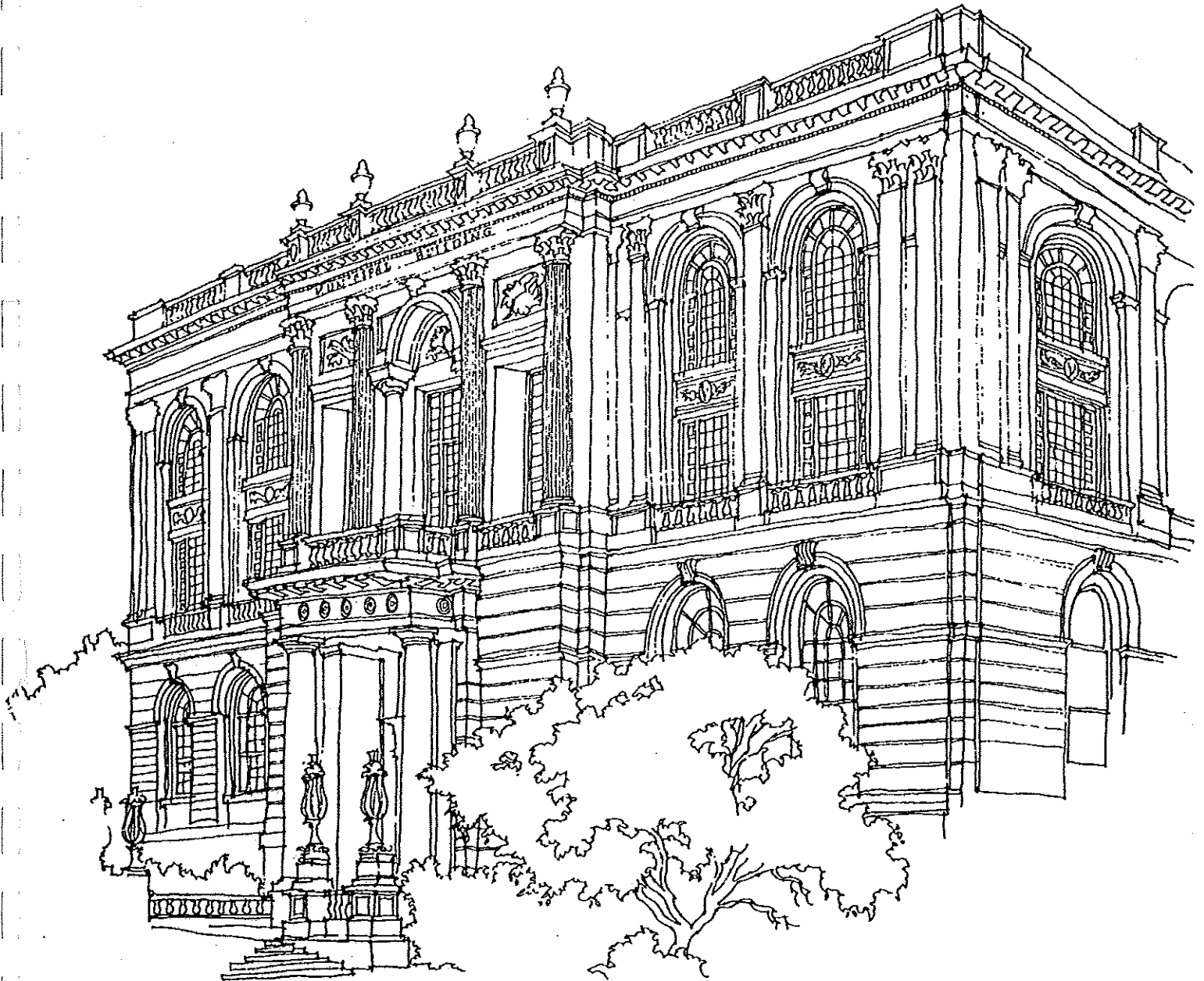


T. Dwyer
**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



For The Fiscal Year, July 1, 2003 - June 30, 2004

CITY OF HARTFORD, CONNECTICUT

OFFICE OF THE
DIRECTOR OF FINANCE

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

**CITY OF HARTFORD, CONNECTICUT
MAYOR-COUNCIL FORM OF GOVERNMENT**

For the Fiscal Year

July 1, 2003 to June 30, 2004

PREPARED BY:

DEPARTMENT OF FINANCE

**THOMAS J. MORRISON III
DIRECTOR OF FINANCE**

CITY OF HARTFORD, CONNECTICUT

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JUNE 30, 2004

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Introductory Section



CITY OF HARTFORD, CONNECTICUT

Mayor-Council Form of Government

MAYOR

Eddie A. Perez

COURT OF COMMON COUNCIL

Hernan LaFontaine, Council President

John V. Bazzano, Majority Leader
rJo Winch, Assistant Majority Leader
Robert Painter, Minority Leader
Veronica Airey-Wilson

James M. Boucher
Elizabeth Horton Sheff
Kenneth H. Kennedy, Jr.
Calixto Torres

CHIEF OPERATING OFFICER

Lee C. Erdmann

DEPARTMENT OF FINANCE

Thomas J. Morrison III, Director of Finance

Victor P. Gagliardi, Jr.
Christian Johnson
Mark Turcotte
Domenic Greco
Donald Lefevre

Deputy Director of Finance
Controller
Purchasing Agent
Financial Systems Administrator
Tax Collector

ACCOUNTING STAFF

Dalia Ajodhi
Thomas Dwyer

Julia Pao-Chu Huang
Shula Kreiger

Robert A. LaMay
Rajpaul Singh

CITY TREASURER

Kathleen E. Palm

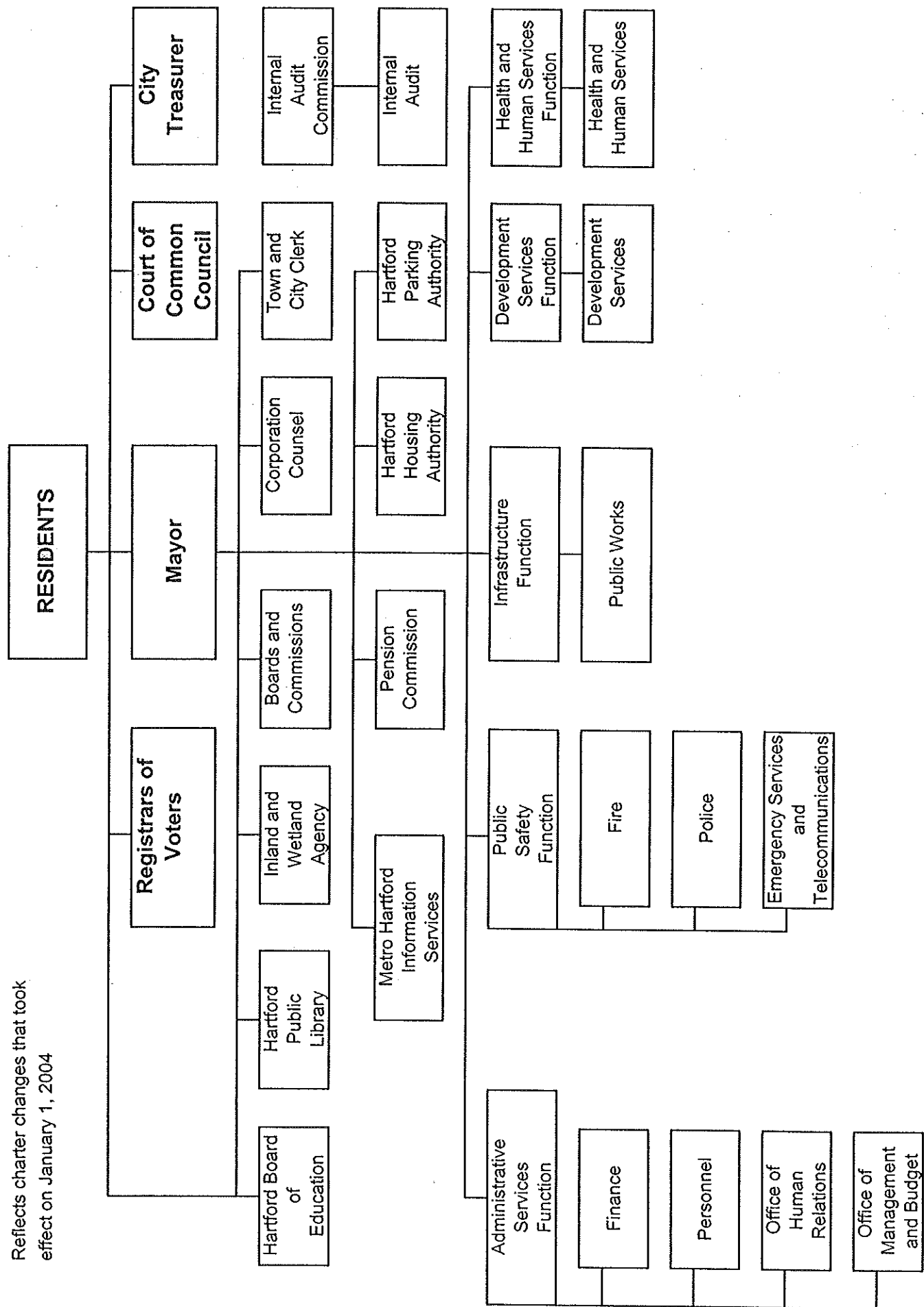
CITY ASSESSOR

Lawrence LaBarbera, Acting

AUDITORS

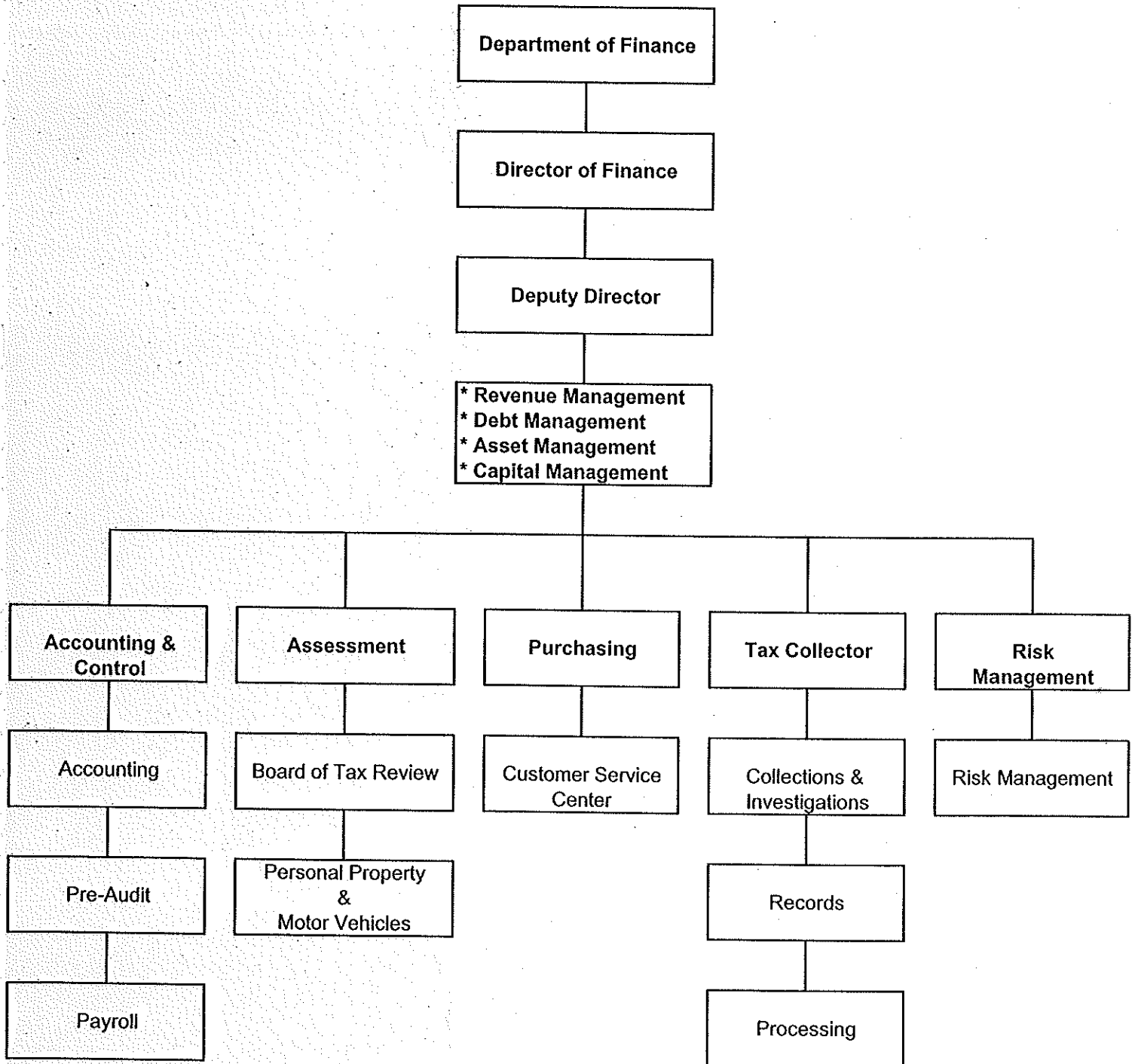
Scully & Wolf, LLP

Reflects charter changes that took effect on January 1, 2004



Department of Finance

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hartford,
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director

"The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hartford, Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate."

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City of Hartford

Department of Finance Office of the Director

550 Main Street
Hartford, Connecticut 06103
860 543-8550
Fax 860 722-6024

December 29, 2004

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, 2004. 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 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.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, organizational charts for the City and Finance Department, and a list of principal officials. The financial section includes the management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and the combining and individual fund statements and schedules, as well as the auditors' report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the 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 and Hartford Economic Development Commission have been included as discretely presented component units in the City's report in accordance with 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 124,387 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 June 30, 2004, the Mayor is the Chief Executive Officer. Nine Council members are elected at large for 4-year terms in odd numbered years on a partisan basis; the Mayor, who is elected directly for a 4-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 2005, the Board of Education is composed of nine members: 5 appointed by the Mayor and 4 elected by the voters, all for 4-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 Hartford Economic Development Commission "Commission" has been included in the City's reporting as a discretely presented component unit in accordance with GAAP. The Commission, which is fiscally dependent on the City, was established pursuant to Chapter 7-136 of the General Statutes of Connecticut and is governed by fifteen members appointed by the Mayor. The Commission serves as the principal economic development agent of the City for the purpose of promoting and developing economic resources of the City.

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 remains stable increasing, 0.16% as of October 1, 2003.

In November of 2002 the voters of the City approved a Charter revision replacing the current Council-Manager form of government with a Mayor-Council form of government. The change in the form of government took effect on January 1, 2004.

Major Initiatives

As part of the overall effort of the Economic Development Commission, whose mission it is to create an environment in Hartford that is conducive to growing and attracting business to all the City's neighborhoods, the following progress was made in the 2003-2004 fiscal year:

- **Small Business Activity:** Over 125 new small businesses opened in Hartford and out of the 853 small businesses visited by HEDC's Small Business Specialists, 241 business services and 25 projects were completed. Examples of new small business include: J & J Home Improvement, Rose Gourmet, Agave Grill and Genesis Health Care.
- **Corporate/Industrial Activity:** Over 20 New Corporate operations were attracted to Hartford, creating 680 new jobs and occupying 460,000 square feet of space. In addition, 22 companies were retained or expanded, resulting in 142 new jobs and occupying 857,000 square feet of space. Examples of new or expanding companies include: Insurity, Guilford Specialty, Golfers Warehouse, Stone Depot and F.W. Webb.
- **Main and Pavillion:** Construction has begun on this 40,000 square foot shopping plaza in the Clay Arsenal Neighborhood, representing the first new commercial development in this section of the City in 30 years. The center is fully leased and will be anchored by a Midland Farms grocery store and a Family Dollar Store. This new retail center is expected to open in the spring of 2005.
- **Charter Oak Market Place:** This 350,000 square foot retail shopping center, to be anchored by Wal-Mart, is currently under construction on Flatbush Avenue. The land is owned by the Hartford Housing Authority and leased to CBL Associates. The center will employ up to 800 and provide approximately \$1,000,000 in annual tax revenue to the City.
- **Downtown Activity:** In addition to the 6 pillars projects, detailed in the following pages, additional development activity has been spurred through private investors in the Central Business District and vicinity. These projects include but are not limited to:
 - **One American Plaza:** The Hartford Redevelopment Agency sold this 165,000 square foot office building on Main Street to College Street Partners in June of 2004. The office and retail space will be renovated and opened to the public by the end of 2005.
 - **The University of Connecticut:** The Master of Business Administration program was relocated to Constitution Plaza and classes began in August 2004 for more than 500 students. The centerpiece to the facility is the SS&C Technologies Financial Accelerator, where students, faculty and business leaders work side by side to solve complex business challenges.
 - **Hartford Hilton:** This \$28.5 million refurbished 392-room Hilton will reopen in early 2005 and is offering all the benefits and conveniences of a full-service downtown hotel. The facility will emerge as a state-of-the-art hotel that will cater to business and leisure travelers and will offer a skywalk connection to the revitalized Hartford Civic Center. The building will be expanded to feature a new restaurant as well as a new glass canopy, signage, furniture and fixtures.
 - **The Bond Hotel:** Interior work has begun to provide a total renovation on the historic Bond Hotel located on Asylum Street. The facility will be transformed into a Homewood Suites, extended stay hotel scheduled to open in the summer of 2005. The McSam Hotels Group from New York is responsible for this \$5 million project and was also the developer of the Holiday Inn Express downtown, formerly the Parkside Ramada Inn on Asylum Street.
 - **Colt Gateway:** Homes for America Holdings, purchased the 700,000 square foot facility in 2003 to create a 17-acre work/live community. All ten buildings are being restored to the National Park Service standards with the ultimate goal to be designated as a national historic landmark. The \$110 million interior and exterior renovations will include 300 residential units and 300,000 square feet of office and retail space as well as a visitor center, museum, park and seasonal pond/ice rink.

- **Capewell Horse Nail Company:** This historic factory, near Adriaen's Landing, will be converted to 92 condominium units and offices. The rehabilitation of the small office building is expected to open in early 2005 and the condominium units in 2006.
- **Wadsworth Athenaeum Museum of Art:** More than \$63 million has been raised for expansion, restoration and a new roof at the Wadsworth. Additional improvements include additional exhibition space, public amenities and an entertainment and retail project at the adjacent Hartford Times building.
- **Additional Residential Development:** Additional vacant properties have been secured by private developers and will be restored into downtown residences by the end of 2005. College Street Partners purchased 266 Pearl Street and Lexington Partners purchased 111 Pearl Street in an ongoing effort to bring housing and retail back to the downtown and Bushnell Park area, as was outlined in the Greenberg study and the City's plan of Development. In September of 2003, College Street Partners completed the renovation of a former telecommunications facility into a 130 unit apartment building. Now called 55 on the Park, the building is 90% leased.

Six Pillars of Downtown Development: To oversee the transformation of downtown Hartford as well as certain areas of City neighborhoods, the Connecticut General Assembly created the Capital City Economic Development Authority ("CCEDA") in 1998. CCEDA is a quasi-public authority charged with overseeing certain projects known as the "Pillar Projects".

"Six Pillars" of Downtown Development

Convention Center and Hotel: Groundbreaking occurred in the fall of 2003 for this 550,000 square foot convention center, which is the focal point of the state's economic revival project known as Adriaen's Landing. The Connecticut Convention Center will be the largest convention facility between New York and Boston and will have a prominent visual presence in Hartford and exceptional highway access to Interstates 84 and 91. The \$190 million project will display an expansive exhibition hall and will offer a 40,000 sq ft ball room and 25,000 square feet of meeting space, as well as ample outside and sheltered parking. The facility will serve over 6,500 local hotel rooms. Additionally, the adjacent 22-story Marriott Hotel will become the largest hotel in Hartford, consisting of 409 guest rooms and 13,500 square feet of meeting space. The U.S. Department of Housing and Urban Development (HUD) is supporting the new Hotel project with an \$8.0 million Section 108 loan received on June 30, 2004. Both the convention center and the hotel are scheduled to open in June 2005.

The Connecticut Center for Science and Exploration: The \$150 million interactive science education facility is expected to draw more than 400,000 students, families and tourists each year. It will feature hands-on, interactive science and technology exhibits and programs designed to inspire and motivate visitors of all ages. It will offer outreach through off-site distance learning and teacher support programs for more than 100,000 participants. Located between Riverfront Plaza and the Connecticut Convention Center and the Marriott Hartford downtown, the Center will be approximately 160,000 square feet and six stories tall. Groundbreaking will be in the fall of 2005 and opening date is planned for late 2007.

Downtown Residential Development: Construction on more than 1,000 new market rate apartments continues as this essential housing will create the vibrant downtown environment that is desired in Hartford. Construction is nearly complete on the 100 unit Trumbull Center and leasing will begin in early 2005. Demolition has begun at the former Sage Allen site and will make way for the construction of 78 additional market rate apartments and student housing in the heart of the Central Business District.

Downtown College Campus: Hartford's historic 11-story former G. Fox building has been turned into a spacious, convenient downtown learning center that combines history with modern amenities for Capital Community College students. This downtown campus opened its doors in September 2002 and enrollment continues to grow. In addition to Capital Community College, The University of Connecticut opened the doors for its new location for the MBA School at Constitution Plaza in August 2004.

Parking Improvements: The Morgan Street garage opened in January 17, 2002 and added 2,200 spaces to be used for Capital Community College parking, United Health Care employees and the general public. In addition, Trumbull Center will provide 600 residential and public parking spaces. The redevelopment of the Civic Center (see below) will provide more than 800 residential and public spaces when completed in 2006. Other mixed-use/residential projects like those at Adriaen's Landing and Temple Street will provide more than 1,300

additional parking spaces in downtown. In total, more than 3,500 parking spaces will be provided beneath the Convention Center building and a free standing garage to the south as part of this redevelopment project.

Civic Center (Hartford 21): Boston-based developer, Northland Investment Corporation began demolition on the \$155 million rejuvenation of the Hartford Civic Center Mall complex called Hartford 21. This redevelopment project will transform the bunker-like Civic Center Mall into an attractive new residential, retail and entertainment center in the heart of downtown. It will include 262 residential units in a 36-story high rise tower, with state of the art sports club, retail, and restaurant and entertainment establishments. The development will also include more than 40,000 square feet of office and flex space as well as structured parking. The Civic Center Coliseum will remain open and will continue to be managed by Madison Square Garden. Construction began in July 2004 and will be complete in 2006.

Riverfront Infrastructure: The connection between the City of Hartford and the Riverfront has made significant progress since the Phoenix Gateway pedestrian bridge opened to the public on May 25, 2001 and the Community Boathouse was opened in June 2002. The river walk downtown has been expanded yet again starting from the Bulkeley Bridge and continuing north to the Community Boathouse at Riverfront Park. Additional design and permitting has begun for the connection from Founders Plaza south to the Colt Gateway. An additional access point will be identified at the \$110 million mixed-use project owned and developed by Homes for America Holding, Inc.

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, purchasing, 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. Financial policies and procedures prescribed by the Director of Finance for the various departments are monitored by the independent auditor and staff from the department's Accounting and Control Division. 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 \$132.5 million on June 30, 2004, down from \$147.0 million at June 30, 2003.

The Metropolitan District had \$89.1 million of applicable overlapping debt of which the City's share was 27.8% or \$24.8 million.

As of June 30, 2004, bonds authorized and unissued amounted to \$319.5 million for the following purposes:

<u>General Purpose</u>	<u>Education</u>
\$106.7 million	\$212.8 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 Bonded Debt to Assessed Value</u>	<u>Bonded Debt per Capita</u>	<u>Ratio of Bonded Debt Service to General Fund Expenditures</u>
3.68%	\$1,065	4.89%

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, fully collateralized and managed by the Municipal Bond Investors Assurance Corporation (MBIA) and the Financial Guarantee Insurance Company (FGIC), 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 \$400 thousand deductible. The City's general liability limit for 2003-04 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, 2003. 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 Christian Johnson, Victor Gagliardi, Jr., Kent Scully, and Gregory Katz for providing me with advice and assistance with the preparation of this report, as well as Peter Condon with the printing/reproduction of this report.

I am grateful to the City's independent auditors, Scully & Wolf, LLP, 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.

