

CITY OF HARTFORD, CONNECTICUT

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CITY OF HARTFORD

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CHRISTIAN S. JOHNSON
Acting Director

January 20, 2009

The Honorable Eddie Perez, Mayor
City of Hartford
550 Main Street
Hartford, Connecticut 06103

Dear Mayor Perez:

In accordance with Chapter VIII, Section 5 of our Charter, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hartford for the fiscal year ended June 30, 2008. This report was prepared in its entirety by the Department of Finance and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules, and statistical tables.

The CAFR is designed to be in conformance with generally accepted accounting principles (GAAP) for governmental units as well as the standards of financial reporting promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the laws of the State of Connecticut. We believe this report presents fairly the financial position of the City and the results of its operations. The report is consistent with full disclosure so that the reader may gain the maximum understanding of the City's financial affairs.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations, are issued under separate cover and are not included in this report. The City is also required to undergo a State single audit. Information related to this State single audit will be issued separately.

The Hartford Parking Authority has been included as a discretely presented component unit in the City's report in accordance with Generally Accepted Accounting Principles (GAAP).

PROFILE OF THE CITY

The City of Hartford was founded by Thomas Hooker and his followers in 1635 and was incorporated in 1784. It is the Capital of the State of Connecticut and the core of a metropolitan area of over one million population. Hartford has an estimated 124,512 residents in an 18.4 square mile area. The City lies on the west bank of the Connecticut River, midway between New York and Boston. Effective January 1, 2004, the adoption of a new city charter replaced the Council-Manager form of government with the Mayor-Council form. Under the new structure the City Manager became the Chief Operating Officer and department heads are now appointed by the Mayor and subject to confirmation by the City Council. As of January 1, 2004, the Mayor is the Chief Executive Officer. Nine Council members are elected at large for four-year terms in odd numbered years on a partisan basis; the Mayor, who is elected directly for a four-year term, acts upon ordinances and resolutions adopted by Council by approving, disapproving (council can over-ride), or taking no action. The Board of Education is locally controlled with four elected members and three appointed members. As of January 2006, the Board of Education is composed of nine members: five appointed by the Mayor and four elected by the voters, all for four-year terms. The Board of Education operates independently of the Council, although the overall operating budget for the Hartford school system must be approved as to its total by the City Council as part of the annual City budget. The City Treasurer is independently elected and serves without vote as the Secretary of the Pension Commission. The Chief Operating Officer (principal administrative aide of the Mayor), Corporation Counsel, City Clerk, Department Heads and members of all boards, commissions, agencies and authorities are appointed by the Mayor, subject to the City Council confirmation, with the exception of the Pension Commission.

The City provides a broad range of services including public safety, streets and roads, flood control, solid waste collection, health, social services, parks and recreation, education, facilities, planning, development, zoning and general administrative services.

The Hartford Parking Authority ("Authority") has been included in the City's reporting as a discretely presented component unit in accordance with GAAP. The Authority was created pursuant to Chapter 100 of the General Statutes of Connecticut and is governed by five members appointed by the Mayor. The purpose of the Authority is to create, establish, finance, maintain, and operate the City of Hartford's dedicated parking facilities, and regulate the uses and parking rates to be charged at other regulated parking facilities.

The Metropolitan District Commission ("MDC") provides water supply and sewage collection services to the City. The MDC was created by the Connecticut General Assembly in 1929 and operates as a quasi-municipal corporation of the State of Connecticut. The District's primary purpose is to provide reliable systems of water supply and sewage collection, treatment and disposal for its member municipalities. The eight member towns include the City and the surrounding towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor. The District also provides sewage disposal facilities and supplies water under special agreements to certain towns, or areas therein, which are not members of the District.

ECONOMIC CONDITION AND OUTLOOK

The triumvirate of insurance, banking and manufacturing, which for years was the defining force in terms of progress for Hartford, continues to have a major presence in the City. The insurance industry spans a range of products, all concentrated in Hartford. To supplement traditional core businesses, arts, entertainment, education, tourism, culture and healthcare/bio-technology are viewed as continued engines for future growth.

The City's Grand List increased by 4.46% as of October 1, 2007 due to increases in real property of 6.16% and motor vehicle of 2.34% and a decrease in personal property of 0.70%.

The City's Department of Development Services, encompassing the City's planning, community development, housing, economic development licensing and permitting functions, and created pursuant to the revised City Charter, is fully staffed and making a significant impact on major economic initiatives. The Department is positioned to be the single point of contact for commercial and residential development projects.

The Hartford region ranks in the top 15% of U.S. metropolitan economies in Gross Metropolitan Product. Evidence of this economic development activity and the revitalization of the City are clearly visible in the on-going changes in Hartford's skyline and numerous neighborhoods, much of which will be presented in this section.

Hartford continues to be the largest employment center in the State with more than 115,000 people working in the City on a daily basis. In addition to becoming a regional center for logistic and distribution companies, the headquarters of three Fortune 500 companies are located in Hartford to take advantage of the City's strategic location and highly productive workforce and a fourth will be added in 2009. In September of 2008, Northeast Utilities announced its plans to relocate its headquarters operation to downtown and Virtus, a new subsidiary of the Phoenix Companies, Inc., announced its intention to remain in the Central Business District. However, the current challenges in the capital markets and the relative uncertainty about both the short and potential long term economic outlook are a cause of concern, given the concentration of financial service firms located in Hartford. The Hartford Financial Services Group which recently experienced a significant drop in stock value has taken the proactive step of announcing the purchase of a Florida based savings and loan in order to qualify for federal TARP program assistance. It is expected that other insurance companies such as the Phoenix will be examining such proactive steps in order to bolster their cash reserves and further insulate themselves from the turmoil in the financial markets. In addition, in response to its current financial position, American International Group, Inc (AIG) has offered for sale to third parties the specialty insurer Hartford Steam Boiler. As 2009 approaches, discussion of mergers, consolidation and acquisitions are expected as they are elsewhere in the nation.

While market corrections slow the pace of activity, the City continues to support efforts to transform high-density, low-income housing projects into single-family homeownership and affordable rental units continues throughout the downtown, and neighborhood retail projects continue to take place, such as the recent opening of its restaurant in Connecticut by the national credit retailer, Pollo Tropical.

Status of "Six Pillars" of Economic Development

The Connecticut General Assembly in 1998 created the Capital City Economic Development Authority ("CCEDA"). CCEDA is a quasi-public authority charged with overseeing the State's investment in projects that received CCEDA funding. CCEDA funding was made available for projects located within a bounded downtown area within six categories, also known as the "six pillars". The six pillars include: Adriaen's Landing Convention Center, 1,000 housing units in downtown, the Capital Community College downtown campus, Morgan Street parking garage, the Civic Center conversion, and riverfront infrastructure improvements. Pillar projects have been successful in achieving its goals of placing feet on the street, enhancing the vitality of the downtown and serving as a catalyst for additional private investment.

- **Adriaen's Landing:** The total investment for the Adriaen's Landing project is nearly \$1 billion with public funding totaling approximately \$700 million and private investment amounting to approximately \$275 million.
 - **The Connecticut Convention Center:** The Convention Center opened for operation in June of 2005 with its 145,000-square-foot exhibition hall, a 40,000-square-foot ballroom, and 25,000 square feet of meeting rooms at a cost of \$190 million. Since its opening, the Convention Center has hosted an averaged 220 events and 250,000 visitors per year.
 - **Marriott Convention Hotel:** The 22-story Hartford Marriott Downtown Hotel opened its doors for business in the summer of 2005. The Waterford Group LLC is the private developer for the 409-room hotel, as well as the manager of the Convention Center. This first phase of the project was completed at a cost of approximately \$77 million. The hotel was designed for the construction of a second phase addition that will include another 300 rooms.
 - **Front Street:** The HB Nitkin Group was selected by CCEDA as the developer for this project, which will include 68,000 square feet of retail, restaurant and entertainment space and a 286 space garage in its first phase. Construction commenced in November of 2008 and will be completed in early 2010. The western portion of Front Street District is being planned for a second phase that would include a new residential development.
 - **Connecticut Science Center:** This 145,000-square-foot facility will be the educational destination for Adriaen's Landing. With a regional appeal to families and tourists, it is expected to attract more than 400,000 visitors each year. Caesar Pelli was selected to design the \$150 million Center. This project is under construction and is scheduled to open in spring of 2009.

- **Downtown housing units** – Three residential developments have been completed with CCEDA's financial assistance. Trumbull on the Park, which includes 100 market rate apartments, 7,600 square feet of retail and a 600-space garage, was completed in late 2005. This was followed in 2006 by the opening of Hartford 21, a 36 story, 262-unit tower. The project also includes 56,000 square feet of retail for shops and restaurants and is also the new home for the YMCA health club. Lastly, the Temple Street development opened in 2007, adding 78 market rate lofts and 42 student/intern townhouses.
- **Downtown college campus** – Enrollment at this institution continues to increase from year to year. The \$55 million Capital Community College's campus now occupies the former G. Fox department store building at 950 Main Street. The 304,000-square-foot campus was completed on time and on budget in September 2002.
- **Parking improvements** – The Morgan Street Garage opened in January 2002 and added 2,300 parking spaces for the Capital Community College students, downtown office workers and professional and leisure commuters. The facility is run by the Hartford Parking Authority, which also operates the Church Street and MAT Garages at a 96% occupancy rate.
- **Civic Center/Hartford 21** – In addition to CCEDA's investment in Hartford 21, CCEDA funds were used to renovate the former Civic Center mall. The retail space that was previously inward facing now opens to Trumbull Street and a new entrance was built for the XL Center, which hosts UConn basketball games, exhibitions and concerts.
- **Riverfront infrastructure** – The majority of this \$25 million project has been completed with the pedestrian walkway at Riverfront Plaza, boat launches at Charter Oak Landing, the community boathouse at Riverside Park, the Columbus Boulevard walkway and the Riverwalk North. Only the Riverside Park boat ramp and a Riverwalk South to the Colt Gateway remain to be completed.

Major Projects

- **Coltsville** – New York-based Homes for America Holdings Inc. purchased the 17-acre Colt Armory Complex property and intend to renovate it into a residential and commercial complex at an estimated cost of \$121.5 million. Their plans for the Complex include 250 loft apartments, 250,000 square feet of commercial and office space and a 10,000-square-foot museum of industrial history. In October of 2008, the site was officially designated a National Historic Landmark. The National Park Service is conducting a study to determine the historical significance of the Colt Armory Complex in order to grant it national park status.
- **Insurance and Financial Services Sector** – Several important projects have been initiated and/or completed in this sector in the past two years:
 - **Prudential Retirement Services** renewed their lease at 280 Trumbull Street and retained 750 high paying positions within the City.
 - **Lincoln National Corporation** renewed its lease at the Metro Center, thereby retaining its 800 jobs downtown. This decision followed Lincoln's merger with Jefferson Pilot.
 - **Globe Op Financial Services** was recruited to establish a Hartford operation. The company, based in New York, provides administrative and technology support to hedge funds and asset management firms and employs more than 100.
 - **Aetna Life Insurance Company** announced its plans to invest over \$150 million in its Farmington Avenue campus to accommodate the relocation of 3,400 employees from other locations. In addition to major interior and exterior building renovations, Aetna is constructing two parking garages, the first of which opened in 2008. By 2010, Aetna will have approximately 6,400 employees at the Hartford campus.
 - **The Hartford Financial Services Group, Inc.** completed the purchase of 140 Garden street in June of 2008, adding 17 acres to its headquarter campus. This acquisition provides a unique opportunity for growth in Hartford. In addition, the corporation is proceeding with a new data

center. Following a review of corporate owned properties throughout the nation, The Hartford decided to site one of two new facilities at the headquarters. The project will include the renovation of 106,200 square feet of existing space and the construction of a 31,725 building addition. This project will result in a minimum investment of \$150 million and the retention of 600 positions.

- **Virtus Investment Partners**, announced in September of 2008, its plan to lease space and employ 165 at 100 Pearl Street. Virtus is a spin off of The Phoenix Companies, Inc.
- **Handel Performing Arts Center** – In September of 2008, the University of Hartford opened its new center for performing arts education. The University invested \$20 million in a vacant car dealership, which extended its reach into the Upper Albany neighborhood. The facility consists of classrooms, offices, and rehearsal and performance space and is available for community use.
- **Northeast Utilities** – In September of 2008, Northeast Utilities announced its plan to purchase 10 Prospect Street in the central business district. NU will relocate its headquarters operation and 180 executive positions to this location. The company cited its interest in being in the capital city and the seat of government as their relocation motivation.
- **Sims Metal Management Aerospace, Inc.** – In October of 2008, this aerospace company announced plans to relocate within the City. Currently located on Flatbush Avenue, Metals has executed a 25- year lease to rent an existing 279,000 square foot building and a 145,000 square foot building that will be constructed to meet their needs. The project is located in the North Meadows and is one of the region's largest industrial transactions of the year.
- **Hilton Homewood Suites** – Opened for business in 2007. The new facility has 116 rooms at the former Bond Hotel on Asylum Street. It also features a banquet facility and a restaurant.
- **Metro Center at Main and Pavilion** – This \$4.5 million shopping plaza opened in the spring of 2005. The plaza is fully leased and anchored by Family Dollar and Save-A-Lot grocery store. The project represents the first new commercial, ground-up development in the Clay–Arsenal neighborhood in over 30 years and employs 34 full-time employees.
- **Former Charter Oak Terrace Housing Project** – This 60-acre site is the new home of a federal Job Corps Center and a 350,000-square-foot retail shopping center, anchored by Wal-Mart. The in-line retail shops celebrated a grand opening in November 2004 and have created more than 800 new jobs and quality shopping opportunities in the City. Since then, the development of the out parcels for national chain restaurants has rounded out the site. In addition, 10 acres of needed industrial land ready for development balances out the project.

Housing Initiatives

In the 1990's Hartford adopted two objectives – reconstructing or renovating all of its public housing projects with the desire to increase home ownership and reduce rentals. The first objective is substantially complete. The City is now focused on its second objective and has the following projects in various stages of design and development. Approximately 2,100 homeownership units have been added since 2002.

- **410 Asylum** – Common Ground is in the process of converting a vacant office building into 70 mixed – income apartments at a cost of \$22 million. This 1920s building will overlook Bushnell Park and include 13,000 square feet of retail space. This project is scheduled for completion in the second quarter of 2009.
- **Former American Airlines building** –College Street Partners is currently renovating a 160,000 square-foot building purchased from the City. The project will include 18,000 square feet of retail space on the first floor and 101 apartments on the upper floors.
- **Northend Gateway at 1450 Main Street** – The City sold this 4.3-acre parcel of land to Sheldon Oak Central, LLC. The developer built 45 affordable rental units and 12 market-rate apartments in the Clay Arsenal neighborhood. This \$17 million project is expected to open for occupancy in December 2008

and is equipped with central air, high speed internet, direct access elevators and a dedicated green space for families.

- **Brick Hollow** – This \$8 million project was completed in 2006. The development rehabilitated and reconfigured 60 housing units to 50. The property is located in the Putnam Heights area of the Frog Hollow Neighborhood.
- **Capewell** –The former horse nail factory is situated on six acres near Adriaen's Landing in the Sheldon/Charter Oak Neighborhood. Current plans are for 67 residential condominiums at an estimated project cost of \$34 million.
- **Dutch Point** – The Hartford Housing Authority received a \$20 million HUD Hope VI grant to rebuild the Dutch Point Housing Project. Phase I, which includes 73 rental units, was completed in 2006. Phase II was completed in the fall of 2008, and consists of 54 apartments and recreational areas. Construction of Phase III is underway and will add another 58 units to this \$73 million development.
- **Rice Heights** – Rice Heights is another example of the City's ambitious program to turn public-housing projects from blight to middle-class homeownership. Approximately 50 single-family dwelling units have been built and sold to qualified candidates.
- **Alden Street** – In 2006, Providian Builders completed construction and sold 23 townhouse-style condominiums.
- **Trumbull on the Park** – A \$40 million project that includes 100 market-rate apartments, 7,600 square feet of retail space and a 600-car parking garage. The development is located on historic Lewis Street and faces Bushnell Park. The project is funded through the Connecticut Housing Finance Authority with the assistance of a federal loan guarantee and \$6 million from CCEDA and opened in 2005.
- **18 Temple Street** – The \$45 million renovation of the former Sage-Allen department store began in late 2004 and was completed in May 2007. The project includes 78 market-rate apartments, 42 student townhouses, 12,000 square feet of retail space, and a parking garage for 318 cars.
- **The Metropolitan** – New Haven, Connecticut-based College Street Partners completed the renovation of 246 Pearl Street in 2006. The former office building was transformed into 50 market-rate condominiums in the central business district. Sales of individual units are currently underway.
- **Goodwin Estates** – New York-based Ginsburg Development Company restored the historic Goodwin Estates in the west end of the City with seven condominium flats and 56 new townhouses in Hartford's first new high-end housing in 20 years. The project was completed at a cost of \$23 million and all units have been sold. The Goodwin homes vary in size from 1,500-square-foot to 3,000-square-foot townhouses.
- **Mortson Street/Putnam Heights** – This \$10.8 million project includes the conversion of 7 abandoned buildings and construction of 5 new buildings to complete 70 new owner-occupied townhouses.
- **Pope Park/Park Terrace** – 68 affordable units have been restored or constructed in 13 perfect-six apartment buildings. Mutual Housing Association of Greater Hartford Inc. developed the \$14 million project with a combination of loans, grants, and other funding sources.
- **SANA Apartments** – The \$25 million HUD funded project to reconfigure and rehabilitate the South Arsenal Neighborhood Associations' 260 housing units contained in 13 separate buildings was completed in 2005.
- **Stowe Village** – More than 100 duplex units have been built and beautifully landscaped at Stowe Village in the Northeast neighborhood. 33 single-family units flank the units and a third phase of construction of additional single-family dwellings is planned.

Planned Projects

- **Public Safety Complex:** Progress continues on the City's new public safety complex on High Street. The former board of education building will be renovated as the new Fire Department headquarters, which will be connected to a new headquarter facility for the Police Department. Commercial activity and interest in the surrounding area is increasing as a result of this project, located northwest of the central business district near the intersection of Main Street and Albany Avenue.
- **3 Constitution Plaza:** AI Engineers of Middletown, Connecticut, purchased the former WFSB-Broadcast House in July of 2008, with the intention of demolishing the structure and building an 11-story tower. Located at the corner of Columbus and State, 3 Constitution Plaza is a signature downtown site. AI Engineers is designing a LEED Platinum tower to serve as its corporate headquarters and to provide additional space for technology companies.
- **YMCA Site on Jewell Street:** Northland Development plans to build 250 upscale condominiums on the current YMCA site, at a cost of \$117 million. This is a 1.3-acre parcel located in Bushnell Park. Northland's intention is to raze the building. The YMCA's health facilities and headquarters have been relocated to a 40,000 square foot facility in the new Hartford 21 complex.

Redevelopment Opportunities

- **Downtown Redevelopment Initiative** – On November 13, 2008, the Hartford Redevelopment Agency approved three separate Redevelopment Plans in accordance with State statute. Each plan was designed to target blighted buildings and/or underutilized land areas surrounding the downtown core. The purpose of each Plan is to stimulate private investment and create better physical connections in and around the central business district. Acquisition strategies are critical components of each Plan, which must now be adopted by the Court of Common Council. They are as follow:
 - **The Constitution Plaza East Project** is the smallest of the three plans and focuses on the former WFSB-Broadcast House and the long vacant Sonesta Hotel. As noted above, AI Engineers is proceeding with a plan for the Broadcast House, which is consistent with the Plan's goal for this important site. Since the reuse of the hotel building presents considerable financial challenges, a demolition and reuse of the site may be required.
 - **The Downtown North Project** area is currently separated from the central business district by Interstate 84. The 123-acre plan area is dominated by underutilized land. The Plan calls for the acquisition of one blighted structure and two vacant parcels of land to create a substantial assemblage to spur a large scale, mixed-use development to connect downtown and the Clay Arsenal neighborhood.
 - **The Downtown West-** Section II Union Station-Walnut Street Project aims to create a linkage between Union Station and Asylum Hill, home to major insurance companies and thousands of workers. One blighted building and a small parcel of land are included in the acquisition strategy. With a new State focus on utilizing Union Station as a commuter rail hub, the area presents a unique opportunity for transit oriented development.

Long-Term Financial Planning

The City's long-term financial planning is carried out along six primary dimensions: Capital Planning, Debt Planning, Vehicle and Heavy Equipment Replacement, General Fund, Pension Planning and Internal Service Funds.

Capital planning and debt planning are by nature closely tied together, with future capital needs and ongoing construction providing the input for the debt planning process. Large public works projects are identified and tracked using a 10-year "Recommended Capital Improvement Plan Model." Projects are selected and reviewed by a capital planning committee comprised of department heads and their designees. The capital plan and projects undergo the annual budget review process and approval of both the Mayor and the Court of Common Council.

Along with the selection of capital projects, sources of funding are identified: State and Federal Grants as well as bonding or City contributions. Based upon the cumulative cash flow projections of the approved capital plan, bond issuance is planned and debt service requirements quantified.

In addition, to a 10-year capital and debt service plan, a 10-year vehicle and equipment replacement plan is formulated and reviewed annually. The requested items are reviewed and approved by committee and the appropriate funding sources are identified: City contributions, capital leases or bonding.

These discrete planning cycles provide inputs to the General Fund long-term planning process. General Fund revenues and expenditures are forecast over five years by both function and category. The long-term planning process is driven by the City's core strategy to increase long-term economic growth, to promote education, safety and health, and to nurture the City's cultural vitality through the implementation of the Mayor's goals and objectives. In addition, the City continually strives to secure a stronger bond rating through strong fiscal administration and the maintenance of a 7% of budgeted revenues fund balance. The City is working closely with financial advisors on a plan to improve its bond rating over the near-term and long-term horizons.

In addition, we have contracted with an outside actuarial firm, to assist in pension planning. Our MERF plan has over \$1 billion in assets and the City and Pension Commission are closely monitoring contributions, investment returns and assumptions to maintain the continued viability of the MERF plan.

An outside firm has assisted the City with the implementation of GASB #45 and the development of a funding strategy where post-retirement health and life insurance benefits are analyzed over a multi-year time frame to reduce the City's long-term liability through the analysis of various funding options and benefit plan changes. Finally, our internal service funds (Workmans' Compensation and Property & Casualty Funds) have been targeted by the City for additional contributions over a multi-year period. This added funding in conjunction with the implementation of new risk management programs and assistance from our insurance advisors will continue to systematically control and reduce our long-term liabilities in these funds over the next several years.

FINANCIAL INFORMATION

The Department of Finance is organized into six divisions: Administration, Accounting and Control, Tax Collector, Purchasing, Risk Management and the Assessors Office. The department's major responsibilities include general accounting and financial reporting, accounts payable, central purchasing, risk management, property assessment, employee benefit administration, tax collection, debt administration, revenue management, payroll, supervising budget preparation in conjunction with the Mayor's Office and control and asset management. The Director of Finance is the chief financial officer of the City and is an appointee of the Mayor, subject to the confirmation by the City Council.

The City's accounting system is a fully automated, integrated financial management system comprising accounts payable, general ledger, payroll, purchasing, fixed assets and budget control modules. It is organized and operated on a fund basis. Each fund is a distinct and self-balancing accounting entity.

Internal Controls

All financial transactions are subject to pre-audit before processing as well as to an annual post-audit by an independent auditing firm selected by the City Council. The independent auditor and staff from the department's Accounting and Control Division monitor financial policies and procedures prescribed by the Director of Finance for the various departments. Within this framework, we believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions on the computerized financial management system.

Budgetary Control

Centralized budgetary control of disbursements and encumbrances against appropriations is maintained by department, by major program or activity and by principal object of expenditure. The Hartford Board of Education budget is controlled only as to its total appropriation. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

PENSION ADMINISTRATION

There are four defined benefit pension plans for employees of the City of Hartford. Two are single-employer plans, one is a cost sharing multiple-employer plan with the State of Connecticut and one is a plan with the State of Connecticut for certified teachers at the Board of Education in which the City is a noncontributing employer. The City also administers an excess benefits plan established to fund that portion of certain retirees' pension benefits that exceed the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

The City administers the two single employer plans. Under the first plan, the City pays retirement and single benefit survivor benefits to pensioners under three old unfunded programs on a "pay-as-you-go" basis. These programs are combined as one plan. The plan covers City employees hired before the current City MERF went into effect on May 1, 1947.

Under the second plan, the City provides retirement benefits, for employees hired after 1947, through the City MERF, a contributory defined benefit plan. Under the Plan, all full-time employees except teachers and members of certain union groups who have elected to join the State Municipal Employee's Retirement Fund (State MERF-B) are eligible. The City MERF is considered to be part of the City of Hartford's financial reporting entity and is included in the City's financial reports as a pension trust fund.

DEBT ADMINISTRATION

The City's outstanding bonded indebtedness totaled \$308.1 million on June 30, 2008, down from \$327.1 million at June 30, 2007.

The Metropolitan District had \$107.1 million of applicable overlapping debt of which the City's share was 27.49% or \$29.4 million.

The City has a clean water fund serial note payable of \$1.8 million outstanding as of June 30, 2008.

As of June 30, 2008, total bonds authorized and unissued, applicable to the City's debt limitation, amounted to \$303.3 million for the following purposes:

<u>General Purpose</u>	<u>Education</u>
\$82.3 million	\$221.0 million

An analysis of the City's key debt ratios at year-end shows that they remain well within the acceptable limits of the municipal credit industry:

<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>	<u>General Bonded Debt Service as a Percent of General Fund Budgetary Based Expenditures</u>
7.14%	\$2,068	5.19%

CASH MANAGEMENT

During the year, idle cash was invested, temporarily, in legally permitted investments on a short-term basis. Connecticut Statutes restrict the investment of municipal funds to direct and indirect securities of the United States Government and certificates of deposit issued by commercial banks located within the State. Bank CD's are a component of the City's short-term investment portfolio. However, money market fund investments in a portfolio of U.S. Treasury securities, and the Short Term Investment Fund (STIF) operated by the Office of the State Treasurer comprise the major share of the City's short-term investments.

