

# CITY OF HARTFORD, CONNECTICUT

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# CITY OF HARTFORD

## DEPARTMENT OF FINANCE

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**EDDIE A. PEREZ**  
Mayor

**THOMAS J. MORRISON III**  
Director

December 28, 2007

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, 2007. 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.

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 has been included as a discretely presented component unit 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 an estimated 124,512 residents in an 18.4 square mile area. The City lies on the west bank of the Connecticut River, midway between New York and Boston. Effective January 1, 2004, the adoption of a new city charter replaced the Council-Manager form of government with the Mayor-Council form. Under the new structure the City Manager became the Chief Operating Officer and department heads are now appointed by the Mayor and subject to confirmation by the City Council. As of January 1, 2004, the Mayor is the Chief Executive Officer. Nine Council members are elected at large for 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 2006, 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 Metropolitan District Commission ("MDC") provides water supply and sewage collection services to the City. The MDC was created by the Connecticut General Assembly in 1929 and operates as a quasi-municipal corporation of the State of Connecticut. The District's primary purpose is to provide reliable systems of water supply and sewage collection, treatment and disposal for its member municipalities. The eight member towns include the City and the surrounding towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor. The District also provides sewage disposal facilities and supplies water under special agreements to certain towns, or areas therein, which are not members of the District.

## **ECONOMIC CONDITION AND OUTLOOK**

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

The City's Grand List increased by 2.36% as of October 1, 2006 due to increases in real property of 3.09% and motor vehicle of 3.80% and a decrease in personal property of 1.00%.

The mission of the City's Economic Development Commission is to create an environment in Hartford that is conducive to growing and attracting business into all of the City's neighborhoods. The following progress was made in the 2006-2007 fiscal year:

## **Major Initiatives**

During the period 2006-2007, the City of Hartford continued to experience favorable job growth, increasing levels of confidence and sustained capital investments. Several new projects were completed during this timeframe and others are planned for the short term and the intermediate term. Most of the projects continued to be funded by private sector funding sources and others with a combination of both public and private dollars. Listed below are examples of some of the recently completed major projects, those under construction and those on the horizon.

### **Major Projects- Recently Completed:**

- Hartford 21: 36-story residential tower and retail space downtown - a \$160 million project funded with both private and public dollars
- Connecticut Culinary Institute – renovation of the former Hastings Hotel – an \$11 million project completed with private dollars
- Restaurant Depot - \$2.5 million dollar restaurant warehouse operation employing 50 employees in a 45,000 square foot facility - privately funded
- Hart Subaru – a new car dealership in the North Meadows employs over 35 employees
- Sage Allen: market rate apartments and student housing on Main Street is now complete – both publicly and privately funded
- Homewood Suites Hilton - conversion of the former Bond Hotel into 116 suites. This project was funded privately

### **Major Projects- Underway and on the Horizon:**

- The City received proposals for the purchase and renovation of a City owned property located at 95-101 Pearl Street and is in the process of scheduling interviews to designate a developer for this property
- One American Plaza: former office building being renovated into 89 condominiums
- Connecticut Center for Science and Exploration: major attraction at Adriaen's Landing scheduled opening 2008
- Liberty Mazda - a \$5.8 million project is a 19,000 square feet automotive retail facility that is under construction and is targeted for completion in the first quarter of 2008
- Front Street - 115 units of residential, 60,000 square feet of retail and entertainment space construction expected to commence shortly. The project is funded by both private and public funds
- Best Western - ground breaking and new construction of this 78 room, 8 stories, \$10,000,000 development is on schedule for the spring of 2008 and is privately funded
- 20 Church Street - renovation of this unique structure, with the aim of reclaiming its Class A status this project is funded privately

The increase in economic activity has had a significant impact on the Class A commercial vacancy rate in the central business district. This coupled with the increase in the availability of downtown housing and other homeownership developments throughout the City is intended to promote further growth and economic prosperity.

Linkages between downtown and the surrounding neighborhoods are ongoing. The proposed City Public Safety Complex is just to the north of the CBD. Construction of this project is scheduled to begin in the spring of 2008. This facility will bridge downtown and the Clay-Arsenal neighborhood. The City is actively marketing a 6.275-acre City owned commercial site for corporate development. This parcel just north of I-84 will result in the expansion of downtown. South of downtown, the City will be facilitating a major mixed-use development at the corner of Park and Main Street.

**Insurance and Financial Services:** Hartford is still considered a strategic location for the financial services industry, and during this time period a number of significant developments occurred. Aetna Insurance is moving forward with the expansion and relocation plans of its workforce from Middletown back into the City. By 2009, 3,400 jobs will be added and over \$150 million invested in its campus. Lincoln Financial also committed to the City by signing a long-term lease to retain 300 jobs within the City. Prudential Insurance also agreed to remain in the capital City at 280 Trumbull Street. New entrants into the Hartford area included GlobeOp Financial Services at Goodwin Square and First Light Powers Sources at 20 Church Street.

**Urban Land Institute:** The City of Hartford through the Department of Development Services and in collaboration with the Metro Hartford Alliance invited a panel from the Urban Land Institute (ULI). The objective of the panel includes identifying scenarios consistent with market realities for the development of connections with a large area adjacent to downtown I-91/I-84. The opportunities identified are required to be sensitive to adjoining neighbors. The group visited the capital city September 24 – 28, 2007 and provided a draft of their findings.

**Brownfield Efforts:** In FY 2006-2007, the Economic Development Division continued to play an active role on the Metro Hartford Brownfield's Committee with the primary purpose of securing funding for the assessment of land within the City, in addition, to providing shovel ready sites for development. The Division was successful in securing funding for assessment of two sites. A redevelopment site and a privately owned parcel received funding for Phase III and Phase I assessments.

**Economic Development Division Accomplishments:** The function of the division is to provide services to local businesses utilizing a three-prong approach. The business outreach program performed by the three sectors within the division continues to be effective and has yielded tremendous results. This is a vital component of the business retention and expansion efforts. The accomplishments for the three areas of focus: Small Business Development, Corporate Development and Neighborhood Development/ Redevelopment are listed below.

**Small Business Development:** The goal of the Small Business Development Program is to provide technical assistance to neighborhood businesses and entrepreneurs interested in starting new businesses in the city. Services are provided by a team of Small Business Specialists assigned to specific geographic areas that walk the commercial corridors and build productive relationships with business owners. Examples of services provided include permitting assistance, business planning, loan packaging and quality of life concerns.

Small Business Specialists are positively impacting the commercial corridors and improving the business climate in the city. Progress will continue by utilizing a low-tech, high-touch approach. Small Business Specialists' one business at a time, one block at a time approach helps to sustain businesses that are critical to the health of urban neighborhoods. In addition, assistance provided to first time entrepreneurs increases the likelihood of successful businesses ventures, which add life and vitality to the city. During this period, approximately 150 new businesses ventures started.

**Corporate Development:** The Economic Development Division works with industrial companies, commercial service firms, chain retailers and large housing development to help retain and create new jobs. It spurs investment in the city by identifying and delivering resources, by working with a wide variety of service providers, including private banks, State of Connecticut, development agencies, electric and gas utility companies along various workforce development agencies. In addition, site selection assistance is provided directly to businesses and their real estate representatives to ensure that Hartford is considered for expansion and recruitment opportunities.