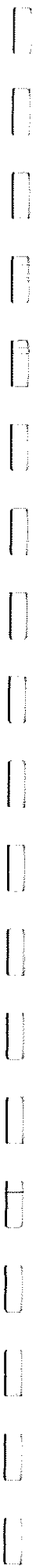
Respectfully submitted,



Thomas J. Morrison III
Director of Finance

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Financial Section





Scully & Wolf, LLP / Certified Public Accountants / Glastonbury, Connecticut 06033

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2004, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of June 30, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2004 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 assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information on pages 10 through 19 and 64 through 68 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.

December 29, 2004

A handwritten signature in cursive script, appearing to read "Susan J. Wolf, CPA".

CITY OF HARTFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2004

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, 2004. 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 net assets decreased as a result of this year's operations, decreasing by \$15.2 million.
- During the year, the City had expenses (before special items and transfers) that were \$5.2 million more than the \$559 million generated in tax and other revenues for governmental programs.
- In the City's business-type activities, the American Airlines Building was sold during 2004. Net revenue to the Hartford Parking Facilities fund from the Hartford Parking Authority component unit was \$3.7 million compared with \$3.6 million last year.
- Total cost of all of the City's programs was \$609.5 million (before special items and transfers). The City established the Metro Hartford Information Services Internal Service Fund in 2004.
- The General Fund reported a fund balance this year of \$21.5 million.
- The resources available for appropriation were \$3.1 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 Exhibit 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 Exhibit 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 and American Airlines Building Fund are reported here.
- *Component units* – The City includes two separate legal entities in its report; the Hartford Parking Authority and the Hartford Economic Development Commission. Although legally separate, these "component units" are important 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 (Exhibit 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 (Exhibit 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 Fund and the City's Metro Hartford Information Services Fund.

- *Fiduciary funds (Exhibit 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 were decreased from a year ago by \$15.2 million to \$499.2 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.

<p align="center">Table 1 Net Assets (in thousands)</p>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$288,137	\$262,575	\$21,258	\$22,047	\$309,395	\$284,622
Capital assets.....	<u>490,168</u>	<u>486,006</u>	<u>63,171</u>	<u>67,492</u>	<u>553,339</u>	<u>553,498</u>
Total assets	<u>778,305</u>	<u>748,581</u>	<u>84,429</u>	<u>89,539</u>	<u>862,734</u>	<u>838,120</u>
Long-term debt outstanding	220,583	212,255	32,115	32,115	252,698	244,370
Other liabilities.....	<u>107,387</u>	<u>75,890</u>	<u>3,415</u>	<u>3,475</u>	<u>110,802</u>	<u>79,365</u>
Total liabilities.....	<u>327,970</u>	<u>288,145</u>	<u>35,530</u>	<u>35,590</u>	<u>363,500</u>	<u>323,735</u>
Net assets:						
Invested in capital assets, net of debt	355,753	338,416	31,056	35,377	386,809	373,793
Restricted	50,445	48,188	17,843	17,625	68,288	65,813
Unrestricted.....	<u>44,137</u>	<u>73,832</u>	<u> </u>	<u>947</u>	<u>44,137</u>	<u>74,779</u>
Total net assets.....	<u>\$450,335</u>	<u>\$460,436</u>	<u>\$48,899</u>	<u>\$53,949</u>	<u>\$499,234</u>	<u>\$514,385</u>

The City's governmental activities have an investment in capital assets, net of debt of \$355.8 million at June 30, 2004. This amount reflects the City's decision to delay the reporting of general infrastructure acquired prior to July 1, 2001 (as permitted by GASB No. 34) while reporting the related long-term debt in the statement of net assets. The amount of unreported infrastructure is not currently determinable.

The net assets of the City's governmental-activities decreased from \$460.4 million to \$450.3 million during the year. The City's governmental-activities prior year net assets as reported in Table 1 reflects a \$13.5 million restatement resulting from the City's detail inventory analysis of City owned land during the year resulting in the removal of \$13.5 million in non-depreciable land assets from the City's capital assets.

The net assets of business-type activities decreased by \$5.1 million (\$48.9 million compared to \$53.9 million) in 2004. The City generally can only use these net assets to finance the continuing operations of the Hartford Parking Facilities.

Table 2
Changes In Net Assets
(in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u> <u>Primary Government</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Program revenues:						
Charges for services.....	\$ 26,222	\$ 23,638	\$ 3,825	\$ 3,778	\$ 30,047	\$ 27,416
Operating grants and contributions	313,870	318,736			313,870	318,736
Capital grants and contributions	24,745	8,044			24,745	8,044
General revenues:						
Property taxes	191,514	172,094			191,514	172,094
Grants and contributions not restricted to specific purposes	37,755	44,026			37,755	44,026
Unrestricted investment earnings.....	3,515	2,344	272	477	3,787	2,821
Other general revenues	<u>1,726</u>	<u>4,376</u>			<u>1,726</u>	<u>4,376</u>
Total revenues	<u>599,347</u>	<u>573,258</u>	<u>4,097</u>	<u>4,255</u>	<u>603,444</u>	<u>577,513</u>
			4.6%			
Program expenses:						
General government	18,002	20,645	{ 12.8% }		18,002	20,645
Public safety	67,442	72,533	{ 7.0 }		67,442	72,533
Public works	26,702	26,497	0.1		26,702	26,497
Development and community affairs	48,305	42,025	14.9%		48,305	42,025
Human services.....	19,126	21,043	{ 9.1 }		19,126	21,043
Education.....	291,152	280,120	3.9%		291,152	280,120
Recreation and culture	9,737	11,137	{ 12.6% }		9,737	11,137
Benefits and insurance.....	105,141	79,783	31.8%		105,141	79,783
Sundry.....	12,058	11,722	{ 2.3% }		12,058	11,722
Interest on long-term debt.....	6,860	7,806	{ 12.1% }		6,860	7,806
Hartford Parking Facilities			4,067	3,991	4,067	3,991
American Airlines Building.....			<u>863</u>	<u>763</u>	<u>863</u>	<u>763</u>
Total program expenses.....	<u>604,525</u>	<u>573,311</u>	<u>4,930</u>	<u>4,754</u>	<u>609,455</u>	<u>578,065</u>
			5.4%			
Excess (deficiency) before special items and transfers.....	(5,178)	(53)	(833)	(499)	(6,011)	(552)
Special items -- net loss on sale of property.....	(6,736)		(2,404)		(9,140)	
Transfers.....	<u>1,813</u>	<u>103</u>	<u>(1,813)</u>	<u>(103)</u>		
Increase (decrease) in net assets	<u>\$ (10,101)</u>	<u>\$ 50</u>	<u>\$ (5,050)</u>	<u>\$ (602)</u>	<u>\$ (15,151)</u>	<u>\$ (552)</u>

The City's total revenues (excluding transfers and special items) were \$603.4 million. The total cost of all programs and services (excluding transfers and special items) was \$609.5 million. 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 – public safety, public works, education, benefits and insurance, and development and community affairs – 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)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Public safety	\$ 67,442	\$ 72,533	\$ 58,346	\$ 62,478
Public works	26,702	26,497	8,544	9,899
Education	291,152	280,120	24,294	28,671
Benefits and insurance	105,141	79,783	105,141	78,330
Development and community affairs	48,305	42,025	703	(3,109)
All other and transfers	<u>65,783</u>	<u>72,353</u>	<u>42,660</u>	<u>46,624</u>
Totals	<u>\$604,525</u>	<u>\$573,311</u>	<u>\$239,688</u>	<u>\$222,893</u>

Business-type Activities

Revenues from the Hartford Parking Authority to the Hartford Parking Facilities Fund to finance debt service and capital improvement increased from \$3.6 million to \$3.7 million. Expenses (including debt service and depreciation) for the City's dedicated parking facilities increased from \$4.0 million to \$4.1 million.

The American Airlines Building was sold by the City during fiscal year 2004 generating proceeds from the sale of \$1.4 million. Liquid assets of the American Airlines Enterprise Fund totaling \$1.8 million including the proceeds from the sale were transferred to the City's General Fund.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$95.9 million which is a decrease from last year's total of \$96.5 million. Included in this year's total change in fund balance, is a decrease of \$4.3 million in the City's General Fund. The primary reasons for the General Fund's decrease mirror the governmental activities analysis highlighted in Exhibit IV.

The fund balance of the Capital Improvement Fund decreased by \$7.1 million representing the use of local revenues contributed in prior years. Loan repayments exceeded current year loans and grants issued by the City resulting in a \$2.3 million increase in the fund balance of the Community Development Loan and Grant Fund.

Internal Service Funds

Net assets of the City's self-insurance programs decreased by \$15.9 million as administrative and claim costs exceeded employee and employer contributions for the fiscal year. The City is exploring modifications in medical benefit provisions to reduce future claim costs and administrative costs of its self-insured programs. Case reserve estimates are being evaluated as well.

The Metro Hartford Information Services Fund operational expenses were funded by \$6.2 million in contributions from the City's General Fund.

General Fund Budgetary Highlights

The City had designated \$3.9 million of 2002-2003 fund balance to balance the 2003-2004 budget; however, due to realizing higher than originally budgeted State of Connecticut revenue and general property tax revenue the City only needed to utilize \$3.3 million of the City's budgetary based fund balance.

There was a supplemental appropriation in the General Fund totaling \$11.5 million from 2003-2004. The appropriation was funded by increases in revenue estimates. The supplemental appropriation was used to increase budgeted expenditures by \$8.5 million for Education and \$3.0 million for the Police Department.

The City's General Fund balance of \$21.5 million reported on Exhibit III differs from the General Fund's budgetary fund balance of \$21.1 million. This is principally because budgetary fund balance includes \$379 thousand of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the City had \$553 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment – Table 4.

The reported capital assets include prospective reporting of capital outlay for infrastructure (roads, bridges, and other infrastructure) totaling \$14.4 million for the fiscal year. The City has chosen to phase in the reporting of historical infrastructure capital assets in a subsequent fiscal year as allowed by the implementation period requirements of GASB #34.

Table 4
Capital Assets at Year-end (Net of Depreciation)
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 73,906	\$ 76,558	\$ 8,428	\$10,705	\$ 82,334	\$ 87,263
Land improvements	182	213			182	213
Buildings	79,210	95,819		1,633	79,210	97,452
Other structures	302	464	53,795	55,110	54,097	55,574
Furniture and equipment	2,918	3,759		44	2,918	3,803
Rolling equipment	8,683	9,572			8,683	9,572
Construction in progress:						
In service	186,370	190,799			186,370	190,799
Infrastructure	14,440	9,156			14,440	9,156
Noninfrastructure	<u>124,157</u>	<u>99,666</u>	<u>948</u>		<u>125,105</u>	<u>99,666</u>
Totals	<u>\$490,168</u>	<u>\$486,006</u>	<u>\$63,171</u>	<u>\$67,492</u>	<u>\$553,339</u>	<u>\$553,498</u>

Governmental Activities

The City sold the Civic Center Upper Garage to Boston-based developer, Northland Investment Corporation for \$6.2 million (net of \$3.8 million paid to lessee) during 2004 as part of the City's "Six Pillars" of downtown Hartford development. The City sold the Sage Allen building and a 1,037 square foot discontinued portion of Market Street to 18 Temple Street LLC during the year for a nominal fee. The purpose of this sale is to make way for the construction of 78 additional market rate apartments and student housing in the heart of the Central Business District. The "Burnt Hill" section of Batterson Park was sold to the Town of Farmington for \$1.56 million. The sale of the parcel of land, which is located in Farmington, achieved an important goal for both Hartford and Farmington. These transactions are in accordance with the City's objective of raising revenue by the sale of much of its underutilized or non-essential property.

This year's major capital additions included:

(in thousands)

Renovations and construction of certain swimming pools	\$ 4,662
Renovations and construction improvements to Hartford public schools	3,301
Breakthrough Academy Interdistrict Magnet School	1,122
Greater Hartford Classical Magnet School	4,601
Road Repair/Reconstruction	<u>1,365</u>
TOTAL	<u>\$25,051</u>

The City approved the following new capital project authorizations in 2004:

	<i>(in thousands)</i>
Pathways to Technology Magnet School.....	\$29,681
Hartford Classical Magnet School.....	32,000
Trinity College Area Improvement.....	4,792
School Building Improvements Phase V	<u>2,112</u>
TOTAL	<u>\$68,585</u>

The City plans to add \$4.9 million in non-bonded additional projects in 2004-05 in the following categories:

	<i>(in thousands)</i>
Public safety facilities.....	\$1,350
Public facilities	875
Parks and recreation.....	1,075
Infrastructure	<u>1,566</u>
Total by Project Category	<u>\$4,866</u>
 General Fund	 \$ 66
Hartford Parks Trust Fund	1,075
State Funding	<u>3,725</u>
Total by Funding Source	<u>\$4,866</u>

There are 160 active projects in the City's Capital Improvement Fund with appropriations of \$898.9 million against cumulative expenditures of \$461.4 million and outstanding encumbrances of \$18.9 million, resulting in an unencumbered balance of \$418.6 million. Total expenditures for all projects during the fiscal year amounted to \$32.6 million. New and supplemental appropriations totaled \$78.4 million during 2004.

Business Type Activities

The sale of the American Airlines Building, a 165,000 square foot office building on Main Street, by the Hartford Redevelopment Agency to College Street Partners for \$1.4 million was completed in June of 2004. In conjunction with the City's "Six Pillars" of downtown revitalization, the sale is part of the City's strategy to spur additional development activity through private investors in the Central Business District and vicinity. The office and retail space will be renovated and opened to the public by the end of 2005.

More detailed information about the City's capital assets is presented in Note 6 to the financial statements.

Long-term debt

At June 30, 2004, the City had \$163.4 million in bonds outstanding versus \$177.7 million last year – a decrease of 8 percent – as shown in Table 5.

Table 5
Outstanding Debt, at Year-end
(in millions)

	Governmental		Business-Type		Totals	
	<u>Activities</u>		<u>Activities</u>			
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General obligation bonds (backed by the City).....	\$131.3	\$145.6			\$131.3	\$145.6
Revenue bonds and notes (backed by specific fee revenues)	—	—	\$32.1	\$32.1	32.1	32.1
Totals.....	<u>\$131.3</u>	<u>\$145.6</u>	<u>\$32.1</u>	<u>\$32.1</u>	<u>\$163.4</u>	<u>\$177.7</u>

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 \$1.3 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 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's number of unemployed and unemployment rate decreased from 5,069 in December 2003 (9.4%) to 4,674 in October 2004 (9.3%). This compares to the State's October 2004 rate of 4.2% and the nation's unemployment rate in October 2004 of 5.1%.

The consumer price index in the northeast urban areas continues to be higher than the national consumer price index. Inflation from October 2003 to October 2004 in the northeast was 3.6% while the rate was 3.2% for all urban areas in the U.S.

In developing the fiscal year 2005-2006 budget, the City continues to feel it is essential 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 financial climate, to control the cost of each service provided. In developing the 2004-2005 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

stable (Increase) 2001 to 2002

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 2004-05 of \$450.0 million is an increase of \$24.7 million over the adopted 2003-04 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 a significant increase in the current year tax levy to 56.32 mills from 52.92 in the previous year.

The City is exploring ways to reduce the 2004-05 expenditure budget and increase its revenue sources. In developing the City's 2005-06 budget various options are being explored to reduce City expenditures and maximize revenues to offset anticipated reduction in State funding.

In the summer of 2002, the City combined the City's Information Services Department with the Board of Education and formed Metro Hartford Information Services. 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. Since July 2002, the City has had a selective hiring freeze. The City has also retained 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.

Basic Financial Statements

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2004

(thousands)

	.....PRIMARY GOVERNMENT.....		.....COMPONENT UNITS.....		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HARTFORD PARKING AUTHORITY	HARTFORD ECONOMIC DEVELOPMENT COMMISSION
ASSETS:					
Cash and cash equivalents.....	\$139,081	\$ 470	\$139,551	\$122	\$187
Investments.....	21,244		21,244		
Receivables, net.....	124,815	(463)	124,815	367	
Internal balances.....	463				
Inventories.....	388		388		
Other asset.....	2,115		2,115		
Due from City/component unit.....	31		31		140
Restricted assets:					
Cash and cash equivalents.....		17,880	17,880		
Investments.....		3,303	3,303		
Due from component unit.....		68	68		
Capital assets, net.....	490,168	63,171	553,339		
Total assets.....	778,305	84,429	862,734	489	327
LIABILITIES:					
Accounts payable and accrued expenses.....	63,545	3,415	66,960	390	255
Due to Fiduciary Funds.....	4,999		4,999		
Unearned revenue.....	22,703		22,703		
Due to City/component unit.....	140		140	99	
Bond anticipation notes payable.....	16,000		16,000		
Noncurrent liabilities:					
Due within one year.....	41,370	335	41,705		
Due in more than one year.....	179,213	31,780	210,993		
Total liabilities.....	327,970	35,530	363,500	489	255
NET ASSETS:					
Invested in capital assets, net of related debt...	355,753	31,056	386,809		
Restricted for:					
Capital projects.....	6,200		6,200		
Debt service.....		6,604	6,604		
Parking facilities.....		11,239	11,239		
Housing loans.....	30,465		30,465		
Trust purposes:					
Expendable.....	805		805		
Nonexpendable.....	12,975		12,975		
Unrestricted.....	44,137		44,137		72
Total net assets.....	\$450,335	\$48,899	\$499,234	\$-0-	\$ 72

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004
(thousands)

FUNCTIONS/PROGRAMS	EXPENSES	SERVICES FOR CHARGES	PROGRAM REVENUES		GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL BUSINESS-TYPE ACTIVITIES		TOTAL		...COMPONENT UNITS...	
			OPERATING	REVENUES			ACTIVITIES	ACTIVITIES			PRIMARY GOVERNMENT	HARTFORD ECONOMIC DEVELOPMENT AUTHORITY COMMISSION
Primary Government:												
Governmental activities:												
General government.....	\$ 18,002	\$ 2,894	\$ 1,795				\$ (13,313)	\$ (13,313)				
Public safety.....	67,442	5,412	2,956				(58,346)	(58,346)				
Public works.....	26,702	13,240	1,649	\$ 728			(8,544)	(8,544)				
Development and community affairs.....	48,305		41,557	3,269			(703)	(703)				
Human services.....	19,126	881	11,560	6,045			(6,685)	(6,685)				
Education.....	291,152	904	251,251				(24,294)	(24,294)				
Recreation and culture.....	9,737	2,891	1,568				(5,278)	(5,278)				
Benefits and insurance.....	105,141						(105,141)	(105,141)				
Sundry.....	12,058						(12,058)	(12,058)				
Interest on long-term debt.....	6,860		1,534				(5,326)	(5,326)				
Total governmental activities...	604,525	26,222	313,870				(239,688)	(239,688)				
Business-type activities:												
Hartford Parking Facilities.....	4,067	3,654					\$ (413)	(413)				
American Airlines Building.....	863	171					(692)	(692)				
Total primary government.....	\$609,455	\$30,047	\$313,870				(239,688)	(1,105)	(240,793)			
Component Units:												
Hartford Parking Authority.....	\$1,305	\$1,305										
Hartford Economic Development Commission.....	995	2	\$781									\$ (212)
Total component units.....	\$2,300	\$1,307	\$781									(212)
General revenues:												
Property taxes.....							191,514	191,514				
Grants and contributions not restricted to specific programs.....							37,755	37,755				
Unrestricted investment earnings.....							3,787	3,787				
Miscellaneous.....							1,726	1,726				2
Special items - net loss on sale of property.....							(6,736)	(2,404)	(9,140)			
Transfers.....							1,813	(1,813)				
Total general revenues and transfers							229,587	(3,945)	225,642			2
Change in net assets.....							(10,101)	(5,050)	(15,151)			(210)
Net assets, July 1, 2003, as restated...							460,436	53,949	514,385			\$-0- 282
Net assets, June 30, 2004.....							\$ 450,335	\$48,899	\$499,234			\$-0- \$ 72

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET
JUNE 30, 2004
(thousands)

	GENERAL	CAPITAL IMPROVEMENT	COMMUNITY DEVELOPMENT LOAN AND GRANT	DEBT SERVICE	EDUCATIONAL GRANTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 61,020	\$44,705	\$ 6,916	\$128	\$ 2,562	\$22,077	\$137,408
Investments						21,244	21,244
Receivables, net	57,226	18,272	30,465		8,272	10,443	124,678
Due from other funds	4,792	7,282		95	4	1,928	14,101
Due from component unit	31						31
Inventories						388	388
Other	2,115						2,115
TOTAL	\$125,184	\$70,259	\$37,381	\$223	\$10,838	\$56,080	\$299,965

LIABILITIES
AND
FUND BALANCES

Liabilities:							
Accounts payable and accrued liabilities	\$ 37,884	\$ 8,126	\$ 136	\$184	\$ 6,739	\$ 5,198	\$ 58,267
Due to other funds	8,505	90			3,913	7,632	20,140
Due to component unit	90					50	140
Bond anticipation notes payable		16,000					16,000
Deferred revenue	57,233	10,426	30,465		1,410	10,024	109,558
Total liabilities	103,712	34,642	30,601	184	12,062	22,904	204,105
Fund balances (deficit):							
Reserved	379	18,934			407	30,411	50,131
Unreserved, reported in:							
General Fund	21,093				(1,631)	(138)	21,093
Special Revenue Fund			6,780	39			5,011
Debt Service Fund							39
Capital Project Funds		16,683				2,903	19,586
Total fund balances (deficit)	21,472	35,617	6,780	39	(1,224)	33,176	95,860
TOTAL	\$125,184	\$70,259	\$37,381	\$223	\$10,838	\$56,080	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

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

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 fund are included in governmental activities in the statement of net assets

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

Net assets of governmental activities

\$450,335

The accompanying notes are an integral part of these financial statements

CITY OF HARTFORD, CONNECTICUT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)

	GENERAL	CAPITAL IMPROVEMENT	COMMUNITY DEVELOPMENT LOAN AND GRANT	DEBT SERVICE	EDUCATIONAL GRANTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:							
Property taxes	\$183,048						\$183,048
Licenses, permits, and other charges	10,307						10,307
Intergovernmental revenues	221,690	\$17,914			\$62,443	\$ 81,938	383,985
Non-governmental grants and contributions	2,320					1,170	1,170
Charges for services	5,079					5,226	7,546
Use of property	486	337	\$ 432			2,227	5,079
Investment income	2,242		3,028		5,538	1,088	3,482
Miscellaneous							11,896
Total revenues	425,172	18,251	3,460		67,981	91,649	606,513
Expenditures:							
Current:							
General government	15,883					1,614	17,497
Public safety	61,710					5,731	67,441
Public works	21,927					1,459	23,386
Development and community affairs	7,944		1,139			48,484	50,567
Human services	7,167					11,877	19,044
Education	204,344				60,541	10,291	275,176
Recreation and culture	943					8,414	9,357
Benefits and insurance	89,470					7,471	96,941
Other	12,058						12,058
Capital outlay		32,293					32,293
Debt service				\$ 21,215		217	21,432
Total expenditures	414,446	32,293	1,139	21,215	60,541	87,144	616,778
Excess (deficiency) of revenues over expenditures	10,726	(14,042)	2,321	(21,215)	7,440	4,505	(10,265)
Other financing sources (uses):							
Transfers in	12,784					6,771	40,770
Transfers out	(27,831)	(804)		21,215	(7,685)	(2,624)	(38,944)
Proceeds from sale of property	7,760						7,760
Total other financing sources (uses)	(15,047)	6,956		21,215	(7,685)	4,147	9,586
Net change in fund balances	(4,321)	(7,086)	2,321		(245)	8,652	(679)
Fund balance (deficit), July 1, 2003	25,793	42,703	4,459	39	(979)	24,524	
Fund balance (deficit), June 30, 2004	\$ 21,472	\$ 35,617	\$ 6,780	\$ 39	\$ (1,224)	\$ 33,176	
Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:							
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period....							
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold....							
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds....							
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds....							
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds....							
Internal service funds are used by management to charge the costs of risk management to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities (Exhibit V)							
Change in net assets of governmental activities (Exhibit II)							
\$ (10,101)							

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2004

(thousands)