RISK MANAGEMENT

The City is insured for all legal liabilities in excess of a \$500 thousand deductible and public official liability with a \$250 thousand deductible. The City's general liability limit for 2007-08 was \$5 million on an aggregated basis with an additional \$25 million umbrella liability policy for total coverage of \$30 million. All City property is insured for fire and extended coverage with a \$100 thousand deductible.

The City maintains a self-insurance reserve for its Worker's Compensation program. Claims up to \$1 million per occurrence are self-funded by annual budget appropriations. The City also maintains a self-insurance reserve for unanticipated losses.

The City provides comprehensive life, hospital and major medical benefits for its employees pursuant to various union agreements. The City directly funds the health benefit programs that are administered by Anthem Blue Cross Blue Shield of Connecticut, and maintains a self-insurance reserve for anticipated and future losses.

Each of these self-insurance reserves was established by Council Ordinance and is accounted for in an internal service fund to account for and report on the City's total costs associated with these self-insurance programs.

CERTIFICATE OF ACHIEVEMENT

In recognition of the continued high quality of our reports, the City again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the fiscal year ended June 30, 2007. We believe that this report also adheres to the Certificate Program requirements and we will submit it for eligibility review. Such conformance also satisfies the reporting standards mandated by the State under Sec. 7-394a of the General Statutes.

INDEPENDENT AUDIT

State statute and the City Charter require an annual audit by an independent certified public accountant. The statute further prescribes that each municipality's annual report shall be prepared in accordance with generally accepted accounting principals. This report has been prepared according to these standards. The auditors' opinion is included in this report.

Acknowledgments

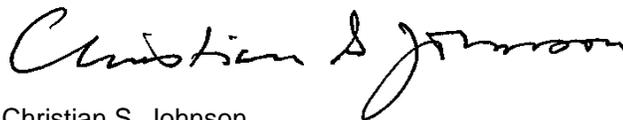
The preparation of this report would not have been possible without the countless hours of effort of the Finance Department. I would like to express my appreciation to all the members of the department who assisted and contributed to the preparation of this report.

I would like to acknowledge the City's Controller Leigh Ann Ralls, BOE Accountant Gregory Katz, and consultant Robert LaMay for providing me with advice and assistance with the preparation of this report, as well as Rick Galarza and Peter Condon with the printing/reproduction of this report.

I am grateful to the City's independent auditors, Blum, Shapiro & Company, P.C., for their advice and counsel over the past year and particularly for the professional assistance they provided during their audit.

Finally, I wish to thank you, as well as the Council, for the support the Department of Finance received in administering the financial affairs of the City.

Respectfully submitted,



Christian S. Johnson
Acting, Director of Finance



Independent Auditors' Report

The Honorable Mayor and Members of the Court
of Common Council
City of Hartford, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hartford, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 13 through 21 and budgetary comparison information on pages 72 through 76 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hartford, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2009 on our consideration of the City of Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

January 20, 2009

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

This discussion and analysis of the City of Hartford, Connecticut's (City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read this MD&A in conjunction with the transmittal letter beginning on page 1 and the City's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$8.3 million as a result of this year's operations. The net assets of our governmental activities increased by \$10.9 million, or nearly 1.2 percent. The net assets of our business-type activities decreased by \$2.6 million.
- The City received \$58.7 million in capital grants and contributions mostly related to school building construction grants from the State in support of the City's school renovation and construction projects.
- The total cost of the City's programs for the year was \$834.7 million with no new programs added.
- The General Fund reported a fund balance this year of \$27.9 million.
- The resources available for appropriation were \$10.5 million less than budgeted for the General Fund. Expenditures were kept within spending limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, 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 III to IX. 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 analysis of the City as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the 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.

These two statements report the City's net assets and changes in them. The City's net assets, the difference between assets and liabilities, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

In the statement of net assets and the statement of activities, we divide the City into three types of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including education, public safety, public works, development and community affairs, human services, recreation and culture, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

- *Business - type activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Hartford Parking Facilities Fund is reported here.
- *Component units* - The City includes a separate legal entity in its report; the Hartford Parking Authority. Although legally separate, this "component unit" is reported because the City is financially accountable for them.

Fund Financial Statements

The fund financial statements begin with Exhibit III 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 City Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Improvement Fund and Library Operating Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the Educational Grants, Health Grants and Miscellaneous Grants Funds). The City's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental funds (Exhibits III and IV)* - 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 you determine whether there are more 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 assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI, and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Self-Insurance Internal Service Funds and the City's Metro Hartford Information Services Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net assets increased from a year ago by \$8.3 million to \$971.7 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

**TABLE 1
NET ASSETS
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 313,767	\$ 374,809	\$ 630	\$ 2,431	\$ 314,397	\$ 377,240
Capital assets, net of accumulated depreciation	1,099,057	1,019,598	65,591	67,552	1,164,648	1,087,150
Total assets	<u>1,412,824</u>	<u>1,394,407</u>	<u>66,221</u>	<u>69,983</u>	<u>1,479,045</u>	<u>1,464,390</u>
Long-term liabilities outstanding	379,386	378,929	29,617	30,583	409,003	409,512
Other liabilities	97,723	90,637	630	869	98,353	91,506
Total liabilities	<u>477,109</u>	<u>469,566</u>	<u>30,247</u>	<u>31,452</u>	<u>507,356</u>	<u>501,018</u>
Net Assets:						
Invested in capital assets, net of related debt	877,583	815,601	35,974	36,969	913,557	852,570
Restricted	64,098	65,320			64,098	65,320
Unrestricted	<u>(5,966)</u>	<u>43,920</u>	<u>-</u>	<u>1,562</u>	<u>(5,966)</u>	<u>45,482</u>
Total Net Assets	<u>\$ 935,715</u>	<u>\$ 924,841</u>	<u>\$ 35,974</u>	<u>\$ 38,531</u>	<u>\$ 971,689</u>	<u>\$ 963,372</u>

The City's government-wide net assets of \$971.7 million represent an increase of \$8.3 million (.9 percent) over last years net assets of \$963.4 million. The City was able to generate an overall increase in the City's governmental activities net assets principally due to the receipt of \$58.5 million in capital grants and contributions from the State mostly in support of the City's school renovation and construction capital program. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - has a deficit of \$6.0 million at the end of this year as compared with \$43.9 million at the end of last year. Unrestricted net assets decreased \$49.9 million as bond proceeds issued in the prior year were used to fund capital asset additions and renovations during 2008 as evidenced by the decrease of \$41.7 million in the City's Capital Improvement Fund. Net assets of the City's business-type activities decreased \$2.6 million in 2008 as transfers of unrestricted net assets to the City's General Fund increased from \$4.5 million in 2007 to \$8.3 million in 2008.

TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 25,681	\$ 25,735	\$ 6,724	\$ 6,337	\$ 32,405	\$ 32,072
Operating grants and contributions	466,397	382,080			466,397	382,080
Capital grants and contributions	58,545	73,070	167		58,712	73,070
General revenues:						
Property taxes	229,500	229,734			229,500	229,734
Grants and contributions not restricted to specific programs	47,698	49,262			47,698	49,262
Unrestricted investment earnings	3,692	8,519	11	41	3,703	8,560
Other general revenues	4,581	3,920			4,581	3,920
Total revenues	<u>836,094</u>	<u>772,320</u>	<u>6,902</u>	<u>6,378</u>	<u>842,996</u>	<u>778,698</u>
Expenses:						
General government	115,504	97,524			115,504	97,524
Public safety	83,414	77,513			83,414	77,513
Public works	29,127	23,821			29,127	23,821
Development and community affairs	51,777	47,702			51,777	47,702
Human services	30,042	30,755			30,042	30,755
Education	496,857	397,355			496,857	397,355
Recreation and culture	10,338	10,231			10,338	10,231
Interest on long-term debt	13,723	11,045			13,723	11,045
Hartford Parking Facilities			3,897	3,768	3,897	3,768
Total expenses	<u>830,782</u>	<u>695,946</u>	<u>3,897</u>	<u>3,768</u>	<u>834,679</u>	<u>699,714</u>
Excess before transfers	5,312	76,374	3,005	2,610	8,317	78,984
Transfers	<u>5,562</u>	<u>1,753</u>	<u>(5,562)</u>	<u>(1,753)</u>	<u>-</u>	<u>-</u>
Change in net assets	10,874	78,127	(2,557)	857	8,317	78,984
Net Assets at Beginning of Year	<u>924,841</u>	<u>846,714</u>	<u>38,531</u>	<u>37,674</u>	<u>963,372</u>	<u>884,388</u>
Net Assets at End of Year	<u>\$ 935,715</u>	<u>\$ 924,841</u>	<u>\$ 35,974</u>	<u>\$ 38,531</u>	<u>\$ 971,689</u>	<u>\$ 963,372</u>

The City's total revenue in 2008 of \$843.0 million represents an increase of \$64.3 million over last year. Included in this year's total revenue was the recognition of \$102.8 million in operating grants and contributions for the State's contribution to the State Teachers Retirement Board (STRB) on behalf of City teachers, compared with \$17.8 million in 2007. During 2008, the State's contribution to the STRB Plan on behalf of City teachers was significantly higher due to the State's issuance of pension obligation bonds and transferring of those proceeds into the STRB Plan. Capital grants and contributions decreased \$14.4 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program decreased compared with the previous year.

The City's total program expenses of \$834.7 million represent an increase of \$135 million over last year. An amount equal to the State Teachers Retirement Board on-behalf contribution is reflected as an expense in the Education function as evidenced by the increase to \$496.9 million in the current year as compared to \$397.4 million in the prior year. Additionally the cost of programs reflects a first time expense allocation of \$16.2 million for other post employment benefits (OPEB). In accordance with GASB #45, the City has accrued a liability for the difference between the actuarially determined annual recommend contribution to fund the City's OPEB obligations and the actual funding provided by the City in 2008.

Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

Table 3 presents the cost of each of the City's governmental activities five largest programs - general government, public safety, development and community affairs, human services and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
General government	\$ 115,504	\$ 97,524	\$ 111,703	\$ 91,452
Public safety	83,414	77,513	76,577	70,637
Development and community affairs	51,777	47,702	888	(6,531)
Human services	30,042	30,755	8,929	7,431
Education	496,857	397,355	53,471	31,274
All other	53,188	45,097	28,591	20,798
Total	\$ 830,782	\$ 695,946	\$ 280,159	\$ 215,061

Business-Type Activities

Revenues from the Hartford Parking Authority provided to the Hartford Parking Facilities Fund to finance debt service and capital improvement, as well as revenues to the City's General Fund, increased from \$6.3 million to \$6.7 million. Expenses (including debt service and depreciation) for the City's dedicated parking facilities were consistent with the prior year. Net transfers to the City's governmental activities increased from \$1.8 million in 2007 to \$5.6 million in 2008 as the City drew upon previously unrestricted net assets in addition to the increased net revenues from the Hartford Parking Authority to provide funding for the City's governmental programs.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

The City's General Fund reported a fund balance decrease of \$6.6 million during 2008 as compared with an increase of \$1.3 million in 2007. The General Fund's unreserved fund balance at June 30, 2008 is \$27.9 million representing 5.3 percent of the General Fund's 2008 amended budgetary appropriations. Actual revenues were \$10.5 million below the amended budgetary revenue estimate as investment income and other revenues fell significantly short of budgetary estimates. Expenditures were \$3.9 million below the final budgeted appropriation of \$525.6 million due largely to settlement payments of \$761 thousand as compared with an original budget appropriation of \$4.9 million. Refer to RSI-1 and RSI-2 for details on other favorable and unfavorable variances in comparison to budgetary estimates.

As the City completed the year, its Capital Improvement Fund reported a fund balance decrease of \$41.7 million. The decrease is the result of the City's use of unexpended bond issuance proceeds from June 2007 that were used in the current fiscal year to fund capital project costs.

During 2008, \$3.1 million of the unreserved fund balance in the City's Debt Service Fund was applied towards the City's total debt services expenditures of \$30.2 million in 2008. Unreserved fund balance as of June 30, 2008 is \$146 thousand.

The City's other governmental funds reported a decrease of \$3.4 million in fund balance for the year. The Miscellaneous Grants Fund reported a decrease of \$2.4 million in fund balance principally due to the transfer of policy private duty net revenues to the City's General Fund. A portion of the net revenues were in undesignated fund balance at the end of the prior fiscal year. The City's permanent funds representing the reservation of assets for various trust purposes reported an investment loss of \$1.4 million on investments.

Internal Service Funds

The net assets deficit of the City's self-insurance programs increased \$5.6 million, increasing the total deficit of the City's internal service programs from \$31.2 million to \$36.8 million. Included in the deficit is \$21.6 million of accrued estimated long-term obligations for the City's Workers Compensation and Liability and Property Damage self-insured programs. Overall operating revenues increased \$739 thousand and operating expenses increased \$10.7 million. Administrative and claims paid expenses increased \$8.5 million in the City's Employee Benefits self-insured program, representing an 11 percent increase over 2007.

The Metro Hartford Information Services Fund operational expenses were funded by \$7.2 million in contributions from the City's General Fund. Net assets decreased by \$105 thousand during the year.

General Fund Budgetary Highlights

Supplemental appropriations in the City's General Fund totaled \$13.9 million during 2007-2008. Revenue estimates were increased by \$13.9 million to cover the increase in expenditure budget appropriations. None of the additional expenditure budget appropriation increases were appropriated from fund balance. The State of Connecticut provided a supplemental increase in the ECS grant during 2008 allowing for the City's Education appropriation to be increased by \$10.6 million.

The City's General Fund fund balance and budgetary fund balance are both \$27.9 million at year end. No portion of the budgetary fund balance has been designated to balance the 2008/2009 budget. There were no outstanding encumbrances at year end with the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the City had \$1.2 billion invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment and infrastructure - Table 4.

Capital asset additions during the year totaled \$101.6 million (Note 5 to the financial statements). Construction in progress additions represent the majority of capital additions recorded by the City other than capital activity related to vehicle and equipment purchases. Refer to current period expenditures reported in Exhibit C for a detail of capital project expenditures by project in the City's Capital Improvement Fund. The majority of active projects as reported in Exhibit C qualify for capitalization under the City's asset capitalization policy.

TABLE 4
CAPITAL ASSETS AT YEAR END (Net of Depreciation)
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 71.3	\$ 71.2	\$ 8.4	\$ 8.4	\$ 79.7	\$ 79.6
Land improvements	8.0	8.2	0.1	0.1	8.1	8.3
Buildings	246.2	255.0			246.2	255.0
Other structures	3.3	3.8	56.9	58.9	60.2	62.7
Furniture and equipment	3.9	4.7	0.2	0.2	4.1	4.9
Rolling equipment	11.2	9.3			11.2	9.3
Infrastructure	198.0	199.6			198.0	199.6
Construction in progress	557.2	467.8			557.2	467.8
Total	\$ 1,099.1	\$ 1,019.6	\$ 65.6	\$ 67.6	\$ 1,164.7	\$ 1,087.2

There are 140 active projects in the City's Capital Improvement Fund with appropriations of \$1,093.8 million, cumulative active project expenditures of \$617.2 million and outstanding encumbrances of \$69.0 million, resulting in an unencumbered balance of \$407.7 million. Total expenditures for all projects during the fiscal year amounted to \$101.3 million. New and supplemental appropriations totaled \$183.4 million during 2008.

The City issued no general obligation bonds during 2008.

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-term debt

At June 30, 2008, the City had \$305.5 million in bonds outstanding versus \$324.1 million last year - a decrease of 5.7 percent - as shown in Table 5.

TABLE 5
OUTSTANDING DEBT, AT YEAR END
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 275.9	\$ 293.5	\$ 29.6	\$ 30.6	\$ 305.5	\$ 324.1
Serial notes payable	1.8				1.8	
Total	\$ 277.7	\$ 293.5	\$ 29.6	\$ 30.6	\$ 307.3	\$ 324.1

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The City's outstanding general obligation debt is significantly below this \$1.6 billion state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's number of unemployed increased from 4,178 in calendar year 2006 to 4,367 in calendar year 2007 while the unemployment rate increased from 8.7 percent to 8.9 percent. This compares to the State's rate of 5.9 percent and the nation's rate of 6.0 percent.

The consumer price index in the northeast urban areas was higher than the national consumer price index. Inflation from October 2007 to October 2008 in the northeast was 4.0 percent while the rate was 3.7 percent for all urban areas in the U.S.

In developing the fiscal year 2009-2010 budget, the City continues to feel it is critical to examine the size and cost of government and the ability of the taxpayers to meet that burden. Private industry has long focused on producing the best product at the lowest price. With costs escalating, government must evaluate services in terms of affordability and quality. Cost effectiveness, innovative approach and customer service are the standards for this evaluation.

The City feels that it is essential, given the current financial climate, to control the cost of each service provided. In developing the 2008-2009 budget, we constantly questioned how we are spending the taxpayers' money. Our goal is to offer basic services to our citizens that improve their quality of life at a price affordable to them. Our budget philosophy is not directed at cutting the cost of government by cutting services. It is directed toward cutting costs and improving services.

We must be innovative in our approach to the work that we do. The City cannot afford to follow the *Business As Usual* rule. It is our responsibility to challenge our employees and ourselves to find better ways to provide governmental services. Education and goal setting are the keys to innovation. Encouraging our employees' growth and development will foster innovation. The City of Hartford should be in the vanguard of how cities do business.

Most importantly, the City must respond to the needs of our citizens. Our business is customer service. Whether a department interacts with the residents or provides services to a department that does, the focus of everyone's efforts should be oriented to serving the best interest of our customers - the taxpayers. We are in the process of examining all of the City's functions, to determine whether we are making it easier for ourselves or better for our residents.

In the past, with generous funding from state and federal sources, programs and personnel were added to municipal governments and cost effectiveness and innovation were not issues. Now, with diminishing funds, rising personnel costs and a declining tax base, we have had to make some difficult and important decisions that will make our organization more efficient and improve our services. Innovative thinking will be required to spur on new ideas or methods, or new ways of approaching old problems. Various initiatives and task forces have been implemented in an effort to educate and involve City residents and citizens. Participation in these projects and programs helps us to enhance service delivery.

The general economic downturn facing not only the City of Hartford, but also the State of Connecticut is challenging. The biggest risks that may impede the state's economic recovery are: the uncertainty about the future course of the national economy, the negative impact of war, the continuing reverberation of the correction in the equity market, and how long the state job market remains weak.

The adopted budget for fiscal year 2008-09 of \$547.6 million is an increase of \$21.9 million over the revised 2007-08 budget. The negative growth in State aid exacerbates the slow growth in the City of Hartford Grand List, thus putting more pressure on property taxes. The budget includes an increase in the current year tax levy to 68.34 mills from 63.39 in the previous year.

The City is exploring ways to reduce the 2008-09 expenditure budget and increase its revenue sources. In developing the City's 2009-10 budget various options are being explored to reduce City expenditures and maximize revenues to offset the anticipated reduction in State funding and other revenue sources as the recession takes hold.

The City is currently working on combining City facilities and Board of Education facilities as well as exploring other departments/services where a more efficient use of City resources can occur. The City currently has a hiring freeze. The City also retains the services of a collection agency to collect delinquent property taxes and parking tickets.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Hartford, 550 Main Street, Hartford, Connecticut 06103.

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2008
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hartford Parking Authority
Assets:				
Cash and cash equivalents	\$ 148,223	\$ 163	\$ 148,386	\$ 2,398
Investments	16,227		16,227	
Receivables, net	146,113		146,113	95
Internal balances	1,381	(1,381)	-	
Due from Fiduciary funds	1,363		1,363	
Due from Component unit		1,848	1,848	
Other assets	460		460	
Capital assets:				
Assets not being depreciated	628,498	8,428	636,926	
Assets being depreciated, net	470,559	57,163	527,722	
Total assets	<u>1,412,824</u>	<u>66,221</u>	<u>1,479,045</u>	<u>2,493</u>
Liabilities:				
Accounts payable and accrued expenses	82,666	630	83,296	598
Unearned revenues	7,594		7,594	47
Due to primary government				1,848
Unamortized bond premium	7,463		7,463	
Noncurrent liabilities:				
Due within one year	52,584	1,225	53,809	
Due in more than one year	326,802	28,392	355,194	
Total liabilities	<u>477,109</u>	<u>30,247</u>	<u>507,356</u>	<u>2,493</u>
Net Assets:				
Invested in capital assets, net of related debt	877,583	35,974	913,557	
Restricted for:				
Housing loans	44,111		44,111	
Trust purposes:				
Expendable	1,025		1,025	
Nonexpendable	18,962		18,962	
Unrestricted	<u>(5,966)</u>		<u>(5,966)</u>	
Total Net Assets	<u>\$ 935,715</u>	<u>\$ 35,974</u>	<u>\$ 971,689</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							Component Unit Hartford Parking Authority
	Expenses	Program Revenues			Primary Government		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 115,504	\$ 2,907	\$ 894	\$	\$ (111,703)	\$	\$ (111,703)	\$
Public safety	83,414	4,696	2,141		(76,577)		(76,577)	
Public works	29,127	14,224	1,951	3,987	(8,965)		(8,965)	
Development and community affairs	51,777	72	49,907	910	(888)		(888)	
Human services	30,042	631	20,482		(8,929)		(8,929)	
Education	496,857	637	389,256	53,493	(53,471)		(53,471)	
Recreation and culture	10,338	2,514	854	155	(6,815)		(6,815)	
Interest on long-term debt	13,723		912		(12,811)		(12,811)	
Total governmental activities	830,782	25,681	466,397	58,545	(280,159)		(280,159)	-
Business-type activities:								
Hartford Parking Facilities	3,897	6,724		167		2,994	2,994	
Total Primary Government	\$ 834,679	\$ 32,405	\$ 466,397	\$ 58,712	(280,159)	2,994	(277,165)	-
Component Units:								
Hartford Parking Authority	\$ 5,269	\$ 5,269						-
General revenues:								
Property taxes					229,500		229,500	
Grants and contributions not restricted to specific programs					47,698		47,698	
Unrestricted investment earnings					3,692	11	3,703	
Miscellaneous					4,581		4,581	
Transfers					5,562	(5,562)	-	
Total general revenues and transfers					291,033	(5,551)	285,482	-
Change in net assets					10,874	(2,557)	8,317	-
Net Assets at Beginning of Year					924,841	38,531	963,372	-
Net Assets at End of Year					\$ 935,715	\$ 35,974	\$ 971,689	\$ -

CITY OF HARTFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2008
(In Thousands)

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Community Development Loan and Grant</u>	<u>Debt Service</u>	<u>Educational Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 42,571	\$ 48,551	\$ 6,772	\$ 107	\$ 16,559	\$ 28,141	\$ 142,701
Investments						16,227	16,227
Receivables, net	45,719	41,832	44,111		2,982	11,371	146,015
Due from other funds	19,210	2,153	496	89	489	189	22,626
Inventories and other assets						460	460
Total Assets	<u>\$ 107,500</u>	<u>\$ 92,536</u>	<u>\$ 51,379</u>	<u>\$ 196</u>	<u>\$ 20,030</u>	<u>\$ 56,388</u>	<u>\$ 328,029</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 36,614	\$ 20,778	\$ 927	\$ 50	\$ 7,825	\$ 3,970	\$ 70,164
Due to other funds	1,827	1,415			12,453	4,883	20,578
Deferred revenue	41,159	230	44,111		679	10,430	96,609
Total liabilities	<u>79,600</u>	<u>22,423</u>	<u>45,038</u>	<u>50</u>	<u>20,957</u>	<u>19,283</u>	<u>187,351</u>
Fund balances:							
Reserved		63,892				31,335	95,227
Unreserved, reported in:							
General Fund	27,900						27,900
Special Revenue Funds			6,341		(927)	3,762	9,176
Debt Service Fund				146			146
Capital Project Funds		6,221				2,008	8,229
Total fund balances	<u>27,900</u>	<u>70,113</u>	<u>6,341</u>	<u>146</u>	<u>(927)</u>	<u>37,105</u>	<u>140,678</u>
Total Liabilities and Fund Balances	<u>\$ 107,500</u>	<u>\$ 92,536</u>	<u>\$ 51,379</u>	<u>\$ 196</u>	<u>\$ 20,030</u>	<u>\$ 56,388</u>	<u>\$ 328,029</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

(In Thousands)

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are
different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$	140,678
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	1,580,586	
Less accumulated depreciation		<u>(481,529)</u>	
Net capital assets			1,099,057

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not recorded in the funds:

Property tax receivables	15,916
Interest receivable on property taxes	4,781
Receivable from the state for school construction projects	18,515
Housing loans	44,111
Other receivables	5,692

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 reported with governmental activities
in the statement of net assets.