Special emphasis in the corporate area is placed on the Insurance and Financial Services Cluster. This includes not only banks and insurance companies, but also the small professional firms that support these major financial service companies. In the industrial area, opportunities for warehousing and distribution are of importance given the city's proximity to major interstates and a ready workforce. As a result of the transition from a manufacturing to a service sector economy, the City will continue to work with developers and site selectors to identify suitable and sustainable economic opportunities. During this past year, 810 jobs were retained and 1,615 jobs were created in this area.

**Neighborhood Development and Redevelopment:** Neighborhood Development efforts center on providing assistance to developers and neighborhood groups to ensure that blighted and underutilized properties are renovated and put back to productive reuse. In addition to providing technical assistance with business plans and attracting financing to projects, staff works to develop productive relationships between developers and community stakeholders.

The Hartford Redevelopment Agency (HRA) establishes and manages Redevelopment Plans under authority granted by Conn. Gen. Stat. §130. To meet the goals for each plan, the HRA may purchase targeted properties through negotiated acquisitions or through the use of eminent domain. Following acquisition, properties are sold and redeveloped in accordance with an approved plan.

Strategic sites have been targeted for redevelopment for the coming years in the City of Hartford. A key location is the Albany–Woodland Street area. The Hartford Redevelopment Agency is currently executing a redevelopment plan at the corner of Albany Avenue and Woodland Street, the heart of the Upper Albany neighborhood. The Plan calls for the acquisition, remediation and redevelopment of a 1.91-acre site. The intent is to convert this underutilized, but important gateway into the City into a commercial / retail Town Center.

Meanwhile, the Court of Common Council adopted a Downtown West Redevelopment Plan on October 10, 2006. This is a 4.29-acre site with more than sixty percent of the area consisting of surface parking lots. This parcel adjoins the Bushnell Park and is considered an excellent location for residential development in the downtown area. The goal is to encourage and promote redevelopment of this area through combined public-private investments.

For the period 2006-2007, this unit generated \$682 thousand in revenue and had an \$8 million impact on the City's grand list.

### **Long-term Financial Planning**

The City's long-term financial planning is carried out along 6 primary dimensions: Capital Planning, Debt Planning, Vehicle & Heavy Equipment Replacement, General Fund, Pension Planning and Internal Service Funds.

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

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

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

These discrete planning cycles provide inputs to the General Fund long-term planning process. General Fund revenues and expenditures are forecast over 5-years by both function and category. The long-term planning process is driven by the City's core strategy to increase long-term economic growth, to promote education, safety and health, and to nurture the City's cultural vitality through the implementation of the Mayor's goals and objectives. In addition, the City continually strives to secure a stronger bond rating through strong fiscal administration and the maintenance of a 7% of budgeted revenues fund balance. The City is working closely with financial advisors on a plan to improve its bond rating over the near-term and long-term horizons.

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

An outside firm has also been contracted to assist our implementation of GASB 43 and 45 requirements where post-retirement health and life insurance benefits are analyzed over a multi-year time frame to ensure compliance and reduce the City's long-term liability through the analysis of various funding options and benefit plans. Finally, our internal service funds (Workmans' Compensation and Property & Casualty Funds) have been targeted by the City for additional contributions over a multi-year period. This added funding in conjunction with the implementation of new risk management programs and assistance from our insurance advisors will continue to systematically control and reduce our long-term liabilities in these funds over the next several years.

## **FINANCIAL INFORMATION**

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

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

### **Internal Controls**

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

### **Budgetary Control**

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

## **PENSION ADMINISTRATION**

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

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

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

## **DEBT ADMINISTRATION**

The City's outstanding bonded indebtedness totaled \$327.1 million on June 30, 2007, up from \$273.6 million at June 30, 2006.

The Metropolitan District had \$75.2 million of applicable overlapping debt of which the City's share was 27.07% or \$20.4 million.

As of June 30, 2007, total bonds authorized and unissued amounted to \$251.3 million for the following purposes:

<b><u>General Purpose</u></b>	<b><u>Education</u></b>
\$35.2 million	\$216.1 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:

<b><u>Percentage of Net General Bonded Debt to Assessed Value</u></b>	<b><u>Net General Bonded Debt per Capita</u></b>	<b><u>Ratio of Net General Bonded Debt to General Fund Expenditures</u></b>
7.55%	\$2,189	5.48%

### **CASH MANAGEMENT**

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

### **RISK MANAGEMENT**

The City is insured for all legal liabilities in excess of a \$500 thousand deductible and public official liability with a \$250 thousand deductible. The City's general liability limit for 2005-06 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, 2006. 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

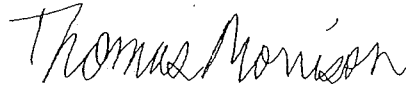
The preparation of this report would not have been possible without the countless hours of effort of the Finance Department. I would like to express my appreciation to all the members of the department who assisted and contributed to the preparation of this report.

I would like to acknowledge Christian Johnson, Leigh Ann Ralls, and Gregory Katz for providing me with advice and assistance with the preparation of this report, as well as Rick Galarza and Peter Condon with the printing/reproduction of this report.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Thomas Morrison". The signature is written in a cursive, flowing style.

Thomas J. Morrison III  
Director of Finance



## Report of Independent Accountants

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hartford, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 11 through 19 and budgetary comparison information on pages 68 through 72 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2007 on our consideration of the City of Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

*Blum, Shapiro & Company, P.C.*

December 28, 2007

**CITY OF HARTFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2007**

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, 2007. Please read this MD&A in conjunction with the transmittal letter beginning on page 1 and the City's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets increased \$79 million as a result of this year's operations. The net assets of our governmental activities increased by \$78.1 million, or nearly 9.2 percent. The net assets of our business-type activities increased by \$857 thousand.
- The City received \$73.1 million in capital grants and contributions mostly related to school building construction grants from the State in support of the City's school renovation and construction projects.
- The total cost of the City's programs for the year was \$699.7 million with no new programs added.
- The General Fund reported a fund balance this year of \$34.5 million.
- The resources available for appropriation were \$727 thousand more 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 is reported here.
- *Component units* - The City includes a separate legal entity in its report; the Hartford Parking Authority. Although legally separate, this "component unit" is 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 Funds 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 increased from a year ago by \$79 million to \$963.4 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Current and other assets	\$ 374,809	\$ 347,365	\$ 2,431	\$ 4,128	\$ 377,240	\$ 351,493
Capital assets, net of accumulated depreciation	<u>1,019,598</u>	<u>929,443</u>	<u>67,552</u>	<u>68,138</u>	<u>1,087,150</u>	<u>997,581</u>
Total assets	<u>1,394,407</u>	<u>1,276,808</u>	<u>69,983</u>	<u>72,266</u>	<u>1,464,390</u>	<u>1,349,074</u>
Long-term liabilities outstanding	378,929	336,296	30,583	31,497	409,512	367,793
Other liabilities	<u>90,637</u>	<u>93,798</u>	<u>869</u>	<u>3,095</u>	<u>91,506</u>	<u>96,893</u>
Total liabilities	<u>469,566</u>	<u>430,094</u>	<u>31,452</u>	<u>34,592</u>	<u>501,018</u>	<u>464,686</u>
Net assets:						
Invested in capital assets, net of debt	815,601	737,253	36,969	36,641	852,570	773,894
Restricted	65,320	55,509			65,320	55,509
Unrestricted	<u>43,920</u>	<u>53,952</u>	<u>1,562</u>	<u>1,033</u>	<u>45,482</u>	<u>54,985</u>
Total Net Assets	<u>\$ 924,841</u>	<u>\$ 846,714</u>	<u>\$ 38,531</u>	<u>\$ 37,674</u>	<u>\$ 963,372</u>	<u>\$ 884,388</u>

The City's government-wide net assets of \$963.4 million represent an increase of \$79 million (8.9 percent) over last years net assets of \$884.4 million. The increase of \$79 million in the City's total net assets is largely attributable to the City's receipt of \$66 million in capital grants and contributions from the State in support of the City's school renovation and construction capital program. Net assets of the City's business-type activities increased \$857 thousand in 2007.