	HARTFORD PARKING FACILITIES	BUSINESS-TYPE ACTIVITIES..... AMERICAN AIRLINES BUILDING	TOTAL	GOVERNMENTAL ..ACTIVITIES.. INTERNAL SERVICE FUNDS
ASSETS:				
Current assets:				
Cash and cash equivalents.....		\$ 470	\$ 470	\$ 1,673
Receivables, net.....				137
Due from other funds.....				1,503
Restricted assets:				
Cash and cash equivalents.....	\$17,880		17,880	
Due from component unit.....	68		68	
Investments.....	3,303		3,303	
Capital assets, net.....	63,171		63,171	
Total assets.....	84,422	470	84,892	3,313
LIABILITIES:				
Current liabilities:				
Accounts and other payables.....	3,400	15	3,415	4,097
Due to other funds.....	8	455	463	
Risk management claims.....				15,201
Total current liabilities.....	3,408	470	3,878	19,298
Noncurrent liabilities:				
Risk management claims.....				19,929
Bonds payable.....	32,115		32,115	
Total noncurrent liabilities.....	32,115		32,115	19,929
Total liabilities.....	35,523	470	35,993	39,227
NET ASSETS:				
Invested in capital assets, net of related debt.....	31,056		31,056	
Restricted for capital improvements and debt service.....	17,843		17,843	
Unrestricted.....				(35,314)
Total net assets.....	\$48,899	\$-0-	\$48,899	\$ (35,314)

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)

	HARTFORD FACILITIES	BUSINESS-TYPE ACTIVITIES AMERICAN AIRLINES BUILDING	TOTAL	GOVERNMENTAL ..ACTIVITIES.. INTERNAL SERVICE FUNDS
Operating revenues:				
City's contribution for insurance.....				\$ 66,091
Employee and pensioners contributions for insurance.....				11,520
Hartford Parking Authority - operations.....			\$ 3,654	
Rental income.....	\$ 3,654	\$ 171	171	
Other.....				86
Total operating revenues	3,654	171	3,825	77,697
Operating expenses:				
Management and leasing.....				
Administration.....		60	60	6,074
Operations.....		101	101	3,924
Maintenance and repairs.....		415	415	
Bad debt expense.....	197	2	199	
Insurance benefits and claims.....		93	93	83,614
Total operating expenses before depreciation.....	197	671	868	93,612
Operating income (loss) before depreciation.....	3,457	(500)	2,957	(15,915)
Depreciation.....	1,315	192	1,507	
Total operating expenses	1,512	863	2,375	93,612
Operating income (loss).....	2,142	(692)	1,450	(15,915)
Nonoperating income (loss):				
Interest earnings.....	264	8	272	33
Interest expense.....	(2,555)		(2,555)	
Loss on sale of property.....		(2,404)	(2,404)	
Total nonoperating income (loss)	(2,291)	(2,396)	(4,687)	33
Net income (loss) before transfers.....	(149)	(3,088)	(3,237)	(15,882)
Transfers out.....		(1,813)	(1,813)	(13)
Change in net assets	(149)	(4,901)	(5,050)	(15,895)
Total net assets, July 1, 2003.....	49,048	4,901	53,949	(20,019)
Total net assets, June 30, 2004.....	\$48,899	\$ - 0 -	\$48,899	\$(35,914)

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004
(thousands)

	BUSINESS-TYPE ACTIVITIES.....			GOVERNMENTAL ..ACTIVITIES..	
	HARTFORD PARKING FACILITIES	AMERICAN AIRLINES BUILDING	TOTAL	SERVICE FUNDS	
Cash flows from (to) operating activities:					
City's contribution.....					\$ 64,588
Cash received from insurance companies and users.....					11,486
Cash received from Hartford Parking Authority.....	\$ 3,675		\$ 3,675		
Cash received from rentals and other.....		\$ 210	210		79
Cash paid to suppliers and other.....	(192)	(628)	(820)		(80,992)
Cash paid to employees.....		(101)	(101)		(2,215)
Net cash provided (used) by operating activities.....	3,483	(519)	2,964		(7,054)
Cash flows from (to) capital and related financing activities:					
Purchase of fixed assets.....	(1,046)		(1,046)		
Proceeds from sale of assets.....		1,400	1,400		
Closing cost settlement charges.....		(42)	(42)		
Transfer to other funds.....		(1,358)	(1,358)		
Interest paid on revenue bonds.....	(2,555)		(2,555)		
Net cash provided (used) by capital and related financing activities.....	(3,601)		(3,601)		
Cash flows from (to) investing activities:					
Income on investments.....	264	8	272		33
Transfers to other funds.....					(323)
Net purchases and sales of investments.....	3,392		3,392		
Net cash provided (used) by investing activities.....	3,656	8	3,664		(290)
Net increase (decrease) in cash and cash equivalents.....	3,538	(511)	3,027		(7,344)
Cash and cash equivalents, July 1, 2003.....	14,342	981	15,323		9,017
Cash and cash equivalents, June 30, 2004.....	\$17,880	\$ 470	\$18,350		\$ 1,673
RECONCILIATION OF OPERATING INCOME (LOSS) TO					
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss).....	\$2,142	\$ (692)	\$1,450		\$ (15,915)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense.....	1,315	192	1,507		(41)
(Increase) decrease in other receivables.....		39	39		(1,503)
(Increase) decrease in due from other funds.....					
(Increase) decrease in due from component unit.....	21		21		
Increase (decrease) in accounts payable and accrued liabilities.....	5	(58)	(53)		3,664
Increase (decrease) in insurance claims payable.....					1,901
Increase (decrease) in claims incurred but not reported.....					4,840
Total adjustments.....	1,341	173	1,514		8,861
Net cash provided (used) by operating activities.....	\$3,483	\$ (519)	\$2,964		\$ (7,054)

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUTFIDUCIARY FUNDSSTATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004
(thousands)

	PENSION TRUST FUNDS	SCHOOL AGENCY FUNDS
ASSETS:		
Cash and cash equivalents	\$ 78,183	\$514
Investments	892,300	
Accrued income on investments	2,619	
Other receivables	19,308	
Due from other funds	4,999	
Total assets	997,409	\$514
LIABILITIES:		
Accrued payrolls	24	
Accounts payable	184	
Payable for investments purchased	20,146	\$514
Due to student groups and other		
Total liabilities	20,354	\$514
NET ASSETS:		
Held in trust for pension benefits	\$977,055	

The accompanying notes are an integral part of these financial statements.

CITY OF HARTFORD, CONNECTICUTFIDUCIARY FUNDSSTATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2004

(thousands)

Additions:

Contributions:

Employer.....	\$ 9,113
Plan members.....	<u>8,485</u>

Total contributions.....	17,598
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Investment income:

Net appreciation in fair value of investments.....	\$113,468
Interest and dividends.....	<u>18,785</u>

Total investment income.....	132,253
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Less investment expense.....	<u>(4,378)</u>
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Net investment income.....	127,875
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Other additions.....	<u>77</u>
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Total additions.....	145,550
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Deductions:

Benefits.....	67,357
Administration.....	2,270
Other.....	<u>758</u>

Total deductions.....	<u>70,385</u>
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Net increase.....	75,165
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Net assets held in trust for pension benefits, July 1, 2003.....	<u>901,890</u>
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Net assets held in trust for pension benefits, June 30, 2004....	<u>\$977,055</u>
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The accompanying notes are an integral part
of these financial statements.

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CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

(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 Town 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 units.

Discretely Presented Component Units

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.

The Hartford Economic Development Commission (the "Commission") has been included in the City's reporting as a governmental fund type in accordance with GAAP. The Commission, which is fiscally dependent on the City, was established pursuant to Chapter 7-136 of the General Statutes of Connecticut and is governed by fifteen members appointed by the Mayor. The Commission serves as the principal economic development agent of the City for the purpose of promoting and developing economic resources of the City. Separate financial statements are available from the Commission's offices, 11 Asylum 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 units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain 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 funds of the City include funds used to account for activities of the Hartford Parking Facilities and American Airlines Building.

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. 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. 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 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 funds:

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

The American Airlines Building Fund accounts for the management and rental operations of the City owned office building. The American Airlines Building was sold during 2004.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary 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 units to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 4.

Investments for the City, as well as for its component units, 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 \$4.9 million is equal to 25% of outstanding property taxes at June 30, 2004.

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 \$100 to \$100,000 (amount not rounded) are due in four installments July 1, October 1, January 1, and April 1; taxes over \$100,000 (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. Tax liens are placed on real property the last week of each May for installments not paid during the year. 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. Restricted Assets

The City and Hartford Parking Authority in accordance with the issuance of parking garage revenue bonds report restricted assets that are held and administered by a trustee in accordance with the bond indenture. The assets are restricted for specific purposes including parking garage construction and repairs, debt service on the revenue bonds, and payment of operating expenses of the Hartford Parking Authority. Refer to Note 8 for further disclosures related to the restricted assets.

H. 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 City has not retroactively reported infrastructure assets acquired prior to July 1, 2001 in the statement of net assets.

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 units, is depreciated using the straight-line method over the following estimated useful lives:

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

I. Compensated Absences

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

J. 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.

K. 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.

L. Special Items - Net Loss on Sale of Property

In an effort to assist in the success of the current downtown development activities, and to convert excess capital assets to current financial resources, the City disposed of certain key land, buildings and structures, including the Civic Center upper garage (governmental activity) and the American Airlines Building (business-type activity), along with many other City-owned properties within and outside of the City. The resultant net loss from these transactions of \$9.1 million is reported in the statement of activities as special items.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. *Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets*

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$186,634 difference are as follows:

Bonds payable.....	\$131,253
Accrued interest payable	1,181
Loans payable	9,910
Compensated absences	36,560
Net pension obligation.....	<u>7,730</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$186,634</u>

B. *Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities*

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$20,043 difference are as follows:

Capital outlay.....	\$ 35,184
Depreciation expense.....	<u>(15,141)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$ 20,043</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities". The details of this \$6,600 difference are as follows:

Debt issued:	
Section 108 Loan	\$(8,000)
Principal repayments:	
General obligation debt	14,515
Loans	<u>85</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$ 6,600</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds". The details of this \$(8,042) difference are as follows:

Compensated absences	\$(8,238)
Accrued interest.....	145
Net pension obligation.....	224
Amortization of deferred amount on refunding.....	<u>(173)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$(8,042)</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City adopted, under the Council-Manager form of government, the legal budget for the 2003-2004 General Fund in accordance with the procedures summarized below:

On or before the third Monday in April, the City Manager submits to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

The City Council holds a public hearing to obtain citizens' 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 as amended, the appropriation ordinance and the tax levy ordinance.

The City Manager is authorized at any time to transfer any portion of an unencumbered appropriation from one classification of expenditure to another within the same department or agency. Within the last three months of the fiscal year, on the recommendation of the City Manager, the Council, may by resolution, transfer any portion of an unencumbered balance of appropriations from one department or agency to another. Additional appropriations can be made during the year on the recommendation of the City Manager and the certification by the Director of Finance that sufficient funds are available.

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.

Based on newly adopted Charter revisions, starting in 2004-2005, the Mayor's role in the budget development process will change and the City no longer operates under the above Manager-Council form of government.

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.

Supplemental appropriations of \$11.5 million were approved in the General Fund during fiscal year 2004.

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

Special Revenue Funds:	
Educational Grants.....	\$1,224
Internal Service Funds:	
Employee Benefits	\$2,831
Workers' Compensation	\$20,879
Liability and Property Damage	\$12,184
Metro Hartford Information Services	\$20

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

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains separate cash and investment accounts for each of its funds. The deposits and investments of the Municipal Employees' Retirement Trust Fund are held and managed separately from the other City funds. In accordance with the Governmental Accounting Standards Board Statement 3, the City's deposits and investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

Cash and Cash Equivalents - Cash and cash equivalents are defined as cash and short-term, highly liquid investments that are both readily convertible to known amounts of cash and that are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less meet the definition of cash equivalents.

The amount of total bank balances is classified in three categories of credit risk. Risk Category 1 includes deposits insured or collateralized with securities held by the City or by its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uncollateralized deposits (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name).

City Deposits - At year-end, the bank balance was \$214,933 and the carrying amount of cash and cash equivalents was \$236,128. Of the bank balance, \$1,031 is protected by FDIC insurance and are classified as Category 1. The remainder is classified as Category 3. As calculated according to Connecticut Public Act No. 91-245, \$8,707 are collateralized but not in the City's name and \$205,195 are uninsured and uncollateralized.

Component Unit Deposits - At year end, the bank balance was \$302 and the carrying amount of cash and cash equivalents was \$309. Of the bank balance, \$200 is protected by FDIC insurance. A minimum of \$31, based on June 30, 2004 deposits, was collateralized at Risk Category 3. The balance of deposits of \$71 were uninsured and uncollateralized.

Investments - State statutes authorize the City to invest in direct and indirect obligations of the United States of America, which is interpreted to include repurchase agreements and federal agency obligations. There is further authorization for the pension trust funds, the permanent and expendable trust funds to invest in corporate bonds, stocks, commercial paper, mortgages, group annuity contracts, land, and notes.

Risk Category 1 includes investments insured, or registered, and held by the City or its agent in the City's name. Category 2 investments are uninsured and unregistered, or securities held by the counterparty's trust department (if a bank) or agent in the City's name. Category 3 includes uninsured and unregistered securities held by a counterparty's trust department (if a bank) or agent not in the City's name. Investments are reported at fair value.

	.....Category.....			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Total</u>
Common Stocks.....		\$623,706		\$623,706
Preferred Stocks		1,349		1,349
Corporate Bonds.....		72,238		72,238
U.S. Government Securities		98,848		98,848
Municipal Bonds		1,952		1,952
		<hr/>		
Total	\$-0-	\$798,093	\$-0-	798,093
Non-categorized investments:				
Pension Trust Fund:				
Group Annuity Contracts.....				5,488
Mutual Funds.....				110,264
Nonmajor Governmental Funds:				
Permanent Funds:				
Mutual Funds				<u>3,002</u>
TOTAL.....				<u>\$916,847</u>

Due to higher cash flows at certain times during the year, the City's cash and cash equivalents in category 3 investment were substantially higher than at year end.

5. 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 Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 19,894					\$ 19,894
Accrued interest on						
taxes	7,682					7,682
Accounts	25,534				\$ 1,616	27,150
Housing loans			\$ 51,896			51,896
Accrued interest on						
housing loans			1,844			1,844
Intergovernmental	32,305	\$19,020		\$7,768	10,630	69,723
Accrued income on						
investments					2,619	2,619
Investment receivables					18,308	18,308
Notes receivable					1,000	1,000
Other	200	670		504	677	2,051
Gross receivables	85,615	19,690	53,740	8,272	34,850	202,167
Less:						
Allowance for uncollectibles:						
Taxes and accrued						
interest	(6,835)					(6,835)
Accounts	(21,554)				(1,050)	(22,604)
Housing loans and						
accrued interest..			(23,275)			(23,275)
Intergovernmental ..		(1,418)			(1,293)	(2,711)
Total allowance	(28,389)	(1,418)	(23,275)		(2,343)	(55,425)
Net total receivables	\$ 57,226	\$18,272	\$ 30,465	\$8,272	\$32,507	\$146,742

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	\$15,001		\$ 15,001
Accrued interest on delinquent property taxes.....	5,740		5,740
School building construction grant receivables....	32,305		32,305
Other accounts receivable	2,778		2,778
Advance tax collections		\$ 1,409	1,409
Capital Improvement Fund:			
Grant drawdowns prior to meeting all eligibility requirements		10,426	10,426
Community Development Loan and Grant:			
Housing loans and interest	30,465		30,465
Educational Grants:			
Grant Drawdowns prior to meeting all eligibility requirements		1,410	1,410
Nonmajor and other funds:			
Grant drawdowns prior to meeting all eligibility requirements		7,273	7,273
Other accounts receivable	566		566
Other deferred revenues		2,185	2,185
Total deferred/unearned revenue for governmental funds.....	<u>\$86,855</u>	<u>\$22,703</u>	<u>\$109,558</u>

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 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	\$ 76,558		\$ 911	\$ (3,563)	\$ 73,906
Construction in progress:					
Noninfrastructure	99,666	\$(2,013)	26,504		124,157
Infrastructure	9,156		5,284		14,440
Total capital assets, not being depreciated	185,380	(2,013)	32,699	(3,563)	212,503
Capital assets, being depreciated:					
Land improvements	2,381				2,381
Buildings	218,244		493	(26,511)	192,226
Other structures	7,580		19	(1,342)	6,257
Furniture and equipment	36,332		114	(6,599)	29,847
Rolling equipment	29,987		1,425	(124)	31,288
Construction in progress – in service	234,319	2,013	434		236,766
Total capital assets being depreciated	528,843	2,013	2,485	(34,576)	498,765
Less accumulated depreciation for:					
Land improvements	(2,168)		(31)		(2,199)
Buildings	(122,425)		(4,794)	14,203	(113,016)
Other structures	(7,116)		(171)	1,332	(5,955)
Furniture and equipment	(32,573)		(955)	6,599	(26,929)
Rolling equipment	(20,415)		(2,314)	124	(22,605)
Construction in progress – in service	(43,520)		(6,876)		(50,396)
Total accumulated depreciation	(228,217)		(15,141)	22,258	(221,100)
Total capital assets, being depreciated, net	300,626	2,013	(12,656)	(12,318)	277,665
Governmental activities capital assets, net	\$ 486,006	\$ - 0 -	\$ 20,043	\$(15,881)	\$ 490,168

The beginning balance of capital assets reflects a \$13.5 million restatement resulting from the City's detail inventory analysis of City owned land during the year resulting in the removal of \$13.5 million in non-depreciable land assets from the City's capital assets.

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 10,705			\$ (2,277)	\$ 8,428
Construction in progress – parking garages			\$ 948		948
Total capital assets, not being depreciated.....	10,705		948	(2,277)	9,376
Capital assets, being depreciated:					
Buildings.....	12,379			(12,379)	
Parking garages.....	58,032				58,032
Equipment.....	420			(420)	
Total capital assets, being depreciated ..	70,831			(12,799)	58,032
Less accumulated depreciation for:					
Buildings.....	(10,746)		(192)	10,938	
Parking garages.....	(2,922)		(1,315)		(4,237)
Equipment.....	(376)			376	
Total accumulated depreciation	(14,044)		(1,507)	11,314	(4,237)
Total capital assets, being depreciated, net	56,787		(1,507)	(1,485)	53,795
Business-type activities capital assets, net	\$ 67,492	\$ - 0 -	\$ (559)	\$(3,762)	\$63,171

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

Governmental activities:	
General government	\$ 784
Public safety	1,738
Public works.....	3,165
Development and community affairs	42
Human services	92
Education.....	8,057
Recreation and culture	1,263
Total depreciation expense - governmental activities.....	<u>\$15,141</u>
Business-type activities:	
Hartford Parking Facilities	\$1,315
American Airlines Building	192
Total depreciation expense - business-type activities.....	<u>\$1,507</u>

Construction Commitments

The City has the following authorized construction projects in the Capital Improvement Fund as of June 30, 2004. 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>Appropriations</u>	<u>Cumulative*</u> <u>Disbursements</u>	<u>Encumbrances</u> <u>and Commitments</u>	<u>Unencumbered</u> <u>Balance*</u>
Public Safety – facilities ..	\$ 46,200	\$ 1,034	\$ 633	\$ 44,533
Public Works – facilities..	12,483	12,438	22	23
Education Projects	582,152	278,266	3,438	300,448
Recreation and Culture Projects.....	86,685	51,391	3,610	31,684
Public Works – Infrastructure.....	148,364	100,756	9,985	37,623
Local Capital Improvement Projects .	23,051	17,557	1,246	4,248
TOTAL	\$898,935	\$461,442	\$18,934	\$418,559

* Excludes retainage payable recorded in the financial statements in the amount of \$3.0 million at June 30, 2004.

7. 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, 2004 is presented below:

Primary Government

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 70
General Fund	Educational Grants.....	3,913
General Fund	Nonmajor Governmental Funds.....	346
General Fund	Hartford Parking Facilities.....	8
General Fund	American Airlines	455
Capital Improvement Fund	Nonmajor Governmental Funds.....	7,282
Debt Service Fund	General Fund.....	95
Educational Grants	Nonmajor Governmental Funds.....	4
Nonmajor Governmental Funds	Capital Improvement Fund	20
Nonmajor Governmental Funds	General Fund.....	1,908
Internal Service Funds	General Fund.....	1,503
Pension Trust Fund	General Fund.....	4,999
TOTAL		\$20,603

Primary Government and Component Units

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
City - General	Component Unit - Hartford Parking Authority ..	\$ 31
City - Hartford Parking Facilities	Component Unit - Hartford Parking Authority ..	68
Component Unit - Hartford Economic Development Commission.....	City - General	90
Component Unit - Hartford Economic Development Commission.....	City - Nonmajor Governmental.....	50
TOTAL		<u>\$239</u>

A summary of interfund transfers is presented below:

Primary Government

	<u>Transfers In.....</u>			
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers out:				
General Fund.....		\$21,215	\$6,616	\$27,831
Capital Improvement Fund ...	\$ 649		155	804
Educational Grants.....	7,685			7,685
Nonmajor Governmental.....	2,624			2,624
Enterprise Fund	1,813			1,813
Internal Service Fund	13			13
TOTAL	<u>\$12,784</u>	<u>\$21,215</u>	<u>\$6,771</u>	<u>\$40,770</u>

Transfers from the General Fund to the Debt Service Fund represent the City's payment towards debt service on bonds outstanding. The transfer from the American Airlines Enterprise Fund to the City's General Fund represented the residual balance of liquid assets after the sale of the American Airlines building during fiscal year 2004. Significant other transfers consist of reimbursements to the General Fund from other funds for administrative and employee benefit costs.

8. RESTRICTED ASSETS

The City and Hartford Parking Authority in accordance with the parking garages revenue bonds indenture reports the following assets that are held and administered by a trustee. The assets in these funds are restricted for specific purposes including parking garage construction and repairs, debt service on the revenue bonds, and payment of operating expenses of the Hartford Parking Authority. The balances in each of these funds represent restricted assets to be used only for the designated purpose of each of the funds listed below. These restricted assets are reported in the Hartford Parking Facilities statement of net assets – Exhibit V.

Tax Exempt Interest Fund	\$ 3
Tax Exempt Debt Service Fund	3,001
General Fund	733
Repairs Account	6,460
Taxable Interest Account	4
Taxable Debt Service Reserve Account	3,603
Taxable Construction Account	596
Excess Coverage Fund	4,385
R&R Reserve Fund	933
State Purchase Price Construction Account	66
Redemption Fund	830
	<hr/>
Total assets held by Trustee	20,614
	<hr/>
Assets held by City	637
	<hr/>
Total Restricted Assets	<u>\$21,251</u>

9. 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 for years 2004 and 2003 amounted to \$4.5 million and \$5.4 million, respectively.

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:

2005	\$834
2006	\$834
2007	\$834
2008	\$834
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:

2005.....	\$848
2006.....	\$848
2007.....	\$848
2008.....	\$848
2009-2017	\$848*

* Annual lease payment without consideration of potential increases resulting from the change in the CPI in the sixth and eleventh years of the fifteen year lease.

10. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2004, 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	\$147,020		\$14,515	\$132,505	\$14,150
Less deferred amounts on refunding	(1,425)		(173)	(1,252)	
Total bonds payable .	145,595		14,342	131,253	14,150
Compensated absences.....	28,322	\$ 8,238		36,560	11,929
HUD Section 108 loans	1,995	8,000	85	9,910	90
Risk management claims.....	28,389	83,615	76,874	35,130	15,201
Net pension obligation	7,954		224	7,730	
Governmental activity long-term liabilities	<u>\$212,255</u>	<u>\$99,853</u>	<u>\$91,525</u>	<u>\$220,583</u>	<u>\$41,370</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:

Public Works serial bonds issued 1988-2003; final maturities from October 1, 2004 to May 15, 2021; interest at 4.0 percent to 7.0 percent	\$ 33,763
Civic Center serial bonds issued 1971-1993; final maturities from February 1, 2004 to February 1, 2013; interest at 4.8 percent to 6.1 percent	10,030
Education serial bonds issued 1988-2003; maturities from October 1, 2004 to May 15, 2021, interest at 4.0 percent to 7.0 percent	<u>88,712</u>
TOTAL	<u>\$132,505</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2004 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 14,150	\$ 5,997	\$ 20,147
2006.....	13,070	5,363	18,433
2007.....	11,835	4,805	16,640
2008.....	10,565	4,310	14,875
2009.....	9,650	3,868	13,518
2010-2014	40,405	13,354	53,759
2015-2019	29,530	4,420	33,950
2020-2021	3,300	228	3,528
TOTAL.....	\$132,505	\$42,345	\$174,850

On March 15, 2003, the City defeased \$28.8 million in general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At June 30, 2004, \$22.5 million of bonds outstanding are considered defeased.