(36,804)

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(276,140)
Interest payable on bonds and notes	(4,465)
Compensated absences	(31,523)
HUD loans	(2,845)
Capital leases	(9,278)
CWF serial note	(1,825)
Net OPEB obligation	(16,175)
Net pension obligation	(6,747)
Bond premium	(7,463)
Deferred charges on refunding	<u>230</u>

Net Assets of Governmental Activities (Exhibit III)	\$	<u><u>935,715</u></u>
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The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service Fund	Educational Grants	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 232,955	\$	\$	\$	\$	\$	\$ 232,955
Licenses, permits, and other charges	9,850						9,850
Intergovernmental revenues	341,042	56,576			84,608	85,238	567,464
Charges for services	2,194					5,337	7,531
Use of property	4,294						4,294
Investment income	1,714	2,559	328			(948)	3,653
Miscellaneous	6,917	652	1,530		7,580	1,668	18,347
Total revenues	<u>598,966</u>	<u>59,787</u>	<u>1,858</u>	<u>-</u>	<u>92,188</u>	<u>91,295</u>	<u>844,094</u>
Expenditures:							
Current:							
General government	21,890					3,886	25,776
Public safety	74,402					5,022	79,424
Public works	11,825					3,173	14,998
Development and community affairs	2,541		2,171			48,164	52,876
Human services	7,303					22,576	29,879
Education	374,467				91,779	12,785	479,031
Recreation and culture						9,636	9,636
Benefits and insurance	57,012						57,012
Other	28,122						28,122
Capital outlay		101,332					101,332
Debt service				30,195		2,706	32,901
Total expenditures	<u>577,562</u>	<u>101,332</u>	<u>2,171</u>	<u>30,195</u>	<u>91,779</u>	<u>107,948</u>	<u>910,987</u>
Excess (Deficiency) of Revenues over Expenditures	21,404	(41,545)	(313)	(30,195)	409	(16,653)	(66,893)
Other Financing Sources (Uses):							
Transfers in	14,715	974	106	27,103		12,863	55,761
Transfers out	(42,686)	(3,066)			(993)	(3,454)	(50,199)
Serial notes issued		1,922					1,922
Capital leases						3,883	3,883
Total other financing sources (uses)	<u>(27,971)</u>	<u>(170)</u>	<u>106</u>	<u>27,103</u>	<u>(993)</u>	<u>13,292</u>	<u>11,367</u>
Net Change in Fund Balances	(6,567)	(41,715)	(207)	(3,092)	(584)	(3,361)	(55,526)
Fund Balances at Beginning of Year	<u>34,467</u>	<u>111,828</u>	<u>6,548</u>	<u>3,238</u>	<u>(343)</u>	<u>40,466</u>	<u>196,204</u>
Fund Balances at End of Year	<u>\$ 27,900</u>	<u>\$ 70,113</u>	<u>\$ 6,341</u>	<u>\$ 146</u>	<u>\$ (927)</u>	<u>\$ 37,105</u>	<u>\$ 140,678</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$	(55,526)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	101,591
Depreciation expense	(21,514)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by the cost of the assets sold.

(618)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(2,852)
Property tax receivable - accrual basis change	(2,713)
Property tax interest and lien revenue - accrual basis change	(742)
Other receivables - accrual basis change	(690)

Change in pension and other post employment benefit liabilities	(12,750)
---	----------

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 has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and serial note principal payments	17,832
Issuance of bonds and notes	(1,922)
Accrued interest on bonds - accrual basis change	(1,074)
HUD loan principal payments	270
Capital lease payments	1,833
Capital lease financing	(3,883)
Amortization of deferred charge on refunding	(95)
Amortization of bond premium	412

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 the governmental funds.

Compensated absences	(1,049)
----------------------	---------

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(5,636)

Change in Net Assets of Governmental Activities (Exhibit II)	\$	<u>10,874</u>
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The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2008
(In Thousands)

	Business-Type Activities	Governmental Activities
	Hartford Parking Facilities	Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 163	\$ 5,522
Receivables, net		98
Due from other funds		1,645
Due from component unit	1,848	
Total current assets	2,011	7,265
Capital assets, net	65,591	
Total assets	67,602	7,265
Liabilities:		
Current liabilities:		
Accounts and other payables	630	8,037
Due to other funds	1,381	949
Risk management claims		13,483
Bonds payable	1,225	
Total current liabilities	3,236	22,469
Noncurrent liabilities:		
Risk management claims		21,600
Bonds payable	28,392	
Total noncurrent liabilities	28,392	21,600
Total liabilities	31,628	44,069
Net Assets:		
Invested in capital assets, net of related debt	35,974	
Unrestricted		(36,804)
Total Net Assets	\$ 35,974	\$ (36,804)

The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	<u>Business-Type Activities</u> Hartford Parking Facilities	<u>Governmental Activities</u> Internal Service Funds
Operating Revenues:		
City's contribution for insurance	\$	\$ 77,513
Employee and pensioners contributions for insurance		19,006
Hartford Parking Authority - operations	6,724	
Other		450
Total operating revenues	<u>6,724</u>	<u>96,969</u>
Operating Expenses:		
Administrative		7,720
Operations	5	3,930
Insurance benefits and claims		90,994
Total operating expenses before depreciation	<u>5</u>	<u>102,644</u>
Operating Income (Loss) Before Depreciation	<u>6,719</u>	<u>(5,675)</u>
Depreciation	<u>2,128</u>	
Total operating expenses	<u>2,133</u>	<u>102,644</u>
Operating Income (Loss)	<u>4,591</u>	<u>(5,675)</u>
Nonoperating Income (Loss)		
Interest earnings	11	39
Interest expense	(1,764)	
Total nonoperating income (loss)	<u>(1,753)</u>	<u>39</u>
Net Income (Loss) Before Transfers and Contributions	2,838	(5,636)
Capital contributions	167	
Transfers in	2,761	
Transfers out	<u>(8,323)</u>	
Change in Net Assets	(2,557)	(5,636)
Net Assets at Beginning of Year	<u>38,531</u>	<u>(31,168)</u>
Net Assets at End of Year	\$ <u>35,974</u>	\$ <u>(36,804)</u>

The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	Business-Type Activities	Governmental Activities
	Hartford Parking Facilities	Internal Service Funds
Cash Flows from Operating Activities:		
City's contribution	\$	\$ 77,205
Cash received from insurance companies and users		19,651
Cash received from Hartford Parking Authority	6,708	
Cash paid to for salaries and benefits		(3,636)
Cash paid to suppliers and other	(5)	(91,087)
Net cash provided by operating activities	6,703	2,133
Cash Flows from Noncapital and Related Financing Activities:		
Transfers from other funds	2,761	
Transfers to other funds	(6,950)	
Net cash used in noncapital and related financing activities	(4,189)	-
Cash Flows from Capital and Related Financing Activities:		
Principal paid on bonds	(1,210)	
Interest paid on bonds	(1,759)	
Net cash used in capital and related financing activities	(2,969)	-
Cash Flows from Investing Activities:		
Income on investments	11	39
Net Increase (Decrease) in Cash and Cash Equivalents	(444)	2,172
Cash and Cash Equivalents at Beginning of Year	607	3,350
Cash and Cash Equivalents at End of Year	\$ 163	\$ 5,522
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 4,591	\$ (5,675)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	2,128	
(Increase) decrease in due from component unit	(16)	
(Increase) decrease in other receivables		218
(Increase) decrease in due from other funds		(440)
Increase (decrease) in accounts payable and accrued liabilities		7,081
Increase (decrease) in due to other funds		256
Increase (decrease) in insurance claims payable		693
Total adjustments	2,112	7,808
Net Cash Provided by Operating Activities	\$ 6,703	\$ 2,133
Noncash Investing, Capital and Financing Activities:		
Capital contribution	\$ 167	
Amortization of deferred amount on refunding	244	

The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2008
(In Thousands)

	Pension Trust Funds	School Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 47,057	\$ 703
Investments:		
Fixed income securities	310,695	
Equities	605,419	
Private equity contracts	156,421	
Accrued investment earnings	4,161	
Other	1,162	
Loan receivable	<u>1,800</u>	
 Total assets	 <u>1,126,715</u>	 <u>\$ 703</u>
Liabilities:		
Accounts payable and accrued liabilities	249	
Net settlement due on investments purchased/sold	43,731	
Due to other funds	1,363	
Due to student groups and other	<u> </u>	<u>\$ 703</u>
 Total liabilities	 <u>45,343</u>	 <u>\$ 703</u>
Net Assets:		
Held in Trust for Pension Benefits	<u>\$ 1,081,372</u>	

The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET ASSETS - FIDUCIARY FUNDS
PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

Additions:	
Contributions:	
Employer	\$ 20,329
Plan members	9,769
Total contributions	<u>30,098</u>
Investment income (loss):	
Net depreciation in fair value of investments	(31,955)
Interest and dividends	19,838
Total investment loss	<u>(12,117)</u>
Less investment expense	(4,543)
Net investment loss	<u>(16,660)</u>
Other additions	<u>504</u>
Total additions	<u>13,942</u>
Deductions:	
Benefits	81,365
Administration	2,733
Other	754
Total deductions	<u>84,852</u>
Net Decrease	(70,910)
Net Assets at Beginning of Year	<u>1,152,282</u>
Net Assets at End of Year	<u>\$ 1,081,372</u>

The accompanying notes are an integral part of the financial statements

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Hartford (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the City are described below.

A. Reporting Entity

The City of Hartford was incorporated May 29, 1784 and the City and City consolidated in April, 1896. The City operates under a Mayor-Council form of government and provides a full range of services including public safety, roads, solid waste collection, health, social services, culture and recreation, education, planning, development, zoning and general administrative services.

As required by generally accepted accounting principles, these financial statements present the primary government and the following component unit.

Discretely Presented Component Unit

The Hartford Parking Authority (the Authority) has been included in the City's reporting as a governmental fund type in accordance with GAAP. The Authority was created pursuant to Chapter 100 of the General Statutes of Connecticut and is governed by five members appointed by the Mayor. The purpose of the Authority is to create, establish, finance, maintain, and operate the City of Hartford's dedicated parking facilities, and regulate the uses and parking rates to be charged at other regulated parking facilities. The City will maintain ownership of the facilities and retire associated debt with net parking revenue transferred in from the Authority. Separate financial statements of the Authority are available from the Authority's offices, 155 Morgan Street, Hartford, Connecticut.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City and its component unit. 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 legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

The various fund types included in the financial statements are described below:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

General Fund - the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service, and interest income.

Special Revenue Funds - account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Debt Service Fund - accounts for the payment of principal and interest on general long-term debt of the City.

Capital Project Funds - account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

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

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the City's proprietary funds:

Enterprise Funds - account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The reported enterprise fund of the City accounts for activities of the Hartford Parking Facilities.

Internal Service Funds - account for the financing of goods or services provided by one department to other departments or agencies of the City on a cost-reimbursement basis. The reported internal service funds of the City include self-insured funds for Employee Benefits, Workers' Compensation, and Liability and Property Damage and a fund used to account for the centralized operations of the Metro Hartford Information Services.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Funds - account for the Municipal Employees' Retirement System.

Agency Funds - are custodial in nature (assets equal liabilities). Agency Funds apply the accrual basis of accounting but do not involve measurement of results of operation. The School System Student Activity Fund and Adult Education Book Fund are the City's only agency funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except for agency funds which have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 (generally 60 days). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The Community Development Loan and Grant Fund accounts for loan and grant activities associated with the housing and development program.

The Capital Improvement Fund accounts for the proceeds of general obligation bonds and grants for various construction and reconstruction projects.

The Debt Service Fund accounts for the payment of principal and interest on general long-term debt of the City.

The Educational Grants Fund accounts for State and Federal grants received and expended for educational purposes.

The City reports the following major enterprise fund:

The Hartford Parking Facilities Fund accounts for the operations of the City's dedicated parking facilities in conjunction with the Hartford Parking Authority.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type

activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Additionally, the City reports the following fund types:

The Internal Service Funds account for the risk management program of the City and the centralized operations of the Metro Hartford Information Services.

The Pension Trust Funds account for the activities of the Hartford Retirement System, which accumulates resources for pension benefit payments to qualified City employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between certain City's 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City and its component unit to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

Investments for the City, as well as for its component unit, are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property tax receivables, including those for component units, are shown net of an allowance for uncollectibles. The property tax receivable allowance of \$2.7 million is equal to 14.7% of outstanding property taxes at June 30, 2008.

The City’s property tax is levied each May on the assessed value listed as of the prior October 1 for all taxable real and personal property located in the City. Assessed values are established by the City Assessor at 70% of fair market value for all properties on the grand list as of October 1 each year. Taxes under \$100 (amount not rounded) are due in one installment July 1; real and personal property taxes of over \$100 (amount not rounded) are due in two installments July 1 and January 1. Motor vehicle taxes in excess of \$100 (amount not rounded) are due in two installments July 1 and January 1. Delinquent taxes are assessed interest of 1.5% per month. In accordance with revenue recognition rules for property taxes, all uncollected property taxes at year end have been deferred.

F. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs 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.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and building improvements	20-40
Other structures	15
Office furniture, equipment and PC hardware	5
Computer equipment	3-5
Shop, playground, and grounds maintenance equipment	10-20
Autos, trucks, construction vehicles	5-15
Infrastructure	25-70

H. Compensated Absences

At year-end, an estimated accrued liability for vacation and sick time for all regular municipal employees has been accrued.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing 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, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City adopted the legal budget for the 2007-2008 General Fund in accordance with the procedures summarized below:

By the third Monday in April, the Mayor must submit to the City Council a recommended operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.

Through direction of the Mayor and the City Council, open meetings and public hearings are held to obtain residents' and taxpayers' comments on the recommended budget.

The City Council modifies the budget by resolution (except revenues, debt service and pension requirements) and then submits the budget as amended to the Mayor for certification no later than May 21.

The Mayor may approve, reduce, and/or disapprove the budget within 48 hours, but no later than May 23.

Upon action by the Mayor, Council has until May 31 to adopt the budget, the appropriation ordinance and the tax levy ordinance. If it fails to adopt the budget by that date the budget as certified by the Mayor shall be deemed to be the budget of the City for the ensuing fiscal year and expenditures shall be made in accordance therewith (Hartford Municipal Code Sec. 9).

After the budget has been adopted and the new fiscal year begins, an appropriation may be amended. The Mayor may, at any time, transfer any unencumbered balance or portion thereof, from one classification of expenditures to another within the same department.

At the request of the Mayor, but only within the last three months of the fiscal year, the Court of Common Council may transfer by resolution, any unencumbered appropriation balance or portion thereof from one department or agency to another.

Supplemental appropriations are made on the recommendation of the Mayor upon certification by the Director of Finance that there exists an available general fund cash surplus to meet this appropriation.

Budgets for General Fund are presented on a basis consistent with generally accepted accounting principles except that encumbrances and transfers out are shown as budgetary obligations and transfers in are shown as revenues.

The General Fund budget is the City's only legally adopted annual budget. Budgets for Special Revenue and Capital Projects Funds are adopted on a project length basis in accordance with related grant or funding agreements.

The level of control for the General Fund budget is at the department/major activity level which are authorized by ordinance. The level of control for Capital Projects Funds is appropriations at the project level. Total expenditures can not exceed total appropriations by project, over the length of the project.

The Community Development Block Grant (Special Revenue) project budgets are approved by City Council. The level of control for all other Special Revenue Funds is at the project or program level in accordance with agreement provisions and various budgetary periods.

All unencumbered and unexpended appropriations lapse at year end for the General Fund. Appropriations do not lapse at year end for Special Revenue Funds. Appropriations for capital projects are carried forward until such time as the project is completed or terminated.

During the fiscal year ended June 30, 2008 there were General Fund supplemental budget appropriations totaling \$13.9 million. This amount was offset by increased adopted revenue sources totaling \$13.9 million. There were no additional appropriations against fund balance.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Fund Equity

Educational Grants	\$	927
Nonmajor Funds:		
Hartford Public Library		129
Internal Service Funds:		
Employee Benefits		8,675
Workers' Compensation		21,634
Liability and Property Damage		6,469
Metro Hartford Information Services		26

Deficit balances will be funded by future revenue or General Fund appropriations.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank”, as defined by the Statutes, which is not a “qualified public depository”.

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (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 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. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

A. Cash and Cash Equivalents

The following is a summary of the City’s cash and cash equivalents at June 30, 2008:

Primary Government

Deposits:		
Primary government:		
Demand accounts	\$	36,505
Money markets		12,197
Subtotal		<u>48,702</u>
Petty cash		16
Cash equivalents:		
State Short-Term Investment Fund (STIF)		21,529
Marshall Prime Money Fund		2,393
Institutional money market funds		5,498
Pooled employee retirement liquidity funds		39,903
Repurchase agreements		<u>78,105</u>
Total Cash and Cash Equivalents	\$	<u>196,146</u>

Discretely Presented Component Unit

Hartford Parking Authority:
Demand accounts

\$ 2,398

Deposits

City

At June 30, 2008, the carrying amount of the City's deposits was \$48,702, and the bank balance was \$58,476.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy includes policies on the safety of principal, prudence, and financial dealers and institutions designed to mitigate custodial credit risk. Of the June 30, 2008 bank balance, \$674 was covered by Federal Depository Insurance. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with Federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio. A minimum of \$5,840, based on June 30, 2008 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the City's name). The balance of deposits of \$51,962 was uninsured and uncollateralized.

Hartford Parking Authority

At June 30, 2008, the carrying amount of the Authority's deposits was \$2,398, and the bank balance was \$2,409.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority follows the City's deposit policies which include policies on the safety of principal, prudence, and financial dealers and institutions to mitigate custodial credit risk. Of the June 30, 2008 bank balance, \$200 was covered by Federal Depository Insurance. As described above, the Connecticut General Statutes require 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. A minimum of \$241, based on June 30, 2008 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the Authority's name). The balance of deposits of \$1,968 was uninsured and uncollateralized.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2008, the City's cash equivalents amounted to \$147,428. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Marshall Prime Money fund	*
Institutional Money Market Funds	AAAm
Pooled Employee Retirement Liquidity Funds	*

*Not rated by rating organization

B. Investments

Investments as of June 30, 2008 in all funds are as follows:

Pension Accounts:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Interest Bearing Investments:		
Fixed income securities	\$ 310,695	15.60
Other Investments:		
Equities	605,419	
Private equity contracts	156,421	
Other domestic equities and investment accruals	<u>5,323</u>	
Total	\$ <u>1,077,858</u>	
Portfolio weighted average maturity for interest bearing investments		15.60

Permanent Funds and Nonexpendable Trust Accounts:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Interest Bearing Investments:		
U.S treasury securities	\$ 2,168	11.75
Domestic corporate bonds	3,161	5.03
U.S. federal agency securities	1,433	2.64
Other Investments:		
Equities	9,164	
Open-end mutual funds	301	
Total	\$ 16,227	

Portfolio weighted average maturity for interest bearing investments 6.68

Interest Rate Risk -The City's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's formal investment policy includes asset allocation percentage ranges to assist in limiting interest rate risk.

Foreign Currency Risk - The City's formal investment policy limits at any point in time, the exact level of investment in international equities to between seventeen percent and twenty-one percent of the total MERF portfolio. The City's exposure to foreign currency related to equities, fixed income securities and other domestic equities as of June 30, 2008 is as follows:

Pension Trusts:

<u>Currency</u>	<u>Fair Value</u>	<u>% of Total Portfolio</u>
Fixed Income Securities:		
Euro Currency Unit	\$ 35,323	3.27 %
Japanese Yen	20,082	1.86
British Pound Sterling	14,224	1.32
Australian Dollar	1,671	0.15
Mexican New Peso	1,563	0.14
Swedish Krona	1,430	0.13
Other foreign currencies	1,488	0.14
Equities:		
Japanese Yen	13,514	1.25
Euro Currency Unit	8,519	0.79
British Pound Sterling	5,717	0.53
South Korean Won	4,381	0.41
Hong Kong Dollar	3,427	0.32
Canadian Dollar	3,211	0.30
Singapore Dollar	2,324	0.22
Swiss Franc	2,254	0.21
Australian Dollar	2,100	0.19
New Taiwan Dollar	2,046	0.19
Swedish Krona	1,382	0.13
Other foreign currencies	2,963	0.27

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The City's investment policy further limits its investment choices including prohibiting investments in derivatives that are not used for the specific purposes identified in the City's Funding and Investment Policy Statement. Other prohibited transactions are identified in Article X of the Funding and Investment Policy Statement. The following table provides a summary of the City's investments (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

Pension Trusts:

	Standard and Poor's	
	Rating	Percentage
Fixed income securities:		
	AAA	69%
	AA	12%
	A	8%
	BBB	6%
	BB	1%
	B	1%
	Not rated	3%

Permanent Funds and Expendable Trusts:

	Standard and Poor's	
	Rating	Percentage
Domestic corporate bonds:		
	AAA	6%
	A+ to AA	9%
	AA-	17%
	A+	22%
	A to A-	31%
	BBB+ to BBB-	15%
U.S. federal agency securities:		
	AAA	100%

Concentration of Credit Risk -The City's investment policy does not allow for an investment in securities that are not readily marketable in any one issuer that is in excess of five percent of the City's total portfolio. Additionally, investment manager guidelines require that investments be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio.

Custodial Credit Risk - 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, private equity contracts, other domestic equities, U.S treasury securities, domestic corporate bonds, and U.S federal agency securities are uninsured and unregistered securities held by a counterparty, or by its trust department or agent that are not in the City's name. The City's other investments are held in open-end mutual funds which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination. The City's formal investment policy mitigates custodial credit risk by requiring use of financial institutions that are reputable and sophisticated, holding significant assets, maintaining specific insurance levels and having a quality internal control structure.

4. RECEIVABLES

Receivables as of year end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Community Development Loan and Grant Fund</u>	<u>Educational Grants</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 18,658	\$	\$	\$	\$	\$ 18,658
Accrued interest on taxes	5,809					5,809
Intergovernmental	18,515	41,832		2,604	7,122	70,073
Accounts	20,898				2,975	23,873
Housing loans			63,660			63,660
Section 108 - business loans					2,845	2,845
Other	4,566			378	2,402	7,346
Gross receivables	<u>68,446</u>	<u>41,832</u>	<u>63,660</u>	<u>2,982</u>	<u>15,344</u>	<u>192,264</u>
Less:						
Allowance for uncollectibles:						
Taxes	(2,742)					(2,742)
Accrued interest on taxes	(1,028)					(1,028)
Accounts	(18,957)				(2,075)	(21,032)
Housing loans			(19,549)			(19,549)
Total allowance	<u>(22,727)</u>	<u>-</u>	<u>(19,549)</u>	<u>-</u>	<u>(2,075)</u>	<u>(44,351)</u>
Net Total Receivables	<u>\$ 45,719</u>	<u>\$ 41,832</u>	<u>\$ 44,111</u>	<u>\$ 2,982</u>	<u>\$ 13,269</u>	<u>\$ 147,913</u>

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Delinquent property taxes	\$ 15,916	\$	15,916
Accrued interest on delinquent property taxes	4,781		4,781
School building construction grant receivables	18,515		18,515
Other accounts receivable	1,947		1,947
Capital Improvement Fund:			
Grant drawdowns prior to meeting all eligibility requirements		230	230
Community Development Loan and Grant:			
Housing loans and interest	44,111		44,111
Educational Grants:			
Grant drawdowns prior to meeting all eligibility requirements		679	679
Nonmajor and other funds:			
Grant drawdowns prior to meeting all eligibility requirements		5,418	5,418
Section 108 - business loans	2,845		2,845
Other accounts receivable	900		900
Other deferred revenues		1,267	1,267
	<u> </u>	<u> </u>	<u> </u>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>89,015</u>	\$ <u>7,594</u>	\$ <u>96,609</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 71,231	\$ 67	\$ 276	\$ (234)	\$ 71,340
Construction in progress	<u>467,842</u>	<u>(8,246)</u>	<u>97,562</u>		<u>557,158</u>
Total capital assets not being depreciated	<u>539,073</u>	<u>(8,179)</u>	<u>97,838</u>	<u>(234)</u>	<u>628,498</u>
Capital assets being depreciated:					
Land improvements	19,352	807			20,159
Buildings	436,172	1,058	68		437,298
Other structures	15,161		4		15,165
Furniture and equipment	32,195		507	(95)	32,607
Rolling equipment	33,385	1,015	3,174	(1,042)	36,532
Infrastructure	<u>405,333</u>	<u>5,299</u>		<u>(305)</u>	<u>410,327</u>
Total capital assets being depreciated	<u>941,598</u>	<u>8,179</u>	<u>3,753</u>	<u>(1,442)</u>	<u>952,088</u>
Less accumulated depreciation for:					
Land improvements	(11,171)		(943)		(12,114)
Buildings	(181,211)		(9,890)		(191,101)
Other structures	(11,372)		(555)		(11,927)
Furniture and equipment	(27,498)		(1,291)	11	(28,778)
Rolling equipment	(24,042)		(2,164)	888	(25,318)
Infrastructure	<u>(205,779)</u>		<u>(6,671)</u>	<u>159</u>	<u>(212,291)</u>
Total accumulated depreciation	<u>(461,073)</u>	<u>-</u>	<u>(21,514)</u>	<u>1,058</u>	<u>(481,529)</u>
Total capital assets being depreciated, net	<u>480,525</u>	<u>8,179</u>	<u>(17,761)</u>	<u>(384)</u>	<u>470,559</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,019,598</u>	<u>\$ -</u>	<u>\$ 80,077</u>	<u>\$ (618)</u>	<u>\$ 1,099,057</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 8,428	\$ _____	\$ _____	\$ 8,428
Capital assets being depreciated:				
Land improvements	29			29
Parking garages	70,060	158		70,218
Furniture, fixtures and equipment	251	9		260
Total capital assets being depreciated	<u>70,340</u>	<u>167</u>	<u>-</u>	<u>70,507</u>
Less accumulated depreciation for:				
Land improvements	(4)	(5)		(9)
Parking garages	(11,172)	(2,100)		(13,272)
Furniture, fixtures and equipment	(40)	(23)		(63)
Total accumulated depreciation	<u>(11,216)</u>	<u>(2,128)</u>	<u>-</u>	<u>(13,344)</u>
Total capital assets being depreciated, net	<u>59,124</u>	<u>(1,961)</u>	<u>-</u>	<u>57,163</u>
Business-Type Activities Capital Assets, Net	<u>\$ 67,552</u>	<u>\$ (1,961)</u>	<u>\$ -</u>	<u>\$ 65,591</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 409
Public safety	1,790
Public works	10,117
Development and community affairs	212
Human services	176
Education	8,121
Recreation and culture	<u>689</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 21,514</u>
Business-type activities:	
Hartford Parking Facilities	<u>\$ 2,128</u>

Construction Commitments

The City has the following authorized construction projects in the Capital Improvement Fund as of June 30, 2008. The projects include building construction and facility improvements, land and structure improvements to parks and cultural facilities, transportation improvement projects, and other capital improvement projects.