**TABLE 2**  
**CHANGES IN NET ASSETS**  
**(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues:						
Program revenues						
Charges for services	\$ 25,735	\$ 28,085	\$ 6,337	\$ 4,840	\$ 32,072	\$ 32,925
Operating grants and contributions	382,080	364,191			382,080	364,191
Capital grants and contributions	73,070	122,823		37	73,070	122,860
General revenues:						
Property taxes	229,734	215,285			229,734	215,285
Grants and contributions not restricted to specific purposes	49,262	41,861			49,262	41,861
Unrestricted investment earnings	8,519	5,490	41	130	8,560	5,620
Other general revenues	3,920	4,779			3,920	4,779
Total revenues	<u>772,320</u>	<u>782,514</u>	<u>6,378</u>	<u>5,007</u>	<u>778,698</u>	<u>787,521</u>
Program expenses:						
General government	97,524	94,466			97,524	94,466
Public safety	77,513	74,179			77,513	74,179
Public works	23,821	24,730			23,821	24,730
Development and community affairs	47,702	45,570			47,702	45,570
Human services	30,755	24,022			30,755	24,022
Education	397,355	375,615			397,355	375,615
Recreation and culture	10,231	9,991			10,231	9,991
Interest on long-term debt	11,045	6,941			11,045	6,941
Hartford Parking Facilities			3,768	3,701	3,768	3,701
Total program expenses	<u>695,946</u>	<u>655,514</u>	<u>3,768</u>	<u>3,701</u>	<u>699,714</u>	<u>659,215</u>
Excess before transfers	76,374	127,000	2,610	1,306	78,984	128,306
Transfers	<u>1,753</u>	<u>1,381</u>	<u>(1,753)</u>	<u>(1,381)</u>		
Increase (Decrease) in Net Assets	<u>\$ 78,127</u>	<u>\$ 128,381</u>	<u>\$ 857</u>	<u>\$ (75)</u>	<u>\$ 78,984</u>	<u>\$ 128,306</u>

The City's total revenue in 2007 of \$778.7 million represents a decrease of \$8.8 million over last year. Capital grants and contributions decreased \$49.8 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program decreased compared with the previous year. Capital grants and contributions that offset capitalized expenses directly increase the City's net assets. Current year capital grants and contributions totaled \$73.1 million. Operating grants and contributions increased \$17.9 million which was partly attributable to increased grant funding for expanded human services programs accounted for in the City's Miscellaneous Grants Fund. Additionally, excess funding provided by the Federal government for the City's Section 8 program is no longer deferred resulting in the realization of additional funding in the current year. Unrestricted grants and contributions increased \$7.4 million as the City received increased revenue in both property tax relief grants from the State and an increase in payment in-lieu of taxes (PILOT) payments. Property

tax revenues increased \$14.4 million reflecting an increase in the tax levy mill rate, increasing from 60.80 to 64.82 in 2007.

The City's total program expenses of \$699.7 million represent an increase of \$40.4 million over last year. Part of the increase relates to increases in program expenses associated with increases in operating grants and contributions that have provided for expanded program services, primarily in the area of human services. Additionally, expenditures within the General Fund increased \$30.8. The most significant increases were in the cost of providing education services and funding for employee benefits.

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

### ***Governmental Activities***

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

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

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
General government	\$ 97,524	\$ 94,466	91,452	\$ 89,837
Public safety	77,513	74,179	70,637	62,067
Development and community affairs	47,702	45,570	(6,531)	(6,460)
Human services	30,755	24,022	7,431	6,809
Education	397,355	375,615	31,274	(29,580)
All other	45,097	41,662	20,798	17,742
Totals	<u>\$ 695,946</u>	<u>\$ 655,514</u>	<u>215,061</u>	<u>\$ 140,415</u>

### ***Business-type Activities***

Revenues from the Hartford Parking Authority provided to the Hartford Parking Facilities Fund to finance debt service and capital improvement, as well as revenues to the City's General Fund, increased from \$4.8 million to \$6.3 million. Much of the increase is attributed to the City having transferred management of the City's on-street parking program, including the collection of revenues, to the Authority during fiscal year 2006. The 2007 fiscal year 2007 represented the first full year of the Authority's management of the on-street parking program. Expenses (including debt service and depreciation) for the City's dedicated parking facilities were consistent with the prior year.

## **CITY FUNDS FINANCIAL ANALYSIS**

### ***Governmental Funds***

As the City completed the year, its General Fund fund balance increased by \$1.3 million. Both revenues and expenditures were in line with budgetary projections. As the City completed the year, its Capital Improvement Fund reported a fund balance increase of \$31.6 million. The increase is the result of the City's issuance of \$70 million of bond proceeds in June 2007 that had not yet been used to fund project costs incurred and accrued as of June 30<sup>th</sup>. The bond proceeds will be drawn upon in 2008 as the City incurs locally funded project expenses within the Capital Improvement Fund.

The City's other governmental funds reported an increase of \$10.6 million in fund balance for the year. Included in the increase are federal grant proceeds within the City's Section 8 fund that are now reserved in fund balance. Similar amounts received in prior fiscal years had been treated as unearned revenue prior to the federal governments change in the annual allotment funding provisions for the program. Additionally, the Parks and Recreation Trust fund generated an increase in fund balance of \$5.3 million. The increase was a combination of \$2.7 million of investment income realized during the year and a transfer of \$3.4 million from the City's Capital Improvement Fund.

### ***Internal Service Funds***

The net assets deficit of the City's self-insurance programs decreased \$4.3 million as active employee contributions increased \$1 million along with an increase in the employer contributions of \$4.1. Overall operating revenues increased \$5.7 million. Accrued loss reserves estimates decreased \$1.7 million. Administrative, operating and benefits costs of the City's internal service funds increased \$4.5 million before factoring in the estimated loss reserve decrease.

The Metro Hartford Information Services Fund operational expenses were funded by \$6.2 million in contributions from the City's General Fund. Net assets decreased by \$129 thousand during the year.

### ***General Fund Budgetary Highlights***

There were no supplemental appropriations in the General Fund during 2006-2007. Revenue estimates were increased by \$758 thousand to reflect unanticipated increases in revenues to be realized during the year.

The City's General Fund fund balance and budgetary fund balance are both \$34.5 million at year end. No portion of the budgetary fund balance has been designated to balance the 2007/2008 budget. There were no outstanding encumbrances at year end with the General Fund.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

At June 30, 2007, the City had \$1.1 billion invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment and infrastructure - Table 4.