The City's indebtedness (\$382 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.....	\$412,711	\$138,823	\$273,888
Schools.....	\$825,422	\$218,747	\$606,675
Sewers.....	\$687,851	\$24,768	\$663,083
Urban Renewal	\$596,138		\$596,138
Pension deficit	\$550,281		\$550,281

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$1.3 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 \$32.3 million are applicable to outstanding bond issues. It is estimated that approximately 75% of authorized education project costs will be funded through State of Connecticut progress payments.

Total bonds authorized and unissued as of June 30, 2004 were:

<u>Description</u>	<u>Authorized</u>	<u>Bonded</u>	<u>Bond Anticipation Notes</u>	<u>Authorized Unissued</u>
Road Improvement Program	\$ 10,000	\$ 6,100	\$ 800	\$ 3,100
Central/Branch Library Renovations, Phase II	21,500	8,500	600	12,400
Infrastructure Improvements	35,000	2,200	5,300	27,500
Swimming Pool Renovations/ Construction	6,000	670	4,000	1,330
Public Safety Complex.....	40,000	11,910	800	27,290
Hartford Public High School Renovations	82,000	6,750		75,250
Various School Renovations	27,000	3,000	4,307	19,693
Major School Renovations and Construction Improvements	75,000		193	74,807
TOTAL.....	\$296,500	\$39,130	\$16,000	\$241,370

Bond Anticipation Notes

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2004:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2003</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2004</u>
07/17/03	07/15/04	1.0-1.5	\$ - 0 -	\$16,000	\$ - 0 -	\$16,000

Housing and Urban Development (HUD) Section 108 Loans

The City has entered into Federal HUD Section 108 Loans. Principal in the amount of \$85 and interest in the amount of \$132 was paid in the 2003-04 fiscal year. Future annual requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 90	\$ 367	\$ 457
2006	100	530	630
2007	526	517	1,043
2008	536	495	1,031
2009	546	471	1,017
2010-2014.....	2,870	1,930	4,800
2015-2019.....	2,715	1,103	3,818
2020-2024.....	2,105	438	2,543
2025	422	12	434
Total Section 108 Loans.....	\$9,910	\$5,863	\$15,773

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.

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

June 30, 2004

City:	
Vested:	
Sick	\$ 2,554
Vacation.....	6,983
Non-vested:	
Sick	1,357*
Board of Education:	
Vested:	
Sick	13,856
Vacation.....	5,291
Non-vested:	
Sick	<u>6,519*</u>
 TOTAL.....	 <u>\$36,560</u>

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

Net Pension Obligation

See Note 15.

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Parking Facilities Revenue</i>					
<i>Bonds:</i>					
Long-term liabilities	\$32,115	\$-0-	\$-0-	\$32,115	\$335

The annual requirements to amortize all revenue bond debt outstanding as of June 30, 2004 are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 335	\$ 2,555	\$ 2,890
2006.....	560	2,525	3,085
2007.....	705	2,474	3,179
2008.....	625	2,411	3,036
2009.....	845	2,355	3,200
2010-2014	5,570	10,492	16,062
2015-2019	8,370	7,706	16,076
2020-2024	12,100	4,002	16,102
2025.....	3,005	224	3,229
TOTAL.....	<u>\$32,115</u>	<u>\$34,744</u>	<u>\$66,859</u>

The revenue bonds represent special obligations solely payable from parking revenues and are comprised of the following groups of issues:

Morgan Street Garage tax exempt revenue bonds issued 2000; final maturity 2020; interest at 6.4%	\$ 6,570
Morgan Street Garage tax exempt revenue bonds issued 2000; final maturity 2025; interest at 6.5%	8,025
Morgan Street Garage taxable revenue bonds issued 2000; final maturity 2025; interest at 9.23% to 9.33%.....	6,910
MAT Garage taxable revenue bonds issued 2000; final maturity 2011; interest at 8.98% to 9.23%	3,130
Church Street Garage taxable revenue bonds issued 2000; final maturity 2018; interest at 8.98% to 9.23 %.....	<u>7,480</u>
TOTAL.....	<u>\$32,115</u>

11. 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 Loan Commitments - represents Federal loan proceeds on deposit reserved for issuance to a subrecipient.

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

Reserved for Trusts – represents the amount of funds accumulated in Other Governmental Funds to pay for specific endowment activities.

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.

Fund balance reserves are as follows:

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Educational Grants</u>	<u>Other Governmental Funds</u>
Loan commitments.....				\$ 8,000
Encumbrances and commitments	\$379	\$18,934	\$407	8,243
Trusts				13,780
Inventory				388
TOTAL	\$379	\$18,934	\$407	\$30,411

B. Fund Balance – Designations

General Fund

The amount of \$700 thousand has been designated to balance the General Fund budget for the 2004-2005 fiscal year.

12. 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, 2004 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 2004 and 2003 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Fiscal Year Liability</u>
Self Insurance Fund:				
2002-2003	\$29,828	\$61,027	\$62,466	\$28,389
2003-2004	\$28,389	\$83,615	\$76,874	\$35,130

The City of Hartford's aggregate accrued liabilities as of June 30, 2004 in the internal service funds reflects large reserve increases for several Police Department cases that were settled after year-end for considerably less than the reserved amounts. As a result, management feels that the internal service fund liabilities will ultimately be reduced by \$2 to \$3 million with recognition of the reduced liability estimate in fiscal year

2005. In addition, the accrued liabilities include future value calculations for Workers' Compensation cases that management believes will be settled for considerably less than the reserved amounts. Future payments on workers' compensation will increase in fiscal year 2005 and fiscal year 2006; but not out of line or proportion to the current fiscal year.

13. 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.

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 \$24.8 million or 27.81% of the debt of the District.

C. *Contingencies*

There are pending approximately 1,014 court actions and claims involving the City of Hartford and its administrative Board members as of June 30, 2004. Of these, approximately 42 are tax appeals for which \$1.4 million is budgeted as settlements in 2004-05. The balance of approximately 972 cases involves negligence, foreclosure, zoning, personnel, and other miscellaneous court actions. Settlements of those matters, which are not covered by insurance, shall be paid from the general operating fund for which \$500 thousand is budgeted for fiscal year 2004-05. In the opinion of the City's Corporation Counsel, the outside liability, if all claims and suits were resolved unfavorable against the City, including tax appeals is conservatively estimated at \$25 million, excluding workers' compensation.

The State of Connecticut is auditing the City of Hartford and ten other municipalities for their reporting of Workers' Compensation between 1996 and 2002. There were instances of under-reporting from 1996 through 2002. Currently, the City is working together with the Second Injury Fund of the State of Connecticut's Treasurer's Office to recalculate the total amount of assessments and interest due to the Second Injury Fund and the Workers' Compensation Commission for fiscal years 1996 through 2002. Since this information was carried in the City's former computer and documents are in storage, the full audit could not be completed in fiscal year 2004. The City, however, made additional payments in fiscal year 2004 and subsequent to year-end to the Second Injury Fund. As of June 30, 2004, however, the total liability to the State of Connecticut's Second Injury Fund is not agreed upon and is under discussion.

The City has received State and Federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based upon prior experience, City management believes such disallowance, if any, will not be material.

14. OTHER POSTEMPLOYMENT BENEFITS

The City provides postretirement health care benefits in accordance with employees' union contracts. Most employees who retire from the City on or after attaining age 55 with at least 10 or 25 years of service, depending upon collective bargaining agreement, have the option to continue health insurance coverage on a contributory basis. Currently, 4,133 retirees have opted for this coverage. The City's annual expenditures for post retirement benefits, net of employee contributions, is estimated at \$12.5 million. The City also pays the cost of life insurance for employees eligible for pension benefits (varying between \$5 thousand to \$9 thousand for most employees, \$15 thousand for department heads and City non-unit employees) based on union affiliation of each employee. There is no age requirement and no minimum number years of service for this benefit. The City's expense for the life insurance is recognized when paid, which amounted to approximately \$36 thousand and \$37 thousand for the years ended June 30, 2004 and 2003, respectively. The funding for postretirement benefits is budgeted in the General Fund.

15. 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 reports 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, 2003, City MERF membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,644
Terminated employees entitled to benefits but not yet receiving them.....	81
Active plan members	<u>2,327</u>
TOTAL.....	<u>5,052</u>

The City provides retirement benefits, for employees hired since May 1, 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. Employees are 100 percent vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned with interest.

B. Summary of Significant Accounting Policies 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.

Investments held by any organization that represent 5% or more of net assets available for benefits are as follows:

State Street Global Advisors.....	28%
Fleet Investment Advisors	10%
Ariel Capital Management.....	10%
Aeltus Investment Management	8%
Bank of Ireland Asset Management.....	7%

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 2, 1999 and firefighters are required to contribute 8% of pay. Sworn police officers hired after July 1, 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 6.5% of social security-taxed wages and between 6% and 9.5% 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.....	\$6,536
Interest on net pension obligation.....	636
Adjustment to annual required contribution.....	<u>(860)</u>
Annual pension cost.....	6,312
Contributions made.....	<u>6,536</u>
Increase (decrease) in net pension obligation.....	(224)
Net pension obligation beginning of year.....	<u>7,954</u>
Net pension obligation end of year.....	<u>\$7,730</u>

The annual required contribution for the current year was determined as part of the MERF actuarial valuation dated July 1, 2002. The actuarial method and assumptions used in that valuation are presented below:

Valuation Date	7/01/02
Actuarial Method	Aggregate Actuarial Cost Method
Amortization Method	Level Dollar Amount
Remaining Amortization Period*.....	15 year 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

* While the Aggregate Cost Method does not incorporate amortization of the unfunded actuarial liability, these items are required under GASB 27, paragraph 13.

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>
6/30/02	\$95	\$333	350.5%	\$8,185
6/30/03	\$2,233	\$2,464	110.3%	\$7,954
6/30/04	\$6,312	\$6,536	103.5%	\$7,730

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

The aggregate actuarial cost method 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. GASB 25 requires that a schedule of funding progress utilize the same actuarial method that is used to determine the annual contribution. Since the aggregate method does not separately identify unfunded actuarial accrued liabilities, a schedule of funding progress cannot be presented for the City MERF.

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/99	\$8,984	100%
6/30/00	\$7,301	100%
6/30/01	\$759	100%
6/30/02	\$333	100%
6/30/03	\$2,464	100%
6/30/04	\$6,536	100%

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 277 retirees and no active employees covered by this Plan as of June 30, 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 \$2.8 million. The Plan did not have a net pension obligation as of June 30, 2004.

The actuarial method and assumptions are presented below:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period.....	Closed
Actuarial Assumptions:	
Investment Rate of Return.....	8.25%
Projected Salary Increases.....	None
Inflation Rate.....	3.3%
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>
6/30/02	\$3,346	\$3,346	100%	\$-0-
6/30/03	\$3,067	\$3,067	100%	\$-0-
6/30/04	\$2,816	\$2,816	100%	\$-0-

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/01/98	\$-0-	\$22,415	\$22,415	0.0%	N/A	N/A
7/01/99	\$-0-	\$19,746	\$19,746	0.0%	N/A	N/A
7/01/00	\$-0-	\$18,406	\$18,406	0.0%	N/A	N/A
7/01/01	\$-0-	\$17,361	\$17,361	0.0%	N/A	N/A
7/01/02	\$-0-	\$13,688	\$13,688	0.0%	N/A	N/A
7/01/03	\$-0-	\$12,259	\$12,259	0.0%	N/A	N/A

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/99	\$4,154	100%
6/30/00	\$3,924	100%
6/30/01	\$3,803	100%
6/30/02	\$3,346	100%
6/30/03	\$3,067	100%
6/30/04	\$2,816	100%

Commonly accepted actuarial formulas and methods were employed for projecting the estimated pension payments for future years, and the computation of the actuarial liabilities for the Plan. In computing the present liability for all pension and survivor benefits, an assumed interest rate of 8.25% per year and an inflation rate of 3.30% were used. Amortization methods and periods, asset valuation methods and projected salary increases are not applicable.

City of Hartford 415 (m) Fund

A. Plan Description

This plan currently covers 8 retirees and no active employees as of June 30, 2004 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 \$34 thousand. 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
Actuarial Assumptions:	
Investment Rate of Return.....	8%
Projected Salary Increases.....	None
Inflation Rate.....	3.0%
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>
6/30/02	\$46	\$46	100%	\$-0-
6/30/03	\$21	\$21	100%	\$-0-
6/30/04	\$34	\$34	100%	\$-0-

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.

<i>Schedule of Funding Progress</i>						
<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>% of</u> <u>Covered</u> <u>Payroll</u>
7/1/99	\$-0-	\$409	\$409	0.0%	N/A	N/A
7/1/00	\$-0-	\$319	\$319	0.0%	N/A	N/A
7/1/01	\$-0-	\$129	\$129	0.0%	N/A	N/A
7/1/02	\$-0-	\$66	\$66	0.0%	N/A	N/A
7/1/03	\$-0-	\$46	\$46	0.0%	N/A	N/A

<i>Schedule of Employer Contributions</i>		
<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
6/30/99	\$100	100%
6/30/00	\$92	100%
6/30/01	\$77	100%
6/30/02	\$46	100%
6/30/03	\$21	100%
6/30/04	\$34	100%

In computing the present liability for all pension and survivor benefits, an assumed interest rate of 8.00% per year and an inflation rate of 3.00% were used. Amortization methods and periods, asset valuation methods and projected salary increases are not applicable.

State MERF-B

Members of City AFSCME Local 1716 and members of Local 566, which consisted of 739 members on June 30, 2004, 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.

Left margin

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, 2004, 2003, and 2002 were \$3.4 million, \$2.8 million, and \$2.4 million, respectively, equal to the City's required contributions for each year.

Teachers' Retirement System

All City certified teachers participate in the State of Connecticut Teachers' Retirement System 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 seven percent (7%) of all teachers' annual salaries, \$9.2 million in fiscal year 2004, and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$131 million or 68.9% of the total Board of Education payroll of \$190 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, 2004 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$8.2 million as payments made by the State of Connecticut on-behalf of the City.

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

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, 2004 and the changes in net assets for the year then ended.

Schedule of Plan Net Assets

	Municipal Employees' Retirement Fund	RAF/PBF/ FRF Plan	Totals
Assets:			
Cash and cash equivalents	\$ 78,164	\$19	\$ 78,183
Investments	892,300		892,300
Receivables:			
Accrued interest earnings.....	2,619		2,619
Receivable for investments sold	18,308		18,308
Notes receivable.....	1,000		1,000
Due from other funds	4,989	10	4,999
Total assets	997,380	29	997,409
Liabilities:			
Accrued payrolls	24		24
Accounts payable:			
Accounts payable	184		184
Payable for investments purchased	20,146		20,146
Total liabilities	20,354		20,354
Net assets held in trust for pension benefits.....	\$977,026	\$29	\$977,055

Schedule of Changes in Plan Net Assets

	Municipal Employees' Retirement <u>Fund</u>	RAF/PBF/ FRF <u>Plan</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 6,297	\$2,816	\$ 9,113
Plan members	8,475	10	8,485
Total contributions	14,772	2,826	17,598
Investment income:			
Net appreciation in fair value of investments	113,468		113,468
Interest and dividends	18,785		18,785
Total investment income	132,253		132,253
Less investment expense	(4,378)		(4,378)
Net investment income	127,875		127,875
Other additions	77		77
Total additions	142,724	2,826	145,550
Deductions:			
Benefits	64,551	2,806	67,357
Administration	2,270		2,270
Other	758		758
Total deductions	67,579	2,806	70,385
Net increase	75,145	20	75,165
Net assets held in trust for pension benefits, July 1, 2003...	901,881	9	901,890
Net assets held in trust for pension benefits, June 30, 2004	\$977,026	\$ 29	\$977,055

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Required Supplementary Information

CITY OF HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)

	....BUDGETED AMOUNTS....				VARIANCE
	ORIGINAL	FINAL	ACTUAL		FAVORABLE (UNFAVORABLE)
General Property Tax:					
Current Year's Levy.....	\$176,260	\$178,500	\$174,774		\$ (3,726)
Levy of Prior Years.....	7,730	3,950	5,753		1,803
Interest and Liens.....	3,596	3,200	2,521		(679)
Total General Property Tax.....	187,586	185,650	183,048		(2,602)
Other Local Taxes:					
Business Taxes.....	1,045	1,500	1,798		298
Licenses and Permits:					
Street Use.....	1,537	1,199	1,223		24
Business Licenses:					
Health Licenses.....	181	181	218		37
Police and Protection Licenses.....	42	43	62		19
Professional and Occupational Licenses.....	6	40	25		(15)
Total Business Licenses.....	229	264	305		41
Non-Business Licenses and Permits:					
Building Structure and Equipment Permits.....	3,660	4,084	5,313		1,229
Other Non-Business Licenses and Permits.....	61	63	49		(14)
Total Non-Business Licenses and Permits.....	3,721	4,147	5,362		1,215
Total Licenses and Permits.....	5,487	5,610	6,890		1,280
Fines, Forfeits and Penalties.....	2,043	1,244	1,619		375
Revenue from Use of Money and Property:					
Income from Investments.....	1,176	1,176	236		(940)
Income from Use of Property.....	556	568	601		33
Income from Development Properties.....	4,482	4,482	4,478		(4)
Total Revenue from Use of Money and Property.....	6,214	6,226	5,315		(911)
Intergovernmental Revenue:					
Federal Government.....	54	54			(54)

CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
- BUDGET AND ACTUAL (BUDGETARY BASIS), ETC.

(thousands)

	.....BUDGETED AMOUNTS.....			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
Intergovernmental Revenue (continued):				
State of Connecticut:				
Education.....	\$163,142	\$171,592	\$170,804	\$ (788)
Housing	520	520	592	72
Public Works.....	280	279	279	
Elderly Services.....	155	150	153	3
Other.....	10,103	10,559	10,538	(21)
Payment in Lieu of Taxes.....	32,007	32,276	30,742	(1,534)
Shared Taxes.....	301	301	399	98
Total State of Connecticut.....	206,508	215,677	213,507	(2,170)
Total Intergovernmental Revenue.....	206,562	215,731	213,507	(2,224)
Charges for Services:				
General Government:				
Court Costs, Fees and Charges.....	12	12		(12)
Recording Legal Instruments.....	345	731	600	(131)
All Other.....	625	613	702	89
Total General Government.....	982	1,356	1,302	(54)
Public Safety:				
Police Charges.....	1,164	1,543	1,480	(63)
Fire Protection Services.....	206	206	203	(3)
Total Public Safety.....	1,370	1,749	1,683	(66)
Public Works:				
Highways and Streets.....	1	18	17	(1)
Sanitation.....	7	213	269	56
Total Public Works.....	8	231	286	55
Health:				
Vital Statistics.....	18		11	11

(Continued) - 2.

CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
- BUDGET AND ACTUAL (BUDGETARY BASIS), ETC.

		(thousands)								
		.....BUDGETED AMOUNTS.....								
		ORIGINAL	FINAL	ACTUAL						
										VARIANCE FAVORABLE (UNFAVORABLE)
Charges for Services (continued):										
Other:										
Human Services.....		\$ 12	\$ 20	\$ 19						\$ (1)
Education.....		9	9	1						(8)
Elderly Services.....		15	14	14						
Recreation.....		9	9	8						(1)
Miscellaneous.....		282	271	238						(33)
Total Other.....		327	323	280						(43)
Total Charges for Services.....		2,705	3,659	3,562						(97)
Reimbursements:										
General Government.....		15	15							(15)
Miscellaneous Reimbursements.....		593	604	763						159
From Other Funds.....		7,996	9,767	9,655						(112)
Total Reimbursements.....		8,604	10,386	10,418						32
Other Revenues:										
Sale of City Property.....										
Miscellaneous.....		170	2,250	2,660						410
Prior Year Encumbrance Liquidations.....		1,000	350	956						606
Total Other Revenues.....		1,170	3,600	4,367						767
TOTAL.....		<u>\$421,416</u>	<u>\$433,606</u>	430,524						<u>\$ (3,082)</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.....				8,183						
Underliquidation of prior year encumbrances is recorded as other revenue for budgetary reporting. This amount is excluded for financial reporting purposes.....				(751)						
Total revenues and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds - Exhibit IV.....				<u>\$437,956</u>						

CITY OF HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)									
.....PRIOR YEAR ENCUMBRANCES.....				.....CURRENT YEAR BUDGET.....					
ENCUMBRANCES EXPENDITURES TO LIQUIDATED				TOTAL					
JULY 1, 2003	ENCUMBRANCES	AGAINST FUND BALANCE	OUTSTANDING JUNE 30, 2004	ORIGINAL BUDGET	REVISED BUDGET	EXPENDITURES	ENCUMBRANCES	JUNE 30, 2004	UNENCUMBERED BALANCE
<u>GENERAL GOVERNMENT</u>									
Mayor	\$ 1	\$ 1		\$ 1,366	\$ 726	\$ 722	\$	722	\$ 4
Court of Common Council				514	523	516		516	7
City Treasurer				466	394	388		388	6
Registrars of Voters	2			511	637	631		631	6
City Manager	275	\$ 80	195	2,728	2,639	2,545	\$ 5	2,550	89
Corporation Counsel	13		13	1,260	1,930	1,920		1,920	10
Town and City Clerk	41	2	39	578	626	623		623	3
Internal Audit				129	109	100		100	9
Office of Information Services	128	91	37	2,843	3,116	3,116		3,116	
Finance	244	168	76	3,361	3,937	3,636		3,636	301
Personnel				960	969	951		951	18
Human Relations				389	461	454		454	7
Total General Government ..	704	341	363	15,105	16,067	15,602	5	15,607	460
<u>PUBLIC SAFETY</u>									
Fire	11		11	24,942	25,470	25,333	22	25,355	115
Police	173	39	134	28,930	32,491	32,401	53	32,454	37
Emergency Services and Telecommunications				2,105	2,215	2,205		2,205	10
Licenses and Inspections				1,593	1,763	1,732		1,732	31
Total Public Safety	184	39	145	57,570	61,939	61,671	75	61,746	193
<u>INFRASTRUCTURE AND LEISURE SERVICES</u>									
Public Works	302	181	121	21,514	21,860	21,746	93	21,839	21
<u>DEVELOPMENT AND COMMUNITY AFFAIRS</u>									
Administration					35	33		33	2
Planning				687	523	513		513	10
Housing and Community Development				344	406	398		398	8
Total Development and Community Affairs				1,031	964	944		944	20

(Continued) - 1.

CITY OF HARTFORD
GENERAL FUND

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS - BUDGET BASIS, ETC.

(thousands)									
.....PRIOR YEAR ENCUMBRANCES.....				.....CURRENT YEAR BUDGET.....					
ENCUMBRANCES EXPENDITURES TO LIQUIDATED									
JULY 1, 2003	AGAINST ENCUMBRANCES	FUND BALANCE	OUTSTANDING JUNE 30, 2004	ORIGINAL BUDGET	REVISED BUDGET	EXPENDITURES	ENCUMBRANCES	TOTAL JUNE 30, 2004	UNENCUMBERED BALANCE
\$ 54	\$ 39	\$ 15	\$ 7,394	\$ 7,683	\$ 7,172	\$ 74	\$ 7,246	\$ 437	
<u>HUMAN SERVICES</u>									
Human Services	166	102	64	187,684	196,166	196,059	98	196,157	9
<u>EDUCATION</u>									
Board of Education									
<u>BENEFITS AND INSURANCE</u>									
Pension Contributions				11,138	11,168	11,156		11,156	12
Employee Benefits				72,107	72,023	71,427		71,427	596
Property and Casualty Insurance				6,979	6,979	6,887		6,887	92
Total Benefits and Insurance				90,224	90,170	89,470		89,470	700
<u>SUNDRY</u>									
Transfers to Other Funds				6,149	6,795	6,512		6,512	283
Civic and Cultural Affairs				1,053	1,033	943		943	90
Debt Service				22,257	21,215	21,215		21,215	
Payments to Other Governmental Agencies				7,465	7,492	7,473		7,473	19
Settlements				904	1,529	1,527		1,527	2
Other Sundry Items	43	43		6,966	3,899	3,058	34	3,092	807
Total Sundry	43	43		44,794	41,963	40,728	34	40,762	1,201
GRAND TOTAL	\$1,453	\$702	\$751	\$425,316	\$436,812	\$433,392	\$379	\$433,771	\$3,041
Budgetary expenditures are different than GAAP expenditures because:									
State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for City teachers are not budgeted									
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes									
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes									
Total expenditures and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds - Exhibit IV									
								\$442,277	

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Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

The General Fund is used to account for resources associated with governments and based on the major ongoing general operations of the City except those required to be accounted for in another fund.