At year end the City's encumbrances and commitments with contractors are as follows:

	<u>Cumulative Appropriations</u>	<u>Cumulative* Disbursements</u>	<u>Encumbrances* and Commitments</u>	<u>Unencumbered Balance</u>
Public Works - facilities	\$ 27,287	\$ 10,359	\$ 4,788	\$ 12,140
Public Safety - facilities	89,700	16,516	2,419	70,765
Recreation and Culture Projects	91,020	64,095	15,345	11,580
Education Projects	781,929	464,331	38,016	279,582
Public Works - Infrastructure	92,303	54,602	7,844	29,857
Local Capital Improvement Projects	<u>11,577</u>	<u>7,276</u>	<u>572</u>	<u>3,729</u>
Total	<u>\$ 1,093,816</u>	<u>\$ 617,179</u>	<u>\$ 68,984</u>	<u>\$ 407,653</u>

* Excludes retainage payable recorded in the financial statements in the amount of \$5.1 million at June 30, 2008.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2008 is presented below:

Primary Government

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 1,191
General Fund	Educational Grants	12,453
General Fund	Nonmajor governmental	1,969
General Fund	Enterprise Funds	1,381
General Fund	Internal Service Funds	925
General Fund	Pension Trust Funds	1,291
Capital Improvement Fund	Nonmajor governmental	2,153
Community Development Loan and Grant	Nonmajor governmental	496
Debt Service	General Fund	89
Educational Grants	Nonmajor Governmental	265
Educational Grants	Capital Improvement Fund	224
Nonmajor Governmental	General Fund	93
Nonmajor Governmental	Internal Service Funds	24
Nonmajor Governmental	Pension Trust Funds	72
Internal Service Funds	General Fund	<u>1,645</u>
Total		<u>\$ 24,271</u>

Primary Government and Component Unit

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City - Hartford Parking Facilities	Component Unit - Hartford Parking Authority	\$ <u>1,848</u>

A summary of interfund transfers is presented below:

Primary Government

	<u>Tranfers In</u>						<u>Total</u>
	<u>General</u>	<u>Capital Improvement</u>	<u>Community Development Loan and Grant</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Enterprise Fund</u>	
Transfers out:							
General Fund	\$	\$	\$	\$ 27,103	\$ 12,822	\$ 2,761	\$ 42,686
Capital Improvement Fund		3,025			41		3,066
Educational Grants		993					993
Nonmajor Governmental		2,374	974	106			3,454
Enterprise Fund		8,323					8,323
Total	\$	14,715	\$ 974	\$ 27,103	\$ 12,863	\$ 2,761	\$ 58,522

Transfers from the General Fund to the Debt Service Fund represent the City’s payment toward debt service on bonds outstanding. Transfers from the Hartford Parking Facilities enterprise fund to the General Fund represents a portion of net income derived from the City’s parking garage and on-street parking programs. Transfers from the Nonmajor Governmental Funds to the General Fund primarily includes net income derived from the City’s police private duty services program. Transfers from the General Fund to the Nonmajor Governmental funds includes \$8.4 million in support of the City’s library program.

7. LEASES

Operating Leases

Lease Agreements as Lessor

The City leases certain building, land, and air space rights under operating leases. The agreements provide for minimum annual rentals plus contingent rentals based on a percentage of cash flow from the properties.

The total rental income from operating leases during 2008 amounted to \$2.4 million. The cost of the buildings and land associated with these rental income amounts is estimated at \$32.8 million with a carrying value of \$20.7 million. Depreciation expense related to these properties was \$616 thousand during the year.

Lease Agreements as Lessee

The City entered into a 10 year lease commencing in 2001 for the rental of office and storage space from the Hartford Downtown Revival, LLC for the Board of Education. Future minimum lease payments are projected as follows:

2009	\$	834
2010		834

The City entered into a 15 year lease commencing on July 1, 2002 for the rental of office space from the Connecticut Constitution Associates, LLC for the various City departments and agencies. Future minimum lease payments are projected as follows. At the beginning of year six and year eleven, the base rent will be increased by an amount equal to the product of the base rent times 100% of the percentage increase, if any, of the CPI over the CPI at the commencement date or the first day of the sixth lease year, as the case may be:

2009-2017	\$	1,000	*
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* Annual lease payment without consideration of potential increases resulting from the change in the CPI in the eleventh year of the fifteen year lease.

In addition to the base rent, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2008 and 2007, base rent and additional rent amounted to \$1,618 and \$2,087, respectively.

The City entered into a seven-year lease commencing in 2005 for the rental of a building at 875 Asylum Avenue for use as a Board of Education administration building and as additional classroom space for West Middle School. Future minimum lease payments are projected as follows:

2009	\$	235
2010		293
2011		293
2012		293

8. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 293,875	\$	\$ 17,735	\$ 276,140	\$ 20,550
Less deferred amounts on refunding	(325)		(95)	(230)	
Total bonds payable	<u>293,550</u>	-	<u>17,640</u>	<u>275,910</u>	<u>20,550</u>
Compensated absences	30,474	16,939	15,890	31,523	15,980
HUD Section 108 loans	3,115		270	2,845	52
Capital leases	7,228	3,883	1,833	9,278	2,439
CWF Serial Note		1,922	97	1,825	80
Net OPEB Obligation		16,175		16,175	
Net pension obligation	10,172		3,425	6,747	
Risk management claims	<u>34,390</u>	<u>90,994</u>	<u>90,301</u>	<u>35,083</u>	<u>13,483</u>
Governmental Activity Long-Term Liabilities	<u>\$ 378,929</u>	<u>\$ 129,913</u>	<u>\$ 129,456</u>	<u>\$ 379,386</u>	<u>\$ 52,584</u>

General Obligation Bonds

General obligation bonds represent long-term indebtedness backed by the full faith and credit of the City and are comprised of the following groups of issues:

General purpose serial bonds issued 1998-2007; final maturities from January 15, 2009 to August 15, 2026; interest at 3.5 percent to 6.0 percent	\$ 134,118
Civic Center serial bonds issued 1971-1993; final maturities from March 1, 2009 to February 1, 2013; interest at 4.8 percent to 5.6 percent	4,800
Education serial bonds issued 1992-2006; final maturities from January 15, 2009 to August 15, 2026, interest at 3.0 percent to 6.0 percent	<u>137,222</u>
Total	<u>\$ 276,140</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 20,520	\$ 12,818	\$ 33,338
2010	19,150	11,917	31,067
2011	19,145	11,030	30,175
2012	19,140	10,109	29,249
2013	18,890	9,168	28,058
2014-2018	87,510	32,984	120,494
2019-2023	61,005	14,570	75,575
2024-2027	<u>30,780</u>	<u>2,461</u>	<u>33,241</u>
Total	\$ <u>276,140</u>	\$ <u>105,057</u>	\$ <u>381,197</u>

Clean Water Fund - Serial Notes Payable

The City has entered into a Clean Water Fund serial note payable to the State of Connecticut as part of a tower brook conduit extension project administered by the Metropolitan District. Principal in the amount of \$97 and interest in the amount of \$19 was paid in the 2007-08 fiscal year. Future annual requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 80	\$ 36	\$ 116
2010	81	34	115
2011	83	32	115
2012	85	31	116
2013	86	29	115
2014-2018	460	128	588
2019-2023	506	70	576
2024-2027	<u>444</u>	<u>17</u>	<u>461</u>
Total	\$ <u>1,825</u>	\$ <u>377</u>	\$ <u>2,202</u>

In previous years the City has defeased general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2008, the following bonds outstanding are considered defeased:

<u>Year of Original Issue</u>	<u>Date Refunded</u>	<u>Refunded Amount</u>	<u>Defeased Balance</u>
1998	06/01/2005	\$ 13,185	\$ 13,185
2000	06/01/2005	10,000	10,000
2001	06/01/2005	6,900	6,900
2000	04/01/2005	31,285 *	30,390

*Morgan Street Garage Revenue Bonds

The City's indebtedness (\$416 million) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 501,001	\$ 253,138	\$ 247,863
Schools	1,002,002	131,783	870,219
Sewers	835,001	31,259	803,742
Urban renewal	723,668		723,668
Pension deficit	668,001		668,001

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$1.6 billion).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding. School building grants totaling \$18.5 million are applicable to outstanding bond issues. It is estimated that an additional \$208 million of authorized education project costs will be funded through State of Connecticut progress payments.

Total bonds authorized and unissued, with previously issued debt, as of June 30, 2008 were:

<u>Description</u>	<u>Authorized</u>	<u>Bonded</u>	<u>Grants Received</u>	<u>Authorized Unissued</u>
General Purpose	\$ 159,070	\$ 76,815	\$	\$ 82,255
Schools	618,443	115,760	281,622	221,061
Total	\$ <u>777,513</u>	\$ <u>192,575</u>	\$ <u>281,622</u>	\$ <u>303,316</u>

Housing and Urban Development (HUD) Section 108 Loans

The City has entered into Federal HUD Section 108 Loans. Principal in the amount of \$270 and interest in the amount of \$232 was paid in the 2007-08 fiscal year. Future annual requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 52	\$ 92	\$ 144
2010	182	133	315
2011	196	123	319
2012	215	111	326
2013	229	98	327
2014-2018	1165	272	1,437
2019-2023	521	92	613
2024-2027	285	13	298
Total	\$ <u>2,845</u>	\$ <u>934</u>	\$ <u>3,779</u>

Capital Leases

The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2008 were \$1,833. The following is a summary of capital lease commitments as of June 30, 2008:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 2,792
2010	2,940
2011	2,173
2012	1,598
2013	615
Total lease payments	10,118
Less: amount representing interest	(840)
Present value of minimum lease payments	\$ <u>9,278</u>

The City originally issued \$13,514 in capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated value approximates the principal balance payable of \$9,278 at June 30, 2008.

Compensated Absences

Employees can accumulate additional amounts of unused vacation and sick leave (as determined by individual union contracts) until termination of their employment. At termination pay-out provisions as determined by individual union contract provides for payments to vested employees net of provisions to exchange selected amounts of accumulated sick time for pension service years. Payments to employees are appropriated from the General Fund.

The following is a summary of management's estimate of vested and non-vested potential liability for lump sum payments to employees.

	<u>June 30, 2008</u>	
Vested:		
Sick	\$	11,940
Vacation		12,115
Non-vested:		
Sick		<u>7,468</u> *
Total	\$	<u><u>31,523</u></u>

* Based on estimated percentage of total non-vested obligation that potentially will vest in future years.

Net Pension Obligation

See Note 13.

Business-Type Activities

Changes in Long-term Liabilities

Long-term liabilities activities for the year ended June 30, 2008, was as follows:

	<u>Business-Type Activities</u>				
	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Business-type Activities:					
General obligation					
bonds	\$ 33,175	\$	\$ 1,210	\$ 31,965	\$ 1,225
Less deferred amounts					
on refunding	<u>(2,592)</u>	<u> </u>	<u>(244)</u>	<u>(2,348)</u>	<u> </u>
Total Bonds Payable	<u><u>\$ 30,583</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 966</u></u>	<u><u>\$ 29,617</u></u>	<u><u>\$ 1,225</u></u>

The annual requirements to amortize all revenue bond debt outstanding as of June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,255	\$ 1,504	\$ 2,759
2010	1,305	1,453	2,758
2011	1,365	1,398	2,763
2012	1,425	1,341	2,766
2013	1,485	1,273	2,758
2014-2018	8,675	5,128	13,803
2019-2023	11,180	2,618	13,798
2024-2025	<u>5,275</u>	<u>243</u>	<u>5,518</u>
Total	<u>\$ 31,965</u>	<u>\$ 14,958</u>	<u>\$ 46,923</u>

General obligation bonds represent long-term indebtedness backed by the full faith and credit of the City. Parking facility bonds recorded in the Hartford Parking facilities enterprise fund are comprised of the following:

Morgan Street Garage - Refunding bonds issued 2005; final maturity August 1, 2024; interest at 3.0% to 5.5%	<u>\$ 31,965</u>
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9. FUND BALANCES

The following is a description of various reserve accounts used to indicate that a portion of equity is legally segregated for a specific purpose and is unavailable for appropriation:

A. Fund Balance

Reserved for Encumbrances and Commitments - represents outstanding purchase orders at year end on contracts.

Reserved for Housing Assistance - represents the amount of funds accumulated in the Section 8 fund used to provide housing assistance to qualified individuals.

Reserved for Inventory - the balance of inventory accounts has been reserved to indicate that the portion of fund balance represented is not available for appropriation or expenditure.

Reserved for Trusts - represents the amount of funds accumulated in Other Governmental Funds to pay for specific government programs.

Fund balance reserves are as follows:

	Capital Improvement Fund	Other Governmental Funds
Encumbrances and commitments	\$ 63,892	\$ 5,085
Housing assistance		5,960
Inventory		303
Trusts		19,987
Total	\$ 63,892	\$ 31,335

10. RISK MANAGEMENT

The City has established a risk management program (Internal Service Funds) to account for and finance its uninsured risks of loss for employee benefits, workers' compensation, and liability and property damage. Under this program, the fund provides coverage for up to a maximum of \$250 thousand in health insurance claims for each individual per claim year, \$1 million for each worker's compensation claim, \$500 thousand for each auto and general liability claim, and \$100 thousand for each property damage claim. The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded either the self insured retention or the commercial coverage in any of the past three fiscal years. Workers' compensation salary continuation is paid from the employee's respective department budget.

The General Fund makes payments to the Self Insurance Fund based on actuarial or underwriting estimates of the amounts needed to pay current-year claims and administrative expenses and to maintain a reserve for unanticipated and future losses. The claims liability of \$35.1 million, reported in the fund at June 30, 2008 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in fiscal years 2008 and 2007 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self Insurance Fund:				
2006-2007	\$ 36,132	\$ 80,198	\$ 81,940	\$ 34,390
2007-2008	34,390	90,994	90,301	35,083

11. COMMITMENTS AND CONTINGENCIES

A. Contractual Commitments

On June 30, 1982, the City entered into a service agreement with the Connecticut Resources Recovery Authority (CRRA) to which it is obligated to deliver a minimum tonnage of fifty-five thousand tons per year of solid waste for processing. The service fee is subject to annual revision based on the net cost of operating the facility. Pursuant to its terms, the service agreement pledges the full faith and credit of the City for payment of the service fees. The service agreement expires in 2012.

B. Statutory Commitments

The City is a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), and is contingently liable for \$29.4 million or 27.49% of the debt of the District.

C. Contingencies

The Office of Corporation Counsel for the City, represents the City, its various departments and divisions and the Board of Education directly or by oversight responsibility in connection with many instances of litigation. Cases involve tax appeals, negligence, foreclosure, zoning, personnel, and other miscellaneous court actions and administrative agency proceedings. In the opinion of the City's Corporation Counsel, a conservatively estimated liability of \$18 million could exist, if all claims and suits were resolved unfavorable against the City, including tax appeals and excluding workers' compensation.

12. OTHER POSTEMPLOYMENT BENEFITS

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Benefits are established and amended through negotiations between the City and the various unions representing City employees. The City pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts towards the cost of receiving benefits under the City's self-insured medical benefits program.

Funding Policy

The City currently funds claims and administrative costs for postemployment benefits through its self-insured internal service fund. The City's OPEB committee is evaluating various funding options to enable the City to implement a funding strategy that will balance the budgetary impact of irrevocably segregating assets in a trust fund with the City's commitment to meet the funding requirements of the actuarial accrued liability. The City anticipates a commitment to fund the normal cost and a long-term approach to the amortization of the actuarial accrued liability.

The City has not implemented a trust fund, as of June 30, 2008, to irrevocably segregate assets to fund the liability associated with postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The following is the current census of City benefit participants as of July 1, 2007:

	<i>(not rounded)</i>
Active members	5,730
Retirees and spouses	<u>4,334</u>
Total	<u><u>10,064</u></u>

Postemployment retiree benefit payments for the year ended June 30, 2008, net of retiree and other contributions, amounted to \$15,425.

Annual OPEB Cost and Net OPEB Obligations

The City of Hartford's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

	Other Post Employment Benefits (OPEB)
Annual required contribution (ARC)	\$ 31,600
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>31,600</u>
Contributions made	<u>(15,425)</u>
Increase in net OPEB obligation	16,175
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB Obligation, End of Year	<u><u>\$ 16,175</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2008 is presented below. Data is only presented for the fiscal year ended June 30, 2008, due to this being the year of implementation.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/08	\$ 31,600	\$ 15,425	51.2%	\$ 16,175

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

An annual healthcare cost blended trend rate of 8.3% is used initially, decreasing 1% per year to an ultimate rate of 5% for 2011 and later. The remaining amortization period at July 1, 2007 was 30 years. As of July 1, 2007, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$373 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$373 million.

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Data is only presented for July 1, 2007 due to this being the first certified valuation.

<u>Schedule of Funding Progress</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UFAL as a % of Covered Payroll ((b-a)/c)</u>	
7-1-07	\$ -0-	\$ 373,386	0%	\$ N/A	N/A	

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2008	\$ 31,600	51.2%

13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

There are four defined benefit pension plans for employees of the City of Hartford. Two are single-employer plans, one is a cost sharing multiple-employer plan with the State of Connecticut, and one is a plan with the State of Connecticut for certified teachers at the Board of Education in which the City is a noncontributing employer.

The two single employer plans are administered by the City. The plans provide retirement, disability and survivorship benefits for all retired employees, in accordance with provisions which are subject to bargaining with unions representing most of the employees. The City provides retirement benefits for employees hired since 1947, through the City MERF, a contributory, defined benefit plan. Employees hired before the current City MERF went into effect on May 1, 1947 are paid from an unfunded program known as the RAF/PBF/FRF Plan. There are no remaining active members and the unfunded liability is decreasing rapidly.

An actuarial valuation survey is made annually on the City Municipal Employees' Retirement Fund (City MERF) and the Section 415 Plan, and at least every five years for the RAF/PBF/FRF Plan.

The City also administers an excess benefit plan established to fund that portion of certain retirees' pension benefits that exceed the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

City of Hartford Municipal Employees' Retirement Fund (City MERF)

A. Plan Description

The City MERF is considered to be part of the City of Hartford's financial reporting entity and is included in the City's financial statements, as a pension trust fund. Individual stand-alone statements are not issued. The City MERF was established as part of the City Charter.

As of the actuarial valuation date, July 1, 2007, City MERF membership consisted of:

	<i>(not rounded)</i>
Retirees and beneficiaries currently receiving benefits	2,709
Terminated employees entitled to benefits but not yet receiving them	108
Active plan members	<u>2,571</u>
Total	<u><u>5,388</u></u>

The City provides retirement benefits, for employees hired since May 1, 1947, through the City MERF, a single employer, contributory defined benefit plan. Under the Plan, all full-time employees, except teachers and members of certain union groups who have elected to join the State Municipal Employees' Retirement Fund (State MERF-B), are eligible. Employees are 100 percent vested after 5 or 10 years of service depending on the covered group. If an employee leaves covered employment or dies before becoming vested, accumulated employee contributions are returned with interest.

B. Summary of Significant Accounting Policies, Plan Changes and Plan Asset Matters

Basis of Accounting: City MERF financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

Plan Changes:

The valuation reflects ad hoc cost of living increases granted to eligible retirees effective July 1, 2007 and other plan provision changes for the Municipal Lawyer's Association and Local 818. Plan provision changes had a minimal impact on plan costs.

The July 1, 2007 actuarial valuation reflects no material changes in actuarial assumptions or methods.

Method Used to Value Investments: Fair value

There were no investments in, loans to or leases with any City MERF official, City of Hartford official, party related to a City MERF official or City of Hartford official, or organization included in the City of Hartford reporting entity.

C. Funding Policy

Sworn police officers hired before July 1, 1999 and firefighters are required to contribute 8% of pay. Sworn police officers hired after June 30, 1999 are required to contribute 6.5% of pay. Non-sworn police employees are required to contribute 4% of social security-taxed wages and 7% above the social security-taxed level. Board of Education and General Government employees contribute between 3% and 10.14% of social security-taxed wages and between 6% and 13.14% of wages above the social security-taxed level, depending on their union or non-union grouping. The City is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the City and may be amended only by the City Council through union negotiation.

D. Annual Pension Cost and Net Pension Obligations

The City's annual pension cost and net pension obligation to the City MERF for the current year was as follows:

Annual required contribution, 7-1-06 valuation	\$ 13,253
Interest on net pension obligation	822
Adjustment to annual required contribution	<u>(916)</u>
Annual pension cost	13,159
Contributions made	<u>(16,584)</u>
Increase (decrease) in net pension obligation	(3,425)
Net Pension Obligation Beginning of Year	<u>10,172</u>
Net Pension Obligation End of Year	<u>\$ 6,747</u>

The annual required contribution for the current year was determined as part of the MERF actuarial valuation dated July 1, 2006. The actuarial method and assumptions used in the July 1, 2007 valuation are presented below:

Valuation Date	7/01/07
Actuarial Method	Aggregate Actuarial Cost Method
Amortization Method	Level Dollar Amount
Remaining Amortization Period	18 years - open period

Asset Valuation Method	Four-year smoothed market value
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Projected Salary Increases	Projected salary which vary by age and group
Inflation Rate	3.00%
Cost of Living Adjustments	None

E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 15,984	\$ 11,948	75 %	\$ 11,548
6/30/07	15,105	16,481	109	10,172
6/30/08	13,159	16,584	126	6,747

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

The aggregate actuarial cost method that is used for calculating the annual required contribution does not separately identify unfunded actuarial accrued liabilities. Rather, it effectively amortizes them over the average remaining life of active plan members, as part of normal cost. The aggregate actuarial cost method (first adopted for the 1969 valuation) is used for determining the funding requirements for the City MERF.

The schedule of funding progress presented below has been developed using the projected unit cost method for July 1, 2002 to July 1, 2006 and the entry age normal cost method as of July 1, 2007 for the City MERF.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded/ (Overfunded) AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
7/01/02	\$ 957,390	\$ 880,444	\$ (76,946)	108.7 %	\$ 117,498	(65.5) %
7/01/03	965,389	922,258	(43,131)	104.7	110,339	(39.1)
7/01/04	963,044	967,393	4,349	99.6	107,808	4.0
7/01/05	986,405	970,286	(16,119)	101.7	117,261	(13.7)
7/01/06	1,021,491	1,002,848	(18,643)	101.9	124,837	(14.9)
7/01/07	1,092,128	1,090,715	(1,413)	100.1	133,280	(1.1)

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/03	\$ 2,464	100 %
6/30/04	6,536	100
6/30/05	9,207	100
6/30/06	16,196	74
6/30/07	15,463	107
6/30/08	13,253	125

RAF/PBF/FRF Plan

A. Plan Description

As discussed above, the City pays retirement and survivor benefits to pensioners under an unfunded program basis which covered City employees hired before the current City MERF went into effect on May 1, 1947. These programs are combined into one pension trust fund for reporting in the City’s financial statements. Individual stand-alone financial statements are not issued. The unfunded liability for this Plan is decreasing rapidly and has no remaining active members.

There are 261 (not rounded) retirees covered by this plan as of the actuarial valuation dated July 1, 2004.

B. Summary of Significant Accounting Policies and Plan Asset Matters

The annual required contribution (ARC) and the annual pension cost represent the actual benefits paid during the year. The annual required contribution is based upon actuarial calculations. The Plan was closed to new members on May 1, 1947 and there are no remaining active members. The unfunded liability for this Plan is rapidly decreasing. The City has determined that the Plan did not have a net pension obligation (NPO) as calculated in accordance with the transition requirements of GASB Statement No. 27. All contributions since the transition have been made in accordance with the actuarial required contribution and are based upon actuarially sound funding methodology.

C. Funding Policy

Funds are budgeted in the General Fund to cover pension benefits paid each year. Annual contributions are equal to the annual benefit payments. Retired policemen contribute 1% of pension payments. Benefits and contributions were established by City Charter and are not subject to amendment.

D. Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost, which is equal to the annual benefit payments, for the current year amounted to \$2.0 million. The Plan did not have a net pension obligation as of June 30, 2008.

The actuarial method and assumptions are presented below:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	Closed - no amortization period

Actuarial Assumptions:

Investment Rate of Return	8%
Projected Salary Increases	None
Inflation Rate	3%
Cost of Living Adjustments	None

E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 1,926	\$ 1,926	100	% \$ -
6/30/07	1,757	1,757	100	-
6/30/08	1,967	1,967	100	-

F. Pension Plan Required Supplementary Information

The actuarial accrued liability is the calculated present value of expected payments to be made from this Plan.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)*</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
7/01/02	\$ -	\$ 13,688	\$ 13,688	0.0	% \$ N/A	N/A
7/01/03	-	12,259	12,259	0.0	N/A	N/A
7/01/04	-	11,706	11,706	0.0	N/A	N/A
7/01/05	-	11,123	11,123	0.0	N/A	N/A
7/01/06	-	9,389	9,389	0.0	N/A	N/A
7/01/07	-	8,276	8,276	0.0	N/A	N/A

* Based on July 1, 1999 and July 1, 2004 full valuations, adjusted for deaths.

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/03	\$ 3,067	100
6/30/04	2,816	100
6/30/05	2,519	100
6/30/06	1,926	100
6/30/07	1,757	100
6/30/08	1,967	100

City of Hartford 415 (m) Fund

A. Plan Description

This plan currently covers six (6) retirees and no active employees as of June 30, 2008 and is administered by the City. This unfunded plan is an excess benefit plan and was adopted by the Common Council on March 24, 1997. The plan was established to fund that portion of certain retirees' pension benefits that exceed the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

B. Funding Policy

Funds are budgeted in the General Fund to cover pension benefits paid each year. Annual contributions are equal to the annual benefit payments. The Plan was adopted on March 24, 1997 and there are no active members. The unfunded liability for this Plan is rapidly decreasing. Since the effective date for the plan was March 24, 1997, the Plan did not have a net pension obligation (NPO) as calculated in accordance with the transition requirements of GASB Statement No. 27. Benefits and contributions were established by City Charter and are not subject to amendment.

C. Annual Pension Cost and Net Pension Obligation.

The City's annual pension cost, which is equal to the annual benefit payments, for the current year amounted to \$61. The Plan does not have a net pension obligation. The City's annual pension cost is equal to the actual contribution made (annual benefit payments).