Construction in progress additions during the year totaled \$104.9 million. Construction in progress additions represent the majority of capital additions recorded by the City other than capital activity related to vehicle and equipment purchases. Refer to current period expenditures reported in Exhibit C for a detail of capital project expenditures by project in the City's Capital Improvement Fund. The majority of active projects as reported in Exhibit C qualify for capitalization under the City's asset capitalization policy.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Land	\$ 71.2	\$ 68.9	\$ 8.4	\$ 8.4	\$ 79.6	\$ 77.3
Land improvements	8.2	7.8	0.1	0.1	8.3	7.9
Buildings	255.0	130.5			255.0	130.5
Other structures	3.8	2.6	58.9	59.5	62.7	62.1
Furniture and equipment	4.7	3.2	0.2	0.2	4.9	3.4
Rolling equipment	9.3	9.7			9.3	9.7
Infrastructure	199.6	198.8			199.6	198.8
Construction in progress	467.8	507.9			467.8	507.9
Totals	<u>\$ 1,019.6</u>	<u>\$ 929.4</u>	<u>\$ 67.6</u>	<u>\$ 68.2</u>	<u>\$ 1,087.2</u>	<u>\$ 997.6</u>

There are 133 active projects in the City's Capital Improvement Fund with appropriations of \$1,030.6 million, cumulative expenditures of \$605.5 million and outstanding encumbrances of \$60.2 million, resulting in an unencumbered balance of \$364.8 million. Total expenditures for all projects during the fiscal year amounted to \$106.6 million. New and supplemental appropriations totaled \$80.9 million during 2007.

The City issued \$70 million of general obligation bonds during 2007 to provide funding for the City's local share of ongoing capital projects.

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

***Long-term debt***

At June 30, 2007 the City had \$324.1 million in bonds outstanding versus \$270.3 million last year – an increase of 19.9 percent - as shown in Table 5.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
General obligation bonds (backed by the City)	<u>\$ 293.5</u>	<u>\$ 238.8</u>	<u>\$ 30.6</u>	<u>\$ 31.5</u>	<u>\$ 324.1</u>	<u>\$ 270.3</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 \$1.6 billion state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's number of unemployed decreased from 4,670 in calendar year 2005 to 4,178 in calendar year 2006 while the unemployment rate decreased from 9.7 percent to 8.7 percent. This compares to the State's rate of 4.3 percent and the nation's rate of 4.7 percent.

The consumer price index in the northeast urban areas was lower than the national consumer price index. Inflation from October 2006 to October 2007 in the northeast was 3.1 percent while the rate was 3.5 percent for all urban areas in the U.S.

In developing the fiscal year 2008-2009 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 2007-2008 budget, we constantly questioned how we are spending the taxpayers' money. Our goal is to offer basic services to our citizens that improve their quality of life at a price affordable to them. Our budget philosophy is not directed at cutting the cost of government by cutting services. It is directed toward cutting costs and improving services.

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

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

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

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

The adopted budget for fiscal year 2007-08 of \$511.8 million is an increase of \$14.9 million over the adopted 2006-07 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 decrease in the current year tax levy to 63.39 mills from 64.82 in the previous year.

The City is exploring ways to reduce the 2007-08 expenditure budget and increase its revenue sources. In developing the City's 2008-09 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.

## CITY OF HARTFORD, CONNECTICUT

## STATEMENT OF NET ASSETS

**JUNE 30, 2007**  
**(In Thousands)**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Hartford Parking Authority</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 202,511	\$ 607	\$ 203,118	\$ 2,673
Investments	20,601		20,601	
Receivables, net	151,205		151,205	245
Other assets	484		484	
Internal balances	8	(8)		
Due from Component unit		1,832	1,832	
Capital assets:				
Assets not being depreciated	539,073	8,428	547,501	
Assets being depreciated, net	480,525	59,124	539,649	
Total assets	<u>1,394,407</u>	<u>69,983</u>	<u>1,464,390</u>	<u>2,918</u>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	69,419	869	70,288	948
Unearned revenues	9,431		9,431	138
Due to Fiduciary funds	3,912		3,912	
Due to primary government				1,832
Unamortized bond premium	7,875		7,875	
Noncurrent liabilities:				
Due within one year	50,313	1,210	51,523	
Due in more than one year	328,616	29,373	357,989	
Total liabilities	<u>469,566</u>	<u>31,452</u>	<u>501,018</u>	<u>2,918</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	815,601	36,969	852,570	
Restricted for:				
Housing loans	43,972		43,972	
Trust purposes:				
Expendable	977		977	
Nonexpendable	20,371		20,371	
Unrestricted	<u>43,920</u>	<u>1,562</u>	<u>45,482</u>	
Total Net Assets	\$ <u>924,841</u>	\$ <u>38,531</u>	\$ <u>963,372</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

## CITY OF HARTFORD, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

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					Net (Expense) Revenue and Changes in Net Assets			
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Hartford Parking Authority
Primary Government:								
Governmental activities:								
General government	\$ 97,524	\$ 4,324	\$ 1,748	\$	\$ (91,452)	\$	\$ (91,452)	\$
Public safety	77,513	5,439	1,437		(70,637)		(70,637)	
Public works	23,821	12,155	829	4,008	(6,829)		(6,829)	
Development and community affairs	47,702	17	53,800	416	6,531		6,531	
Human services	30,755	856	22,468		(7,431)		(7,431)	
Education	397,355	561	299,576	65,944	(31,274)		(31,274)	
Recreation and culture	10,231	2,383	1,172	2,702	(3,974)		(3,974)	
Interest on long-term debt	11,045		1,050		(9,995)		(9,995)	
Total governmental activities	695,946	25,735	382,080	73,070	(215,061)		(215,061)	-
Business-type activities:								
Hartford Parking Facilities	3,768	6,337				2,569	2,569	
Total Primary Government	\$ 699,714	\$ 32,072	\$ 382,080	\$ 73,070	(215,061)	2,569	(212,492)	-
Component Units:								
Hartford Parking Authority	\$ 5,229	\$ 5,229						-
General revenues:								
Property taxes					229,734		229,734	
Grants and contributions not restricted to specific programs					49,262		49,262	
Unrestricted investment earnings					8,519	41	8,560	
Miscellaneous					3,920		3,920	
Transfers					1,753	(1,753)	-	
Total general revenues and transfers					293,188	(1,712)	291,476	-
Change in net assets					78,127	857	78,984	-
Net Assets at Beginning of Year					846,714	37,674	884,388	-
Net Assets at End of Year					\$ 924,841	\$ 38,531	\$ 963,372	\$ -

The accompanying notes are an integral part of the financial statements

**CITY OF HARTFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2007**  
**(In Thousands)**

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Community Development Loan and Grant</u>	<u>Debt Service</u>	<u>Educational Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 63,440	\$ 92,322	\$ 7,174	\$ 98	\$ 9,781	\$ 26,346	\$ 199,161
Investments						20,601	20,601
Receivables, net	54,885	38,693	43,972		999	12,340	150,889
Due from other funds	7,810	2,194		3,184	270	1,196	14,654
Inventories and other assets						484	484
Total Assets	<u>\$ 126,135</u>	<u>\$ 133,209</u>	<u>\$ 51,146</u>	<u>\$ 3,282</u>	<u>\$ 11,050</u>	<u>\$ 60,967</u>	<u>\$ 385,789</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 35,146	\$ 17,142	\$ 625	\$ 44	\$ 6,938	\$ 5,177	\$ 65,072
Due to other funds	8,501	3,720	1		3,210	3,638	19,070
Deferred revenue	48,021	519	43,972		1,245	11,686	105,443
Total liabilities	<u>91,668</u>	<u>21,381</u>	<u>44,598</u>	<u>44</u>	<u>11,393</u>	<u>20,501</u>	<u>189,585</u>
Fund balances:							
Reserved		53,493				27,629	81,122
Unreserved, reported in:							
General Fund	34,467						34,467
Special Revenue Funds			6,548		(343)	10,946	17,151
Debt Service Fund				3,238			3,238
Capital Project Funds		58,335				1,891	60,226
Total fund balances	<u>34,467</u>	<u>111,828</u>	<u>6,548</u>	<u>3,238</u>	<u>(343)</u>	<u>40,466</u>	<u>196,204</u>
Total Liabilities and Fund Balances	<u>\$ 126,135</u>	<u>\$ 133,209</u>	<u>\$ 51,146</u>	<u>\$ 3,282</u>	<u>\$ 11,050</u>	<u>\$ 60,967</u>	
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.							1,019,598
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.							96,012
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.							(31,168)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds							(355,805)
Net Assets of Governmental Activities							<u>\$ 924,841</u>