CITY OF HARTFORD, CONNECTICUTGENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2004

(thousands)

	2004	2003
<u>A S S E T S</u>		
Cash and cash equivalents.....	\$ 61,020	\$ 58,304
Receivable:		
Property taxes receivable.....	15,001	9,119
Property taxes accrued interest receivable, net....	5,740	3,156
School building grants receivable.....	32,305	35,545
Accounts receivable.....	4,180	3,889
Due from other funds.....	4,792	6,273
Due from Hartford Parking Authority - component unit.	31	
Other assets.....	2,115	
TOTAL.....	<u>\$125,184</u>	<u>\$116,286</u>
 <u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>		
Liabilities:		
Accrued payrolls.....	\$ 20,081	\$ 20,246
Accounts and other payables.....	17,803	16,188
Due to other funds.....	8,505	2,785
Due to Hartford Economic Development Commission - component unit.....	90	25
Deferred revenue.....	57,233	51,249
Total liabilities	<u>103,712</u>	<u>90,493</u>
Fund balance:		
Reserved.....	379	1,453
Unreserved:		
Designated for subsequent budget.....	700	3,900
Undesignated.....	20,393	20,440
Total fund balance	<u>21,472</u>	<u>25,793</u>
TOTAL.....	<u>\$125,184</u>	<u>\$116,286</u>

CITY OF HARTFORD, CONNECTICUT

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2004

GRAND LIST	TAX COLLECTIBLE JULY 1, 2003	..LAWFUL CORRECTIONS... (thousands)				TAX COLLECTIONS.....				TAX COLLECTIBLE JUNE 30, 2004	
		LEGAL ADDITIONS	LEGAL DELETIONS	ADJUSTED TAX LEVY	PRE-PAYMENTS	TAX*	INTEREST	LIENS	TOTAL		
1988.....	\$ 13		\$ 13							\$ 29	
1989.....	41		12	\$ 29						158	
1990.....	172		14	158						165	
1991.....	172		7	165						183	
1992.....	203		20	183						180	
1993.....	206		26	180						314	
1994.....	510		193	317		\$ 3	\$ 3		\$ 6	319	
1995.....	519		196	323		4	5		9	343	
1996.....	545		193	352		9	7		16	395	
1997.....	564		197	367		10	11		21	443	
1998.....	775		250	525		130	78		208	1,862	
1999.....	1,917		1,233	684		(237)	280	\$ 2	45	4,544	
2000.....	3,101	\$ 590	1,790	1,901		39	398	6	443		
2001.....	11,454	849	2,074	10,229		5,685	706	32	6,423		
Prior Years.....	20,192	1,439	6,218	15,413		5,643	1,488	40	7,171		
2002.....	190,227	18,639	23,589	185,277	\$379	174,774	880	5	176,038	10,124	
Total Grand List....	\$210,419	\$20,078	\$29,807	\$200,690	379	180,417	2,368	45	183,209	\$19,894	
Suspense.....						110	88		198		
Total Tax Collection.....					\$379	\$180,527	\$2,456	\$45	183,407		
Other Tax Related Income.....									8,649		
Total Parking Tickets.....									1,607		
TOTAL CASH COLLECTIONS.....									\$193,663		

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

Nonmajor
Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are established in the City of Hartford pursuant to State Statutes and local ordinances and resolutions. The criteria for the creation of a Special Revenue Fund are generally the desire or need to conspicuously segregate revenues, which are to be utilized for special and specific purposes, or expenditures incurred for the performance of specific activities, or both.

Fund	Funding Source	Function
Section 8	Federal grants	Housing assistance programs
Miscellaneous Grants	State, federal, and non-governmental grants	Miscellaneous programs for many government activities
Food Service Program	State and federal grants and sale of food	School lunch and breakfast programs
Health Grants Fund	State and federal grants	Community health and service programs
Hartford Public Library	General Fund and other grants and contributions	Operate City libraries and library programs
Community Development Act	Federal block grants	Housing and community development activity funding
Housing Grants Fund	Federal grants	Housing rehabilitation, preservation, and energy conservation
Special Activities Fund	Contributions and program fees	Student career and police training programs
Home Program Fund	Federal grants	Expand supply of decent and affordable housing for low income families
Vehicle Replacement Fund	General Fund and vehicle auction income	Vehicle replacement
Parks and Recreation Trusts	Permanent trust investment income	Maintenance of park and recreation facilities
Human Services Trusts	Permanent trust investment income	Human service programs and facilities
Education Trusts	Permanent trust investment income	Education programs and scholarships

Capital Projects

Capital project funds are established to account for special grant funding to be used for specific urban renewal projects. The City's two capital projects include the Redevelopment Fund and HUD Special Projects Fund. The Redevelopment Fund accounts for the acquisition and improvement of properties for future development. The HUD Special Projects Fund accounts for special project funding used for urban development.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title. The City's permanent trust funds include Public Safety, Parks and Recreation, Human Services Trusts, and Education Trusts.

CITY OF HARTFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2004

(thousands)									
SPECIAL REVENUE.....									
SECTION MISCELLANEOUS FOOD HEALTH COMMUNITY HOUSING SPECIAL									
8 GRANTS SERVICE PROGRAM GRANTS DEVELOPMENT GRANTS									
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CITY OF HARTFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2004

	(thousands)					CAPITAL PROJECTS.....			
	SPECIAL REVENUE.....					REDEVELOPMENT PROJECTS			
	HOME PROGRAM FUND	VEHICLE REPLACEMENT	PARKS AND RECREATION TRUSTS	HUMAN SERVICES TRUSTS	EDUCATION TRUSTS	TOTAL	REDEVELOPMENT PROJECTS	SPECIAL PROJECTS	TOTAL
									4034
Cash and cash equivalents.....	\$40		\$817	\$2	\$9,817	\$3,107	\$9,148	\$12,255	
Investments.....				54	871				
Receivables:									
Intergovernmental receivable.....	7				8,461		876	876	
Other receivables.....					942	164	164	164	
Due from other funds.....		\$933	3		3,075		2,577	2,577	
Inventories.....					388				
TOTAL.....	\$47	\$933	\$820	\$- 0 -	\$56	\$23,554	\$3,271	\$12,601	\$15,872
ASSETS									
2002									
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities...	\$ 4	\$235		\$ 2	\$4,588	\$ 139	\$ 471	\$ 610	
Due to other funds.....	43		\$ 69		4,143				
Due to component unit.....					50			50	
Deferred revenue.....					7,261	1,368	1,395	2,763	
Total liabilities.....	47	235	69	2	15,992	1,557	1,866	3,423	
Fund balance:									
Reserved.....	10	307	751	54	7,700	144	9,402	9,546	
Unreserved:									
Undesignated.....	(10)	391			(138)	1,570	1,333	2,903	
Total fund balance.....		698	751	54	7,562	1,714	10,735	12,449	
TOTAL.....	\$ 47	\$933	\$820	\$- 0 -	\$56	\$23,554	\$3,271	\$12,601	\$15,872

(Continued) - 2.

CITY OF HARTFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2004
(thousands)

	PERMANENT					
	PUBLIC SAFETY TRUSTS	PARKS AND RECREATION TRUSTS	HUMAN SERVICES TRUSTS	EDUCATION TRUSTS	TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Cash and cash equivalents.....						
Investments.....	\$5	\$17,200	\$3,138	\$ 5	\$ 5	\$22,077
Receivables:				30	20,373	21,244
Intergovernmental receivable.....						
Other receivables.....						9,337
Due from other funds.....						1,106
Inventories.....						1,928
						388
TOTAL.....	\$5	\$17,200	\$3,138	\$35	\$20,378	\$56,080
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable and accrued liabilities...						\$5,198
Due to other funds.....		\$ 7,213			\$ 7,213	7,632
Due to component unit.....						50
Deferred revenue.....						10,024
Total liabilities.....		7,213			7,213	22,904
Fund balance:						
Reserved.....	\$5	9,987	\$ 3,138	\$35	13,165	30,411
Unreserved:						
Undesignated.....						2,765
Total fund balance.....	5	9,987	3,138	35	13,165	33,176
TOTAL.....	\$5	\$17,200	\$3,138	\$35	\$20,378	\$56,080

CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2004

		(thousands)					
		SPECIAL REVENUE.....					
SECTION	MISCELLANEOUS	FOOD	HEALTH	HARTFORD	COMMUNITY	HOUSING	SPECIAL
8	GRANTS	SERVICE	GRANTS	PUBLIC	DEVELOPMENT	GRANTS	ACTIVITIES
		PROGRAM	FUND	LIBRARY	ACT	FUND	
Revenues:							
Intergovernmental revenues.....	\$ 9,338	\$ 9,505	\$ 7,686	\$ 310	\$ 6,161	\$ 13	
Non-governmental grants and contributions...	343		464	363			
Charges for services.....	3,994	902		144	15		\$171
Investment income.....		25		55	52	1	1
Other revenues.....	7	516		214	90		
Total revenues.....	33,907	14,191	8,150	1,086	6,318	14	172
Expenditures:							
General government.....	1,518				96		6
Public safety.....	4,425				1,300		
Public works.....	1,224						
Development and community affairs.....	2,747		8,224		3,939	21	
Human services.....	2,829	9,748			709		9
Education.....					338		191
Recreation and culture.....				6,693	681		
Debt service.....							
Total expenditures.....	33,927	12,743	8,224	6,693	7,063	21	206
Excess (deficiency) of revenues over expenditures.....	(20)	1,448	(74)	(5,607)	(745)	(7)	(34)
Other financing sources (uses):							
Transfers in.....	20	75	92	5,572	40		17
Transfers out.....		(1,541)	(253)		(2,535)		
Total other financing sources (uses) ..	20	(1,466)	(161)	5,572	(2,495)		17
Net change in fund balances.....		(18)	(235)	(35)	(3,240)	(7)	(17)
Fund balance, July 1.....	- 0 -	979	500	77	4,442	534	262
Fund balance, June 30.....	\$ - 0 -	\$ 961	\$ 2,65	\$ 42	\$ 1,202	\$ 527	\$ 245

(Continued) - 1.

CITY OF HARTFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)									
SPECIAL REVENUE.....CAPITAL PROJECTS.....									
HOME PROGRAM FUND									
VEHICLE REPLACEMENT									
PARKS AND RECREATION TRUSTS									
HUMAN SERVICES TRUSTS									
EDUCATION TRUSTS									
HUD SPECIAL PROJECTS									
TOTAL REDEVELOPMENT PROJECTS TOTAL									
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CITY OF HARTFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

	(thousands)				
	PERMANENT				
	PUBLIC SAFETY TRUSTS	PARKS AND RECREATION TRUSTS	HUMAN SERVICES TRUSTS	EDUCATION TRUSTS	TOTAL
					INTERFUND ELIMINATIONS
					TOTAL
					NONMAJOR GOVERNMENTAL FUNDS
Revenues:					
Intergovernmental revenues.....					\$ 81,938
Non-governmental grants and contributions..					1,170
Charges for services.....					5,226
Investment income.....					2,227
Other revenues.....					1,088
Total revenues.....					91,649
Expenditures:					
General government.....					1,614
Public safety.....					5,731
Public works.....					1,459
Development and community affairs.....					48,484
Human services.....					11,877
Education.....					10,291
Recreation and culture.....					7,471
Debt service.....					217
Total expenditures.....					87,144
Excess (deficiency) of revenues over expenditures.....					4,505
Other financing sources (uses):					
Transfers in.....					155
Transfers out.....					(57)
Total other financing sources (uses).....					98
Net change in fund balances.....					2,009
Fund balance, July 1.....					11,156
Fund balance, June 30.....					13,165
					\$ 33,176

Capital Improvement Fund

CAPITAL IMPROVEMENT FUND

This fund accounts for the purchase, construction or renovation of major capital assets.

These activities are funded principally by bond issues and intergovernmental revenues.

CITY OF HARTFORD, CONNECTICUT

CAPITAL IMPROVEMENT FUND

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)					OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			.....APPROPRIATIONS.....	.....DISBURSEMENTS - NET.....	PRIOR TO CURRENT PERIOD	CUMULATIVE TOTAL	CUMULATIVE TOTAL		
			PRIOR TO 7/1/03	PRIOR TO 7/1/03	7/1/03				
<u>Facility Services</u>									
Public Works Projects:									
311B301	Municipal Building Improvements	05-29-79	\$ 3,413	\$ 3,413	\$ 3,402	\$ 3,402	\$ 2 ✓	\$ 9	
311B312	Underground Petroleum Storage Tanks	05-31-89	1,985	1,985	1,959	1,959	19 ✓	7	
311B314	Urban Revitalization Project	11-18-97	7,000	7,085	6,996	7,036		49	
Total Public Works Projects			12,398	12,483	12,357	12,397	21	65	
Public Safety Projects:									
311B479	Major Renovations and Construction Improvements to Certain Fire Stations, Training Facility and Equipment Maintenance Facility Building	11-07-00	6,200	6,200	3	981	273 ✓	4,943	
311B482	Construction of a Public Safety Complex	11-07-00	40,000	40,000	9	40	360 ✓	39,591	
Total Public Safety Projects			46,200	46,200	12	1,021	633	44,534	
Recreation and Culture Projects:									
311B413	Keney-Waverly Park Improvements	12-12-89	150	150	97			53	
311B420	Park Street Recreation Center	11-03-92	4,815	4,815	4,773	4		38	
311B422	Colt and Keney Parks Improvements	04-13-93	2,750	2,750	2,599	2	44 ✓	105	
311B423	Batchelder School Playground Improvements	05-27-93	100	100	91			9	
311B427	Cronin Park Field Improvements	12-12-94	900	900	785	102	11 ✓	2	
311B430	Public School Athletic and Recreation Area Improvement	05-22-95	3,090	3,090	3,063			27	
311B433	Sigourney Square Park Improvements	05-22-95	385	385	385				
311B434	Elizabeth Park Pathway, Traffic and Parking Improvements	05-22-95	354	354	317		8 ✓	29	

(Continued) - 1.

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

CITY OF CHICAGO - DEPARTMENT OF PUBLIC WORKS - STREET REPAIRS - 2007										
PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	.....APPROPRIATIONS..... (thousands)			.....DISBURSEMENTS - NET.....			OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL		
311B437	Elizabeth Park Tennis and Field Irrigation	05-22-95	\$ 380		\$ 380	\$ 355		\$ 355		\$ 25
311B438	Rocky Ridge Park Rehabilitation	05-22-95	318		318	318		318	✓	
311B441	Keney Park Improvements	10-16-96	500		500	365	\$ 73	438	\$ 62	
311B442	Central Library Renovations	08-12-96	37,000		37,000	19,565	762	20,327	691	15,982
311B443	Library Branch Renovations	08-12-96	4,500		4,500	658	407	1,065	972	2,463
311B444	SAND Courtyard Improvements	05-27-97	136		136	133		133		3
311B445	School Athletic Facility Improvements	09-11-96	2,050		2,050	2,041		2,041	9	
311B446	Elizabeth Park Green House Renovation	05-27-98	150		150	80	19	99	20	31
311B448	South Green (Barnard Park) Landscaping, Fencing, Lighting	05-28-98	300		300	277		277	8	15
311B449	Pulaski Mall - Decorative Pavement	05-28-98	85		85	27		27		58
311B451	Northwood Cemetery Drainage Improvements	05-28-98	1,130		1,130	636	405	1,041	66	23
311B453	Anderson Center/Brackett Park	05-28-98	665		665	623		623	6	36
311B454	Forster Heights Playground	05-28-98	150		150	123		123	5	22
311B456	Dillion Stadium - Facilities Renovations	05-28-98	1,885		1,885	647	371	1,018	58	809
311B459	Pope Park - Drainage and Playing Field Improvements	05-28-98	510		510	471		471	10	29
311B465	Lozada Park, Goodwin Park and Blue Hills Recreation Center Improvements	05-28-98	23		23					23
311B466	Senior Center - North	05-28-98	1,707		1,707	1,703		1,703	1	3
311B469	City Wide Restoration of Park Ponds	02-09-99	1,325		1,325	1,240	41	1,281	41	3
311B472	Public Monument Survey	05-31-99	50		50	10	10	20		30
311B473	Porter Memorial Park Improvements	08-10-99	260		260	233		233		27
311B474	Kelvin Anderson Gateway Entrance	05-26-00	350		350					350
311B475	First Tee	05-26-00	250		250					250
311B476	Recreation Equipment	05-26-00	50		50	25		25		25
311B477	Batterson Park Pond	06-13-00	86		86	51		51	13	22

(Continued) - 2.

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

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)				(thousands)				OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD		
311B478	Pope Park Pool Replacement	05-26-00	\$ 1,581		\$ 1,581	\$ 1,405		\$ 1,405	\$ 1,405		\$ 59 ✓	\$ 117
311B480	Renovations and Construction of Certain Swimming Pools	11-07-00	6,000		6,000	428	\$ 4,662	5,090			870 ✓	40
311B481	Pool Enclosures for Certain Swimming Pools	11-07-00	6,000		6,000	3	5	8			39 ✓	5,953
311B483	Renovations to the Metzner Center	11-07-00	3,500		3,500	3	5	8				3,492
311B485	Keney/Waverly Field House Improvements	06-05-01	350		350	70	279	349			1 ✓	
311B486	Hyland Park Recreation Center Roof Replacement	04-25-02	100		100	100		100				
311B487	Batterson Park Infrastructure - Hartford Parks Trust Fund	05-24-02	300		300	13	23	36			21 ✓	243
311B488	Keney Park Trail System - Hartford Parks Trust Fund	05-24-02	250		250							250
311B489	Reforestation of City Parks - Hartford Parks Trust Fund	05-24-02	100	\$ 100	200							200
311B490	Keney Park Pond Perimeter - Hartford Parks Trust Fund	05-24-02	450		450		217	217			232 ✓	1
311B491	Park Ponds Restoration - Hartford Parks Trust Fund	05-24-02	400		400		22	22			180 ✓	198
311B492	Keney Park Improvements - UPARR	06-11-02	500		500	236	31	267			177 ✓	56
311B493	Bushnell Park Overlook Hartford Parks Trust Fund	05-16-03		100	100							100
311B494	Goodwin Park Playground and Entrance	05-16-03		100	100							100
311B495	Hartford Parks Trust Fund Kelvin Anderson Center Renovations	05-16-03		100	100							100
311B496	Hartford Parks Trust Fund Keney Park Trail System Phase II	05-16-03		100	100							100
311B497	Hartford Parks Trust Fund Park Security and Access Management System	05-16-03	50		50							50
311B498	Hartford Parks Trust Fund Pope Park Master Plan	05-16-03	100		100							100
311B499	Hartford Parks Trust Fund Wood-Rail Fence/Keney Ridgewood Hartford Parks Trust Fund	05-16-03	100		100							100
Total Recreation and Culture Projects			85,935	750	86,685	43,949	7,440	51,389			3,604	31,692

(Continued) - 3.

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

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)			.....DISBURSEMENTS - NET.....			UNENCUMBERED BALANCE
			PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	
Education Projects:									
311B501	School Building Improvement	05-13-74	\$ 1,473		\$ 1,473	\$ 1,473			
311B507	Reserve								
	Twenty School Asbestos	11-24-87	3,069		3,069	3,067			\$ 2
311B508	Removal								
	Hartford Board of Education	05-23-88	236		236	235			1
311B516	Project Planning								
	Acquisition and Renovation								
	of Former South Catholic								
311B517	High School	11-03-92	15,500		15,500	15,036			464
	Parkville Community								
311B518	Elementary School	11-03-92	4,312		4,312	4,312			
	Batchelder Elementary								
311B519	School Addition	11-03-92	8,383		8,383	8,320			63
	McDonough Elementary								
311B521	School Addition	11-03-92	13,154		13,154	12,894			260
	New Middle School								
311B527	East Central Area)	11-03-92	27,000	\$ 2,108	29,108	27,319	\$ 10✓		1,779
	Milner Elementary School								
311B528	Addition	11-03-92	9,035		9,035	9,025			10
	South Arsenal Elementary								
311B529	School Reconstruction	11-03-92	17,544		17,544	16,123			1,421
	Multi-School Lighting and								
	Energy Conservation								
311B531	Program	05-23-94	3,150		3,150	2,860			290
	Hartford Montessori Magnet								
	School Plans and								
311B532	Specifications	05-22-95	21,214	278	21,492	21,024	8✓		460
	Hartford Magnet								
	Interdistrict University								
311B533	School	07-11-95	21,500		21,500	20,425			1,075
	Thirteen School								
311B534	Renovations	08-12-96	20,000		20,000	19,954	2✓		44
	Renovation of Hartford								
311B535	High School Project	09-23-97	82,000		82,000	11,421	\$ 5,641	246✓	64,692
	Magnet High School in								
311B537	Learning Corridor	10-15-97	47,993	3,564	51,557	44,728		17✓	6,812
	Renovations of Various								
311B538	Hartford Schools	08-11-98	27,000		27,000	17,956	164	1,263✓	7,617
	Replacement of Various								
311B539	Hartford School Roofs	08-11-98	9,000		9,000	8,874	8	56✓	62
	Replacement of								
	Underground Storage Tanks	08-11-98	3,000		3,000	2,685	133	163✓	19
311B540	School Building								
	Maintenance	01-11-99	2,261		2,261	2,127	84✓	2,127	50

(Continued) - 4.

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

EXHIBIT C

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)				OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			.....APPROPRIATIONS..... PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	.....DISBURSEMENTS - NET..... PRIOR TO 7/1/03		
311B542	General School Improvements Phase II	01-31-00	\$ 2,222		\$ 2,222	\$ 2,212	\$ 3 ✓	\$ 7
311B543	Land Improvements Adjacent to Maria Sanchez	02-16-00	150	\$ 150	300	162		
311B544	Elementary School Land Improvements Adjacent to Mary Hooker School	02-16-00	100		100	82	10	3
311B545	School Building Improvements Phase III	12-12-00	2,218		2,218	1,929	19 ✓	270
311B546	Renovations and Construction Improvements to Hartford Public Schools	11-07-00	75,000		75,000	2,434	7,660	63,480
311B547	School Building Improvements Phase IV	12-11-01	2,096		2,096	2,096		
311B548	Breakthrough Academy Interdistrict	10-28-02	26,000		26,000	23	1,122	24,811
311B549	Magnet School Sports Science Academy	05-12-03	67,649		67,649	41	41	67,587
311B550	Magnet High School Greater Hartford Classical Magnet School	11-13-03	32,000		32,000	4,601		27,399
311B551	Pathways to Technology Magnet School	11-13-03	29,681		29,681			29,681
311B552	General School Improvements Phase V	03-09-04	2,112		2,112			2,112
Total Education Projects			512,259	69,893	582,152	258,796	19,518	278,314
Total Facility Services			656,792	70,728	727,520	315,114	28,019	343,133
Engineering Services								376,762
Public Works Projects:								
311C201	Capital Feasibility Planning	02-18-72	680		680	660	20	680
311C202	Street Reconstruction Program - Phase I	05-29-79	3,141		3,141	3,006		135
311C203	Street Reconstruction Program - Phase II	09-29-83	5,193		5,193	4,864		329
311C204	Interstate Highway Design Street & Road Major	03-15-84	268		268	255		13
311C205	Construction Street Reconstruction	11-06-84	52,500		52,500	52,491		9
311C209	Program - Phase III	09-11-86	2,220		2,220	2,016		204

(Continued) - 5.