The actuarial method and assumptions are presented below:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	Closed - no amortization period
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	None
Inflation Rate	3%
Cost of Living Adjustments	None

D. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 39	\$ 39	100 %	-
6/30/07	53	53	100	-
6/30/08	61	61	100	-

E. Pension Plan Required Supplementary Information

The actuarial accrued liability is the calculated present value of the expected payments to be made for this unfunded plan.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
7/01/02	\$ -	\$ 66	\$ 66	0.0	% N/A	N/A
7/01/03	-	46	46	0.0	N/A	N/A
7/01/04	-	141	141	0.0	N/A	N/A
7/01/05	-	168	168	0.0	N/A	N/A
7/01/06	-	167	167	0.0	N/A	N/A
7/01/07	-	260	260	0.0	N/A	N/A

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/03	\$ 21	100 %
6/30/04	34	100
6/30/05	48	100
6/30/06	39	100
6/30/07	53	100
6/30/08	61	100

State MERF-B

Members of City AFSCME Local 1716 and members of Local 566, which consisted of 697 members on June 30, 2007, participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF 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 or by calling 860-702-3480.

Funding Policy - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the City are established and may be amended by the State Retirement Commission. Total contributions to MERF for the years ended June 30, 2008, 2007 and 2006 were \$3.1 million, \$3.4 million and \$3.1 million, respectively, equal to the City's required contributions for each year.

Teachers' Retirement System

All City of Hartford 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 are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries, \$10.1 million in fiscal year 2008, and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$139 million or 67% of the total Board of Education payroll of \$208 million.

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, 2008 the City has recorded, in the General Fund (Exhibit IV), intergovernmental revenue and education expenditures in the amount of \$102.8 million as payments made by the State of Connecticut on-behalf of the City. The 2008 contribution includes an additional contribution towards the State's unfunded liability resulting from the State's issuance of pension obligation bonds.

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.

Pension Trust Funds

The City maintains two pension trust funds (Municipal Employees' Retirement Fund and the RAF/PBF/FRF) to account for its fiduciary responsibility. The following schedules present the net assets held in trust for pension benefits at June 30, 2008 and the changes in net assets for the year then ended.

Schedule of Plan Net Assets

	Municipal Employee's Retirement Fund	RAF/PBF FRF Plan	Totals
Assets:			
Cash and cash equivalents	\$ 46,883	\$ 174	\$ 47,057
Investments:			
Fixed income securities	310,695		310,695
Equities	605,419		605,419
Private equity contracts	156,421		156,421
Accrued investment earnings	4,161		4,161
Other	1,162		1,162
Loan receivable	1,800		1,800
Total assets	<u>1,126,541</u>	<u>174</u>	<u>1,126,715</u>
Liabilities:			
Accounts payable and accrued liabilities	119	130	249
Net settlement due on investments purchased/sold	43,731		43,731
Due to other funds	1,359	4	1,363
Total liabilities	<u>45,209</u>	<u>134</u>	<u>45,343</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 1,081,332</u>	<u>\$ 40</u>	<u>\$ 1,081,372</u>

Schedule of Changes in Plan Net Assets

	Municipal Employees' Retirement Fund	RAF/PBF FRF Plan	Totals
Additions:			
Contributions:			
Employer - ARC	\$ 16,584	\$ 1,967	\$ 18,551
Employer - other	1,778		1,778
Plan members	9,758	11	9,769
Total contributions	<u>28,120</u>	<u>1,978</u>	<u>30,098</u>
Investment income (loss):			
Net depreciation in fair value of investments	(31,955)		(31,955)
Interest and dividends	19,838		19,838
Total investment loss	<u>(12,117)</u>	-	<u>(12,117)</u>
Less investment expense	(4,543)		(4,543)
Net investment loss	<u>(16,660)</u>	-	<u>(16,660)</u>
Other additions	<u>504</u>		<u>504</u>
Total additions	<u>11,964</u>	<u>1,978</u>	<u>13,942</u>
Deductions:			
Benefits	79,398	1,967	81,365
Administration	2,733		2,733
Other	754		754
Total deductions	<u>82,885</u>	<u>1,967</u>	<u>84,852</u>
Net increase (decrease)	(70,921)	11	(70,910)
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>1,152,253</u>	<u>29</u>	<u>1,152,282</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 1,081,332</u>	<u>\$ 40</u>	<u>\$ 1,081,372</u>

CITY OF HARTFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
General Property Tax:				
Current Year's Levy	\$ 221,225	\$ 221,225	\$ 217,856	\$ (3,369)
Levy of Prior Years	10,050	10,050	12,072	2,022
Interest and Liens	3,000	3,000	3,027	27
Total General Property Tax	<u>234,275</u>	<u>234,275</u>	<u>232,955</u>	<u>(1,320)</u>
Other Local Taxes:				
Business Taxes	<u>2,700</u>	<u>2,300</u>	<u>1,680</u>	<u>(620)</u>
Licenses and Permits:				
Street Use	<u>20</u>	<u>7</u>	<u>49</u>	<u>42</u>
Business Licenses:				
Health Licenses	150	300	217	(83)
Police and Protection Licenses	51	43	32	(11)
Professional and Occupational Licenses	8	8	7	(1)
Total Business Licenses	<u>209</u>	<u>351</u>	<u>256</u>	<u>(95)</u>
Non-Business Licenses and Permits:				
Building Structure and Equipment Permits	5,168	7,459	7,539	80
Other Non-Business Licenses and Permits	44	60	54	(6)
Total Non-Business Licenses and Permits	<u>5,212</u>	<u>7,519</u>	<u>7,593</u>	<u>74</u>
Total Licenses and Permits	<u>5,441</u>	<u>7,877</u>	<u>7,898</u>	<u>21</u>
Fines, Forfeits and Penalties	<u>231</u>	<u>231</u>	<u>272</u>	<u>41</u>
Revenue from Use of Money and Property:				
Income from Investments	4,722	4,075	1,714	(2,361)
Income from Use of Property	1,528	1,529	1,043	(486)
Income from Development Properties	3,986	3,986	3,251	(735)
Total Revenue from Use of Money and Property	<u>10,236</u>	<u>9,590</u>	<u>6,008</u>	<u>(3,582)</u>
Intergovernmental Revenue:				
Federal Government - FEMA	<u>200</u>	<u>200</u>		<u>(200)</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental Revenue (continued):				
State of Connecticut:				
Education	\$ 179,011	\$ 187,638	\$ 186,382	\$ (1,256)
Housing			505	505
Public Works	772	611	611	-
Elderly Services	357	357	419	62
Mashantucket Pequot Fund	10,759	9,773	9,528	(245)
Payment in Lieu of Taxes	40,348	40,562	40,358	(204)
Shared Taxes	401	401	363	(38)
Other	450		40	40
Total State of Connecticut	<u>232,098</u>	<u>239,342</u>	<u>238,206</u>	<u>(1,136)</u>
Total Intergovernmental Revenue	<u>232,298</u>	<u>239,542</u>	<u>238,206</u>	<u>(1,336)</u>
Charges for Services:				
General Government:				
Court Costs, Fees and Charges	12	12		(12)
Recording Legal Instruments	522	522	414	(108)
All Other	986	1,313	846	(467)
Total General Government	<u>1,520</u>	<u>1,847</u>	<u>1,260</u>	<u>(587)</u>
Public Safety:				
Police Charges	275	281	194	(87)
Fire Protection Services	306	306	274	(32)
Total Public Safety	<u>581</u>	<u>587</u>	<u>468</u>	<u>(119)</u>
Public Works:				
Highways and Streets	1	1	1	-
Sanitation	575	407	359	(48)
Total Public Works	<u>576</u>	<u>408</u>	<u>360</u>	<u>(48)</u>
Other:				
Health		22	9	(13)
Social Services	10	10		(10)
Education			5	5
Recreation	8	8	8	-
Miscellaneous	118	171	84	(87)
Total Other	<u>136</u>	<u>211</u>	<u>106</u>	<u>(105)</u>
Total Charges for Services	<u>2,813</u>	<u>3,053</u>	<u>2,194</u>	<u>(859)</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Reimbursements:				
General Government	\$ 15	\$ 15	\$ 146	\$ 131
Medicaid Part D	700	2,000	1,821	(179)
Other	794	794	836	42
Reimbursements from other funds	2,084	2,161	4,330	2,169
Total Reimbursements	<u>3,593</u>	<u>4,970</u>	<u>7,133</u>	<u>2,163</u>
Other Revenues:				
Bond Premium		1,000		(1,000)
Settlements	615	615	3,615	3,000
Miscellaneous	7,179	8,076	499	(7,577)
Prior Year Encumbrance Liquidations	500	1,500		(1,500)
Total Other Revenues	<u>8,294</u>	<u>11,191</u>	<u>4,114</u>	<u>(7,077)</u>
Other Financing Sources:				
Transfers in from other funds:				
Hartford Parking Facilities Fund	6,011	7,011	8,323	1,312
Miscellaneous Grants Fund	2,100	2,600	2,374	(226)
Capital Improvement Fund	3,789	3,000	3,025	25
Educational Grants Fund			993	993
Total Other Financing Sources	<u>11,900</u>	<u>12,611</u>	<u>14,715</u>	<u>2,104</u>
Total	\$ <u>511,781</u>	\$ <u>525,640</u>	515,175	\$ <u>(10,465)</u>

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

102,836

Budgetary revenues derived from reimbursements for expenditures allocated to other funds are excluded for GAAP financial statement reporting purposes

(4,330)

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 613,681

CITY OF HARTFORD, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Mayor	\$ 1,620	\$ 1,754	\$ 1,754	\$ -
Court of Common Council	638	643	643	-
City Treasurer	487	454	454	-
Registrars of Voters	763	1,058	1,058	-
Corporation Counsel	1,702	2,901	2,901	-
Town and City Clerk	907	947	947	-
Internal Audit	421	382	382	-
Office of Information Services	3,936	4,096	4,096	-
Finance	3,867	3,588	3,588	-
Human Resources	1,223	1,225	1,225	-
Human Relations	907	796	796	-
Office of Management and Budget	1,499	1,147	1,147	-
Office of Youth Services	2,826	2,899	2,899	-
Total General Government	<u>20,796</u>	<u>21,890</u>	<u>21,890</u>	<u>-</u>
Public Safety:				
Fire	29,991	31,474	31,474	-
Police	37,236	37,228	37,228	-
Emergency Services and Telecommunications	3,631	3,854	3,854	-
Licenses and Inspections	2,013	1,846	1,846	-
Total Public Safety	<u>72,871</u>	<u>74,402</u>	<u>74,402</u>	<u>-</u>
Infrastructure and Leisure Services:				
Public Works	<u>13,974</u>	<u>14,663</u>	<u>14,663</u>	<u>-</u>
Development and Community Affairs:				
Administration	622	625	625	-
Planning	792	708	708	-
Housing and Community Development	260	289	289	-
Economic Development	1,117	919	919	-
Total Development and Community Affairs	<u>2,791</u>	<u>2,541</u>	<u>2,541</u>	<u>-</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Human Services:				
Heath and Human Services	\$ 8,174	\$ 7,917	\$ 7,917	\$ -
Education:				
Board of Education	261,000	271,631	271,631	-
Benefits and Insurance:				
Pension Contributions	9,487	16,477	16,477	-
Employee Benefits	40,990	35,786	35,786	-
Property and Casualty Insurance	6,852	6,241	6,241	-
Total Benefits and Insurance	<u>57,329</u>	<u>58,504</u>	<u>58,504</u>	<u>-</u>
Sundry:				
Transfers to Other Funds	11,131	11,385	11,385	-
Civic and Cultural Affairs	1,947	1,667	1,667	-
Debt Service	29,664	29,864	29,864	-
Payments to Other				
Governmental Agencies	9,422	9,278	9,278	-
Settlements	4,880	761	761	-
Other Sundry Items	17,802	21,137	17,239	3,898
Total Sundry	<u>74,846</u>	<u>74,092</u>	<u>70,194</u>	<u>3,898</u>
Total	<u>\$ 511,781</u>	<u>\$ 525,640</u>	521,742	<u>\$ 3,898</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teacher'

 Retirement System for City teachers are not budgeted

102,836

Reimbursements from other funds are credited against budgetary expenditures for

 GAAP financial statement reporting purposes

(4,330)

Total Expenditures and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 620,248

CITY OF HARTFORD, CONNECTICUT
COMPARATIVE BALANCE SHEET - GENERAL FUND

JUNE 30, 2008 AND 2007
(In Thousands)

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 42,571	\$ 63,440
Receivables:		
Property taxes receivable, net	15,916	18,629
Property taxes accrued interest receivable, net	4,781	5,523
School building grants receivable	18,515	21,367
Accounts and other receivables	6,507	9,366
Due from other funds	<u>19,210</u>	<u>7,810</u>
Total Assets	<u>\$ 107,500</u>	<u>\$ 126,135</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 36,614	\$ 35,146
Due to other funds	1,827	8,501
Deferred revenue	<u>41,159</u>	<u>48,021</u>
Total liabilities	<u>79,600</u>	<u>91,668</u>
Fund balance:		
Unreserved:		
Undesignated	<u>27,900</u>	<u>34,467</u>
Total fund balance	<u>27,900</u>	<u>34,467</u>
Total Liabilities and Fund Balance	<u>\$ 107,500</u>	<u>\$ 126,135</u>

CITY OF HARTFORD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

Grand List	Tax Collectible July 1, 2007	Additions	Deductions**	Suspense Transfers	Adjusted Tax Levy	Tax Collections				Tax Collectible June 30, 2008
						Tax*	Interest	Liens	Total	
1992	\$ 129	\$	\$ 129	\$	\$ -	\$	\$	\$	\$ -	\$ -
1993	123		123		-				-	-
1994	157		148		9				-	9
1995	154		144		10				-	10
1996	158		150		8				-	8
1997	154		141		13	1			1	12
1998	119		109		10	4	3		7	6
1999	99		87		12	4	1		5	8
2000	137		112		25	18	14		32	7
2001	240		167		73	58	49	1	108	15
2002	2,046		316	1,581	149	108	89	1	198	41
2003	3,034	2	108		2,928	465	196	6	667	2,463
2004	4,745	43	793		3,995	1,011	395	8	1,414	2,984
2005	10,328	129	1,398		9,059	4,149	811	26	4,986	4,910
78 Prior Years	21,623	174	3,925	1,581	16,291	5,818	1,558	42	7,418	10,473
2006	233,705	487	12,747		221,445	213,260	1,160	19	214,439	8,185
Total Grand List	\$ 255,328	\$ 661	\$ 16,672	\$ 1,581	\$ 237,736	219,078	2,718	61	221,857	\$ 18,658
Suspense						336	464		800	
Total Tax Collections						\$ 219,414	\$ 3,182	\$ 61	222,657	
Tax lien sale									10,106	
Total Collections								\$	232,763	

* Tax collections are reduced for refunds processed during the year related to both current and prior years collections.

** Includes receivable deductions for tax lien sales.

CITY OF HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2008
(In Thousands)

	Special Revenue							
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Hartford Public Library	Community Development Act	Housing Grants	
ASSETS								
Cash and cash equivalents	\$ 6,112	\$ 5,004	\$ 1,727	\$ 1,953	\$ 319	\$ 829	\$	\$ 602
Investments								
Receivables:								
Intergovernmental receivable		3,424	1,582	1,074		644		
Other receivables		1,313	1			12		12
Due from other funds		22		37	97	61		
Inventories and other assets			303					
Total Assets	<u>\$ 6,112</u>	<u>\$ 9,763</u>	<u>\$ 3,613</u>	<u>\$ 3,064</u>	<u>\$ 416</u>	<u>\$ 1,546</u>	<u>\$ -</u>	<u>\$ 614</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 71	\$ 1,552	\$ 576	\$ 853	\$ 258	\$ 473	\$	\$ 1
Due to Other Funds	81	1,628		100	222	217		229
Deferred Revenue		4,260		1,939	65			
Total liabilities	<u>152</u>	<u>7,440</u>	<u>576</u>	<u>2,892</u>	<u>545</u>	<u>690</u>	<u>-</u>	<u>230</u>
Fund Balance (deficit):								
Reserved:								
Encumbrances		1,026		1,222	77	597		
Housing assistance	5,960							
Inventory			303					
Trusts								
Unreserved:								
Undesignated		1,297	2,734	(1,050)	(206)	259		384
Total fund balances	<u>5,960</u>	<u>2,323</u>	<u>3,037</u>	<u>172</u>	<u>(129)</u>	<u>856</u>	<u>-</u>	<u>384</u>
Total Liabilities and Fund Balances	<u>\$ 6,112</u>	<u>\$ 9,763</u>	<u>\$ 3,613</u>	<u>\$ 3,064</u>	<u>\$ 416</u>	<u>\$ 1,546</u>	<u>\$ -</u>	<u>\$ 614</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008
(In Thousands)

	Special Revenue					Capital Projects			
	HOME Program	Capital Lease	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Redevelopment	HUD Special Projects	Total
ASSETS									
Cash and cash equivalents	\$	2,393	\$ 98	\$	3	\$ 19,040	\$ 2,846	\$ 434	\$ 3,280
Investments			874		59	933			-
Receivables:									
Intergovernmental receivable	398					7,122			-
Other receivables						1,338	66	2,845	2,911
Due from other funds		93				310		22	22
Inventories and other assets		157				460			-
Total Assets	\$	398	\$	2,643	\$	972	\$	-	\$
						62	\$	29,203	\$
						2,912	\$	3,301	\$
						6,213			6,213
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	2	\$	136	\$	8	\$	1	\$
Due to Other Funds		396				2,873			-
Deferred Revenue						6,264	1,264	2,902	4,166
Total liabilities	398	136	8	-	1	13,068	1,303	2,902	4,205
Fund Balance (deficit):									
Reserved:									
Encumbrances		2,163				5,085			-
Housing assistance						5,960			-
Inventory						303			-
Trusts			964		61	1,025			-
Unreserved:									
Undesignated		344				3,762	1,609	399	2,008
Total fund balances	-	2,507	964	-	61	16,135	1,609	399	2,008
Total Liabilities and Fund Balances	\$	398	\$	2,643	\$	972	\$	-	\$
						62	\$	29,203	\$
						2,912	\$	3,301	\$
						6,213			6,213

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008
(In Thousands)

	Permanent				Total	Interfund Eliminations	Total
	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts			
ASSETS							
Cash and cash equivalents	\$	\$ 5,584	\$ 236	\$ 1	\$ 5,821	\$	\$ 28,141
Investments	5	12,150	3,106	33	15,294		16,227
Receivables:							
Intergovernmental receivable					-		7,122
Other receivables					-		4,249
Due from other funds					-	(143)	189
Inventories and other assets					-		460
Total Assets	<u>\$ 5</u>	<u>\$ 17,734</u>	<u>\$ 3,342</u>	<u>\$ 34</u>	<u>\$ 21,115</u>	<u>\$ (143)</u>	<u>\$ 56,388</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$	\$	-	\$	\$ 3,970
Due to Other Funds		2,153			2,153	(143)	4,883
Deferred Revenue					-		10,430
Total liabilities	<u>-</u>	<u>2,153</u>	<u>-</u>	<u>-</u>	<u>2,153</u>	<u>(143)</u>	<u>19,283</u>
Fund Balance (deficit):							
Reserved:							
Encumbrances					-		5,085
Housing assistance					-		5,960
Inventory					-		303
Trusts	5	15,581	3,342	34	18,962		19,987
Unreserved:							
Undesignated					-		5,770
Total fund balances	<u>5</u>	<u>15,581</u>	<u>3,342</u>	<u>34</u>	<u>18,962</u>	<u>-</u>	<u>37,105</u>
Total Liabilities and Fund Balances	<u>\$ 5</u>	<u>\$ 17,734</u>	<u>\$ 3,342</u>	<u>\$ 34</u>	<u>\$ 21,115</u>	<u>\$ (143)</u>	<u>\$ 56,388</u>

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	<u>Special Revenue</u>							
	<u>Section 8</u>	<u>Miscellaneous Grants</u>	<u>Food Service Program</u>	<u>Health Grants</u>	<u>Hartford Public Library</u>	<u>Community Development Act</u>	<u>Housing Grants</u>	<u>Special Activities</u>
Revenues:								
Intergovernmental revenues	\$ 42,380	\$ 15,643	\$ 11,547	\$ 9,440	\$ 247	\$ 4,267	\$	\$
Charges for services		4,258	632		121			254
Investment income (loss)			43		81			4
Other revenues		235	292		315	266		5
Total	<u>42,380</u>	<u>20,136</u>	<u>12,514</u>	<u>9,440</u>	<u>764</u>	<u>4,533</u>	<u>-</u>	<u>263</u>
Expenditures:								
General government		343				629		
Public safety		4,182						
Public works		401				981		
Development and community affairs	40,748	3,543				2,123		
Human services		12,202		9,627		591		2
Education			12,350			182		248
Recreation and culture					9,322	287		
Debt service								
Total expenditures	<u>40,748</u>	<u>20,671</u>	<u>12,350</u>	<u>9,627</u>	<u>9,322</u>	<u>4,793</u>	<u>-</u>	<u>250</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,632</u>	<u>(535)</u>	<u>164</u>	<u>(187)</u>	<u>(8,558)</u>	<u>(260)</u>	<u>-</u>	<u>13</u>
Other Financing Sources (Uses):								
Transfers in		480		134	8,405			
Transfers out		(2,374)				(996)	(106)	
Capital lease								
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,894)</u>	<u>-</u>	<u>134</u>	<u>8,405</u>	<u>(996)</u>	<u>(106)</u>	<u>-</u>
Net Change in Fund Balances	1,632	(2,429)	164	(53)	(153)	(1,256)	(106)	13
Fund Balances at Beginning of Year	<u>4,328</u>	<u>4,752</u>	<u>2,873</u>	<u>225</u>	<u>24</u>	<u>2,112</u>	<u>106</u>	<u>371</u>
Fund Balances at End of Year	<u>\$ 5,960</u>	<u>\$ 2,323</u>	<u>\$ 3,037</u>	<u>\$ 172</u>	<u>\$ (129)</u>	<u>\$ 856</u>	<u>\$ -</u>	<u>\$ 384</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	Special Revenue					Capital Projects			
	HOME Program	Capital Lease	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Redevelopment	HUD Special Projects	Total
Revenues:									
Intergovernmental revenues	\$ 1,314					\$ 84,838	\$ 119	\$ 281	\$ 400
Charges for services						5,265	72		72
Investment income (loss)		84	58		3	273	49	11	60
Other revenues		41	4			1,158		510	510
Total	<u>1,314</u>	<u>125</u>	<u>62</u>	<u>-</u>	<u>3</u>	<u>91,534</u>	<u>240</u>	<u>802</u>	<u>1,042</u>
Expenditures:									
General government		2,914				3,886			-
Public safety		840				5,022			-
Public works		1,791				3,173			-
Development and community affairs	1,314					47,728	238	198	436
Human services				154		22,576			-
Education					5	12,785			-
Recreation and culture			27			9,636			-
Debt service		2,195				2,195		511	511
Total expenditures	<u>1,314</u>	<u>7,740</u>	<u>27</u>	<u>154</u>	<u>5</u>	<u>107,001</u>	<u>238</u>	<u>709</u>	<u>947</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(7,615)</u>	<u>35</u>	<u>(154)</u>	<u>(2)</u>	<u>(15,467)</u>	<u>2</u>	<u>93</u>	<u>95</u>
Other Financing Sources (Uses):									
Transfers in		3,803	15	154		12,991		22	22
Transfers out						(3,476)			-
Capital lease		3,883				3,883			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,686</u>	<u>15</u>	<u>154</u>	<u>-</u>	<u>13,398</u>	<u>-</u>	<u>22</u>	<u>22</u>
Net Change in Fund Balances	-	71	50	-	(2)	(2,069)	2	115	117
Fund Balances at Beginning of Year	<u>-</u>	<u>2,436</u>	<u>914</u>	<u>-</u>	<u>63</u>	<u>18,204</u>	<u>1,607</u>	<u>284</u>	<u>1,891</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 2,507</u>	<u>\$ 964</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 16,135</u>	<u>\$ 1,609</u>	<u>\$ 399</u>	<u>\$ 2,008</u>

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	Permanent				Total	Interfund Eliminations	Total
	Public Safety Trusts	Parks and Recreation Trusts	Human Services Trusts	Education Trusts			
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	-	\$	85,238
Charges for services					-		5,337
Investment income (loss)	(1)	(1,200)	(78)	(2)	(1,281)		(948)
Other revenues					-		1,668
Total	<u>(1)</u>	<u>(1,200)</u>	<u>(78)</u>	<u>(2)</u>	<u>(1,281)</u>	<u>-</u>	<u>91,295</u>
Expenditures:							
General government					-		3,886
Public safety					-		5,022
Public works					-		3,173
Development and community affairs					-		48,164
Human services					-		22,576
Education					-		12,785
Recreation and culture					-		9,636
Debt service					-		2,706
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,948</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1)</u>	<u>(1,200)</u>	<u>(78)</u>	<u>(2)</u>	<u>(1,281)</u>	<u>-</u>	<u>(16,653)</u>
Other Financing Sources (Uses):							
Transfers in		41			41	(191)	12,863
Transfers out		(15)	(154)		(169)	191	(3,454)
Capital lease							3,883
Total Other Financing Sources (Uses)	<u>-</u>	<u>26</u>	<u>(154)</u>	<u>-</u>	<u>(128)</u>	<u>-</u>	<u>13,292</u>
Net Change in Fund Balances	(1)	(1,174)	(232)	(2)	(1,409)	-	(3,361)
Fund Balances at Beginning of Year	<u>6</u>	<u>16,755</u>	<u>3,574</u>	<u>36</u>	<u>20,371</u>	<u>-</u>	<u>40,466</u>
Fund Balances at End of Year	<u>\$ 5</u>	<u>\$ 15,581</u>	<u>\$ 3,342</u>	<u>\$ 34</u>	<u>\$ 18,962</u>	<u>\$ -</u>	<u>\$ 37,105</u>