The accompanying notes are an integral part of the financial statements

## CITY OF HARTFORD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)

	General	Capital Improvement Fund	Community Development Land and Grant	Debt Service Fund	Educational Grants	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 231,638	\$	\$	\$	\$	\$	\$ 231,638
Licenses, permits, and other charges	8,594						8,594
Intergovernmental revenue	250,108	72,429			92,086	89,046	503,669
Charges for services	2,599					5,585	8,184
Use of property	4,314						4,314
Investment income	3,510	1,112	321			3,509	8,452
Miscellaneous	4,165	391	1,889		6,377	2,298	15,120
Total revenues	<u>504,928</u>	<u>73,932</u>	<u>2,210</u>	<u>-</u>	<u>98,463</u>	<u>100,438</u>	<u>779,971</u>
Expenditures:							
Current:							
General government	17,699					2,788	20,487
Public safety	71,506					6,392	77,898
Public works	14,158					1,662	15,820
Development and community affair	2,194		1,990			49,257	53,441
Human services	7,740					22,841	30,581
Education	279,086				100,094	11,951	391,131
Recreation and culture						9,401	9,401
Benefits and insurance	54,754						54,754
Other	28,755						28,755
Capital outlay		106,647					106,647
Debt service				24,770		2,005	26,775
Total expenditures	<u>475,892</u>	<u>106,647</u>	<u>1,990</u>	<u>24,770</u>	<u>100,094</u>	<u>106,297</u>	<u>815,690</u>
Excess (Deficiency) of Revenues over Expenditure	29,036	(32,715)	220	(24,770)	(1,631)	(5,859)	(35,719)
Other Financing Sources (Uses)							
Transfers in	9,952	1,290		25,261		16,719	53,222
Transfers out	(37,736)	(10,168)	(1,000)			(2,565)	(51,469)
Bonds issued		70,000					70,000
Bond premium		3,164					3,164
Capital leases						2,283	2,283
Total other financing sources (uses)	<u>(27,784)</u>	<u>64,286</u>	<u>(1,000)</u>	<u>25,261</u>	<u>-</u>	<u>16,437</u>	<u>77,200</u>
Net Change in Fund Balances	1,252	31,571	(780)	491	(1,631)	10,578	41,481
Fund Balances at Beginning of Year	<u>33,215</u>	<u>80,257</u>	<u>7,328</u>	<u>2,747</u>	<u>1,288</u>	<u>29,888</u>	
Fund Balances at End of Year	<u>\$ 34,467</u>	<u>\$ 111,828</u>	<u>\$ 6,548</u>	<u>\$ 3,238</u>	<u>\$ (343)</u>	<u>\$ 40,466</u>	

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 and transfers to business-type activities in the current period.

90,666

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 increase financial resources.

Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.

(511)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.

(4,172)

Bond, capital lease, and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.

Repayment of 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 proceeds exceeded repayments.

(55,473)

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.

1,821

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 II).

4,315

Change in Net Assets of Governmental Activities (Exhibit II)

\$ 78,127

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

## CITY OF HARTFORD, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2007

(In Thousands)

	Business-Type Activities <u>Hartford Parking Facilities</u>	Governmental Activities <u>Internal Service Funds</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 607	\$ 3,350
Receivables, net		316
Due from other funds		701
Due from component unit	1,832	
Total current assets	<u>2,439</u>	<u>4,367</u>
Capital assets, net	<u>67,552</u>	
Total assets	<u>69,991</u>	<u>4,367</u>
Liabilities:		
Current liabilities:		
Accounts and other payables	869	956
Due to other funds	8	189
Risk management claims		15,890
Bonds payable	1,210	
Total current liabilities	<u>2,087</u>	<u>17,035</u>
Noncurrent liabilities:		
Risk management claims		18,500
Bonds payable	29,373	
Total noncurrent liabilities	<u>29,373</u>	<u>18,500</u>
Total liabilities	<u>31,460</u>	<u>35,535</u>
Net Assets:		
Invested in capital assets, net of related debt	36,969	
Unrestricted	<u>1,562</u>	<u>(31,168)</u>
Total Net Assets	<u>\$ 38,531</u>	<u>\$ (31,168)</u>

The accompanying notes are an integral part of the financial statements

## CITY OF HARTFORD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Hartford Parking Facilities</b>	<b>Internal Service Funds</b>
Operating Revenues:		
City's contribution for insurance	\$	\$ 77,211
Employee and pensioners contributions for insurance		18,343
Hartford Parking Authority - operations	6,337	
Other		676
Total operating revenues	<u>6,337</u>	<u>96,230</u>
Operating Expenses:		
Administrative		8,094
Operations		3,690
Insurance benefits and claims		80,198
Total operating expenses before depreciation	<u>-</u>	<u>91,982</u>
Operating Income Before Depreciation	<u>6,337</u>	<u>4,248</u>
Depreciation	<u>1,940</u>	
Total operating expenses	<u>1,940</u>	<u>91,982</u>
Operating Income	<u>4,397</u>	<u>4,248</u>
Nonoperating Income (Loss)		
Interest earnings	41	67
Interest expense	(1,828)	
Total nonoperating income (loss)	<u>(1,787)</u>	<u>67</u>
Income Before Transfers	<u>2,610</u>	<u>4,315</u>
Transfers:		
Transfers in	2,760	
Transfers out	(4,513)	
Total transfers in (out)	<u>(1,753)</u>	
Change in Net Assets	857	4,315
Net Assets at Beginning of Year	<u>37,674</u>	<u>(35,483)</u>
Net Assets at End of Year	<u>\$ 38,531</u>	<u>\$ (31,168)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF HARTFORD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

	<b>Business-Type Activities Hartford Parking Facilities</b>	<b>Governmental Activities Internal Service Funds</b>
Cash Flows from Operating Activities:		
City's contribution	\$	\$ 79,523
Cash received from insurance companies and users		18,778
Cash received from Hartford Parking Authority	6,535	
Cash paid to for salaries and benefits		(2,995)
Cash paid to suppliers and other		(93,185)
Net cash provided by (used in) operating activities	<u>6,535</u>	<u>2,121</u>
Cash Flows from (to) Noncapital and Related Financing Activities:		
Transfers from other funds	2,760	
Transfers to other funds	(6,293)	
Net cash provided by (used in) noncapital and related financing activities	<u>(3,533)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(1,774)	
Principal paid on bonds	(1,165)	
Interest paid on bonds	(1,595)	
Net cash provided by (used in) capital and related financing activities	<u>(4,534)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	41	67
Net Increase (Decrease) in Cash and Cash Equivalents	(1,491)	2,188
Cash and Cash Equivalents at Beginning of Year	2,098	1,162
Cash and Cash Equivalents at End of Year	<u>\$ 607</u>	<u>\$ 3,350</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 4,397	\$ 4,248
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	1,940	
(Increase) decrease in due from component unit	198	
(Increase) decrease in other receivables		(264)
(Increase) decrease in due from other funds		2,335
Increase (decrease) in accounts payable and accrued liabilities		(1,928)
Increase (decrease) in due to other funds		(528)
Increase (decrease) in insurance claims payable		(1,742)
Total adjustments	<u>2,138</u>	<u>(2,127)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 6,535</u>	<u>\$ 2,121</u>
Noncash Investing, Capital, and Financing Activities:		
Amortization of deferred amount on refunding	<u>\$ 251</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF HARTFORD, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2007