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

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	.....APPROPRIATIONS..... (thousands)			.....DISBURSEMENTS - NET.....			OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL		
311C211	Grove Street Widening	05-31-89	\$ 650		\$ 650	\$ 650		\$ 650		
311C212	Pratt Street Reconstruction	09-13-89	2,727		2,727	2,648		2,648		\$ 79
311C213	Maple Avenue Reconstruction	06-17-93	600		600	514		514		86
311C219	New Britain Avenue Reconstruction	04-08-96	614		614	539		539		75
311C223	Reconstruction of Walnut Street	05-13-96	875		875	683		683	\$ 77 ✓	115
311C228	Van Dyke Connector	04-08-96	95		95					95
311C229	SIA - Streetscape Improvements	09-24-96	1,391		1,391	952		952	386 ✓	53
311C230	Reconstruction of Woodland Street	10-16-96	130		130	98		98		32
311C231	Reconstruction of Locust Street	11-26-96	922		922	584		584		338
311C232	Design of Columbus Boulevard Pedestrian Bridge	11-26-96	250		250	228		228	4 ✓	18
311C233	Realignment of Walnut, Garden and Homestead Avenue	03-11-97 05-28-97	67 3,210		67 3,210	64 3,097	2	64 3,099	24 ✓	3 87
311C234	Bulkeley Bridge Walkabout									
311C235	Construction of Columbus Boulevard Pedestrian Bridge	05-28-97	3,770		3,770	3,572	2	3,574	16 ✓	180
311C239	Wethersfield Avenue and Silas Deane Highway	08-11-98	132		132	126		126	1 ✓	5
311C240	Road Improvement Program	08-11-98	10,000		10,000	3,224	914	4,138	3,933 ✓	1,929
311C241	New Britain Avenue Pedestrian Lighting - Trinity College	09-28-99	184		184	173		173		11
311C242	Reconstruction of Hudson Street from Elm Street to Jefferson Street	02-16-00	1,616		1,616	1,274	121	1,395	191 ✓	30
311C243	Intersection Improvements - Walnut, Homestead and Garden Streets	10-11-00	1,955		1,955	1,691		1,691		264
311C244	Road Repair/Reconstruction	11-07-00	8,000		8,000	1,414	1,365	2,779	489 ✓	4,732
311C245	Streetscape Improvements	11-07-00	17,000		17,000	5	320	325	3,935 ✓	12,740
311C246	Reconstruction of Woodland Street	06-11-01	1,525		1,525	455	795	1,250	275 ✓	

(Continued) - 6.

CITY OF HARTFORD, CONNECTICUT
CAPITAL IMPROVEMENT FUND

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)						OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			.....APPROPRIATIONS.....	.....DISBURSEMENTS - NET.....	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	
311C247	High Street Pavement	07-16-01	\$ 236	\$ 236	\$ 176		\$ 176	\$ 9✓		\$ 51
311C248	Enhanced Tourist Destination	10-24-01	625	625	193	\$ 175	368	218✓		39
311C249	Demolition of Mixmaster Temple Street	05-12-03	917	917		5	5	273✓		639
311C250	Trinity College Improvements	11-13-03		\$ 4,792	4,792					4,792
311B484	Flood Control System Improvements	11-07-00	10,000	10,000	68	56	124	145✓		9,731
Total Engineering Services			131,493	4,792	85,720	3,775	89,495	9,976		36,814
<u>Transportation Services</u>										
Public Works Projects:										
311D201	Urban Systems/TOPICS Reserve Account	02-21-70	1,306	1,306	1,231	32	1,263			43
311D203	Computerization of Traffic Signals	10-15-82	6,203	6,203	5,962		5,962			241
311D206	Franklin Avenue Traffic Signals	09-26-94	575	575	520		520			55
311D207	Computerization of Traffic Signals at 37 Locations	08-15-95	1,950	1,950	1,788		1,788			162
311D209	Upgrade of Hartford Traffic Signals	11-23-99	1,861	1,861	1,658	67	1,725	8✓		128
311D210	Safety Improvements at Franklin Avenue and Benton Street	03-26-02	92	92						92
311D211	Safety Improvements at Washington Avenue and Ward Street	03-26-02	92	92						92
Total Transportation Services			12,079	12,079	11,159	99	11,258	8		813
<u>Local Capital Improvement Program</u>										
Public Works Projects:										
311F202	LOCIP - Cemetery Roads	03-31-88	101	101	78		78			23
311F203	LOCIP - Keney Park Improvements	03-31-88	558	558	557		557			1
311F206	LOCIP - Elizabeth Park Pond Improvements	09-26-89	900	900	861		861			39
311F208	LOCIP - 10 Prospect Street Renovations	11-20-90	4,698	4,698	4,416		4,416			282

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

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)			.....DISBURSEMENTS - NET.....			OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			.....APPROPRIATIONS.....			.....			
			PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL		
311F216	LOCIP - Fire Companies 5, 9, 15 and Central Station Structural Repairs	10-10-95	\$ 1,947		\$ 1,947	\$ 1,906		\$ 1,906	\$ 76 ✓	\$ (35)
311F217	LOCIP - STP Match	10-10-95	236		236	177		179	5 ✓	52
311F218	LOCIP - Woodland Street Bridge Rehabilitation Match	10-10-95		250						
311F219	Library Renovations	09-11-96	1,000		1,000	750	22	772	227 ✓	86
311F220	Main, Asylum, Trumbull (MAT) Garage Replacement	04-15-97	4,250		4,250	3,981		3,981	187 ✓	82
311F223	School Facilities Planning	04-28-98	725		725	717		717		8
311F225	Underground Storage Tanks	10-18-98	500		500	450		450	13 ✓	37
311F227	Replacement of Doors and Windows at 525 Main Street and 40 Jennings Road - 064-99-020;	10-27-99	600		600	583		583	1 ✓	16
311F228	STP Federal Road Reconstruction Match - 064-99-030	10-27-99	400		400	74	3	77	16 ✓	307
311F229	2 Holcomb Street and 40 Jennings Road - 064-99-060	10-27-99	550		550	503	2	505	22 ✓	23
311F230	Public Facilities Study - 064-99-040	11-10-99	350		350	335		335	3 ✓	12
311F231	Flood Control Facilities - 064-99-050	11-10-99	100		100	87		87	12 ✓	1
311F234	Municipal Building Improvements - 064-00-030; 064-01-060	10-11-00	716		716	491	(4)	487	14 ✓	215
311F235	Asbestos Removal and Material Replacement - 064-00-040	10-11-00	300		300					300
311F236	West Service Road Extension - 064-00-050	10-11-00	900		900	516	257	773	129 ✓	(2)
311F237	Library Branch Facility Study - 064-00-60	10-11-00	50		50		37	37		13
311F239	Signalization of Franklin Avenue/Ward Street an Washington/Ward Street - LOCIP project #242 - 064-01-010	09-12-01	20		20	2		2		18

(Continued) - 8.

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

PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	(thousands)				DISBURSEMENTS - NET.....				OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
			APPROPRIATIONS.....		PRIOR TO CURRENT PERIOD		DISBURSEMENTS - NET.....		PRIOR TO CURRENT PERIOD			
			7/1/03	CUMULATIVE TOTAL	7/1/03	CUMULATIVE TOTAL	7/1/03	CUMULATIVE TOTAL	7/1/03	CUMULATIVE TOTAL		
311F241	Reconstruction of Broad and/or Vine Street - LOCIP Project #553 - 064-01 040	9-12-01	\$ 300	\$ 300	\$ 83	\$ 83	\$ 197 ✓	\$ 20				
311F242	Traffic Circulation and Master Plan - LOCIP Project #554 - 064-01-050	9-12-01	500	500	228	186	414	86 ✓				
311F243	Reconstruction of City Sidewalks - LOCIP Project #555 - 064-01-070	9-12-01	250	250	61	43	104	146 ✓				
311F245	Truck Wash Facility - LOCIP Project #247 - 064-03-010	9-15-03	\$ 500	500				500				
311F246	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	9-15-03	325	325				325				
311F247	Replacement of Roof at 40 Jennings Road (Vehicle Maintenance Bldg) - LOCIP Project #251 - 064-03-030	9-15-03	550	550				521				
311F248	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	9-15-03	125	125				125				
311F249	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050	9-15-03	500	500				500				
311F250	Relocation of Police Training Academy and Traffic Division - LOCIP Project #116 - 064-03-060	9-15-03	300	300				300				
311F251	Police Headquarters - Heating, Ventilation, and Air Conditioning (HVAC Improvements) - LOCIP Project #117 - 064-03-080	9-15-03	300	300				300				

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

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC.											
PROJECT NUMBER	DESCRIPTION	DATE PROJECT APPROVED	.....APPROPRIATIONS..... (thousands)			.....DISBURSEMENTS - NET.....			OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE	
			PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL	PRIOR TO 7/1/03	CURRENT PERIOD	CUMULATIVE TOTAL			
311F252	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	9-15-03	\$ 100	\$ 100	\$ 100					\$ 100	
311F253	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	9-15-03	150	150	150				\$ 120 ✓		
Total Local Capital Improvement Program			\$ 20,201	2,850	23,051	\$ 16,885	671	17,556	1,325	4,170	
TOTAL CAPITAL IMPROVEMENT FUND			\$820,565	\$78,370	\$898,935	\$428,878	32,564	\$461,442	\$18,934	\$418,559	
Conversion to GAAP based financial statement reporting:											
Expenditure reclassification on completed and closed projects during 2004..... (32)											
Previous year retainage and other payables (adjusted for ineligible costs on Learning Corridor Projects)..... (3,211)											
Current year retainage and other payables..... 2,972											
TOTAL			\$32,293								

Pe, sl
461 492 927.10

Conversion to GAAP based financial statement reporting:
 Expenditure reclassification on completed and closed projects during 2004..... (32)
 Previous year retainage and other payables (adjusted for ineligible costs on Learning (3,211)
 Corridor Projects)..... 2,972
 Current year retainage and other payables..... 32,293

TOTAL

\$32,293

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 No 51 000

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for and finance the City's uninsured risks of loss for Employee Benefits, Workers' Compensation, and Liability and Property Damage. The Metro Hartford Information Services Fund accounts for the centralized computer services provided to the City.

CITY OF HARTFORD, CONNECTICUTINTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2004

(thousands)

	EMPLOYEE BENEFITS	WORKERS' COMPENSATION	LIABILITY AND PROPERTY DAMAGE	METRO HARTFORD INFORMATION SERVICES	INTERFUND ELIMINATIONS	TOTAL
ASSETS:						
Cash and cash equivalents.....	\$ 997	\$ 598		\$ 78		\$ 1,673
Other receivables.....	130		\$ 7			137
Due from other funds.....	1,673		1,000	1,503	\$(2,673)	1,503
Total assets	2,800	598	1,007	1,581	(2,673)	3,313
LIABILITIES:						
Current:						
Accounts payable and accrued liabilities.....	2	976	1,518	1,601		4,097
Due to other funds.....		1,000	1,673		(2,673)	
Insurance claims payable.....		6,172	3,400			9,572
Claims incurred and not reported.....	5,629					5,629
Total current liabilities.....	5,631	8,148	6,591	1,601	(2,673)	19,298
Noncurrent:						
Insurance claims payable.....		10,029	4,300			14,329
Claims incurred and not reported.....		3,300	2,300			5,600
Total noncurrent liabilities.....		13,329	6,600			19,929
Total liabilities	5,631	21,477	13,191	1,601	(2,673)	39,227
NET ASSETS:						
Unrestricted.....	\$(2,831)	\$(20,879)	\$(12,184)	\$ (20)	\$ - 0 -	\$(35,914)

CITY OF HARTFORD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)

	EMPLOYEE BENEFITS	WORKERS' COMPENSATION	LIABILITY AND PROPERTY DAMAGE	METRO HARTFORD INFORMATION SERVICES	INTERFUND ELIMINATIONS	TOTAL
Operating revenues:						
City's contribution.....	\$50,411	\$ 6,643	\$ 2,837	\$6,200		\$ 66,091
Terminated employee contribution.....	406					406
Pensioners' contribution.....	7,764					7,764
Active employees' contribution.....	3,350					3,350
Other.....	30		54	2		86
Total operating revenues.....	61,961	6,643	2,891	6,202		77,697
Operating expenses:						
Administrative.....	3,526	250		2,298		6,074
Insurance benefits and claims:						
Paid.....	61,276	8,669	6,929			76,874
Incurred and reported but not paid.....		3,100	(1,200)			1,900
Incurred but not reported.....	1,040	1,900	1,900			4,840
Operations.....				3,924		3,924
Total operating expenses.....	65,842	13,919	7,629	6,222		93,612
Operating income (loss).....	(3,881)	(7,276)	(4,738)	(20)		(15,915)
Nonoperating income (loss):						
Interest earnings.....	20	6	7			33
Net income (loss) before transfers.....	(3,861)	(7,270)	(4,731)	(20)		(15,882)
Transfers out.....		(6)	(7)			(13)
Change in net assets.....	(3,861)	(7,276)	(4,738)	(20)		(15,895)
Net assets, July 1, 2003.....	1,030	(13,603)	(7,446)			(20,019)
Net assets, June 30, 2004.....	\$ (2,831)	\$ (20,879)	\$ (12,184)	\$ (20)	\$ - 0 -	\$ (35,914)

CITY OF HARTFORD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

(thousands)

	EMPLOYEE BENEFITS	WORKERS' COMPENSATION	LIABILITY AND PROPERTY DAMAGE	METRO HARTFORD INFORMATION SERVICES	INTERFUND ELIMINATIONS	TOTAL
Cash flows from (to) operating activities:						
City's contribution.....	\$ 50,411	\$ 6,643	\$ 2,837	\$ 4,697		\$ 64,588
Cash received from other.....	30		47	2		79
Cash received from users.....	11,486					11,486
Cash paid for salaries and benefits.....				(2,215)		(2,215)
Cash paid to suppliers and other.....	(64,804)	(8,125)	(5,657)	(2,406)		(80,992)
Net cash provided (used) by operating activities.....	(2,877)	(1,482)	(2,773)	78		(7,054)
Cash flows from (to) noncapital financing activities:						
Advances (to) from other funds.....	(1,673)		1,673			
Cash flows from (to) investing activities:						
Interest received.....	20	6	7			33
Transfers to other funds.....		(204)	(119)			(323)
Total cash flows from investing activities....	20	(198)	(112)			(290)
Net increase (decrease) in cash and cash equivalents..	(4,530)	(1,680)	(1,212)	78		(7,344)
Cash and cash equivalents, July 1, 2003.....	5,527	2,278	1,212			9,017
Cash and cash equivalents, June 30, 2004.....	\$ 997	\$ 598	\$ - 0 -	\$ 78	\$ - 0 -	\$ 1,673
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss).....	\$ (3,881)	\$ (7,276)	\$ (4,738)	\$ (20)		\$ (15,915)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
(Increase) decrease in other receivables.....	(34)		(7)			(41)
(Increase) decrease in due from other funds.....				(1,503)		(1,503)
Increase (decrease) in accrued payroll.....				83		83
Increase (decrease) in accounts payable.....	(2)	793	1,272	1,518		3,581
Increase (decrease) in insurance claims payable...		3,101	(1,200)			1,901
Increase (decrease) in claims incurred but not reported.....	1,040	1,900	1,900			4,840
Total adjustments	1,004	5,794	1,965	98		8,861
Net cash provided (used) by operating activities.....	\$ (2,877)	\$ (1,482)	\$ (2,773)	\$ 78	\$ - 0 -	\$ (7,054)

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Agency Funds

AGENCY FUNDS

Agency funds are custodial in nature (assets equals liabilities) and are used to account for class events and various functions put on by student groups at the City's elementary and high schools.

CITY OF HARTFORD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

(thousands)

	STUDENT ACTIVITIES	ADULT EDUCATION BOOK	TOTALS
ASSETS:			
Cash and cash equivalents.....	\$512	\$2	\$514
LIABILITIES:			
Due to student groups and other.....	\$512	\$2	\$514

CITY OF HARTFORD, CONNECTICUTAGENCY FUNDSCOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2004

	BALANCE JULY 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2004
<u>STUDENT ACTIVITY FUNDS</u>				
Assets:				
Cash and cash equivalents.....	\$586	\$1,304	\$1,378	\$512
Liabilities:				
Due to student groups.....	\$586	\$1,304	\$1,378	\$512
<u>ADULT EDUCATION BOOK FUND</u>				
Assets:				
Cash.....	\$2	\$3	\$3	\$2
Liabilities:				
Due to other.....	\$2	\$3	\$3	\$2
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets:				
Cash and cash equivalents.....	\$588	\$1,307	\$1,381	\$514
Liabilities:				
Due to student groups.....	\$586	\$1,304	\$1,378	\$512
Due to other.....	2	3	3	2
TOTAL	\$588	\$1,307	\$1,381	\$514

Capital Assets Used in the
Operation of Governmental Funds

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

The following schedules present only the capital asset balance related to governmental funds. The assets are reported at historical cost or estimated historical cost. Provision for depreciation is not included in the schedules.

CITY OF HARTFORD, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSCOMPARATIVE SCHEDULE BY SOURCE
JUNE 30, 2004 AND 2003

(thousands)

	2004	2003
Governmental funds capital assets:		
Land and land improvements.....	\$ 92,246	\$ 94,761
Buildings.....	513,254	517,945
Other structures.....	30,193	26,042
Furniture and equipment.....	29,847	36,332
Rolling equipment.....	31,288	29,987
Infrastructure.....	14,440	9,156
TOTAL.....	<u>\$711,268</u>	<u>\$714,223</u>
Investments in governmental funds capital assets.....	<u>\$711,268</u>	<u>\$714,223</u>

CITY OF HARTFORD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2004

(thousands)

	LAND AND LAND IMPROVEMENTS	BUILDINGS	OTHER STRUCTURES	FURNITURE AND EQUIPMENT	ROLLING EQUIPMENT	INFRASTRUCTURE	TOTAL
General Government:							
Mayor	\$ 487	\$ 143	\$ 3	\$ 5			\$ 5
Court of Common Council				34			34
City Treasurer				15			15
Registrars of Voters				22			22
City Manager				164			164
Town and City Clerk				36			36
Office of Information Services				2,848			2,848
Finance				201			834
Assessment							
Personnel				59			59
Human Relations				18			18
Management and Budget				16			16
Total	487	143	3	3,418			4,051
Public Safety:							
Fire	246	5,503		1,438	\$ 9,439		16,826
Police	667	10,723	110	8,591	5,557		25,648
Licenses and Inspections				77			77
Total	913	16,226	110	10,106	14,996		42,351
Physical and Leisure Services:							
Public Works	12,117	24,013	2,531	2,924	15,224		56,809
Parking:							
Civic Center Garage	796						796
G. Fox Warehouse	1,808	2,464					4,272
Richardson Building	1,831	742					2,573
Mixmaster			1,960				1,960
Total	16,552	27,219	4,491	2,924	15,224		66,410
Development and Community Affairs:							
Housing, Community Development and Planning	19,028	6,859	128	13			26,028
Redevelopment	15,385	1,545					16,930
Total	34,413	8,404	128	13			42,958
Human Services:							
Human Services	5	953		278			1,236
Health				163			163
Hospitals	292	2,424					2,716
Total	297	3,377		441			4,115
Board of Education	20,371	107,820	1,525	12,884	1,068		143,668
Recreation and Culture:							
Hartford Public Library	567	2,413		61			3,041
Civic Center	2,687	26,624					29,311
Total	3,254	29,037		61			32,352
Construction in Progress	15,959	321,028	23,936			\$14,440	375,363
TOTAL	\$92,246	\$513,254	\$30,193	\$29,847	\$31,288	\$14,440	\$711,288

CITY OF HARTFORD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE ENDED JUNE 30, 2004

	(thousands)				GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2004
	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2003	LAND ASSET RESTATEMENT	NET TRANSFERS	ADDITIONS	DEDUCTIONS
General Government:					
Mayor	\$ 5				\$ 5
Court of Common Council	34				34
City Treasurer	15				15
Registrars of Voters	22				22
City Manager	36		\$ 128		164
Town and City Clerk	36				36
Office of Information Services	5,466		(114)	\$ (2,504)	2,848
Finance	8,546	\$ (7,361)	34	(944)	834
Assessment	64		(64)		
Personnel	35			24	59
Human Relations	18				18
Management and Budget			16		16
Total	14,277	(7,361)	583	(3,448)	4,051
Public Safety:					
Fire	16,001	(3)	(381)	1,082	(73)
Police	25,619	10	520	336	(837)
Licenses and Inspections	77				77
Total	41,697	7	139	1,418	(910)
Physical and Leisure Services:					
Public Works	56,337	245	511	113	(397)
Parking:					
Civic Center Garage	16,049				
G. Fox Warehouse	4,272				
Richardson Building	2,573				
Mixmaster	1,960				
Total	81,191	245	511	113	(15,650)
Development and Community Affairs:					
Housing, Community Development and Planning	39,062	(6,442)	(650)	685	(6,627)
Redevelopment	16,917	77		52	(116)
Total	55,979	(6,365)	(650)	737	(6,743)
Human Services:					
Human Services	1,226			10	
Health	163				
Hospitals	2,716				
Total	4,105			10	4,115
Board of Education	143,637		31		143,668
Recreation and Culture:					
Hartford Public Library	2,961	10		70	(11,388)
Civic Center	40,699				29,311
Total	43,660	10		70	(11,388)
Construction in Progress	343,141		32,222		32,352
TOTAL	\$727,687	\$ (13,464)	\$ - 0 -	\$35,184	\$ (38,139)
					\$711,268

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Supplemental Schedules

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Thousands)

ISSUE NUMBER	SERIES	PROJECT NUMBER	SERIAL BOND DESCRIPTION	RATE OF INTEREST	ISSUE DATE	MATURITY DATE	AUTHORIZED AND ISSUED	OUTSTANDING JULY 1, 2003	ISSUED DURING YEAR	MATURITIES DURING YEAR	OUTSTANDING JUNE 30, 2004
GENERAL PURPOSE											
Public Works:											
147	4	311C205	Street and Road Major Reconstruction	7.000	12/15/1988	12/15/2003	\$1,500	\$	500	\$	500
154		311B203	Renovation of Fire Companies #2 and #14	7.000	12/15/1988	12/15/2003	\$600		200		200
147	5	311C205	Street and Road Major Reconstruction	6.650/6.750	11/01/1989	11/01/2004	\$2,000		1,000		500
147	6	311C205	Street and Road Major Reconstruction	6.500	12/15/1990	12/15/2005	\$3,625		2,175		1,450
163	2	311B420	Park Street Recreation Center	4.625/5.750	10/01/1995	10/01/2005	\$1,500		300		200
172	1	311B442	Central Library	4.000/5.125	01/15/1998	01/15/2018	\$1,530		1,350		1,260
173	1	311B443	Library Branches	4.000/5.125	01/15/1998	01/15/2018	\$357		315		294
173	2	311B443	Library Branches	5.000/6.000	06/15/2000	06/15/2020	\$551		493		29
178	1	311C240	Road Improvement Program	4.000/5.000	11/15/1998	11/15/2018	\$724		644		604
172	2	311B442	Central Library	4.000/5.000	11/15/1998	11/15/2018	\$9,180		8,160		510
178	2	311C240	Road Improvement Program	5.000/6.000	06/15/2000	06/15/2020	\$1,900		1,700		100
172	3	311B442	Central Library	5.000/6.000	06/15/2000	06/15/2020	\$6,650		5,950		350
178	3	311C240	Road Improvement Program	4.250/5.500	05/15/2001	05/15/2021	\$3,295		2,965		165
179	1	311B442	Central Library	4.250/5.500	05/15/2001	05/15/2021	\$8,500		7,650		425
183	1	311B480	Swimming Pool Reconstructions								
			/Construction								
182	1	311C244	Road Repair/Reconstruction	4.250/5.500	05/15/2001	05/15/2021	\$670		604		33
181	1	311B484	Flood Control System Improvements	4.250/5.500	05/15/2001	05/15/2021	\$1,300		1,170		571
		311B420	Refunding Bonds - Park Street Recreation Center	4.250/5.500	05/15/2001	05/15/2021	\$900		810		765
Total Public Works							\$1,717		42		1,675
Civic Center:								37,703	3,940		33,763
122	4	419	Civic Center	6.100	03/15/1976	03/15/2006	\$1,075		645		215
122	1	419	Civic Center	4.800	03/01/1991	03/01/2009	\$1,750		1,300		430
122	2	419	Civic Center	5.100	03/01/1972	03/01/2012	\$2,750		2,250		1,075
122	3	419	Civic Center	5.000	12/01/1972	12/01/2012	\$1,500		1,250		2,000
162		311B421	Civic Center Garage Refinancing	4.900/5.625	02/01/1993	02/01/2013	\$7,200		6,000		1,125
Total Civic Center								11,445	1,415		5,400
TOTAL GENERAL PURPOSE								49,148	5,355		43,793
EDUCATION											
153		311B506	Structural Repairs to Weaver High School	7.000	12/15/1988	12/15/2003	\$1,050		350		350
155	1	311B510	Maria C. Sanchez School (formerly Babcock)	6.650/6.750	11/01/1989	11/01/2004	\$1,400		700		350
156	1	311B509	Burns School Addition	6.650/6.750	11/01/1989	11/01/2004	\$800		400		200
155	2	311B510	Maria C. Sanchez School (formerly Babcock)	6.500	12/15/1990	12/15/2005	\$375		225		150
156	2	311B509	Burns School Addition	6.500	12/15/1990	12/15/2005	\$875		525		350

(Continued) - 1.