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
Facility Services										
Public Works Projects:										
123D010	Telecommunications Equipment and Software. Includes the 311 System, Tax Collectors System, and Communications and Radios for the Police and Fire Departments	03/29/2005	\$ 1,000	\$ -	\$ 1,000	\$ 944	\$ -	\$ 944	\$ 9	\$ 47
311B315	Roof Replacement at the Public Works Facilities Building	01/12/2005	90	235	325		171	171		154
311B602	City Buildings ADA Modifications	11/12/2005	750	-	750	36	400	436	314	-
311B603	City Buildings Environmental Compliance	11/12/2005	600	-	600	529	52	581	19	-
311B604	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	600	-	600	253	46	299	272	29
311B605	Roof Replacement at Various City Buildings	11/12/2005	700	-	700	388	52	440	56	204
311B606	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,800	-	1,800	1,056	469	1,525	159	116
311B608	Rising Star Block, Pride Block, Infrastructure Improvements	11/12/2005	1,300	-	1,300	1	161	162	122	1,016
311B609	Church Street Garage Structural Repairs	01/12/2005	6,300	(3,300)	3,000	714	229	943	2,029	28
311B610	Church Street Façade Restoration	01/12/2005	1,810	-	1,810		128	128	84	1,598
311B611	MAT Street Garage Façade Restoration	01/12/2005	2,300	-	2,300		-	-	-	2,300
311B612	Remainder of Construction Contract at Morgan St Garage	01/12/2005	1,590	-	1,590	657	504	1,161	364	65
311B613	Remainder of Repair Contracts at MAT Garage	01/12/2005	500	-	500		-	-	-	500
311B614	Remainder of Repairs Contracts at Church St Garage	01/12/2005	1,000	-	1,000		-	-	1,000	-
311B615	Streetscape Improvements at MAT Garage	01/12/2005	125	-	125		-	-	-	125
311B616	Streetscape Improvements at Church St Garage	01/12/2005	280	-	280		-	-	-	280

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
311B617	Landscaping/Lighting Improvements opposite Morgan St Garage	01/12/2005	\$ 432	\$ -	\$ 432	\$ 11	\$ 202	\$ 213	\$ 19	\$ 200
311B629	Renovations and Improvements to the South End Senior Center and Police Substation on Maple Avenue	04/25/2006	1,300	-	1,300	94	1,166	1,260	40	-
311B624	Long Term Document Archive and Storage	07/1/2006	100	100	200	-	-	-	-	200
420E003	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325	-	1,325	1,139	91	1,230	-	95
420E004	Economic Development Site Acquisition	07/1/2006	1,450	-	1,450	13	542	555	-	895
311B641	City Buildings ADA Modifications FYE 2008 Appropriation	08/14/2007		950	950		21	21	174	755
311B642	City Buildings Environmental Compliance FYE 2008 Appropriation	08/14/2007		400	400		9	9	4	387
311B643	City Buildings Energy Conservation Security Technology and Communication FYE 2008 Appropriation	08/14/2007		600	600		267	267	99	234
311B644	Salt, Sand & Truck Wash at 40 Jennings Road	08/14/2007		500	500		-	-	-	500
311B646	525 Main St. Building Renovations	08/14/2007		350	350		-	-	-	350
311B647	City Hall Entrance Plaza Improvements	08/14/2007		100	100		-	-	23	77
311B648	Burgdorf Environmental Clean-up & Campus Planning	08/14/2007		250	250		14	14	1	235
311B653	Energy Projects	11/27/2007		1,000	1,000		-	-	-	1,000
420E005	Economic Development Site Acquisition, FYE 2008 Appropriation	08/14/2007		750	750		-	-	-	750
Total Public Works Projects			25,352	1,935	27,287	5,835	4,524	10,359	4,788	12,140

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**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
Public Safety Projects:										
311B479	Major Renovations and Construction Improvements to Certain Fire Stations, Training Facility and Equipment Maintenance Facility Building	11/07/2000	\$ 6,200	\$ -	\$ 6,200	\$ 5,361	\$ 590	\$ 5,951	\$ 249	\$ -
311B482	Construction of a Public Safety Complex	11/07/2000	40,000	37,000	77,000	2,793	3,319	6,112	1,906	68,982
311B628	Renovations and Improvements to the Jennings Road Police Facility and Police Substations	04/25/2006	2,000	-	2,000	42	1,605	1,647	181	172
311B623	Adriaen's Landing Fire Station Study	07/1/2006	50	-	50	-	50	50	-	-
311B632	Police Station Improvements-HVAC	01/9/2007	500	-	500	5	495	500	-	-
311B635	Firearms, Equipment Leasing and Transmitter Equipment	06/26/2007	650	-	650	-	136	136	10	504
311B639	Rehabilitation of 11 Fire Stations & Buy Truck	08/14/2007		1,500	1,500		916	916	-	584
311B640	Police Headquarters HVAC Improvements & Roof Replacement	08/14/2007		1,800	1,800		1,204	1,204	73	523
Total Public Safety Projects			49,400	40,300	89,700	8,201	8,315	16,516	2,419	70,765
Recreation and Culture Projects:										
311B434	Elizabeth Park Pathway, Traffic and Parking Improvements	05/22/1995	1,125	-	1,125	957	-	957	-	168
311B442	Central (Main) Library Renovations/Improvements	08/12/1996	38,599	-	38,599	37,007	1,256	38,263	179	157
311B443	Library Branch Renovations	08/12/1996	5,500	-	5,500	2,266	142	2,408	12	3,080
311B456	Dillon Stadium - Facilities Renovations	05/28/1998	1,885	-	1,885	1,445	-	1,445	338	102
311B469	City Wide Restoration of Park Ponds	02/09/1999	1,325	-	1,325	1,305	-	1,305	20	-

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
311B478	Pope Park Pool Replacement	05/26/2000	\$ 1,581	\$ -	\$ 1,581	\$ 1,475	\$ -	\$ 1,475	\$ 49	\$ 57
311B480	Renovations and Construction of Certain Swimming Pools	11/07/2000	6,000	-	6,000	5,841	-	5,841	-	159
311B481	Pool Enclosures for Certain Swimming Pools	11/07/2000	3,900	-	3,900	821	100	921	171	2,808
311B483	Metzner Recreation Center Renovations and Expansion	11/07/2000	4,000	-	4,000	3,614	281	3,895	105	-
311B487	Batterson Park Infrastructure - Hartford Parks Trust Fund	05/24/2002	450	-	450	295	-	295	1	154
311B491	Park Ponds Restoration - Hartford Parks Trust Fund	05/24/2002	800	-	800	307	14	321	99	380
311B494	Goodwin Park Playground and Entrance Hartford Parks Trust Fund	05/16/2003	770	-	770	563	-	563	2	205
311B497	Park Security and Access Management System Hartford Parks Trust Fund	05/16/2003	200	-	200	23	-	23	17	160
311B600	Colt, Goodwin & Keney Parks Restoration of Playing Fields Hartford Parks Trust Fund	05/24/2005	700	-	700	47	19	66	31	603
311B607	Pope Park Indoor Pool Repairs	11/12/2005	250	-	250	-	32	32	19	199
311B620	Lozada Park Preconstruction Planning, State DEP	02/28/2006	20	-	20	8	1	9	11	-
311B625	Colts Park and Coltsville Park Planning	07/1/2006	1,000	-	1,000	526	136	662	237	101
311B626	Pope Park - Phase II	07/1/2006	1,820	400	2,220	1,119	749	1,868	1	351
311B627	Citywide Playground Enhancements	07/1/2006	245	-	245	10	157	167	75	3
311B630	Pope Park Pool/Master Plan Work	10/11/2006	400	-	400	27	77	104	18	278
311B631	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	1,500	14,700	16,200	268	2,388	2,656	13,544	-
311B633	Blue Hills Recreation Center	01/9/2007	150	-	150	34	41	75	2	73
311B634	Colt, Goodwin & Keney Parks Restoration of Playing Fields	01/9/2007	300	-	300	2	256	258	2	40

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance	
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total			
311B637	Foster Heights Park	08/14/2007	\$	\$ 400	\$ 400	\$	\$ 393	\$ 393	\$ 6	\$ 1	
311B638	City Wide Pool Enhancements	08/14/2007		600	600		-	-	-	600	
311B645	Central and Branch Library, Dwight	08/14/2007		1,000	1,000		-	-	-	1,000	
311B649	Park Monuments, Pond House & Spray Pools Renovations & Improvements	08/14/2007		500	500		41	41	74	385	
311B651	Citywide Day Care and Park Enhancements	11/15/2007		600	600		41	41	50	509	
311B652	Park Enhancements	11/27/2007		300	300		11	11	282	7	
Total Recreation and Culture Projects				72,520	18,500	91,020	57,960	6,135	64,095	15,345	11,580
Education Projects:											
311B533	Thirteen School Renovations	08/12/1996		20,000	-	20,000	19,978	-	19,978	-	22
311B534	Renovation of Hartford High School Project	09/23/1997		106,500	8,000	114,500	105,555	8,168	113,723	591	186
311B537	Renovations of Various Hartford Schools	08/11/1998		27,000	-	27,000	24,054	86	24,140	113	2,747
311B538	Replacement of Various Hartford School Roofs	08/11/1998		9,000	-	9,000	8,890	-	8,890	-	110
311B539	Replacement of Underground Storage Tanks	08/11/1998		3,000	-	3,000	2,852	-	2,852	-	148
311B546	Renovations and Construction Improvements to Hartford Public Schools	11/07/2000		130,890	(1,300)	129,590	123,327	1,620	124,947	724	3,919
311B548	Breakthrough Academy Interdistrict Magnet School	10/28/2002		30,500	-	30,500	29,550	594	30,144	259	97
311B549	Sports Science Academy Magnet High School	05/12/2003		67,649	-	67,649	27,872	28,733	56,605	7,279	3,765
311B550	Greater Hartford Classical Magnet School	11/13/2003		37,950	-	37,950	37,654	119	37,773	145	32
311B551	Pathways to Technology Magnet School	11/13/2003		36,950	-	36,950	6,141	590	6,731	1,230	28,989

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
311B552	General School Improvements Phase V	03/09/2004	\$ 2,112	\$ -	\$ 2,112	\$ 1,976	\$ -	\$ 1,976	\$ 15	\$ 121
311B553	University High School for Science	08/11/2004	43,000	-	43,000	4,619	16,063	20,682	15,058	7,260
311B554	Capital College Preparatory Magnet	08/11/2004	45,650	-	45,650	62	1,654	1,716	3,877	40,057
311B556	Annie Fisher Magnet School	07/12/2005	38,438	-	38,438	2,255	1,098	3,353	3,556	31,529
311B557	Richard B. Kinsella, Magnet School of Arts	07/12/2005	36,815	1,200	38,015	2,069	5,788	7,857	493	29,665
311B558	875 Asylum Avenue-Leasehold Improvements	04/25/2006	1,350	-	1,350	1,257	9	1,266	66	18
311B559	Mary Hooker Environment Studies Magnet School	07/11/2006	46,200	(2,700)	43,500	54	1,644	1,698	4,610	37,192
311B560	Weaver High School Renovations	08/14/2007		940	940		-	-	-	940
311B561	Bulkeley High School Improvements to Air Handling System	08/14/2007		240	240		-	-	-	240
311B562	Betances Elementary School Replacement of Five Rear Staircases	08/14/2007		45	45		-	-	-	45
311B564	North East High School	06/09/2008		37,500	37,500		-	-	-	37,500
311B565	Dwight Bellizzi Middle School Renovation/Conversion	06/09/2008		10,000	10,000		-	-	-	10,000
311B566	Quirk Middle School	06/09/2008		45,000	45,000		-	-	-	45,000
Total Education Projects			683,004	98,925	781,929	398,165	66,166	464,331	38,016	279,582
Total Facility Services			830,276	159,660	989,936	470,161	85,140	555,301	60,568	374,067
Engineering Services										
Public Works Projects:										
311C240	Road Improvement Program	08/11/1998	12,955	-	12,955	10,119	408	10,527	155	2,273
311C244	Road Repair/Reconstruction	11/07/2000	9,500	-	9,500	7,285	2,112	9,397	102	1
311C245	Streetscape Improvements	11/07/2000	19,600	(2,900)	16,700	5,012	3,537	8,549	1,661	6,490
311C246	Reconstruction of Woodland Street	06/11/2001	1,525	-	1,525	1,377	15	1,392	133	-

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
311C249	Demolition of Mixmaster Temple Street	05/12/2003	\$ 917	\$ -	\$ 917	\$ 786	\$ -	\$ 786	\$ 119	\$ 12
311C250	Trinity College Area Improvements	11/13/2003	4,565	-	4,565	3,848	199	4,047	413	105
311C251	Riverwalk North Project	11/09/2004	4,361	-	4,361	4,098	289	4,387	24	(50)
311B484	Flood Control System Improvements	11/07/2000	10,000	3,000	13,000	5,473	3,242	8,715	1,411	2,874
311C252	Streetscape Improvements on Huyshope Avenue	03/14/2006	948	-	948	820	89	909	-	39
311C253	Trumbull Street Streetscapes	07/01/2006	500	4,500	5,000	212	2,410	2,622	2,378	-
311C254	School Area Pedestrian Routes Safety Enhancements	07/01/2006	300	-	300	-	41	41	54	205
311C256	Matching Funds for State and Federal Grants (CDBG) and Improvements	01/09/2007	1,000	-	1,000	891	17	908	66	26
311B650	Match Funds for State/Federal Infrastructure Grants FYE 2008 Appropriation	08/14/2007		1,190	1,190		284	284	-	906
311C257	Reconstruction of Asylum St. from Main St. to Trumbull St. CFDA 20.205-State 63-570	07/10/2007		1,266	1,266		-	-	-	1,266
311C258	Street Rehabilitation FYE 2008 Appropriation	08/14/2007		4,000	4,000		115	115	1,157	2,728
311C259	Streetscapes FYE 2008 Appropriation	08/14/2007		2,000	2,000		14	14	66	1,920
311C260	Main Street, Streetscapes	08/14/2007		475	475		-	-	-	475
311C261	Citywide Sidewalk Replacements FYE 2008 Appropriation	08/14/2007		100	100		-	-	-	100
311C262	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.	10/11/2007		4,041	4,041		-	-	-	4,041
311C263	Extension of Mark Twain Dr.	04/28/2008		2,728	2,728		3	3	-	2,725
Total Engineering Services			66,171	20,400	86,571	39,921	12,775	52,696	7,739	26,136

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**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
<u>Transportation Services</u>										
Public Works Projects:										
311D209	Upgrade of Hartford Traffic Signals	11/23/1999	\$ 1,861	\$ -	\$ 1,861	\$ 1,820	\$ -	\$ 1,820	\$ -	\$ 41
311D212	Safety Improvements to Franklin and Benton	08/16/2005	92	-	92	-	45	45	47	-
311D213	Safety Improvements to Washington and Ward	08/16/2005	92	-	92	-	33	33	58	1
311D214	City Sidewalk Replacements	10/11/2006	300	-	300	-	-	-	-	300
311D216	Safety Improvements at the Intersection of New Britain Ave. and Henry Street.	10/10/2007		87	87		6	6	-	81
753A002	On-Street Parking Meters	02/13/2008		3,300	3,300		2	2	-	3,298
Total Transportation Services			2,345	3,387	5,732	1,820	86	1,906	105	3,721
<u>Local Capital Improvement Program</u>										
Public Works Projects:										
311F218	LOCIP - Woodland Street Bridge Rehabilitation Match	10/10/1995	250	-	250	118	119	237	10	3
311F219	Library Renovations	09/11/1996	1,000	-	1,000	963	-	963	-	37
311F228	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400	-	400	168	36	204	23	173
311F234	Municipal Building Improvements - 064-00-030; 064-01-060	10/11/2000	716	-	716	487	97	584	100	32
311F239	Signalization of Franklin Avenue/Ward Street and Washington/Ward Street - LOCIP project #242 - 064-01-010	09/12/2001	20	-	20	3	-	3	18	(1)

**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
311F241	Reconstruction of Broad and/or Vine Street - LOCIP Project #553 - 064-01 040	09/12/2001	\$ 300	\$ -	\$ 300	\$ 155	\$ 22	\$ 177	\$ 104	\$ 19
311F245	Truck Wash Facility - LOCIP Project #247 - 064-03-010	09/15/2003	75	-	75	37	-	37	-	38
311F246	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	09/15/2003	750	-	750	56	62	118	44	588
311F248	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	09/15/2003	125	-	125	14	6	20	-	105
311F249	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	09/15/2003	2,900	-	2,900	1,819	181	2,000	-	900
311F251	Police Headquarters - Heating, Ventilation, and Air Conditioning (HVAC Improvements) -LOCIP Project #117-064-03-080&064-05-020	09/15/2003	2,066	-	2,066	1,832	170	2,002	49	15
311F252	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	09/15/2003	100	-	100	-	4	4	-	96
311F253	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	09/15/2003	150	-	150	93	-	93	57	-

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**CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2007	Current Period	Cumulative Total	Prior to July 1, 2007	Current Period	Cumulative Total		
311F256	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	\$ 400	\$ -	\$ 400	\$ 18	\$ -	\$ 18	\$ 1	\$ 381
311F257	Central Business District Streetlight Replacement - LOCIP Project #549 064-04-050	10/13/2004	500	-	500	-	388	388	112	-
311F258	Colt and Keney Park Swimming Pool Renovations - LOCIP Project #383 - 064-04-070	10/13/2004	250	-	250	109	-	109	14	127
311F261	Plan of Conservation and Development LOCIP Project #572 064-05-050	11/29/2005	250	-	250	87	28	115	10	125
311F262	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	02/16/2006	250	-	250	-	-	-	-	250
311F263	Roof Replacements at Various City Buildings Project #265, 064-06-010	01/30/2007	450	-	450	-	-	-	-	450
311F264	Boiler Replacement at Various City Buildings Project #266, 064-06-020	01/30/2007	250	-	250	-	43	43	8	199
311F265	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	01/30/2007	250	-	250	-	138	138	1	111
311F266	Citywide Decorative Light Replacements Project #575, 064-06-050	01/30/2007	125	-	125	23	-	23	21	81
Total Local Capital Improvement Program			<u>11,577</u>	<u>-</u>	<u>11,577</u>	<u>5,982</u>	<u>1,294</u>	<u>7,276</u>	<u>572</u>	<u>3,729</u>
TOTAL CAPITAL IMPROVEMENT FUND			<u>\$ 910,369</u>	<u>\$ 183,447</u>	<u>\$ 1,093,816</u>	<u>\$ 517,884</u>	99,295	<u>\$ 617,179</u>	\$ 68,984	<u>\$ 407,653</u>
Conversion to GAAP based financial statement reporting:										
Previous year retainage and off system accrued payables								(6,746)		
Current year disbursements in closed projects								3,691		
Current year retainage and off system accrued payables								<u>5,092</u>		<u>(5,092)</u>
TOTAL								<u>\$ 101,332</u>		<u>\$ 63,892</u>

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDSJUNE 30, 2008
(In Thousands)

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Liability and Property Damage</u>	<u>Metro Hartford Information Services</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 3,924	\$ 1,323	\$ 244	\$ 31	\$ 5,522
Other receivables	34			64	98
Due from other funds	<u>1,501</u>			<u>144</u>	<u>1,645</u>
Total assets	<u>5,459</u>	<u>1,323</u>	<u>244</u>	<u>239</u>	<u>7,265</u>
Liabilities:					
Current:					
Accounts payable and accrued liabilities	7,526		246	265	8,037
Due to other funds	25	557	367		949
Insurance claims payable		5,100	1,800		6,900
Claims incurred and not reported	<u>6,583</u>				<u>6,583</u>
Total current liabilities	<u>14,134</u>	<u>5,657</u>	<u>2,413</u>	<u>265</u>	<u>22,469</u>
Noncurrent:					
Insurance claims payable		7,300	2,000		9,300
Claims incurred and not reported		10,000	2,300		12,300
Total noncurrent liabilities	<u>-</u>	<u>17,300</u>	<u>4,300</u>	<u>-</u>	<u>21,600</u>
Total liabilities	<u>14,134</u>	<u>22,957</u>	<u>6,713</u>	<u>265</u>	<u>44,069</u>
Net Assets:					
Unrestricted	<u>\$ (8,675)</u>	<u>\$ (21,634)</u>	<u>\$ (6,469)</u>	<u>\$ (26)</u>	<u>\$ (36,804)</u>

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Liability and Property Damage</u>	<u>Metro Hartford Information Services</u>	<u>Total</u>
Operating Revenues:					
City's contribution	\$ 62,468	\$ 5,709	\$ 2,152	\$ 7,184	\$ 77,513
Pensioners contribution	10,774				10,774
Employees contribution	8,232				8,232
Other			112	338	450
Total operating revenues	<u>81,474</u>	<u>5,709</u>	<u>2,264</u>	<u>7,522</u>	<u>96,969</u>
Operating Expenses:					
Administrative	4,023			3,697	7,720
Operations				3,930	3,930
Insurance benefits and claims:					
Paid	82,270	5,844	2,187		90,301
Incurred and reported but not paid		(400)			(400)
Incurred and not reported	193	2,200	(1,300)		1,093
Total operating expenses	<u>86,486</u>	<u>7,644</u>	<u>887</u>	<u>7,627</u>	<u>102,644</u>
Operating Income (Loss)	(5,012)	(1,935)	1,377	(105)	(5,675)
Nonoperating Income:					
Interest earnings	<u>39</u>				<u>39</u>
Change in Net Assets	(4,973)	(1,935)	1,377	(105)	(5,636)
Net Assets at Beginning of Year	<u>(3,702)</u>	<u>(19,699)</u>	<u>(7,846)</u>	<u>79</u>	<u>(31,168)</u>
Net Assets at End of Year	<u><u>\$ (8,675)</u></u>	<u><u>\$ (21,634)</u></u>	<u><u>\$ (6,469)</u></u>	<u><u>\$ (26)</u></u>	<u><u>\$ (36,804)</u></u>

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Liability and Property Damages</u>	<u>Metro Hartford Information Services</u>	<u>Total</u>
Cash Flows from Operating Activities:					
City's contribution	\$ 62,137	\$ 5,732	\$ 2,152	\$ 7,184	\$ 77,205
Cash received from other			112	533	645
Cash received from users	19,006				19,006
Cash paid for salaries and benefits				(3,636)	(3,636)
Cash paid to suppliers and other	(79,284)	(5,329)	(2,020)	(4,454)	(91,087)
Net cash provided by (used in) operating activities	<u>1,859</u>	<u>403</u>	<u>244</u>	<u>(373)</u>	<u>2,133</u>
Cash Flows from Investing Activities:					
Interest received	<u>39</u>				<u>39</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,898	403	244	(373)	2,172
Cash and Cash Equivalents at Beginning of Year	<u>2,026</u>	<u>920</u>		<u>404</u>	<u>3,350</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,924</u>	<u>\$ 1,323</u>	<u>\$ 244</u>	<u>\$ 31</u>	<u>\$ 5,522</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (5,012)	\$ (1,935)	\$ 1,377	\$ (105)	\$ (5,675)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in other receivables		23		195	218
(Increase) decrease in due from other funds	(355)		59	(144)	(440)
Increase (decrease) in accrued payroll				61	61
Increase (decrease) in accounts payable	7,009		244	(233)	7,020
Increase (decrease) in due to other funds	24	515	(136)	(147)	256
Increase (decrease) in insurance claims payable	193	(1,500)	(1,100)		(2,407)
Increase (decrease) in claims incurred but not reported		3,300	(200)		3,100
Total adjustments	<u>6,871</u>	<u>2,338</u>	<u>(1,133)</u>	<u>(268)</u>	<u>7,808</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,859</u>	<u>\$ 403</u>	<u>\$ 244</u>	<u>\$ (373)</u>	<u>\$ 2,133</u>

CITY OF HARTFORD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2008

(In Thousands)

	<u>Student Activity Funds</u>	<u>Adult Education Book Fund</u>	<u>Totals</u>
Assets:			
Cash and cash equivalents	\$ <u>694</u>	\$ <u>9</u>	\$ <u>703</u>
Liabilities:			
Due to student groups and other	\$ <u>694</u>	\$ <u>9</u>	\$ <u>703</u>

CITY OF HARTFORD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Student Activity Funds</u>				
Assets:				
Cash and cash equivalents	\$ <u>636</u>	\$ <u>1,377</u>	\$ <u>1,319</u>	\$ <u>694</u>
Liabilities:				
Due to student groups	\$ <u>636</u>	\$ <u>1,377</u>	\$ <u>1,319</u>	\$ <u>694</u>
<u>Adult Education Book Fund</u>				
Assets:				
Cash	\$ <u>9</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>9</u>
Liabilities:				
Due to other	\$ <u>9</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>9</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ <u>645</u>	\$ <u>1,378</u>	\$ <u>1,320</u>	\$ <u>703</u>
Liabilities:				
Due to student groups	636	1,377	1,319	694
Due to other	<u>9</u>	<u>1</u>	<u>1</u>	<u>9</u>
Total	\$ <u>645</u>	\$ <u>1,378</u>	\$ <u>1,320</u>	\$ <u>703</u>

CITY OF HARTFORD, CONNECTICUT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2008 AND 2007
(In Thousands)

	<u>2008</u>	<u>2007</u>
Governmental Funds Capital Assets:		
Land and land improvements	\$ 99,366	\$ 93,914
Buildings	949,736	785,202
Other structures	29,384	26,103
Furniture and equipment	35,376	29,796
Rolling equipment	36,532	34,109
Infrastructure	<u>430,192</u>	<u>406,632</u>
Total	<u>1,580,586</u>	<u>1,375,756</u>
Investments in Governmental Funds Capital Assets	<u>\$ 1,580,586</u>	<u>\$ 1,375,756</u>

CITY OF HARTFORD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY
 JUNE 30, 2008
 (In Thousands)