(In Thousands)

	<b>Pension Trust Funds</b>	<b>School Agency Funds</b>
	<u>          </u>	<u>          </u>
Assets:		
Cash and cash equivalents	\$ 55,443	\$ 645
Investments:		
Fixed income securities	190,131	
Equities	805,906	
Private equity contracts	129,334	
Other domestic securities	4,687	
Receivables:		
Accrued interest earnings	3,057	
Notes receivable	1,800	
Due from other funds	<u>4,107</u>	
Total assets	<u>1,194,465</u>	<u>\$ 645</u>
Liabilities:		
Accounts payable and accrued liabilities	252	
Net payables for investments purchased/sold	41,736	
Due to other funds	195	
Due to student groups and other	<u>          </u>	<u>\$ 645</u>
Total liabilities	<u>42,183</u>	<u>\$ 645</u>
Net Assets:		
Held in Trust for Pension Benefits	<u>\$ 1,152,282</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF HARTFORD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

## Additions:

## Contributions:

Employer	\$ 18,074
Plan members	9,810
Total contributions	<u>27,884</u>

## Investment income:

Net appreciation in fair value of investments	135,732
Interest and dividends	23,755
Total investment income	<u>159,487</u>
Less investment expense	<u>(4,437)</u>
Net investment income	<u>155,050</u>

Other additions	<u>1,318</u>
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Total additions	<u>184,252</u>
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## Deductions:

Benefits	75,640
Administration	2,029
Other	755
Total deductions	<u>78,424</u>

Net Increase	105,828
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Net Assets at Beginning of Year	<u>1,046,454</u>
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Net Assets at End of Year	<u><u>\$ 1,152,282</u></u>
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The accompanying notes are an integral part of the financial statements

# CITY OF HARTFORD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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(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 unit.

#### Discretely Presented Component Unit

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

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

### **Governmental Funds**

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

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

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

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

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

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

### **Proprietary Funds**

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

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

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

### **Fiduciary Funds**

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

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

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

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

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

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

Charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major enterprise fund:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

#### **D. Deposits and Investments**

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

State statutes authorize the City and its component unit to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 4.

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

#### **E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property tax receivables, including those for component units, are shown net of an allowance for uncollectibles. The property tax receivable allowance of \$3.0 million is equal to 13.8% of outstanding property taxes at June 30, 2007.

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

## **F. Inventories**

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

## **G. Capital Assets**

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

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

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

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

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

## **H. Compensated Absences**

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

## **I. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective

interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

## **J. Fund Equity**

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

## **2. 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 \$355,805 difference are as follows:

Bonds payable	\$ 293,550
Unamortized bond premium	7,875
Accrued interest payable	3,391
Loans payable	3,115
Capital leases	7,228
Compensated absences	30,474
Net pension obligation	<u>10,172</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	\$ <u><u>355,805</u></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 \$90,666 difference are as follows:

Capital outlay	\$ 110,012
Depreciation expense	<u>(19,346)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u><u>90,666</u></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 \$(55,473) difference are as follows:

Debt issued:	
General obligation bonds	\$ (70,000)
Capital leases	(2,283)
Principal repayments:	
General obligation debt	15,335
Capital leases	1,370
Loans	<u>105</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u><u>(55,473)</u></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 \$1,821 difference are as follows:

Compensated absences	\$ 1,779
Accrued interest	(1,277)
Net pension obligation	1,376
Amortization of deferred amount on refunding	<u>(57)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u><u>1,821</u></u>

### **3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary Information**

The City adopted the legal budget for the 2006-2007 General Fund in accordance with the procedures summarized below:

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

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

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

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

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

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

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

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

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

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

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

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

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

No supplemental appropriations were approved in the General Fund during fiscal year 2007.

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

**B. Deficit Fund Equity**

Educational Grants	\$ 343
Internal Service Funds:	
Employee Benefits	3,702
Workers' Compensation	19,699
Liability and Property Damage	7,846

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

#### 4. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

##### A. Cash and Cash Equivalents

The following is a summary of the City’s cash and cash equivalents at June 30, 2007:

###### Primary Government

###### Deposits:

###### Primary government:

Demand accounts	\$ 22,380
Money markets	50,724
Subtotal	<u>73,104</u>

###### Petty cash

15

###### Cash equivalents:

The Boston Company Pooled Employee Funds Daily Liquidity Fund	32,294
Federal National Mortgage Association Discount Notes	10,435
State Short-Term Investment Fund (STIF)	31,788
BlackRock Treasury Fund	5,454
Marshall Prime Money Fund	1,137
Columbia Money Market Reserve Fund	2,655
Fidelity Institutional Money Market Fund	240
Federated Government Obligation Fund	40
Repurchase agreements	<u>102,044</u>

Total Cash and Cash Equivalents	\$ <u>259,206</u>
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Discretely Presented Component Unit

Hartford Parking Authority:  
Demand accounts

\$ 2,673

**Deposits**

**City**

At June 30, 2007, the carrying amount of the City's deposits was \$73,104 and the bank balance was \$82,735.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy includes policies on the safety of principal, prudence, and financial dealers and institutions designed to mitigate custodial credit risk. Of the June 30, 2007 bank balance, \$1,444 was covered by Federal Depository Insurance. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with Federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio. A minimum of \$8,269, based on June 30, 2007 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the City's name). The balance of deposits of \$73,022 was uninsured and uncollateralized.

**Hartford Parking Authority**

At June 30, 2007 the carrying amount of the Authority's deposits was \$2,673 and the bank balance was \$2,676.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority follows the City's deposit policies which include policies on the safety of principal, prudence, and financial dealers and institutions to mitigate custodial credit risk. Of the June 30, 2007 bank balance, \$200 was covered by Federal Depository Insurance. As described above, the Connecticut General Statutes require that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio. A minimum of \$268, based on June 30, 2007 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the Authority's name). The balance of deposits of \$2,208 was uninsured and uncollateralized.

## Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2007, the City's cash equivalents amounted to \$186,087. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>
The Boston Company Pooled Employee Funds Daily Liquidity Fund	*
Federal National Mortgage Association Discount Notes	AAA
State Short-Term Investment Fund (STIF)	AAAm
BlackRock Treasury Fund	AAAm
Marshall Prime Money fund	*
Columbia Money Market Reserve Fund	AAAm
Fidelity Institutional Money Market Fund	*
Federated Government Obligation Fund	AAAm

\*Not rated by rating organization

## B. Investments

Investments as of June 30, 2007 in all funds are as follows:

### *Pension Accounts:*

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Interest Bearing Investments:		
Fixed income securities	\$ 190,131	13.15
Other Investments:		
Equities	805,906	
Private equity contracts	129,334	
Other domestic equities	<u>4,687</u>	
Total	\$ <u>1,130,058</u>	
Portfolio weighted average maturity for interest bearing investments		13.15

*Permanent Funds and Nonexpendable Trust Accounts:*

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Years)</b>
Interest Bearing Investments:		
U.S treasury securities	\$ 3,625	7.41
Domestic corporate bonds	3,192	5.58
U.S. federal agency securities	1,281	2.95
Other Investments:		
Equities	11,553	
Open-end mutual funds	950	
Total	\$ <u>20,601</u>	