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF BONDS PAYABLE, ETC.

(thousands)											
SERIAL BONDS											
ISSUE NUMBER	PROJECT NUMBER	SERIAL BOND DESCRIPTION	RATE OF INTEREST	ISSUE DATE	MATURITY DATE	AUTHORIZED AND ISSUED		OUTSTANDING JULY 1, 2003	ISSUED DURING YEAR	MATURITIES DURING YEAR	OUTSTANDING JUNE 30, 2004
155	3	311B510 Maria C. Sanchez School (formerly Babcock)	5.750/6.125	02/01/1992	02/01/2007	\$2,970		\$ 1,980	\$	495	\$ 1,485
157	1	311B511 Kennelly School Addition	5.750/6.125	02/01/1992	02/01/2007	\$2,700		1,800		450	1,350
158	1	311B515 Weaver and Bulkeley Roof Replacements	5.750/6.125	02/01/1992	02/01/2007	\$270		180		45	135
159	1	311B512 HVAC Improvements - Weaver and Bulkeley	5.750/6.125	02/01/1992	02/01/2007	\$1,260		840		210	630
159	2	Weaver and Bulkeley Roof Replacements	4.900/5.600	02/01/1993	02/01/2008	\$1,078		770		154	616
160	1	311B512 HVAC Improvements - Weaver and Bulkeley	4.900/5.600	02/01/1993	02/01/2008	\$795		575		110	465
160	1	311B514 New Moylan Elementary School	4.900/5.600	02/01/1993	02/01/2008	\$2,247		1,605		321	1,284
161	1	311B513 West Middle School Annex	4.900/5.600	02/01/1993	02/01/2008	\$1,480		1,050		215	835
164	2	311B516 Acquisition and Renovation of the South Middle School	4.625/5.750	10/01/1995	10/01/2005	\$3,000		600		200	400
165	1	311B517 Parkville Community School	4.625/5.750	10/01/1995	10/01/2005	\$2,175		435		145	290
160	3	311B514 New Moylan Elementary School	4.625/5.750	10/01/1995	10/01/2005	\$8,325		1,665		555	1,110
160	4	311B514 New Moylan Elementary School	4.300/5.300	12/15/1996	12/15/2006	\$1,480		370		92	278
164	3	311B516 Acquisition and Renovation of the South Middle School	4.300/5.300	12/15/1996	12/15/2006	\$2,000		500		125	375
165	2	311B517 Parkville Community School	4.300/5.300	12/15/1996	12/15/2006	\$848		212		53	159
166	1	311B527 Milner Elementary School	4.300/5.300	12/15/1996	12/15/2006	\$1,720		430		108	322
167	1	311B528 New SAND Elementary School	4.300/5.300	12/15/1996	12/15/2006	\$1,296		324		81	243
168	1	311B518 Batchelder Elementary School	4.300/5.300	12/15/1996	12/15/2006	\$4,800		1,200		300	900
169	1	311B519 McDonough Elementary School	4.300/5.300	12/15/1996	12/15/2006	\$7,856		1,964		491	1,473
168	2	311B518 Batchelder Elementary School	4.000/4.125	01/15/1998	01/15/2018	\$1,700		1,500		100	1,400
166	2	311B527 Milner Elementary School	4.000/4.125	01/15/1998	01/15/2018	\$4,760		4,200		280	3,920
167	2	311B528 New SAND Elementary School	4.000/4.125	01/15/1998	01/15/2018	\$10,455		9,225		615	8,610
169	2	311B519 McDonough Elementary School	4.000/4.125	01/15/1998	01/15/2018	\$1,190		1,050		70	980
169	2	311B519 McDonough Elementary School	4.000/4.125	01/15/1998	01/15/2018	\$4,250		3,750		250	3,500
170	1	311B537 Thirteen School Renovations	4.000/4.125	01/15/1998	01/15/2018	\$4,250		585		39	546
171	1	311B534 Hartford Public High School	4.000/4.125	01/15/1998	01/15/2018	\$663		585		39	546
166	3	311B527 Milner Elementary School	4.000/5.000	11/15/1998	11/15/2018	\$1,395		1,239		78	1,161
167	3	311B528 New SAND Elementary School	4.000/5.000	11/15/1998	11/15/2018	\$2,115		1,881		117	1,764
169	3	311B519 McDonough Elementary School	4.000/5.000	11/15/1998	11/15/2018	\$378		336		21	315
171	2	311B534 Hartford Public High School	4.000/5.000	11/15/1998	11/15/2018	\$495		439		28	411
176	1	311B534 Hartford Public High School	4.000/5.000	11/15/1998	11/15/2018	\$2,588		2,300		144	2,156
174	1	311B521 East Central Middle School	4.000/5.000	11/15/1998	11/15/2018	\$5,400		4,800		300	4,500
175	1	311B537 School Renovations	4.000/5.000	11/15/1998	11/15/2018	\$225		201		12	189
177	1	311B538 Various School Infrastructure Renovations - Roofs	4.000/5.000	11/15/1998	11/15/2018	\$2,182		1,940		121	1,819
177	1	311B539 Various School Infrastructure Renovations - Removal of Underground Storage Tanks	4.000/5.000	11/15/1998	11/15/2018	\$724		644		40	604
177	1	311B516 Various School Infrastructure Renovations - Support Structure at South Middle School	4.000/5.000	11/15/1998	11/15/2018	\$243		215		14	201

(Continued) - 2.

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF BONDS PAYABLE, ETC.

(thousands)											
SERIAL BONDS											
ISSUE NUMBER	SERIES	PROJECT NUMBER	SERIAL BOND DESCRIPTION	RATE OF INTEREST	ISSUE DATE	MATURITY DATE	AUTHORIZED AND ISSUED	OUTSTANDING JULY 1, 2003	ISSUED DURING YEAR	MATURITIES DURING YEAR	OUTSTANDING JUNE 30, 2004
169	4	311B519	McDonough Elementary School	5.000/6.000	06/15/2000	06/15/2020	\$760	\$ 680	\$	40	\$ 640
171	3	311B534	Hartford Public High School	5.000/6.000	06/15/2000	06/15/2020	\$3,995	3,575		210	3,365
175	2	311B537	School Renovations	5.000/6.000	06/15/2000	06/15/2020	\$4,432	3,966		233	3,733
174	2	311B521	East Central Middle School	5.000/6.000	06/15/2000	06/15/2020	\$713	637		38	599
176	2	311B534	New Hartford Public High School	4.250/5.500	05/15/2001	05/15/2021	\$3,500	3,150		175	2,975
175	3	311B537	School Renovations	4.250/5.500	05/15/2001	05/15/2021	\$1,835	1,651		92	1,559
180	1	311B546	Major School Renovations and Construction Improvements	4.250/5.500	05/15/2001	05/15/2021	\$3,000	2,700		150	2,550
			Refunding 1994, 1995 and 1996 School Bonds	4.250/5.500	03/15/2003	12/15/2016	\$28,508	28,508		693	27,815
TOTAL EDUCATION								97,872		9,160	88,712
TOTAL								\$147,020	\$ - 0 -	\$14,515	\$132,505

CITY OF HARTFORD, CONNECTICUT

FUTURE BUDGET DEBT SERVICE
JUNE 30, 2004

	PERCENTAGE OF MATURITIES	CURRENT BONDED DEBT.....			LESS			STATE SCHOOL BUILDING AID.....			NET FUTURE DEBT SERVICE
		PRINCIPAL	INTEREST	DEBT SERVICE	SERIAL BUILDING GRANT	BOND INTEREST SUBSIDIES	TOTAL BUILDING AID				
PRIOR YEARS											
1999-00		\$14,980	\$8,292	\$23,272	\$4,879	\$3,167	\$8,046				\$15,226
2000-01		15,005	8,478	23,483	4,390	2,542	6,932				16,551
2001-02		16,055	8,732	24,787	4,328	2,271	6,599				18,188
2002-03		14,830	7,898	22,728	4,328	2,078	6,406				16,322
2003-04		14,515	6,700	21,215	3,908	1,534	5,442				15,773
FUTURE YEARS											
2004-05	10.68	\$ 14,150	\$ 5,997	\$20,147	\$ 3,777	\$ 1,374	\$ 5,151				\$ 14,996
2005-06	20.54	13,070	5,363	18,433	3,503	1,221	4,724				13,709
2006-07	29.47	11,835	4,805	16,640	3,379	1,071	4,450				12,190
2007-08	37.45	10,565	4,310	14,875	2,777	934	3,711				11,164
2008-09	44.73	9,650	3,868	13,518	2,291	818	3,109				10,409
2009-10	51.04	8,355	3,462	11,817	1,917	712	2,629				9,188
2010-11	57.32	8,330	3,074	11,404	1,916	621	2,537				8,867
2011-12	63.60	8,320	2,677	10,997	1,917	531	2,448				8,549
2012-13	69.69	8,065	2,267	10,332	1,916	441	2,357				7,975
2013-14	75.22	7,335	1,874	9,209	1,917	349	2,266				6,943
2014-15	80.75	7,320	1,521	8,841	1,916	256	2,172				6,669
2015-16	86.26	7,305	1,172	8,477	1,917	164	2,081				6,396
2016-17	91.01	6,290	845	7,135	1,506	82	1,588				5,547
2017-18	94.81	5,040	566	5,606	809	27	836				4,770
2018-19	97.51	3,575	316	3,891	154	6	160				3,731
2019-20	99.13	2,150	170	2,320	25	1	26				2,294
2020-21	100.00	1,150	58	1,208							1,208
TOTAL.....		\$132,505	\$42,345	\$174,850	\$31,637	\$8,608	\$40,245				\$134,605

Statistical Section



TABLE 1

CITY OF HARTFORD, CONNECTICUT
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST THREE FISCAL YEARS

FISCAL YEAR	(thousands)													
	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	DEVELOPMENT AND COMMUNITY AFFAIRS	HUMAN SERVICES	EDUCATION	RECREATION AND CULTURE	BENEFITS AND INSURANCE	SUNDRY	INTEREST ON LONG-TERM DEBT	HARTFORD PARKING FACILITIES	AMERICAN(2) AIRLINES BUILDING	G. FOX(1) BUILDING	TOTAL
2002 ...	\$19,969	\$69,267	\$31,595	\$41,680	\$22,021	\$273,160	\$11,489	\$81,520	\$13,870	\$8,728	\$508	\$1,372	\$801	\$575,980
2003 ...	\$20,645	\$72,533	\$26,497	\$42,025	\$21,043	\$280,120	\$11,137	\$79,783	\$11,722	\$7,806	\$3,991	\$763	\$-0-	\$578,065
2004 ...	\$18,002	\$67,442	\$26,702	\$48,305	\$19,126	\$291,152	\$9,737	\$105,141	\$12,058	\$6,860	\$4,067	\$863	\$-0-	\$609,455

(1) Building sold in 2002.
(2) Building sold in 2004.

TABLE 2

CITY OF HARTFORD, CONNECTICUT

GOVERNMENT-WIDE REVENUES
LAST THREE FISCAL YEARS

(thousands)

FISCAL YEAR	.....PROGRAM REVENUES.....			.....GENERAL REVENUES.....			
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PROPERTY TAXES	CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PURPOSES	UNRESTRICTED INVESTMENT EARNINGS	OTHER GENERAL REVENUES
2002.....	\$23,241	\$311,770	\$20,607	\$169,770	\$51,847	\$4,075	\$1,773
2003.....	\$27,416	\$318,736	\$8,044	\$172,094	\$44,026	\$2,821	\$4,376
2004.....	\$30,047	\$313,870	\$24,745	\$191,514	\$37,755	\$3,787	\$1,736
							\$583,083
							\$577,513
							\$603,444
							TOTAL

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF GRAND LISTS, TAX EXEMPT PROPERTY,
VETERANS, ELDERLY AND BLIND EXEMPTIONS
1994-2003

	2003	2002	2001	2000	1999(3)	1998	1997	1996	1995	1994
(thousands)										
Gross Grand List:										
Land and Buildings (2)	\$4,482,273	\$4,498,815	\$4,412,462	\$4,402,483	\$4,362,566	\$7,885,603	\$7,908,279	\$7,917,233	\$7,941,610	\$7,906,670
Personal Property	731,144	736,813	767,052	781,371	765,329	758,935	733,216	764,702	708,599	791,040
Motor Vehicles	238,713	261,736	263,655	261,634	250,525	234,493	222,351	218,177	206,143	184,629
Total Gross Grand List	5,452,130	5,497,364	5,443,169	5,445,488	5,378,420	8,879,031	8,863,846	8,900,112	8,856,352	8,882,339
Deduct: Tax Exempt Real Property	1,919,102	1,910,079	1,860,699	1,837,389	1,798,575	3,104,539	3,098,283	3,054,984	3,046,592	2,895,305
Total Grand List	3,533,028	3,587,285	3,582,480	3,608,099	3,579,845	5,774,492	5,765,563	5,845,128	5,809,760	5,987,034
Veterans, Elderly, Blind and Distressed Municipalities Exemptions:										
Land and Buildings	9,289	10,541	11,646	13,462	12,764	16,865	17,732	14,411	15,316	12,507
Personal Property	16,490	15,606	12,569	10,007	14,014	12,387	11,055	10,030	9,585	11,063
Motor Vehicles	5,868	5,007	5,101	4,561	2,221	2,085	2,282	2,627	2,760	2,784
Total Veterans, Elderly, Blind and Distressed Municipalities Exemptions	31,647	31,154	29,316	28,030	28,999	31,327	31,069	27,068	27,661	26,354
Taxable Grand List:										
Land and Buildings	2,553,882	2,578,195	2,540,127	2,551,632	2,551,227	4,764,199	4,792,264	4,847,838	4,879,702	4,998,858
Personal Property	714,654	721,207	754,483	771,364	751,315	746,538	722,161	754,672	699,014	779,977
Motor Vehicles	232,845	256,729	258,554	257,073	248,304	232,428	220,069	215,550	203,383	181,845
Supplemental Motor Vehicle List(1):										
Increase Actual over Estimated										
- Prior List	25,000	23,594	27,991	26,971	26,270	22,750	18,164	18,206	17,054	15,523
Estimated - Current List		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	20,000
Total Taxable Grand List	\$3,526,381	\$3,604,725	\$3,606,155	\$3,632,040	\$3,602,116	\$5,790,915	\$5,777,658	\$5,861,266	\$5,824,153	\$5,986,203
Increase (Decrease) over Prior Year	\$178,344	\$(1,430)	\$(25,885)	\$29,924	\$(2,188,799)	\$13,257	\$(83,607)	\$37,112	\$(172,050)	\$(280,860)
Percentage Increase (Decrease) over Prior Year	(2.17)%	(.04)%	(.71)%	0.83%	(37.80)%	0.23%	(1.43)%	0.64%	(2.87)%	(4.47)%

- (1) Public Act 77-343 allowed municipalities to add a Supplemental Motor Vehicle List to its October 1 taxable Grant List consisting of all motor vehicles registered from October 1 through June 30, with due credit given for all vehicles traded in. Before the Act, these vehicles would not have been assessed until the following October and not taxed until the next fiscal year. At the end of each fiscal year the prior year is adjusted to actual.
- (2) Starting with October 1, 1986 and thereafter, all property is assessed at 70%.
- (3) Decrease in 1999 represents real estate revaluation for properties assessed October 1, 1999.

TABLE 4

CITY OF HARTFORD, CONNECTICUT

ANALYSIS OF TAX EXEMPT PROPERTY

1995 - 2003

(thousands)

BY CATEGORIES	2003	2002	2001	2000	1999	1998	1997	1996	1995
.....
City of Hartford	\$ 528,361	\$ 572,127	\$ 571,691	\$ 590,735	\$ 567,835	\$1,135,675	\$1,148,222	\$1,121,876	\$1,141,644
State of Connecticut	383,554	348,888	310,938	304,620	271,167	489,215	480,227	479,650	490,771
Hospitals and Sanitariums	377,675	366,258	366,181	366,294	368,998	567,917	565,044	555,139	525,579
Colleges and Public Schools	210,226	208,775	202,751	187,946	179,688	254,976	255,216	248,903	248,903
Religious Organizations	104,327	108,681	109,265	105,227	105,146	145,298	145,068	141,802	141,599
Educational, Literary, Scientific, etc...	107,139	104,120	104,928	107,293	106,695	181,274	177,359	175,932	172,240
Exempt by Special Act	8,578	5,244	5,244	5,244	5,243	16,692	16,692	18,322	18,322
Metropolitan District Commission	1,729	1,720	1,720	1,998	1,998	4,293	4,293	4,293	81,567
Connecticut Resource Recovery Authority..	76,111	82,341	76,487	73,346	76,346	206,878	206,877	206,877	130,427
United States of America	48,231	47,249	47,249	46,304	46,304	68,856	68,178	66,584	62,445
Parochial and Evangelical Schools.....	12,380	13,033	13,088	13,107	14,487	18,883	16,743	16,186	16,153
Cemeteries	3,751	3,696	3,696	3,695	3,695	8,995	8,995	13,832	13,832
Public Libraries	9,389	1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522
Organizations of War Veterans	2,126	2,120	2,120	2,119	2,119	4,065	3,847	4,066	1,588
Connecticut Housing Authority	45,525	44,305	43,809	46,287	47,331				
Personal Exemptions:									
Veterans, Elderly, Blind and Distressed									
Municipalities	31,647	31,154	29,968	28,029	28,999	31,326	31,069	27,069	27,661
TOTAL	\$1,950,749	\$1,941,233	\$1,890,657	\$1,883,766	\$1,827,573	\$3,135,865	\$3,129,352	\$3,082,053	\$3,074,253

CITY OF HARTFORD, CONNECTICUTPRINCIPAL TAXPAYERSJUNE 30, 2004

	(thousands) 70 Percent Assessment	Percent of Net Taxable Grand List 10/01/2003
Hartford Fire Insurance Company.....	\$123,869	3.54%
Travelers Insurance Company.....	106,274	3.04
Connecticut Light and Power.....	89,731	2.56
Aetna Life Insurance Company.....	82,436	2.35
City Place I Limited Partnership.....	65,189	1.86
New Boston Trust & Pearl.....	57,375	1.64
Fleet Bank NA (Fleet Boston Financial).....	56,169	1.60
State House Financial.....	53,286	1.52
Hartford Steam Boiler.....	43,722	1.25
Bank of Boston, CT.....	<u>41,073</u>	<u>1.17</u>
TOTAL	<u>\$719,124</u>	<u>20.53%</u>

TABLE 6

CITY OF HARTFORD, CONNECTICUT

PERCENT OF BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

FISCAL YEAR	U.S. CENSUS ESTIMATED POPULATION	YEAR OF GRAND LIST	..... (thousands)	ASSESSED VALUATION OCTOBER 1	BONDED DEBT	PERCENTAGE OF BONDED DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1994-95.....	139,980	1993		\$6,277,063	\$108,275	1.72%	\$ 774
1995-96.....	135,359	1994		5,996,203	117,390	1.96	867
1996-97.....	133,086	1995		5,824,154	131,460	2.26	988
1997-98.....	133,086	1996		5,861,266	148,595	2.54	1,117
1998-99.....	133,086	1997		5,777,658	163,465	2.83	1,228
1999-00.....	133,086	1998		5,795,094	168,485	2.91	1,266
2000-01 ¹	121,578	1999		3,602,117	176,480	4.90	1,452
2001-02.....	124,180	2000		3,632,041	160,425	4.42	1,292
2002-03.....	124,588	2001		3,606,156	147,020	4.08	1,180
2003-04.....	124,387	2002		3,604,725	132,505	3.68	1,065

¹ Decrease in fiscal year 2000-01 represents real estate revaluation for properties assessed October 1, 1999.

CITY OF HARTFORD, CONNECTICUT

ANALYSIS OF PROPERTY TAX COLLECTIONS TO DATE
FOR GRAND LISTS 1993 TO 2002
AS OF JUNE 30, 2004

GRAND LIST OF OCTOBER 1	YEAR ENDED JUNE 30	GRAND LIST*	TAX ¹ RATES	ORIGINAL*	ADJUSTED TO DATE*	.....TAX TO DATE..... COLLECTED*	UNCOLLECTED*	...PERCENT COLLECTED... DURING YEAR OF LEVY	TO DATE
1993	1995	\$6,277,063	34.4	\$215,922	\$201,386	\$201,206	\$ 180	94.85%	99.91%
1994	1996	5,996,203	33.4	200,273	188,214	187,900	314	92.87	99.83
1995	1997	5,824,154	32.4	188,702	179,215	178,896	319	92.51	99.82
1996	1998	5,861,266	31.4	184,044	172,264	171,921	343	93.26	99.80
1997	1999	5,777,658	29.9	172,638	164,545	164,188	357	93.97	99.78
1998	2000	5,795,094	29.5	170,955	163,688	163,293	395	94.62	99.76
1999 ²	2001	3,602,117	47.0	169,314	163,204	162,283	921	95.23	99.44
2000	2002	3,634,644	48.0	174,464	168,065	166,203	1,862	95.11	98.89
2001	2003	3,606,156	48.0	173,465	169,117	164,573	4,544	93.28	97.31
2002	2004	3,604,725	52.9	190,227	185,277	175,153	10,124	94.54	94.54

¹ Per \$1,000 of Assessed Value² Decrease for the fiscal year ended June 30, 2001 represents real estate revaluation for properties assessed October 1, 1999.

* presented in thousands

TABLE 8

CITY OF HARTFORD, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS
DURING FISCAL YEARS 1994-95 TO 2003-04
AS OF JUNE 30, 2004¹

ENDED JUNE 30	ADJUSTED TAX LEVY*	TAX COLLECTIONS*	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS ALL LISTS*	TOTAL TAX COLLECTIONS*	TOTAL TAX COLLECTIONS AS PERCENT OF ADJUSTED LEVY	OUTSTANDING DELINQUENT TAXES ALL LISTS*	OUTSTANDING DELINQUENT TAXES AS PERCENT OF ADJUSTED LEVY
1995	\$205,241	\$194,680	94.9%	\$11,771	\$206,451	100.59%	\$24,640	12.01%
1996	193,450	179,663	92.9	5,196	184,859	95.56	29,558	15.28
1997	184,788	170,953	92.5	7,462	178,415	96.55	33,805	18.29
1998	176,296	164,416	93.3	7,942	172,358	97.77	32,780	18.59
1999	168,186	158,040	94.0	8,493	166,533	99.01	28,916	17.19
2000	166,796	157,828	94.6	6,985	164,813	98.81	27,416	16.44
2001	165,083	157,206	95.2	6,557	163,763	99.20	21,707	13.15
2002	169,964	161,646	95.1	5,908	167,554	98.58	19,455	11.45
2003	170,342	158,888	93.3	7,097	165,985	97.44	20,192	11.85
2004	185,277	175,153	94.5	5,643	180,796	97.58	19,894	10.74

¹ Tax levy and collection activity during year of original levy only. Not updated for subsequent years' adjustments or collections.

