

CITY OF NEW HAVEN, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

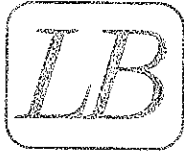
JUNE 30, 2007

CITY OF NEW HAVEN, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDIT REPORTS

TABLE OF CONTENTS

	<u>Page Number</u>
<u>General</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
<u>Federal Single Audit</u>	
Report on Compliance With Requirements Applicable To Each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133 and on The Schedule of Expenditures of Federal Awards	3-5
Schedule of Expenditures of Federal Awards	6-9
Notes To Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11-12
Summary Schedule of Prior Year Audit Findings	13
<u>State Single Audit</u>	
Report on Compliance With Requirements Applicable To Each Major Program, on Internal Control Over Compliance In Accordance With The State Single Audit Act, and on The Schedule of Expenditures of State Financial Assistance	14-16
Schedule of Expenditures of State Financial Assistance	17-21
State Financial Assistance Programs Notes to Schedule of Expenditures	22-24
Schedule of Findings and Questioned Costs	25-28



LEVITSKY & BERNEY

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

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

We have audited the financial statements of the governmental activities, the business t-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut as of and for the year ended June 30, 2007, which collectively comprise the City of New Haven, Connecticut's basic financial statements and have issued our report thereon dated December 27, 2007. We did not audit the financial statements of the New Haven Parking Authority or the New Haven Coliseum Authority, component units of the City, which statements reflect total net assets of \$28,014,897 and total changes in net assets of \$2,959,794 for the year then ended. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the New Haven Parking Authority were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. The financial statements of the New Haven Coliseum Authority were audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

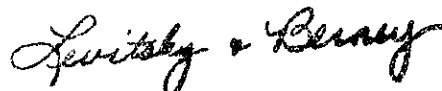
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

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



LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 27, 2007



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

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

Compliance

We have audited the compliance of the City of New Haven, Connecticut with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of New Haven, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of New Haven, Connecticut's management. Our responsibility is to express an opinion on the City of New Haven, Connecticut's compliance based on our audit.

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

In our opinion, the City of New Haven, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented components units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of New Haven, Connecticut's basic financial statements.

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

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


LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 27, 2007

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of Federal Awards

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of Federal Awards

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of Federal Awards

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of Federal Awards

CITY OF NEW HAVEN, CONNECTICUT

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

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of New Haven, Connecticut and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 – Reporting Entity

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

- New Haven Coliseum Authority
- New Haven Parking Authority

Note 3 – Non-Monetary Assistance

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

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

Food Commodities	\$ <u>422,938</u>
Vaccines	<u>65,196</u>

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

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control over Financial Reporting:

Material Weakness(es) Identified? _____ Yes X No

Significant Deficiency(s) Identified That Are Not Considered To Be Material Weakness(es)? _____ Yes X None Reported

Noncompliance Material to Financial Statements Noted? _____ Yes X No

Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified? _____ Yes X No

Significant Deficiency(s) Identified that are not Considered To Be Material Weakness(es)? _____ Yes X None Reported

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

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

Identification of Major Programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	HOME Program
84.010	Title I, ESEA, Part A
84.281	Title II, Part A, Teachers
93.600	Headstart Program

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

Section I – Summary of Audit Results (Continued)

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

Qualification of Auditee as a Low-Risk Auditee? Yes No

Section II – Federal Award Findings and Questioned Costs

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

Section III – Financial Statement Findings

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

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

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



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

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

Compliance

We have audited the compliance of the City of New Haven, Connecticut with the types of compliance requirements described in the *Office of Policy and Management Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2007. The major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the City of New Haven, Connecticut's management. We did not audit the compliance of the New Haven Coliseum Authority, a component unit, which had expenditures of State financial assistance of \$168,909. Those compliance requirements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the information included for the New Haven Coliseum Authority, is based on the report of the other auditors. Our responsibility is to express an opinion on compliance based on our audit.

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

In our opinion, the City of New Haven, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2007.

Internal Control over Compliance

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

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

A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entities ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-1 and 07-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of New Haven, Connecticut's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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


LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 27, 2007

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT

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

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

See Notes to Schedule of Expenditures of State Financial Assistance.

CITY OF NEW HAVEN, CONNECTICUT
STATE FINANCIAL ASSISTANCE PROGRAMS

NOTES TO SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007

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

Note 1 – Summary of Significant Accounting Policies

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

Basis of Accounting

The financial statements contained in the City of New Haven, Connecticut's annual audit report are prepared in conformity with the requirements of the Governmental Accounting Standards Board and conform to generally accepted accounting principals as applicable to municipalities. The following is a summary of such basis:

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

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

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

CITY OF NEW HAVEN, CONNECTICUT
STATE FINANCIAL ASSISTANCE PROGRAMS

NOTES TO SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007

Note 2 – Reporting Entity

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

Note 3 – Clean Water Fund Obligations

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

Department of Environmental Protection:

Clean Water Funds:

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

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

Note 3 – Clean Water Fund Obligations (Continued)

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

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

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

I. Summary of Audit Results

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control over Financial Reporting:

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

State Financial Assistance

Internal Control over Major Programs:

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

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

Any Audit Findings Disclosed that are Required To Be Reported In Accordance With Section 4-236-24 of the Regulations to the to the State Single Audit Act?	<u> </u> Yes	<u> X </u> No
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CITY OF NEW HAVEN, CONNECTICUT

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

I. Summary of Audit Results (Continued)

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

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

- We issued reports, dated December 27, 2007, on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no reportable conditions

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

III. State Financial Assistance Findings and Questioned Costs

Finding # 07-1

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

Condition:

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

Criteria:

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

Questioned Costs:

There are no questioned costs associated with this finding.

Context:

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

Cause:

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

Effect:

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

Recommendation:

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

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

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

Finding # 07-2

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

Condition:

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

Criteria:

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

Questioned Costs:

There are no questioned costs associated with this finding.

Context:

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

Cause:

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

Effect:

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

Recommendation:

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