Portfolio weighted average maturity for interest bearing investments 5.98

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

*Foreign Currency Risk* - The City's formal investment policy limits at any point in time, the exact level of investment in international equities to between seventeen percent and twenty-one percent of the total MERF portfolio. The City's exposure to foreign currency related to equities, fixed income securities and other domestic equities as of June 30, 2007 is as follows:

**Pension Trusts:**

	<b>Currency</b>	<b>Fair Value</b>	<b>% of Total Portfolio</b>
<b>Equities:</b>			
	European euro	\$ 29,655	2.63
	Japanese yen	21,228	1.89
	British pound	18,897	1.67
	Swiss franc	9,064	.80
	South Korean won	6,264	.55
	Canadian dollar	4,729	.42
	Hong Kong dollar	4,456	.39
	Singapore dollar	3,093	.27
	Australian dollar	2,529	.22
	Norwegian krone	1,496	.13
	Other foreign currencies	3,881	.34
<b>Fixed Income Securities:</b>			
	European euro	19,400	1.72
	Japanese yen	17,205	1.52
	Australian dollar	1,714	.15
	Other foreign currencies	1,386	.12
<b>Other Domestic Equities:</b>			
	European euro	3,019	.27
	South Korean won	1,294	.11

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

**Pension Trusts:**

	<b>Standard and Poor's</b>	
	<b>Rating</b>	<b>Percentage</b>
<b>Fixed income securities:</b>	AAA	71%
	AA	6%
	A	10%
	BBB	8%
	BB	2%
	B	1%
	Not rated	2%

**Permanent Funds and  
Expendable Trusts:**

	<b>Standard and Poor's</b>	
	<b>Rating</b>	<b>Percentage</b>
<b>Domestic corporate bonds:</b>	AAA	7%
	A+ to AA	10%
	AA-	16%
	A+	17%
	A to A-	31%
	BBB+ to BBB-	19%

**U.S. federal agency securities:**

AAA	100%
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*Concentration of Credit Risk* -The City's investment policy does not allow for an investment in securities that are not readily marketable in any one issuer that is in excess of five percent of the City's total portfolio. Additionally, investment manager guidelines require that investments be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's individual investments in fixed income securities, equities, private equity contracts, other domestic equities, U.S treasury securities, domestic corporate bonds, and U.S federal agency securities are uninsured and unregistered securities held by a counterparty, or by its trust department or agent that are not in the City's name. The City's other investments are held in open-end mutual funds which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination. The City's formal investment policy mitigates custodial credit risk by requiring use of financial institutions that are reputable and sophisticated, holding significant assets, maintaining specific insurance levels and having a quality internal control structure.

## 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</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 21,623	\$	\$	\$	\$	\$ 21,623
Accrued interest						
On taxes	7,456					7,456
Accounts	18,875				2,329	21,204
Housing loans			61,059			61,059
Section 108 - business loans					3,115	3,115
Accrued interest on housing loans			723			723
Intergovernmental	21,367	37,968		813	7,747	67,895
Accrued income on investments					3,057	3,057
Notes receivable					1,800	1,800
Other	7,022	725		186	520	8,453
Gross receivables	<u>76,343</u>	<u>38,693</u>	<u>61,782</u>	<u>999</u>	<u>18,568</u>	<u>196,385</u>
Less:						
Allowance for uncollectibles:						
Taxes and accrued interest	(4,927)					(4,927)
Accounts	(16,531)				(1,055)	(17,586)
Housing loans and accrued interest			(17,810)			(17,810)
Total allowance	<u>(21,458)</u>	<u></u>	<u>(17,810)</u>	<u></u>	<u>(1,055)</u>	<u>(40,323)</u>
Net total receivables	\$ <u>54,885</u>	\$ <u>38,693</u>	\$ <u>43,972</u>	\$ <u>999</u>	\$ <u>17,513</u>	\$ <u>156,062</u>

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Delinquent property taxes	\$ 18,629	\$	\$ 18,629
Accrued interest on delinquent property taxes	5,523		5,523
School building construction grant receivables	21,367		21,367
Other accounts receivable	2,331		2,331
Other deferred revenues	171		171
Capital Improvement Fund:			
Grant drawdowns prior to meeting all eligibility requirements		519	519
Community Development Loan and Grant:			
Housing loans and interest	43,972		43,972
Educational Grants:			
Grant drawdowns prior to meeting all eligibility requirements		1,245	1,245
Nonmajor and other funds:			
Grant drawdowns prior to meeting all eligibility requirements		6,406	6,406
Section 108 - business loans	3,115		3,115
Other accounts receivable	904		904
Other deferred revenues		1,261	1,261
	<hr/>	<hr/>	<hr/>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>96,012</u>	\$ <u>9,431</u>	\$ <u>105,443</u>

## 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 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	\$ 68,902	\$ 2,213	\$ 116	\$	\$ 71,231
Construction in progress	397,054	(34,064)	104,852		467,842
Total capital assets, not being depreciated	<u>465,956</u>	<u>(31,851)</u>	<u>104,968</u>		<u>539,073</u>
Capital assets, being depreciated:					
Land improvements	17,937	1,415			19,352
Buildings	278,537	157,635			436,172
Other structures	13,371	1,693			15,161
Furniture and equipment	29,619		97	(125)	32,195
Rolling equipment	34,284		2,701	(3,145)	33,385
Infrastructure	399,566	7,594	2,246	(1,827)	405,333
Construction in progress - in service	136,486	(136,486)			
Total capital assets being depreciated	<u>909,800</u>	<u>31,851</u>	<u>5,044</u>	<u>(5,097)</u>	<u>941,598</u>
Less accumulated depreciation for:					
Land improvements	(10,099)		(1,072)		(11,171)
Buildings	(147,969)	(25,641)	(7,601)		(181,211)
Other structures	(10,799)		(573)		(11,372)
Furniture and equipment	(26,439)		(1,184)	125	(27,498)
Rolling equipment	(24,632)		(2,044)	2,634	(24,042)
Infrastructure	(200,734)		(6,872)	1,827	(205,779)
Construction in progress - in service	(25,641)	25,641			
Total accumulated depreciated	<u>(446,313)</u>		<u>(19,346)</u>	<u>4,586</u>	<u>(461,073)</u>
Total capital assets, being depreciated, net	<u>463,487</u>	<u>31,851</u>	<u>(14,302)</u>	<u>(511)</u>	<u>480,525</u>
Governmental Activities Capital Assets, Net	<u>\$ 929,443</u>	<u>\$</u>	<u>\$ 90,666</u>	<u>\$ (511)</u>	<u>\$ 1,019,598</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 8,428	\$	\$	\$ 8,428
Capital assets, being depreciated:				
Land improvements	27	2		29
Parking garages	68,721	1,339		70,060
Furniture, fixtures and equipment	238	13		251
Total capital assets being depreciated	<u>68,986</u>	<u>1,354</u>		<u>70,340</u>
Less accumulated depreciation for:				
Land improvements	(2)	(2)		(4)
Parking garages	(9,254)	(1,918)		(11,172)
Furniture, fixtures and equipment	(20)	(20)		(40)
Total accumulated depreciated	<u>(9,276)</u>	<u>(1,940)</u>		<u>(11,216)</u>
Total capital assets, being depreciated, net	<u>59,710</u>	<u>(586)</u>		<u>59,124</u>
Business-type Activities Capital Assets, Net	\$ <u>68,138</u>	\$ <u>(586)</u>	\$	\$ <u>67,552</u>