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Other Structures</u>	<u>Furniture and Equipment</u>	<u>Rolling Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General Government:							
Mayor	\$	\$	\$	\$ 71	\$	\$	\$ 71
Court of Common Council				63			63
City Treasurer				41			41
Registrars of Voters				35			35
City Manager				33			33
Corporation Counsel				20			20
Town and City Clerk				48			48
Office of Information Services				2,416			2,416
Finance	532	142	3	658			1,335
Personnel				64			64
Human Relations				31			31
Management & Budget				396			396
Total	<u>532</u>	<u>142</u>	<u>3</u>	<u>3,876</u>	<u>-</u>	<u>-</u>	<u>4,553</u>
Public Safety:							
Fire	246	8,019		1,704	10,334		20,303
Police	667	10,723	110	8,766	5,255		25,521
Total	<u>913</u>	<u>18,742</u>	<u>110</u>	<u>10,470</u>	<u>15,589</u>	<u>-</u>	<u>45,824</u>
Physical and Leisure Services:							
Public Works	24,079	42,311	9,890	4,592	19,850	410,327	511,049
Civic Center Garage	796						796
Church St Garage			1,377				1,377
Richardson Building	1,831	742					2,573
Mixmaster	-		1,960				1,960
Total	<u>26,706</u>	<u>43,053</u>	<u>13,227</u>	<u>4,592</u>	<u>19,850</u>	<u>410,327</u>	<u>517,755</u>
Development and Community Affairs:							
Housing, Community Development and Planning	21,827	6,670	120	91			28,708
Redevelopment	12,033	5,829	180				18,042
Total	<u>33,860</u>	<u>12,499</u>	<u>300</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>46,750</u>
Human Services:							
Human Services	5	953		264			1,222
Health				211			211
Hospitals	292	4,296					4,588
Total	<u>297</u>	<u>5,249</u>	<u>-</u>	<u>475</u>	<u>-</u>	<u>-</u>	<u>6,021</u>
Board of Education							
	<u>25,937</u>	<u>325,348</u>	<u>1,525</u>	<u>13,005</u>	<u>1,093</u>		<u>366,908</u>
Recreation and Culture:							
Hartford Public Library	567	5,641		98			6,306
Civic Center	2,687	26,624					29,311
Total	<u>3,254</u>	<u>32,265</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>35,617</u>
Construction in Progress							
	<u>7,867</u>	<u>512,438</u>	<u>14,219</u>	<u>2,769</u>		<u>19,865</u>	<u>557,158</u>
TOTAL	\$ <u>99,366</u>	\$ <u>949,736</u>	\$ <u>29,384</u>	\$ <u>35,376</u>	\$ <u>36,532</u>	\$ <u>430,192</u>	\$ <u>1,580,586</u>

CITY OF HARTFORD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)**

	Governmental Funds Capital Assets July 1, 2007	Department Transfers	Transfers From CIP	Additions	Deductions	Governmental Funds Capital Assets June 30, 2008
General Government:						
Mayor	\$ 71	\$	\$		\$	\$ 71
Court of Common Council	63					63
City Treasurer	41					41
Registrars of Voters	35					35
City Manager	33					33
Corporation Counsel	20					20
Town and City Clerk	48					48
Office of Information Services	2,142			274		2,416
Finance	1,297			38		1,335
Personnel	64					64
Human Relations	31					31
Management & Budget	396					396
Total	<u>4,241</u>	<u>-</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>4,553</u>
Public Safety:						
Fire	19,529	(626)	1,060	501	(161)	20,303
Police	25,210	(248)		858	(299)	25,521
Total	<u>44,739</u>	<u>(874)</u>	<u>1,060</u>	<u>1,359</u>	<u>(460)</u>	<u>45,824</u>
Physical and Leisure Services:						
Public Works	502,339	874	6,690	1,966	(820)	511,049
Civic Center Garage	796					796
Church St Garage	1,377					1,377
Richardson Building	2,573					2,573
Mixmaster	1,960					1,960
Total	<u>509,045</u>	<u>874</u>	<u>6,690</u>	<u>1,966</u>	<u>(820)</u>	<u>517,755</u>
Development and Community Affairs:						
Housing, Community Development and Planning	28,643		227		(162)	28,708
Redevelopment	17,696		269	311	(234)	18,042
Total	<u>46,339</u>	<u>-</u>	<u>496</u>	<u>311</u>	<u>(396)</u>	<u>46,750</u>
Human Services:						
Human Services	1,222					1,222
Health	198			13		211
Hospitals	4,588					4,588
Total	<u>6,008</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>6,021</u>
Board of Education	366,851			57		366,908
Recreation and Culture:						
Hartford Public Library	6,295			11		6,306
Civic Center	29,311					29,311
Total	<u>35,606</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>35,617</u>
Construction in Progress	467,842		(8,246)	97,562		557,158
TOTAL	\$ <u>1,480,671</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>101,591</u>	\$ <u>(1,676)</u>	\$ <u>1,580,586</u>

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF BONDS PAYABLE

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

Description	Rate of Interest	Issue Date	Maturity Date	Serial Bonds		Outstanding July 1, 2007	Issued During Year	Maturities During Year	Outstanding June 30, 2008
				Authorized And Issued					
General Purpose:									
Capital Improvement Program:									
Central Library	4.000/5.125	01/15/1998	01/15/2009	\$ 1,530	\$ 180	\$	\$ 90	\$	90
Library Branches	4.000/5.125	01/15/1998	01/15/2009	357	42		21		21
Road Improvement Program	4.000/5.000	11/15/1998	11/15/2018	724	484		40		444
Central Library	4.000/5.000	11/15/1998	11/15/2018	9,180	6,120		510		5,610
Library Branches	5.000/6.000	06/15/2000	06/15/2010	551	87		29		58
Road Improvement Program	5.000/6.000	06/15/2000	06/15/2010	1,900	300		100		200
Central Library	5.000/6.000	06/15/2000	06/15/2010	6,650	1,050		350		700
Road Improvement Program	4.250/5.500	05/15/2001	05/15/2015	3,295	1,315		165		1,150
Central Library	4.250/5.500	05/15/2001	05/15/2015	8,500	3,400		425		2,975
Swimming Pool Reconstructions/Construction	4.250/5.500	05/15/2001	05/15/2015	670	274		33		241
Road Repair/Reconstruction	4.250/5.500	05/15/2001	05/15/2015	1,300	520		65		455
Flood Control System Improvements	4.250/5.500	05/15/2001	05/15/2015	900	360		45		315
Refunding Bonds - 1995 Park Street Rec. Center	4.250/5.250	03/15/2003	12/01/2016	1,717	1,382		200		1,182
Public Safety Complex	3.500/5.500	07/15/2004	08/15/2023	1,300	1,162		69		1,093
Swimming Pool Renovations	3.500/5.500	07/15/2004	08/15/2023	5,330	4,766		282		4,484
Central and Branch Library Renovations - Phase II	3.500/5.500	07/15/2004	08/15/2023	8,500	7,600		450		7,150
1998 Road Improvement Program	3.500/5.500	07/15/2004	08/15/2023	3,000	2,682		159		2,523
Infrastructure Improvements	3.500/5.500	07/15/2004	08/15/2023	5,300	4,740		280		4,460
Refunding Bonds - Series 1998, 2000, and 2001	4.500/5.000	06/01/2005	09/01/2020	9,992	9,992				9,992
Public Safety Complex	4.000/5.000	06/22/2006	07/15/2025	26,000	26,000			1,362	24,638
Various Infrastructure Improvements	4.000/5.000	06/22/2006	07/15/2025	10,000	10,000			524	9,476
Swimming Pool Enclosures	4.000/5.000	06/22/2006	07/15/2025	5,000	5,000			261	4,739
Central Library	4.000/5.000	06/22/2006	07/15/2025	1,100	1,100			58	1,042
Road Improvement Program	4.000/5.250	06/12/2007	08/15/2026	900	900				900
Central Library - Phase II	4.000/5.250	06/12/2007	08/15/2026	3,400	3,400				3,400
Infrastructure Improvements	4.000/5.250	06/12/2007	08/15/2026	17,500	17,500				17,500
Metzner Center	4.000/5.250	06/12/2007	08/15/2026	3,500	3,500				3,500
Rehab, Fire Stations	4.000/5.250	06/12/2007	08/15/2026	5,580	5,580				5,580
2005-2006 Capital Budget	4.000/5.250	06/12/2007	08/15/2026	3,470	3,470				3,470
South End Senior Center	4.000/5.250	06/12/2007	08/15/2026	1,300	1,300				1,300
Renovation Police Facility	4.000/5.250	06/12/2007	08/15/2026	2,000	2,000				2,000
2006-2007 Capital Budget - Part I	4.000/5.250	06/12/2007	08/15/2026	2,500	2,500				2,500
2006-2007 Capital Budget - Part II	4.000/5.250	06/12/2007	08/15/2026	2,450	2,450				2,450
Various Public Improvements	4.000/5.250	06/12/2007	08/15/2026	1,800	1,800				1,800
Total Capital Improvement Program						132,956	-	5,518	127,438

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF BONDS PAYABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

Serial Bonds								
Description	Rate of Interest	Issue Date	Maturity Date	Authorized And Issued	Outstanding July 1, 2007	Issued During Year	Maturities During Year	Outstanding June 30, 2008
Parking Facilities:								
Refunding G.O. Bonds - Series 2000 Revenue Bonds	3.000/5.510	04/01/2005	08/01/2024	\$ 34,340	\$ 33,175	\$ -	\$ 1,210	\$ 31,965
Parking Facilities	3.000/5.000	06/01/2005	09/01/2024	3,000	2,840	-	160	2,680
Parking Facilities	4.000/5.250	06/12/2007	08/15/2026	4,000	4,000	-	-	4,000
Total Parking Facilities					<u>40,015</u>	<u>-</u>	<u>1,370</u>	<u>38,645</u>
Civic Center :								
Civic Center	4.800	03/01/1971	03/01/2009	1,750	400	-	225	175
Civic Center	5.100	03/01/1972	03/01/2012	2,750	1,250	-	250	1,000
Civic Center	5.000	12/01/1972	12/01/2012	1,500	750	-	125	625
Civic Center Garage Refinancing	4.900/5.625	02/01/1993	02/01/2013	7,200	3,600	-	600	3,000
Total Civic Center					<u>6,000</u>	<u>-</u>	<u>1,200</u>	<u>4,800</u>
Total General Purpose					<u>178,971</u>	<u>-</u>	<u>8,088</u>	<u>170,883</u>
Education:								
Weaver and Bulkeley Roof Replacements	4.900/5.600	02/01/1993	02/01/2008	1,078	154	-	154	-
HVAC Improvements - Weaver and Bulkeley	4.900/5.600	02/01/1993	02/01/2008	795	135	-	135	-
New Moylan Elementary School	4.900/5.600	02/01/1993	02/01/2008	2,247	321	-	321	-
West Middle School Annex	4.900/5.600	02/01/1993	02/01/2008	1,480	190	-	190	-
Batchelder Elementary School	4.000/4.125	01/15/1998	01/15/2009	1,700	200	-	100	100
Milner Elementary School	4.000/4.125	01/15/1998	01/15/2009	4,760	560	-	280	280
New SAND Elementary School	4.000/4.125	01/15/1998	01/15/2009	10,455	1,230	-	615	615
McDonough Elementary School	4.000/4.125	01/15/1998	01/15/2009	1,190	140	-	70	70
Thirteen School Renovations	4.000/4.125	01/15/1998	01/15/2009	4,250	500	-	250	250
Hartford Public High School	4.000/4.125	01/15/1998	01/15/2009	663	78	-	39	39
Milner Elementary School	4.000/5.000	11/15/1998	11/15/2018	1,395	927	-	78	849
New SAND Elementary School	4.000/5.000	11/15/1998	11/15/2018	2,115	1,413	-	117	1,296

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF BONDS PAYABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008
(In Thousands)

Serial Bonds								
Description	Rate of Interest	Issue Date	Maturity Date	Authorized And Issued	Outstanding July 1, 2007	Issued During Year	Maturities During Year	Outstanding June 30, 2008
McDonough Elementary School	4.000/5.000	11/15/1998	11/15/2018	\$ 378	\$ 252	\$	\$ 21	\$ 231
Hartford Public High School	4.000/5.000	11/15/1998	11/15/2018	495	327		28	299
New Hartford Public High School	4.000/5.000	11/15/1998	11/15/2018	2,588	1,724		144	1,580
East Central Middle School	4.000/5.000	11/15/1998	11/15/2018	5,400	3,600		300	3,300
School Renovations	4.000/5.000	11/15/1998	11/15/2018	225	153		12	141
Various School Infrastructure Renovations - Roofs	4.000/5.000	11/15/1998	11/15/2018	2,182	1,456		121	1,335
Various School Infrastructure Renovations - Removal of Underground Storage Tanks	4.000/5.000	11/15/1998	11/15/2018	724	484		40	444
Various School Infrastructure Renovations - Support Structure at South Middle School	4.000/5.000	11/15/1998	11/15/2018	243	159		14	145
McDonough Elementary School	5.000/6.000	06/15/2000	06/15/2010	760	120		40	80
Hartford Public High School	5.000/6.000	06/15/2000	06/15/2010	3,995	635		210	425
School Renovations	5.000/6.000	06/15/2000	06/15/2010	4,432	704		233	471
East Central Middle School	5.000/6.000	06/15/2000	06/15/2010	713	105		38	67
New Hartford Public High School	4.250/5.500	05/15/2001	05/15/2015	3,500	1,400		175	1,225
School Renovations	4.250/5.500	05/15/2001	05/15/2015	1,835	731		92	639
Major School Renovations	4.250/5.500	05/15/2001	05/15/2015	3,000	1,200		150	1,050
Refunding 1994, 1995 and 1996 School Bonds	4.250/5.500	03/15/2003	12/15/2016	28,508	22,953		3,325	19,628
Various School Renovations	3.500/5.500	07/15/2004	08/15/2023	500	446		27	419
Major School Renovations	3.500/5.500	07/15/2004	08/15/2023	10,070	9,004		533	8,471
James H. Naylor Elementary School	3.000/5.000	06/01/2005	09/01/2024	6,000	5,685		315	5,370
Noah Webster Elementary School	3.000/5.000	06/01/2005	09/01/2024	6,200	5,875		325	5,550
Sarah J. Rawson Elementary School	3.000/5.000	06/01/2005	09/01/2024	6,600	6,250		350	5,900
Alfred E. Burr Elementary School	3.000/5.000	06/01/2005	09/01/2024	5,600	5,305		295	5,010
Simpson-Waverly Elementary School	3.000/5.000	06/01/2005	09/01/2024	1,000	950		50	900
University of Hartford Elementary School	3.000/5.000	06/01/2005	09/01/2024	1,700	1,610		90	1,520
Capital College Preparatory Magnet School	3.000/5.000	06/01/2005	09/01/2024	2,200	2,085		115	1,970
Refunding Bonds - Series 1998, 2000, and 2001	4.500/5.000	06/01/2005	09/01/2020	19,518	19,518			19,518
Hartford Public High School	4.000/5.000	06/22/2006	07/15/2025	19,000	19,000		997	18,003
Classical Magnet School	4.000/5.000	06/22/2006	07/15/2025	3,000	3,000		158	2,842
Pathways to Technology Magnet School	4.000/5.000	06/22/2006	07/15/2025	3,000	3,000		158	2,842
Breakthrough Academy Magnet School	4.000/5.000	06/22/2006	07/15/2025	2,900	2,900		152	2,748
Major School Renovations	4.000/5.250	06/12/2007	08/15/2026	10,000	10,000			10,000
Kinsella School	4.000/5.250	06/12/2007	08/15/2026	3,000	3,000			3,000
Classical Magnet School	4.000/5.250	06/12/2007	08/15/2026	600	600			600
Fisher Magnet School	4.000/5.250	06/12/2007	08/15/2026	3,000	3,000			3,000
Hooker Magnet School	4.000/5.250	06/12/2007	08/15/2026	4,000	4,000			4,000
Renovations 875 Asylum	4.000/5.250	06/12/2007	08/15/2026	1,000	1,000			1,000
Total Education					<u>148,079</u>	<u>-</u>	<u>10,857</u>	<u>137,222</u>
Total					<u>\$ 327,050</u>	<u>\$ -</u>	<u>\$ 18,945</u>	<u>\$ 308,105</u>

CITY OF HARTFORD, CONNECTICUT

FUTURE BUDGET DEBT SERVICE

JUNE 30, 2008

(In Thousands)

	Current Bonded Debt			Less State School Building Aid				
	Percentage of Maturities	Principal	Interest	Total Bonded Debt Service*	Serial Building Grant	Bond Interest Subsidies	Total Building Aid	Net Future Debt Service
<u>Prior Years</u>								
2003-04		\$ 14,515	\$ 6,700	\$ 21,215	\$ 3,908	\$ 1,534	\$ 5,442	\$ 15,773
2004-05		14,150	5,997	20,147	3,777	1,374	5,151	14,996
2005-06		14,870	11,029	25,899	3,452	1,229	4,681	21,218
2006-07		16,500	11,031	27,531	3,600	1,050	4,650	22,881
2007-08		18,945	13,896	32,841	3,005	877	3,882	28,959
<u>Future Years</u>								
2008-09	7.07%	\$ 21,775	\$ 14,322	\$ 36,097	\$ 2,323	\$ 771	\$ 3,094	\$ 33,003
2009-10	6.64%	20,455	13,370	33,825	1,612	709	2,321	31,504
2010-11	6.66%	20,510	12,427	32,937	1,793	639	2,432	30,505
2011-12	6.67%	20,565	11,450	32,015	1,789	556	2,345	29,670
2012-13	6.61%	20,375	10,441	30,816	1,788	470	2,258	28,558
2013-14	6.40%	19,725	9,485	29,210	1,786	383	2,169	27,041
2014-15	6.42%	19,795	8,580	28,375	1,779	299	2,078	26,297
2015-16	6.46%	19,890	7,618	27,508	2,019	213	2,232	25,276
2016-17	6.16%	18,965	6,670	25,635	1,511	132	1,643	23,992
2017-18	5.78%	17,810	5,759	23,569	886	77	963	22,606
2018-19	5.32%	16,405	4,908	21,313	570	44	614	20,699
2019-20	4.89%	15,080	4,117	19,197	438	21	459	18,738
2020-21	4.59%	14,150	3,386	17,536	221	5	226	17,310
2021-22	4.29%	13,215	2,713	15,928				15,928
2022-23	4.33%	13,335	2,065	15,400				15,400
2023-24	4.30%	13,250	1,423	14,673				14,673
2024-25	3.82%	11,760	826	12,586				12,586
2025-26	2.39%	7,365	364	7,729				7,729
2026-27	1.19%	3,680	92	3,772				3,772
Total	100%	\$ 308,105	\$ 120,016	\$ 428,121	\$ 18,515	\$ 4,319	\$ 22,834	\$ 405,287

* Includes parking facilities general obligation bonds

CITY OF HARTFORD, CONNECTICUT

NET ASSETS BY COMPONENT

LAST SEVEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:							
Invested in capital assets, net of related debt	\$ 877,583	\$ 815,601	\$ 737,253	\$ 425,801	\$ 355,753	\$ 338,416	\$ 364,532
Restricted	64,098	65,320	55,509	53,375	50,445	48,188	44,915
Unrestricted	(5,966)	43,920	53,952	58,531	44,137	73,832	64,403
Total Governmental Activities Net Assets	<u>935,715</u>	<u>924,841</u>	<u>846,714</u>	<u>537,707</u>	<u>450,335</u>	<u>460,436</u>	<u>473,850</u>
Business-Type Activities:							
Invested in capital assets, net of related debt	35,974	36,969	36,641	33,145	31,056	35,377	36,688
Restricted					17,843	17,625	16,344
Unrestricted		1,562	1,033	4,604		947	1,519
Total Business-Type Activities Net Assets	<u>35,974</u>	<u>38,531</u>	<u>37,674</u>	<u>37,749</u>	<u>48,899</u>	<u>53,949</u>	<u>54,551</u>
Primary Government:							
Invested in capital assets, net of related debt	913,557	852,570	773,894	458,946	386,809	373,793	401,220
Restricted	64,098	65,320	55,509	53,375	68,288	65,813	61,259
Unrestricted	(5,966)	45,482	54,985	63,135	44,137	74,779	65,922
Total Primary Government Net Assets	<u>\$ 971,689</u>	<u>\$ 963,372</u>	<u>\$ 884,388</u>	<u>\$ 575,456</u>	<u>\$ 499,234</u>	<u>\$ 514,385</u>	<u>\$ 528,401</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

(2) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.

CITY OF HARTFORD, CONNECTICUT

CHANGES IN NET ASSETS

LAST SEVEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002
Expenses:							
Governmental activities:							
General government	\$ 115,504	\$ 97,524	\$ 94,466	\$ 22,080	\$ 18,002	\$ 20,645	\$ 19,969
Public safety	83,414	77,513	74,179	71,142	67,442	72,533	69,267
Public works	29,127	23,821	24,730	16,881	26,702	26,497	31,595
Development and community affairs	51,777	47,702	45,570	54,484	48,305	42,025	41,680
Human services	30,042	30,755	24,022	18,853	19,126	21,043	22,021
Education	496,857	397,355	375,615	295,963	291,152	280,120	273,160
Recreation and culture	10,338	10,231	9,991	7,446	9,737	11,137	11,489
Benefits and insurance				102,396	105,141	79,783	81,520
Sundry				22,589	12,058	11,722	13,870
Interest on long-term debt	13,723	11,045	6,941	9,409	6,860	7,806	8,728
Total governmental activities expenses	<u>830,782</u>	<u>695,946</u>	<u>655,514</u>	<u>621,243</u>	<u>604,525</u>	<u>573,311</u>	<u>573,299</u>
Business-type activities:							
Hartford Parking Facilities	3,897	3,768	3,701	5,876	4,067	3,991	508
American Airlines Building					863	763	1,372
G. Fox Building							801
Total business-type activities expenses	<u>3,897</u>	<u>3,768</u>	<u>3,701</u>	<u>5,876</u>	<u>4,930</u>	<u>4,754</u>	<u>2,681</u>
Total Expenses	<u>\$ 834,679</u>	<u>\$ 699,714</u>	<u>\$ 659,215</u>	<u>\$ 627,119</u>	<u>\$ 609,455</u>	<u>\$ 578,065</u>	<u>\$ 575,980</u>
Program Revenues:							
Governmental activities:							
Charges for services:							
General government	\$ 2,907	\$ 4,324	\$ 4,227	\$ 4,109	\$ 2,894	\$ 1,740	\$ 4,242
Public safety	4,696	5,439	7,843	6,226	5,412	5,196	4,673
Public works	14,224	12,155	12,278	11,142	13,240	11,311	9,196
Recreation and culture	2,514	2,383	2,063	2,077	2,891	2,729	254
Other	1,340	1,434	1,674	1,970	1,785	2,662	2,138
Operating grants and contributions	466,397	382,080	364,191	330,611	313,870	318,736	311,770
Capital grants and contributions	58,545	73,070	122,823	98,134	24,745	8,044	20,607
Total governmental activities program revenues	<u>550,623</u>	<u>480,885</u>	<u>515,099</u>	<u>454,269</u>	<u>364,837</u>	<u>350,418</u>	<u>352,880</u>
Business-type activities:							
Charges for services:							
Parking facilities*	6,724	6,337	4,840	3,698			
Other enterprise funds					3,825	3,778	2,738
Capital grants and contributions	167		37	43			
Total business-type activities program revenues	<u>6,891</u>	<u>6,337</u>	<u>4,877</u>	<u>3,741</u>	<u>3,825</u>	<u>3,778</u>	<u>2,738</u>
Total Program Revenues	<u>\$ 557,514</u>	<u>\$ 487,222</u>	<u>\$ 519,976</u>	<u>\$ 458,010</u>	<u>\$ 368,662</u>	<u>\$ 354,196</u>	<u>\$ 355,618</u>
Net (expense)/revenue:							
Governmental activities	\$ (280,159)	\$ (215,061)	\$ (140,415)	\$ (166,974)	\$ (239,688)	\$ (222,893)	\$ (220,419)
Business-type activities	2,994	2,569	1,176	(2,135)	(1,105)	(976)	57
Total Net Cost of Services	<u>\$ (277,165)</u>	<u>\$ (212,492)</u>	<u>\$ (139,239)</u>	<u>\$ (169,109)</u>	<u>\$ (240,793)</u>	<u>\$ (223,869)</u>	<u>\$ (220,362)</u>
General revenues and other changes in net assets:							
Governmental activities:							
Property taxes	\$ 229,500	\$ 229,734	\$ 215,285	\$ 196,846	\$ 191,514	\$ 172,094	\$ 169,770
Unrestricted grants and contributions	47,698	49,262	41,861	39,907	37,755	44,026	51,847
Investment earnings	3,692	8,519	5,490	3,949	3,515	2,344	3,033
Other general revenues	4,581	3,920	4,779	3,829	1,726	4,376	1,773
Transfers	5,562	1,753	1,381	9,815	1,813	103	
Special item - net loss on sale of property					(6,736)		
Total governmental activities	<u>291,033</u>	<u>293,188</u>	<u>268,796</u>	<u>254,346</u>	<u>229,587</u>	<u>222,943</u>	<u>226,423</u>
Business-type activities:							
Investment earnings	11	41	130	500	272	477	1,042
Other general revenues				300			
Special item - net loss on sale of property					(2,404)		
Transfers	(5,562)	(1,753)	(1,381)	(9,815)	(1,813)	(103)	
Total business-type activities	<u>(5,551)</u>	<u>(1,712)</u>	<u>(1,251)</u>	<u>(9,015)</u>	<u>(3,945)</u>	<u>374</u>	<u>1,042</u>
Total General Revenues and Other Charges	<u>\$ 285,482</u>	<u>\$ 291,476</u>	<u>\$ 267,545</u>	<u>\$ 245,331</u>	<u>\$ 225,642</u>	<u>\$ 223,317</u>	<u>\$ 227,465</u>
Changes in Net Assets:							
Governmental activities	\$ 10,874	\$ 78,127	\$ 128,381	\$ 87,372	\$ (10,101)	\$ 50	\$ 6,004
Business-type activities	(2,557)	857	(75)	(11,150)	(5,050)	(602)	1,099
Total	<u>\$ 8,317</u>	<u>\$ 78,984</u>	<u>\$ 128,306</u>	<u>\$ 76,222</u>	<u>\$ (15,151)</u>	<u>\$ (552)</u>	<u>\$ 7,103</u>

* Prior to 2005 the parking facilities charges for services are classified with the City's other enterprise fund charges for services. After 2004, the City's parking facilities enterprise fund is the only business-type activities function generating charges for services.

