	11000-SDE64370-17057	$ 39,348,120
Family Resource Centers Program	11000-SDE64370-16110	472,755
School Accountability Summer School	11000-SDE64370-17043-82055	400,374
Extended School Hours	11000-SDE64370-17043	334,895
School Breakfast Program	11000-SDE64370-17046	163,251
High Quality School & Common Core Implementation	12052-SDE-64370-43538	2,503,451
Commission Network	11000-SDE-64370-12547	1,335,231
Department of Social Services:		
Nurturing Families Network	11000-DSS60406-12042	241,872
Healthy Start	11000-DSS60521-16105	407,440
Dollar threshold used to distinguish between Type A Programs and Type B Programs		$ 3,185,533

II. Financial Statement Findings

No matters were reported.

III. State Financial Assistance Findings and Questioned Costs

No matters were reported.

Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014

There were no findings relative to state awards in the prior year's State Single Audit.