* presented in thousands

TABLE 9

CITY OF HARTFORD, CONNECTICUT

PERCENTAGE ANALYSIS OF ACCUMULATED TAX COLLECTIONS
TO ADJUSTED TAX LEVIES - BY YEAR
AS OF JUNE 30, 2004

FOR GRAND LIST OF	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS
1988	95.86	97.67	98.16	98.49	99.71	99.85	99.89	99.91	99.93	99.94
1989	92.57	95.46	96.98	98.50	99.17	99.59	99.64	99.74	99.82	99.85
1990	92.18	95.39	97.35	98.69	99.21	99.31	99.49	99.68	99.73	99.89
1991	92.58	95.82	98.36	98.80	99.01	99.27	99.53	99.61	99.80	99.82
1992	93.63	97.39	98.07	98.61	99.02	99.36	99.50	99.76	99.80	99.90
1993	94.85	96.97	98.00	98.67	99.15	99.38	99.73	99.79	99.90	99.91
1994	92.87	95.70	97.30	98.30	98.77	99.27	99.59	99.73	99.83	
1995	92.51	95.90	97.70	98.38	99.14	99.53	99.71	99.82		
1996	93.26	96.62	97.88	98.93	99.44	99.68	99.80			
1997	93.97	96.84	98.33	99.13	99.66	99.78				
1998	94.62	97.36	98.72	99.53	99.76					
1999	95.23	97.87	98.83	99.44						
2000	95.11	98.17	98.89							
2001	93.28	97.31								
2002	94.54									

CITY OF HARTFORD, CONNECTICUTSTATEMENT OF DEBT LIMITATION
JUNE 30, 2004

(thousands)

Total tax collections (including interest and penalties)						\$183,407
State reimbursement for:						
Tax relief for elderly - freeze						20
Total						<u>\$183,427</u>
Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	
Factor multiplied times base:						
2-1/4	\$412,711					
4-1/2		\$825,422				
3-3/4			\$687,851			
3-1/4				\$596,138		
3						\$550,281
Total debt limitation ..	<u>412,711</u>	<u>825,422</u>	<u>687,851</u>	<u>596,138</u>	<u>550,281</u>	
Debt, as defined by Statute:						
Bonds payable	43,793	88,712				
Bonds authorized unissued	95,030	162,340				
Overlapping debt. School building grants receivable			24,768			
		(32,305)				
Total indebtedness	<u>138,823</u>	<u>218,747</u>	<u>24,768</u>			
Debt limitation in excess of outstanding and authorized debt ..	<u>\$273,888</u>	<u>\$606,675</u>	<u>\$663,083</u>	<u>\$596,138</u>	<u>\$550,281</u>	

Note: Total indebtedness above amounts to \$382 million but in no event shall total indebtedness exceed \$1.3 billion (seven times the base for debt limitation computation).

School Building Grants totaling \$32.3 million are applicable to outstanding bond issues. It is estimated that approximately 75% of authorized education project costs will be funded through State of Connecticut progress payments.

CITY OF HARTFORD, CONNECTICUTSTATEMENT OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2004

(thousands)

Direct debt:		
Gross debt - City of Hartford.....		\$132,505
Overlapping debt:		
Gross debt - Metropolitan District.....	\$117,897	
Less: Self liquidating water bonds.....	\$21,776	
Hydroelectric water bonds.....	600	
Headquarters building bonds.....	1,111	
Information system bonds.....	2,596	
Maxim Road renovations.....	1,521	
GIS Landbase Software.....	375	
Vehicle maintenance facility		
bonds.....	856	28,835
Total overlapping debt	89,062	
City's share.....	x 27.81%	24,768
Total direct and overlapping debt.....		<u>\$157,273</u>

PAYMENTS TO METROPOLITAN DISTRICTLAST TEN FISCAL YEARS

<u>YEAR</u>	<u>FISCAL AMOUNT</u>	<u>PERCENTAGE OF M.D.C. ASSESSMENT</u>
1995	\$8,626	39.06%
1996	8,533	38.70
1997	8,638	37.23
1998	8,298	35.46
1999	7,982	33.47
2000	7,642	32.09
2001	7,531	30.97
2002	7,642	29.79
2003	7,065	28.96
2004	7,138	27.81

TABLE 12

CITY OF HARTFORD, CONNECTICUT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL (thousands)		RATIO ON BONDED DEBT SERVICE TO GENERAL FUND EXPENDITURES
			TOTAL BONDED DEBT SERVICE	TOTAL(1) GENERAL FUND EXPENDITURES	
1994-95	\$12,195	\$7,011	\$19,206	\$434,522	4.42
1995-96	10,885	6,808	17,693	422,994	4.18
1996-97	10,930	7,310	18,240	406,774	4.48
1997-98	12,165	7,245	19,410	405,241	4.79
1998-99	13,630	8,488	22,118	420,034	5.27
1999-00	14,980	8,292	23,272	442,524	5.26
2000-01	15,005	8,478	23,483	444,002	5.29
2001-02	16,055	8,732	24,787	445,993	5.56
2002-03	14,830	7,898	22,728	431,416	5.27
2003-04	14,515	6,700	21,215	433,771	4.89

(1) Includes encumbrances

CITY OF HARTFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES AND FUND BALANCES - GENERAL FUND
BUDGET BASIS
LAST TEN FISCAL YEARS

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Appropriations:										
Original	\$425,316	\$422,407	\$435,364	\$422,666	\$425,104	\$422,352	\$405,875	\$413,827	\$430,183	\$441,309
Additional	11,496	9,025	13,682	21,357	18,182	(1,480)	3,692		2,207	
Total	436,812	431,432	449,046	444,023	443,286	420,872	409,567	413,827	432,390	441,309
Less: Expenditures ..	433,392	429,978	443,215	439,585	438,746	408,216	398,102	400,789	419,458	428,058
Unexpended										
Appropriations	3,420	1,454	5,831	4,438	4,540	12,656	11,465	13,038	12,932	13,251
Total revenue	433,673	430,722	454,787	454,189	451,202	448,068	436,884	425,954	439,220	453,199
Less: Estimated										
revenue	425,316	422,407	435,364	425,861	425,105	422,352	405,875	413,827	430,183	441,309
Excess (deficiency)										
revenue over	8,357	8,315	19,423	28,328	26,097	25,716	31,009	12,127	9,037	11,890
estimated	11,777	9,769	25,254	32,766	30,637	38,372	42,474	25,165	21,969	25,141
Total										
Deductions:										
Additional										
appropriations ..	11,496	9,025	13,682	21,357	18,182	(1,480)	3,692		2,207	
Prior year	(751)	(2,220)	(1,549)	(1,225)	(4,709)	(1,552)	(1,123)	(478)	(689)	(812)
(credits) charges	379	1,438	2,778	4,417	3,778	11,817	7,139	5,985	3,535	6,464
Reserve for										
encumbrances	11,124	8,243	14,911	24,549	17,251	8,785	9,708	5,507	5,053	5,652
Total										
Increase in fund	653	1,526	10,343	8,217	13,386	29,587	32,766	19,658	16,916	19,489
balance										
Prior year unbudgeted	20,440	22,814	17,811	31,400	33,121	27,467	17,071	14,674	10,797	7,639
fund balance										
Unreserved fund										
balance	\$ 21,093	\$ 24,340	\$ 28,154	\$ 39,617	\$ 46,507	\$ 57,054	\$ 49,837	\$ 34,332	\$ 27,713	\$ 27,128

CITY OF HARTFORD, CONNECTICUT

GENERAL FUND - COMPARATIVE BALANCE SHEET

BUDGET BASIS

 (thousands) |

	2004	2003	2002*	2001	2000	1999	1998	1997	1996	1995
FOR THE YEAR ENDED JUNE 30,										
<u>A S S E T S</u>										
Cash and cash equivalents ..	\$ 61,020	\$ 58,304	\$ 73,037	\$ 65,038	\$ 72,474	\$ 90,725	\$ 71,150	\$52,465	\$40,095	\$41,556
Due from other funds	4,792	6,273	4,064	18,054	6,365	4,313	3,305	3,318	2,408	1,778
Uncollected property taxes	15,001	9,119	8,955	21,707	27,416	28,916	32,780	33,805	29,558	24,640
Uncollected interest on property taxes	5,740	3,156	3,505							
Due from governmental units					33	93	1,318	150	2,989	3,922
School building grants receivable	32,305	35,545	44,616							
Due from individuals and others	6,326	3,889	3,928	1,180	985	5,220	2,412	1,831	5,107	6,484
TOTAL	\$125,184	\$116,286	\$138,105	\$105,979	\$107,273	\$129,267	\$110,965	\$91,569	\$80,157	\$78,380
L I A B I L I T I E S										
A N D										
F U N D B A L A N C E										
Liabilities	\$103,712	\$106,322	\$ 61,244	\$ 56,087	\$ 58,748	\$ 52,833	\$50,807	\$48,495	\$44,617	
Fund balance:										
Reserve for encumbrances	379	1,453	3,629	5,118	4,679	13,465	8,295	6,430	3,949	6,635
Unreserved	21,093	24,340	28,154	39,617	46,507	57,054	49,837	34,332	27,713	27,128
TOTAL	\$125,184	\$116,286	\$138,105	\$105,979	\$107,273	\$129,267	\$110,965	\$91,569	\$80,157	\$78,380

* First year of implementation - GASB #34 The New Reporting Model

TABLE 15

CITY OF HARTFORD, CONNECTICUT

GENERAL FUND REVENUES

BUDGET BASIS

LAST TEN FISCAL YEARS

SOURCE	(thousands)									
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General property tax	\$183,048	\$172,279	\$171,219	\$170,869	\$169,149	\$171,224	\$176,940	\$181,523	\$187,215	\$209,611
Other local taxes	1,798	563	248	232	208	197	218	120	184	144
Licenses and permits	6,890	4,656	3,846	3,864	4,443	3,807	2,970	3,219	2,690	2,801
Fines, forfeits and penalties	1,619	1,772	1,348	1,579	1,305	1,522	1,465	1,297	1,076	1,207
Use of money and property	5,315	11,407	9,158	13,937	14,681	15,685	16,264	14,552	12,293	12,254
Intergovernmental revenue	213,507	219,100	232,957	233,006	225,410	221,040	210,934	199,291	204,327	207,770
Charges for services	3,562	2,202	5,739	4,649	4,452	4,158	4,545	6,251	7,173	6,104
Reimbursements	10,418	13,194	8,304	7,570	7,361	7,606	6,079	6,428	7,050	8,550
Other revenues (1)	4,367	207	262	181	239	460	208	234	881	294
Total budgetary revenues	430,524	425,380	432,981	435,887	427,268	425,699	419,623	412,915	422,889	448,735
Budgeted fund balance	3,900	5,342	21,806	18,301	23,934	22,369	17,261	13,039	16,331	4,464
TOTAL	\$434,424	\$430,722	\$454,787	\$454,188	\$451,202	\$448,068	\$436,884	\$425,954	\$439,220	\$453,199

(1) Excludes prior year encumbrance liquidations

TABLE 16

CITY OF HARTFORD, CONNECTICUT

GENERAL FUND EXPENDITURES (1)
BUDGET BASIS
LAST TEN FISCAL YEARS
(thousands)

FUNCTION	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General government.....	\$ 15,607	\$ 17,265	\$ 18,407	\$ 19,567	\$ 20,765	\$ 21,720	\$ 19,223	\$ 17,584	\$ 12,015	\$ 11,200
Public safety.....	61,746	63,802	65,890	64,073	65,645	58,277	56,120	55,460	55,890	56,819
Infrastructure and leisure services (2) ...	21,839	23,131	26,260	26,959	27,030	27,077	25,546	26,267	30,714	30,893
Development and community affairs (2) ..	944	1,520	1,855	1,394	1,789	3,037	3,084	2,685	2,640	3,150
Human services	7,246	8,281	11,809	11,695	12,222	12,935	11,864	20,997	30,390	43,551
Education.....	196,157	199,712	200,079	197,056	191,877	184,004	179,300	175,460	174,677	171,100
Sundry:										
Pension										
contributions (3)	11,156	6,982	5,402	6,430	13,203	15,023	15,616			
Transfers to other										
funds.....	6,512	5,395	5,732	5,635	9,228	7,166	6,689	20,687	22,247	17,094
Civic and cultural....	943	1,088	1,519	2,024	1,763	1,026	907	899	433	409
Debt service.....	21,215	24,637	25,399	24,095	23,884	22,758	20,022	19,262	19,223	21,294
Payments to other										
governmental										
agencies.....	7,473	7,398	7,728	7,852	7,968	8,274	8,598	8,926	8,811	8,912
Employee benefits.....	71,427	62,104	66,169	64,045	54,435	45,389	44,630	45,464	47,079	50,698
Property and casualty										
insurance.....	6,887	5,734	5,443	6,949	6,388	5,406	5,465	5,096	4,122	5,730
Claims and all others.	4,619	4,365	4,301	6,228	6,327	7,941	8,177	7,987	14,753	13,672
TOTAL.....	\$433,771	\$431,414	\$445,993	\$444,002	\$442,524	\$420,033	\$405,241	\$406,774	\$422,994	\$434,522

(1) Includes encumbrances.

(2) Function name changed in 1994.

(3) Pension contributions were previously included in transfers to other funds.

CITY OF HARTFORD, CONNECTICUTSALARIES OF PRINCIPAL OFFICIALS
JUNE 30, 2004

	.....SALARY.....	
Mayor	\$125,000	
Council Members	\$15,000	
	....SALARY RANGE....	
	<u>MINIMUM</u>	<u>MAXIMUM</u>
Chief Auditor	\$ 65,000	\$ 95,000
Chief of Police	92,000	140,000
Chief Operating Officer	105,000	168,000
City Assessor	70,000	105,000
City Treasurer	75,000	113,000
Corporation Counsel	105,000	168,000
Director of Development	70,000	105,000
Director of Finance	92,000	140,000
Director of Health and Human Services	92,000	140,000
Director of Licenses and Inspections	70,000	105,000
Director of Personnel	81,000	140,000
Director of Public Works	92,000	140,000
Fire Chief	92,000	140,000
Registrars of Voters	55,000	85,000
Superintendent of Schools		168,730
Tax Collector	56,160	72,202
Town and City Clerk	60,000	90,000
Traffic Engineer	60,000	90,000

Note: Salaries do not include longevity payments

CITY OF HARTFORD, CONNECTICUTINSURANCE IN FORCE
JUNE 30, 2004

Athletic insurance:			
Interscholastic sports	Limits:	\$5,000	Principal sum
		\$10,000	Capital sum
		\$20,000	Medical expenses
Hartford pre-school	Limits:	\$2,000	Principal sum
		\$10,000	Medical expenses
City midget football	Limits:	\$5,000	Accidental death
		\$10,000	Dismemberment
		\$20,000	Medical
Automobile:			
Comprehensive Automotive Liability	Limits:	\$1,500,000	Combined single limit
		\$500,000	Self insured retention
Boiler and machinery:			
City of Hartford	Limits:	\$75,000,000	Per accident
			Deductible: \$10,000
Depositors forgery:			
Covers checks issued by City	Limits:	\$1,000,000	
Property:			
City of Hartford, Hartford Public Schools, American Airlines Plaza, and Hartford Public Library:			
Blanket limit of insurance for building, contents, rental value, demolition coverage	Limits:	\$822,934,739	Deductible:
			\$100,000 per occurrence
			\$300,000 per aggregate per year
Monies and securities:			
Inside coverage and outside coverage	Limits:	N/A	Various per locations
			Deductible: \$10,000
Public employees fidelity:			
Employee theft	Limits:	\$1,500,000	Deductible: \$50,000 per Loss

(Continued) - 1.

CITY OF HARTFORD, CONNECTICUTINSURANCE IN FORCE (CONTINUED)
JUNE 30, 2004

General liability:		
Basic comprehensive general liability	Limits: \$5,000,000	General aggregate Limit
Including products, personal injury, broad form contractual	\$1,500,000	Each occurrence Limit
		Self insured retention: \$500,000
Riot liability	Limits: \$5,000,000	Aggregate Self insured retention: \$500,000
Educators legal liability:		
Professional liability	Limits: \$2,000,000	Deductible: \$5,000 each loss
Public officials liability:		
Professional liability	Limits: \$2,000,000	Deductible: \$400,000 each loss
Surety bonds:		
Blanket bond for all personnel	Limits: \$1,500,000	Deductible: \$50,000
Tax Collector and Treasurer	Limits: \$1,500,000	Each
Workers' compensation:		
Excess	Limits: \$10,000,000	Self insurance retention: \$1,000,000
Umbrella:		
Excess	Limits: \$25,000,000	General aggregate
General liability	\$25,000,000	Per occurrence
Auto liability		Deductible: \$10,000
Employers liability		(applicable to losses not covered in underlying policies)
Professional liability		

(Concluded) - 2.

CITY OF HARTFORD, CONNECTICUT

MISCELLANEOUS STATISTICS DATA

JUNE 30, 2004

Date of incorporation	May, 1784	Police Protection:	
City Charter adopted	May 1, 1947	Police stations	4
Form of government	Mayor-Council*	Employees:	
Fiscal year begins	July 1 st	Law enforcement	386
Population	Official U.S. Census	Civilian	72
	1900 79,850	School crossing guards	92
	1910 98,915	Elections:	
	1920 138,036	Registered voters	43,358
	1930 164,072	November, 2003 election:	
	1940 166,329	Register voters	44,179
	1950 177,397	Number of votes cast	11,106
	1960 162,178	Percentage voting	25.14%
	1970 158,017	Recreation:	
	1980 135,080	Parks, public squares, and acres:	
	1990 139,739	Acres of park land with trees	2,064
	2000 121,578	Area of urban forest	5,000
Area of City	18.4 square miles	Driving range	1
Miles of streets:		Number of acres mowed	503
Paved	211	Municipal golf links (18 & 27 holes)	2
Miles of sidewalks	352	Municipal tennis courts	27
Miles of curbstones	436	Municipal swimming pools:	
Number of street lights	9,559	Outdoor	6
Number of parking meters	1,576	Indoor	2
Municipal employees:		Bathing beach	1
(Inclusive of part-time,		Municipal stadium	1
exclusive of Library and		Community centers	6
Board of Education)	1,855	Recreation centers	8
Construction permits:	4715	Athletic fields maintained	46
Permits issued	4,810	Basketball courts:	
Total permit value	\$119,309,633	Outdoor	32
Fire protection:		Indoor	2
Fire companies	17	Picnic areas (with grills and tables)	3
Fire stations	12	Rose garden	2
Other department buildings:		Lawn bowling green	1
Training academy complex	1	Boat launch	3
Maintenance buildings	1	Municipal cemeteries	5
Private fire alarm boxes	280	Municipal parking garages:	
EVCS boxes	77	Capacity - cars:	
Fire hydrants	2,619	Church Street Garage	1,300
Employees:		M.A.T. garage	975
Uniformed	358	Morgan Street Garage	2,290
Civilian	10		

*Effective January 1, 2004

(Continued) - 1.

CITY OF HARTFORD, CONNECTICUT
MISCELLANEOUS STATISTICS DATA (CONTINUED)

JUNE 30, 2004

Library:	
Main building	1
Branches	9
Library on wheels	1
Employees:	
Regular	86
Part-time	75
Education:	
Central Administration Building	1
Maintenance building	1
Life Careers Center	1
Adult education	2
Schools:	
High	3
Middle	4
Elementary	26
Interdistrict Magnet	4
Students (as of 10/01/03):	
Elementary, Pre-K-6	13,813
Middle, 7-8	3,580
High, 9-12	4,923
Special Programs	<u>262</u>
Total in district	22,578
Out of district	<u>2,036</u>
Total	<u>24,614</u>
Personnel:	
Teachers	1,924
Administrative	171
Paraprofessionals and clerical	660
Dental hygienists and nurses	65
All other	632
Special services:	
Security personnel	76
Cafeteria personnel	121
Custodial	<u>197</u>
Total	<u>3,846</u>
Civic Center:	
Coliseum:	
Seating capacity:	
Hockey and arena football	14,660
Basketball	15,418
Stage	16,166
Gross square feet:	
Assembly hall	16,000
Exhibition hall	54,000
Meeting rooms	9

(Concluded) - 2.

TABLE 20

CITY OF HARTFORD, CONNECTICUTDEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION ¹	PER CAPITA INCOME	MEDIAN AGE	SCHOOL ENROLLMENT ⁴	UNEMPLOYMENT RATE ⁵
1995	139,739	N/A	36.0 ³	26,410	9.4%
1996	139,739	N/A	36.0 ³	24,730	9.7
1997	133,086	\$13,271 ¹	30.5 ¹	24,441	11.2
1998	133,086	\$13,271 ¹	30.5 ¹	24,186	6.6
1999	133,086	\$13,271 ¹	30.5 ¹	23,734	6.7
2000	133,086	\$13,271 ¹	30.5 ¹	24,278	5.0
2001	121,578	\$11,081 ¹	28.4 ¹	24,420	5.3
2002	124,180	\$13,428 ¹	29.7 ²	24,479	7.6
2003	124,588	\$13,428 ¹	32.5 ¹	24,598	9.2
2004	124,387	\$13,428 ¹	29.7 ¹	24,614	10.8

Sources: ¹ U.S. Department of Commerce, Bureau of the Census
² Department of Economic and Community Development - State of Connecticut.
³ Annual Survey of Sales and Marketing management
⁴ Hartford Board of Education
⁵ Connecticut Labor Department, Employment Security Division, Research and Statistics.

TABLE 21

CITY OF HARTFORD, CONNECTICUT
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

FISCAL YEAR	LAST TEN FISCAL YEARS (thousands)									
	COMMERCIAL.....CONSTRUCTION.....		RESIDENTIAL.....CONSTRUCTION.....		BANK DEPOSITS	.....PROPERTY VALUE.....		NONTAXABLE	
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE		COMMERCIAL AND RESIDENTIAL	COMMERCIAL AND RESIDENTIAL			
1995	30	\$90,132	3	\$ 380	\$7,683,405 ¹		\$7,906,670	\$2,907,812		
1996	5	4,466	18	3,136	N/A		7,941,610	3,061,958		
1997	15	14,809	42	1,159	N/A		7,917,233	3,069,395		
1998	35	8,669	135	8,413	N/A		7,908,279	3,116,015		
1999	34	34,606	59	6,843	N/A		7,885,603	3,121,404		
2000	21	26,496	44	3,699	N/A		4,362,566	1,811,339		
2001	32	39,336	47	4,743	N/A		4,402,483	1,864,313		
2002	39	56,233	57	3,460	6,134,496 ²		4,412,462	1,872,335		
2003	38	24,670	84	9,226	7,474,593 ²		4,498,815	1,920,620		
2004	18	70,778	128	12,369	7,655,004 ²		4,482,273	1,928,391		

Source: ¹ Sheshunoff Information Service, Inc.
² Federal Deposit Insurance Corporation

CITY OF HARTFORD, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

FISCAL YEAR	LAST TEN FISCAL YEARS (thousands)										RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	REAL PROPERTY ESTIMATED VALUE	ASSESSED VALUE	PERSONAL PROPERTY ESTIMATED ACTUAL VALUE ¹	ASSESSED VALUE	TOTALS ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	
1995-96	\$4,998,858	\$7,141,226	\$ 961,822	\$1,374,031	\$5,960,680	\$8,515,257					70.0
1996-97	4,879,702	6,971,003	902,398	1,289,136	5,782,100	8,260,139					70.0
1997-98	4,847,838	6,925,483	970,222	1,386,031	5,818,060	8,311,514					70.0
1998-99	4,792,264	6,846,091	942,230	1,346,043	5,734,494	8,192,134					70.0
1999-00	4,764,199	6,805,999	978,969	1,398,527	5,743,168	8,204,526					70.0
2000-01(1)	2,551,227	3,644,610	999,620	1,428,028	3,550,847	5,072,638					70.0
2001-02	2,551,632	3,645,188	1,028,438	1,469,197	3,580,070	5,114,385					70.0
2002-03	2,540,127	3,628,753	1,013,038	1,447,197	3,553,165	5,075,950					70.0
2003-04	2,578,195	3,683,136	977,936	1,397,053	3,556,131	5,080,189					70.0
2004-05	2,553,882	3,648,403	947,499	1,353,570	3,501,381	5,001,973					70.0

(1) Decrease in fiscal year 2000-01 represents real estate revaluation for properties assessed October 1, 1999.

Sources: M-13 ¹Excludes supplemental motor vehicle list.

CITY OF HARTFORD, CONNECTICUT

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

GRAND LIST OF OCTOBER 1,	YEAR ENDED JUNE 30,	.....(IN THOUSANDS)..... GRAND LIST	PAYMENTS TO OVERLAPPING GOVERNMENTS	METROPOLITAN DISTRICT COMMISSION	TAX RATE ¹ APPLICABLE TO..... GENERAL FUND OPERATIONS	TOTAL
1993	1995	\$6,277,063	\$8,626	1.38	33.02	34.40
1994	1996	5,996,203	8,533	1.43	31.97	33.40
1995	1997	5,824,154	8,638	1.48	30.92	32.40
1996	1998	5,861,266	8,298	1.42	29.98	31.40
1997	1999	5,777,658	7,982	1.38	28.50	29.88
1998	2000	5,790,916	7,642	1.32	28.18	29.50
1999 ²	2001	3,602,117	7,531	2.09	44.91	47.00
2000	2002	3,632,041	7,642	2.10	45.90	48.00
2001	2003	3,606,156	7,065	1.96	46.04	48.00
2002	2004	3,604,725	7,138	1.98	50.94	52.92

¹ Per \$1,000 of Assessed Valuation.² The decrease in the Grand List and the increase in the Tax Rate represents real estate revaluation for properties assessed October 1, 1999.

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