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.
- (3) The City began the cost allocation of benefits, insurance and other indirect expenses within its governmental functions in 2006.

CITY OF HARTFORD, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002
General Fund:							
Reserved	\$	\$	\$ 246	\$ 143	\$ 379	\$ 1,453	\$ 3,629
Unreserved	<u>27,900</u>	<u>34,467</u>	<u>32,969</u>	<u>30,776</u>	<u>21,093</u>	<u>24,340</u>	<u>28,154</u>
Total General Fund	<u>\$ 27,900</u>	<u>\$ 34,467</u>	<u>\$ 33,215</u>	<u>\$ 30,919</u>	<u>\$ 21,472</u>	<u>\$ 25,793</u>	<u>\$ 31,783</u>
All other governmental funds:							
Reserved	\$ 95,227	\$ 81,122	\$ 62,397	\$ 115,549	\$ 49,752	\$ 28,966	\$ 23,314
Unreserved, reported in:							
Debt service funds	146	3,238	2,747	1,834	39	39	39
Special revenue funds	9,176	17,151	17,771	3,187	5,011	7,305	11,870
Capital projects funds	<u>8,229</u>	<u>60,226</u>	<u>38,593</u>	<u>(36,609)</u>	<u>19,586</u>	<u>34,436</u>	<u>37,586</u>
Total All Other Governmental Funds	<u>\$ 112,778</u>	<u>\$ 161,737</u>	<u>\$ 121,508</u>	<u>\$ 83,961</u>	<u>\$ 74,388</u>	<u>\$ 70,746</u>	<u>\$ 72,809</u>

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) Data has not been presented for years prior to the implementation of GASB Statement No. 34 in 2002.

CITY OF HARTFORD, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST SEVEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002
Revenues:							
Property taxes	\$ 232,955	\$ 231,638	\$ 208,241	\$ 197,028	\$ 183,048	\$ 172,279	\$ 171,219
Licenses, permits, and other charges	9,850	8,594	10,058	9,681	10,307	6,991	5,442
Intergovernmental revenues	567,464	503,669	523,276	454,432	385,155	373,706	388,454
Charges for services	7,531	8,184	9,734	8,322	7,546	6,847	6,883
Use of property	4,294	4,314	4,085	3,925	5,079	10,025	6,124
Investment income	3,653	8,452	5,413	3,889	3,482	2,244	2,715
Miscellaneous	18,347	15,120	18,805	19,224	11,896	12,375	5,215
Total revenues	<u>844,094</u>	<u>779,971</u>	<u>779,612</u>	<u>696,501</u>	<u>606,513</u>	<u>584,467</u>	<u>586,052</u>
Expenditures:							
General government	25,776	20,487	16,266	14,737	17,497	20,720	19,735
Public safety	79,424	77,898	74,519	69,671	67,441	70,113	69,799
Public works	14,998	15,820	15,362	16,729	23,386	25,259	30,251
Development and community affairs	52,876	53,441	52,020	63,369	50,567	46,345	41,899
Human services	29,879	30,581	23,867	18,824	19,044	20,951	22,047
Education	479,031	391,131	368,936	286,985	275,176	277,559	270,147
Recreation and culture	9,636	9,401	8,014	6,832	8,414	8,847	9,880
Benefits and insurance	57,012	54,754	47,348	100,797	89,470	74,820	77,014
Other	28,122	28,755	26,709	22,589	12,275	11,414	14,087
Capital outlay	101,332	106,647	163,076	136,903	32,293	13,394	30,857
Debt Service:							
Principal	19,838	16,810	15,901	14,150	14,515	14,830	16,055
Interest	13,063	9,965	9,020	6,037	6,700	7,898	8,732
Total expenditures	<u>910,987</u>	<u>815,690</u>	<u>821,038</u>	<u>757,623</u>	<u>616,778</u>	<u>592,150</u>	<u>610,503</u>
Excess of Revenues Over (Under) Expenditures	<u>(66,893)</u>	<u>(35,719)</u>	<u>(41,426)</u>	<u>(61,122)</u>	<u>(10,265)</u>	<u>(7,683)</u>	<u>(24,451)</u>
Other Financing Sources (Uses):							
Transfers in	55,761	53,222	40,069	54,881	40,770	40,779	43,340
Transfers out	(50,199)	(51,469)	(36,239)	(45,066)	(38,944)	(40,618)	(44,094)
Bonds issued		70,000	70,000	66,300			
Capital leases	3,883	3,164	4,526	2,822			
Bond premium		2,283	2,913	3,093		1,640	
Refunding bonds issued				29,510		30,225	
Payment to refunding bond escrow agent				(32,866)		(32,396)	
Section 108 loans and CWF serial notes	1,922			1,468			
Proceeds from sale of property					7,760		
Total other financing sources (uses)	<u>11,367</u>	<u>77,200</u>	<u>81,269</u>	<u>80,142</u>	<u>9,586</u>	<u>(370)</u>	<u>(754)</u>
Net Change in Fund Balances	<u>(55,526)</u>	<u>41,481</u>	<u>39,843</u>	<u>19,020</u>	<u>(679)</u>	<u>(8,053)</u>	<u>(25,205)</u>
Fund Balances, Beginning of Year	<u>196,204</u>	<u>154,723</u>	<u>114,880</u>	<u>95,860</u>	<u>96,539</u>	<u>104,592</u>	<u>129,797</u>
Fund Balances, End of Year	<u>\$ 140,678</u>	<u>\$ 196,204</u>	<u>\$ 154,723</u>	<u>\$ 114,880</u>	<u>\$ 95,860</u>	<u>\$ 96,539</u>	<u>\$ 104,592</u>
Debt Service as a % of Noncapital Expenditures	4.06%	3.79%	3.79%	3.25%	3.63%	3.93%	4.28%

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) Data has not been presented for years prior to the implementation of GASB Statement 34 in 2002.

CITY OF HARTFORD, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(In Thousands)

<u>Fiscal Year</u>	<u>Grand List Year</u>	<u>Land and Buildings</u>	<u>Personal Property</u>	<u>Motor Vehicle</u>	<u>Gross Taxable Grand List</u>	<u>Less Tax Exempt Property</u>	<u>Net Taxable Grand List</u>	<u>Total Direct Tax Rate (in mils)</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2008	2006	\$ 6,134,848	\$ 672,107	\$ 268,835	\$ 7,075,790	\$ 3,465,977	\$ 3,609,813	63.39	\$ 5,156,876	70.00%
2007	2005	4,602,272	695,752	265,073	5,563,097	1,952,351	3,610,746	64.82	5,158,209	70.00%
2006	2004	4,517,806	674,941	300,819	5,493,566	1,983,982	3,509,584	60.80	5,013,691	70.00%
2005	2003	4,482,273	731,144	282,932	5,496,349	1,950,749	3,545,600	56.30	5,065,143	70.00%
2004	2002	4,498,815	736,813	310,330	5,545,958	1,941,233	3,604,725	52.90	5,149,607	70.00%
2003	2001	4,412,462	767,052	316,646	5,496,160	1,890,005	3,606,155	48.00	5,151,650	70.00%
2002	2000	4,402,483	781,371	313,605	5,497,459	1,865,419	3,632,040	48.00	5,188,629	70.00%
2001	1999	4,362,566	765,329	301,795	5,429,690	1,827,574	3,602,116	47.00	5,145,880	70.00%
2000	1998	7,885,603	758,935	282,243	8,926,781	3,135,866	5,790,915	29.50	8,272,736	70.00%
1999	1997	7,908,279	733,216	265,515	8,907,010	3,129,352	5,777,658	29.90	8,253,797	70.00%

Source: City of Hartford, Assessor's Office

Notes:

- (1) 2006 and 1999 Real property grand list is adjusted to reflect statutory revaluation.
- (2) Assessed value is 70% of Estimated Actual Value

CITY OF HARTFORD, CONNECTICUT

PRINCIPAL TAXPAYERS

OCTOBER 1, 2006 AND OCTOBER 1, 1997
(In Thousands)

Business Name	October 1, 2006			October 1, 1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hartford Fire Insurance & Twin City Ins.	\$ 143,490	1	3.97%	\$ 198,875	3	3.44%
Travelers Indemnity Co. Affiliate	131,910	2	3.65%	217,464	2	3.76%
Connecticut Light & Power	110,265	3	3.05%	99,932	5	1.73%
Northland Properties	89,037	4	2.47%			
Aetna Life Insurance Co.	71,787	5	1.99%	260,485	1	4.51%
State House Financial	60,722	6	1.68%			
City Place I LTD Partnership	58,120	7	1.61%	123,550	4	2.14%
Talcott II Gold, LLC	53,599	8	1.48%			
Bank of Boston, CT	50,465	9	1.40%			
FGA Trumbull, LLC	45,532	10	1.26%			
Northeast Plaza				98,982	6	1.71%
Bank of Boston				90,510	7	1.57%
Principal Mutual Life Insurance Co.				74,233	8	1.28%
Hartford Steam Boiler				71,073	9	1.23%
Connecticut Constitution LTD				65,737	10	1.14%
Total	\$ 814,927		22.58%	\$ 1,300,841		22.52%

**CITY OF HARTFORD, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Tax Levy	Collected Within the Fiscal Year of Levy		Tax Collections In Subsequent Years	Total Collections to Date	
						Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2006	\$ 3,609,813	63.39	\$ 233,705	\$ 221,445	\$ 213,260	91.25%	\$	\$ 213,260	96.30%
2007	2005	3,610,746	64.82	233,637	228,300	219,241	93.84%	4,149	223,390	97.85%
2006	2004	3,509,584	60.80	213,395	208,506	198,964	93.24%	6,558	205,522	98.57%
2005	2003	3,545,600	56.30	199,736	193,783	185,278	92.76%	6,042	191,320	98.73%
2004	2002	3,604,725	52.90	190,277	181,814	175,153	92.05%	6,620	181,773	99.98%
2003	2001	3,606,155	48.00	173,465	166,950	158,888	91.60%	8,047	166,935	99.99%
2002	2000	3,632,040	48.00	174,464	166,811	161,646	92.65%	5,158	166,804	100.00%
2001	1999	3,602,116	47.00	169,314	162,587	157,206	92.85%	5,373	162,579	100.00%
2000	1998	5,790,915	29.50	170,955	163,423	157,828	92.32%	5,589	163,417	100.00%
1999	1997	5,777,658	29.90	172,638	164,297	158,040	91.54%	6,245	164,285	99.99%

CITY OF HARTFORD, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Governmental Activities					Business-Type Activities		Total	School Building Aid	Net General Bonded Debt	Ratio of Net General Bonded Debt Taxable Assessed Value	Ratio of Net General Bonded Debt Per Capita
	General Purpose	Schools	Civic Center	Section 108 Loans	Capital Leases	Hartford Parking Facilities	General Obligation Bonds					
2008	\$ 134,118	\$ 137,222	\$ 4,800	\$ 2,845	\$ 9,278	\$ 31,965	\$ 320,228	\$ 18,515	\$ 257,625	7.14%	\$ 2,068	
2007	139,796	148,079	6,000	3,115	7,228	33,175	337,393	21,367	272,508	7.55%	2,188	
2006	94,802	137,208	7,200	11,220	6,315	34,340	291,085	24,967	214,243	5.94%	1,720	
2005	56,719	118,746	8,615	11,288	2,720	34,340	232,428	28,419	155,661	4.31%	1,250	
2004	33,763	88,712	10,030	9,910		32,115 *	174,530	32,196	100,309	2.78%	805	
2003	37,703	97,872	11,445	1,995		32,115 *	181,130	36,104	110,916	3.07%	890	
2002	41,794	105,771	12,860	2,075		32,115 *	194,615	40,432	119,993	3.32%	963	
2001	47,047	115,158	14,275	2,150			178,630	44,760	131,720	3.65%	1,057	
2000	36,853	115,942	15,690	2,220			170,705	49,088	119,397	3.31%	959	
1999	32,264	114,096	17,105	2,285			165,750	53,416	110,049	3.05%	883	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*Revenue bonds refunded in 2005 with the issuance of general obligation refunding bonds.

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2008
(In Thousands)

Total tax collections (including interest and penalties)	\$ 222,657
State reimbursement for:	
Tax relief for elderly - freeze	10
Base	\$ 222,667

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Factor multiplied times					
base:					
2-1/4	\$ 501,001	\$	\$	\$	\$
4-1/2		1,002,002			
3-3/4			835,001		
3-1/4				723,668	
3					668,001
Total debt limitation	501,001	1,002,002	835,001	723,668	668,001
Debt, as defined by					
Statute:					
Bonds payable	170,883	137,222			
Bonds authorized - unissued	82,255	221,061			
Overlapping debt			29,434		
Serial notes payable			1,825		
School building grants receivable		(226,500)			
Total indebtedness	253,138	131,783	31,259	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 247,863	\$ 870,219	\$ 803,742	\$ 723,668	\$ 668,001

Note: Total indebtedness above amounts to \$416 million but in no event shall total indebtedness exceed \$1.6 billion (seven times the base for debt limitation computation).

School Building Grants totaling \$18.5 million are applicable to outstanding bond issues. It is estimated that an additional \$208 million of authorized education project costs will be funded through State of Connecticut progress payments.

CITY OF HARTFORD, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

**LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt Limit	\$ 1,558,669	\$ 1,623,692	\$ 1,454,201	\$ 1,376,389	\$ 1,283,989	\$ 1,184,505	\$ 1,198,757	\$ 1,196,438	\$ 1,187,123	\$ 1,202,030
Total net debt applicable to limit	<u>416,180</u>	<u>396,682</u>	<u>352,585</u>	<u>354,831</u>	<u>382,338</u>	<u>366,710</u>	<u>407,649</u>	<u>412,282</u>	<u>317,795</u>	<u>328,775</u>
Legal Debt Margin	<u>\$ 1,142,489</u>	<u>\$ 1,227,010</u>	<u>\$ 1,101,616</u>	<u>\$ 1,021,558</u>	<u>\$ 901,651</u>	<u>\$ 817,795</u>	<u>\$ 791,108</u>	<u>\$ 784,156</u>	<u>\$ 869,328</u>	<u>\$ 873,255</u>
Total net debt applicable to the limit as a percentage of debt limit	26.70%	24.43%	24.25%	25.78%	29.78%	30.96%	34.01%	34.46%	26.77%	27.35%

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF DIRECT AND OVERLAPPING DEBT

LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Governmental General Obligation Bonds	Business-Type Activities General Obligation Bonds	MDC Bonded Debt	MDC Self Funded Debt	MDC Overlapping Debt All Participating Governments	City's Percentage Share of MDC Debt	City's Share of MDC Debt	Total Direct and Overlapping Debt	Ratio of Debt to Taxable Assessed Value	Debt Per Capita
2008	\$ 276,140	\$ 31,965	\$ 181,340	\$ 74,267	\$ 107,073	27.49%	\$ 29,434	\$ 337,539	9.35%	\$ 2,710
2007	293,875	33,175	102,162	26,977	75,185	27.07%	20,353	347,403	9.62%	2,793
2006	239,210	34,340	112,301	30,053	82,248	26.78%	22,026	295,576	8.42%	2,376
2005	184,080	34,340	122,819	33,267	89,552	27.37%	24,510	242,930	6.85%	1,946
2004	132,505		117,897	28,835	89,062	27.81%	24,768	157,273	4.36%	1,264
2003	147,020		111,899	23,121	88,778	28.96%	25,710	172,730	4.79%	1,386
2002	160,425		120,495	26,404	94,091	29.79%	28,030	188,455	5.19%	1,518
2001	176,480		90,375	22,777	67,598	30.97%	20,935	197,415	5.48%	1,624
2000	168,485		93,148	31,445	61,703	32.09%	19,800	188,285	3.25%	1,415
1999	163,465		89,583	26,224	63,359	33.47%	21,206	184,671	3.20%	1,388

Note:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(2) MDC - Metropolitan District Commission

CITY OF HARTFORD, CONNECTICUT
DEMOGRAPHIC AND EMPLOYMENT STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Marked Area	State of Connecticut	United States
2008	124,563	22,319	30.4	30,805	2007	44,534	4,367	8.9%	5.1%	5.9%	6.0%
2007	124,512	22,172	32.0	29,293	2006	44,044	4,178	8.7%	4.4%	4.3%	4.7%
2006	124,397	22,296	30.4	28,984	2005	43,404	4,670	9.7%	5.1%	4.9%	5.1%
2005	124,848	24,407	29.7	28,362	2004	42,899	4,835	10.1%	5.2%	4.9%	5.5%
2004	124,387	24,614	29.7	28,132	2003	42,825	5,443	11.3%	5.8%	5.5%	6.0%
2003	124,588	24,598	29.7	29,788	2002	43,284	4,198	8.8%	4.5%	4.3%	5.8%
2002	124,180	24,479	29.7	25,947	2001	46,819	3,539	7.0%	3.3%	3.3%	4.7%
2001	121,578	24,420	28.4	23,701	2000	51,317	2,610	4.8%	2.4%	2.2%	4.0%
2000	133,086	24,278	30.5	23,701	1999	48,547	3,307	6.4%	3.3%	3.2%	4.2%
1999	133,086	23,734	30.5	23,701	1998	49,403	3,607	6.8%	3.4%	3.4%	4.5%

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Sources:

- (1) U.S. Department of Commerce, Bureau of Census
- (2) Hartford Board of Education (2005 and prior), (State Department of Education for fiscal years 2006 and forward)
- (3) State of Connecticut, Department of Labor (Calendar Year)

CITY OF HARTFORD, CONNECTICUT

PRINCIPAL EMPLOYERS

GREATER HARTFORD AREA

<u>Business Name</u>	<u>Nature of Business</u>	<u>Location</u>	<u>Employees</u>
United Technologies Corp.	Diversified manufacturer	Hartford	26,400
The Hartford Financial Services Group	Insurance, financial services	Hartford	21,300
Aetna Inc.	Health insurance	Hartford	7,366
The Travelers Cos. Inc.	Property/casualty insurance	Hartford	6,200
Bank of America	Banking/financial services	Metro Hartford	5,100
Hartford Hospital	General hospital	Hartford	5,028
John Dempsey Hospital	General hospital	Farmington	5,000
Northeast Utilities	Electric utility	Hartford	4,148
University of Connecticut	State university	Storrs	4,000
Saint Francis Hospital & Medical Center	General hospital	Hartford	3,466
CIGNA Corp.	Insurance	Bloomfield	3,380
ESPN	Media	Bristol	3,000
The Hospital of Central Conn.	General hospital	New Britain	3,000
UnitedHealth Group (Uniprise)	Health insurance	Hartford	2,300
Cianbro Corp.	General contractor	Bloomfield	2,200
ING Group	Financial services	Hartford	2,050
Mass Mutual Financial Group	Insurance	Enfield	1,900
MetLife	Insurance	Hartford	1,750
Eastern CT Health Network	General hospital	Manchester	1,570
AT & T	Telecommunications	Metro Hartford	1,497
ABB, Inc.	Fossil and nuclear power generation	Windsor	1,400
Kaman Corporation	Diversified manufacturer	Bloomfield	1,320
J.C. Penney Company, Inc.	Catalog and retail distribution	Manchester	1,300
Stanley Works	Hardware manufacturer	New Britain	1,300
Total			<u>115,975</u>

Source: Metro Hartford Chamber of Commerce

CITY OF HARTFORD, CONNECTICUT

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST SEVEN FISCAL YEARS

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002
City Departments:							
Mayor's Office	26	28	22	22	12	5	6
Court of Common Council	10	10	10	10	9	11	11
Treasurer	7	7	13	11	9	11	12
Registrars of Voters	10	9	9	9	9	9	10
Corporation Counsel	16	15	13	14	13	16	19
Town & City Clerk	19	16	11	11	11	12	14
Internal Audit	5	5	4	4	2	-	-
City Manager	-	-	-	-	19	31	32
Metro Hartford Information System	25	23	20	11	13	21	36
Finance	66	58	61	50	43	60	76
Personnel	14	13	12	12	12	16	18
Office of Human Relations	9	9	9	10	7	10	11
Office of Management and Budget	15	12	11	14	-	-	-
Fire	361	369	366	404	401	393	416
Police	511	517	533	519	497	547	559
Emergency Services and Telecommunications	60	68	70	60	55	-	-
Public Works	232	245	261	263	280	301	345
Development Services	69	67	81	56	46	66	89
Health and Human Services	65	63	152	76	66	94	169
	6	3					
Total	1,526	1,537	1,658	1,556	1,504	1,603	1,823
Board of Education:							
Teachers	2,058	1,987	1,953	1,869	1,897	1,933	1,649
Administrators	146	160	127	120	118	127	134
Paraprofessionals	484	453	488	540	479	520	539
Clerical	175	202	200	176	178	203	203
Nurses	41	52	53	51	52	45	47
Security	85	99	93	81	81	84	84
Custodial	225	218	212	199	206	215	223
Guidance Counselors	44	47	43	41	42	48	44
Social Workers	62	69	69	66	70	74	72
Psychologists	25	23	23	24	22	26	27
Support Staff	188	271	251	190	185	199	205
Others (Under 20 FTE each)	163	99	119	87	95	117	111
Total	3,696	3,680	3,631	3,444	3,425	3,591	3,338
Grand Total	5,222	5,217	5,289	5,000	4,929	5,194	5,161

CITY OF HARTFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST THREE FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government:			
Finance:			
Number of bills mailed	75,710	72,395	73,025
Number of invoices approved for payment	74,865	123,587	102,138
Number of internal control reviews performed	15	16	15
Assessor:			
Number of deeds processed	2,710	3,365	3,338
Number of veterans exemptions	1,670	1,913	1,548
Board of assessment appeals adjustments	\$ (5,859,236)	\$ (5,962,926)	\$ (4,276,153)
Personnel:			
Number of applications processed	1,974	2,350	2,674
Vacancies filled through promotion	67	218	159
Vacancies filled through new hires	153	166	109
City Clerk:			
Land records recorded	16,500	21,000	22,000
Marriage licenses issued	1,284	910	1,233
Death certificates recorded	12,600	2,690	2,539
Birth certificates recorded	21,200	7,150	8,928
Management Information Systems			
Help desk calls:			
City	3,664	3,356	3,057
Schools	10,976	11,645	9,616
Unassigned			85
Website hits (www.hartford.gov)	30,639,065	22,187,131	18,827,679
Elections:			
Voters added	5,075	3,533	2,483
Voters removed	4,455	4,397	3,957
Voter changes	11,950	10,836	10,550
Total voters	41,026	40,209	41,142

(Continued on next page)

CITY OF HARTFORD, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)

LAST THREE FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety:			
Police:			
911 calls	19,030	20,784	23,289
Non-emergency calls	106,699	108,625	107,896
DWI arrests	168	156	133
Fire:			
Fire	1,228	1,240	856
No Fire	26	28	16
Rescue and Emergency Medical Services	14,350	11,465	9,247
Hazardous Conditions	819	794	615
Service Calls	2,413	2,523	1,491
Good Intent Calls	1,254	3,007	1,658
False Alarm & False Calls	1,904	2,143	1,581
Severe Weather & Natural Disaster	-	1	2
Special Incident Type	92	112	58
Other	-	21	21
Public Works:			
Engineering and Administration:			
Lane miles paved	N/A	37	411
Development and Community Affairs:			
Development Services:			
Housing vouchers, residential assistance (families)	4,614	4,619	4,336
Zoning Board appeals	60	57	48
Code violations	6,002	10,415	9,594
Citations issued	1,799	2,786	2,449
Human Services:			
General Human Services			
Job placements	52	72	48
Senior Center			
Outreach services (duplicated units)	63,981	76,820	32,196
Youth and Family Services			
Counseling cases	1,387	85	297
Young parent cases	N/A	45	55
Education:			
Average Class Size - Kindergarten	19.1	18.6	18.2
Average Class Size - Grade 2	18.2	18.3	19.0
Average Class Size - Grade 5	20.9	18.9	20.1
Average Class Size - Grade 7	22.0	20.6	20.8
Recreation and culture:			
Number of youth registrations	2,549	2,300	2,040
Number of youth program hours	30,995	23,924	23,873
Number of hours provided by volunteers	1,450	1,302	1,040

CITY OF HARTFORD, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST FOUR FISCAL YEARS

<u>Function/Program</u>	<u>FISCAL YEAR</u>			
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Safety				
Police:				
Stations	3	3	3	3
Vehicles	235	231	225	225
Fire:				
Firefighting/ rescue vehicles	29	26	30	30
Other vehicles	50	48	40	40
Fire stations	12	12	12	12
Public Works:				
Infrastructure:				
Concrete road miles	N/A	63	63	63
Asphalt road miles	N/A	148	148	148
Bridges	N/A	8	8	8
Traffic lights	N/A	241	238	238
Conduit system (miles)	N/A	8	8	8
Street Maintenance:				
Dump trucks	N/A	31	42	36
Sweepers	N/A	7	16	16
Parks and Cemeteries:				
Parks:				
Large multi-use	9	9	9	9
Medium size	10	10	10	10
Smaller/playgrounds	10	10	10	10
Cemeteries	5	5	5	5
Building Maintenance:				
Parking lots	1	1	1	-
Parking garages	3	3	3	3
Education:				
School buildings	45	44	40	38
Administrative buildings	3	3	3	3
Recreation and Culture:				
Recreation:				
Number of basketball courts	32	32	32	32
Number of football fields	6	6	6	6
Number of multi-use fields	4	4	1	1
Number of playscapes/grounds	27	27	27	27
Number of soccer fields	6	6	6	6
Number of softball fields	16	16	16	16
Number of tennis courts	27	27	27	27
Mowers	35	35	35	35
Other vehicles	47	47	47	47
Libraries:				
Central	1	1	1	1
Number of Branches	9	9	9	9
Library on Wheels	1	1	1	1