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

Governmental activities:	
General government	\$ 332
Public safety	1,341
Public works	8,444
Development and community affairs	210
Human services	174
Education	8,150
Recreation and culture	<u>695</u>
Total Depreciation Expense - Governmental Activities	\$ <u>19,346</u>
Business-type activities:	
Hartford Parking Facilities	\$ <u>1,940</u>

## Construction Commitments

The City has the following authorized construction projects in the Capital Improvement Fund as of June 30, 2007. 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* Disbursements</u>	<u>Encumbrances* and Commitments</u>	<u>Unencumbered Balance</u>
Public Works - facilities	\$ 25,852	\$ 6,331	\$ 540	\$ 18,981
Public Safety - facilities	49,400	8,201	3,890	37,309
Recreation and Culture Projects	75,360	60,563	5,108	9,689
Education Projects	787,605	476,490	42,057	269,058
Public Works - infrastructure	76,873	44,770	7,158	24,945
Local Capital Improvement Projects	15,473	9,122	1,486	4,865
Total	<u>\$ 1,030,563</u>	<u>\$ 605,477</u>	<u>\$ 60,239</u>	<u>\$ 364,847</u>

\* Excludes retainage payable recorded in the financial statements in the amount of \$6.7 million at June 30, 2007.

## 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, 2007 is presented below:

### Primary Government

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 3,720
General Fund	Educational Grants	3,210
General Fund	Nonmajor governmental	488
General Fund	Enterprise Funds	8
General Fund	Internal Service Funds	189
General Fund	Pension Trust Funds	195
Capital Improvement Fund	Nonmajor governmental	2,194
Debt Service	General Fund	3,184
Educational Grants	Nonmajor Governmental	270
Nonmajor Governmental	General Fund	1,195
Nonmajor Governmental	Community Development Loan and Grant	1
Internal Service Funds	General Fund	701
Pension Trust Funds	General Fund	3,421
Pension Trust Funds	Nonmajor governmental	686
Total		<u>\$ 19,462</u>

**Primary Government and Component Unit**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City - Hartford Parking Facilities	Component Unit - Hartford Parking Authority	\$ <u>1,832</u>

A summary of interfund transfers is presented below:

**Primary Government**

	<u>General</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Enterprise Fund</u>	<u>Total</u>
Transfers out:						
General Fund	\$	\$ 300	\$ 22,097	\$ 12,579	\$ 2,760	\$ 37,736
Capital Improvement Fund	3,614		3,164	3,390		10,168
Community Development Loan and Grant		250		750		1,000
Nonmajor Governmental	1,825	740				2,565
Enterprise Fund	<u>4,513</u>					<u>4,513</u>
Total	\$ <u>9,952</u>	\$ <u>1,290</u>	\$ <u>25,261</u>	\$ <u>16,719</u>	\$ <u>2,760</u>	\$ <u>55,982</u>

Transfers from the General Fund to the Debt Service Fund represent the City's payment toward debt service on bonds outstanding. Transfers from the Hartford Parking Facilities enterprise fund to the General Fund represents a portion of net income derived from the City's parking garage and on-street parking programs. Transfers from the Nonmajor Governmental Funds to the General Fund primarily includes net income derived from the City's police private duty services program. Transfers from the General Fund to the Nonmajor Governmental funds includes \$7.9 million in support of the City's library program.

## 8. 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 2007 and 2006 amounted to \$2.4 million and \$2.2 million, respectively. The cost of the buildings and land associated with these rental income amounts is estimated at \$32.8 million with a carrying value of \$21.3 million. Depreciation expense related to these properties was \$616 thousand during the year.

#### Lease Agreements as Lessee

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

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:

2008	\$	834
2009-2017		834 *

\* 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.

In addition to the base rent, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2007 and 2006, base rent and additional rent amounted to \$2,087 and \$2,084, respectively.

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

2008	\$	234
2009		235
2010		293
2011		293
2012		293

## 9. LONG-TERM DEBT

### Governmental Activities

#### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2007, 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	\$ 239,210	\$ 70,000	\$ 15,335	\$ 293,875	\$ 17,735
Less deferred amounts					
on refunding	(382)		(57)	(325)	
Total bonds payable	238,828	70,000	15,278	293,550	17,735
Compensated absences	32,253	13,673	15,452	30,474	15,055
HUD Section 108					
loans	11,220		8,105	3,115	115
Capital leases	6,315	2,283	1,370	7,228	1,518
Risk management					
claims	36,132	80,198	81,940	34,390	15,890
Net pension obligation	11,548	2,781	4,157	10,172	
Governmental Activity					
Long-Term Liabilities	\$ 336,296	\$ 168,935	\$ 126,302	\$ 378,929	\$ 50,313

#### **General Obligation Bonds**

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

General purpose serial bonds issued 1998-2007; final maturities from January 15, 2009 to August 15, 2026; interest at 3.5 percent to 6.0 percent	\$ 139,796
Civic Center serial bonds issued 1971-1993; final maturities from March 1, 2009 to February 1, 2013; interest at 4.8 percent to 5.6 percent	6,000
Education serial bonds issued 1992-2006; final maturities from February 01, 2008 to August 15, 2026, interest at 3.0 percent to 6.0 percent	<u>148,079</u>
Total	\$ <u>293,875</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2007 are as follows:

<b>Year Ending June 30,</b>	<b>Total</b>	<b>General Obligation Interest</b>	<b>Total</b>
2008	\$ 17,735	\$ 12,345	\$ 30,080
2009	20,520	12,818	33,338
2010	19,150	11,917	31,067
2011	19,145	11,030	30,175
2012	19,140	10,109	29,249
2013-2017	90,505	37,237	127,742
2018-2022	66,030	17,717	83,747
2023-2027	41,650	4,229	45,879
Total	\$ <u>293,875</u>	\$ <u>117,402</u>	\$ <u>411,277</u>

In previous years the City has defeased general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. According, trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2007, the following bonds outstanding are considered defeased:

<b>Year of Original Issue</b>	<b>Date Refunded</b>	<b>Refunded Amount</b>	<b>Defeased Balance</b>
1998	06/01/2005	\$ 13,185	\$ 13,185
2000	06/01/2005	10,000	10,000
2001	06/01/2005	6,900	6,900
1996	03/15/2003	28,800	12,500
2000	04/01/2005	31,285 *	30,390

\*Morgan Street Garage Revenue Bonds

The City's indebtedness (\$397 million) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 521,901	\$ 211,336	\$ 310,565
Schools	1,043,802	164,993	878,809
Sewers	869,835	20,353	849,482
Urban renewal	753,857		753,857
Pension deficit	695,868		695,868

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

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding. School building grants totaling \$21.4 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, with previously issued debt, as of June 30, 2007 were:

<u>Description</u>	<u>Authorized</u>	<u>Bonded</u>	<u>Grants Received</u>	<u>Authorized Unissued</u>
General Purpose	\$ 87,465	\$ 55,100	\$	\$ 32,365
Schools	<u>492,920</u>	<u>139,512</u>	<u>203,494</u>	<u>149,914</u>
Total	\$ <u>580,385</u>	\$ <u>194,612</u>	\$ <u>203,494</u>	\$ <u>182,879</u>

#### **Housing and Urban Development (HUD) Section 108 Loans**

The City has entered into Federal HUD Section 108 Loans. Principal in the amount of \$105 and interest in the amount of \$199 was paid in the 2006-07 fiscal year. Future annual requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 115	\$ 107	\$ 222
2009	125	99	224
2010	130	91	221
2011	140	82	222
2012	155	72	227
2013-2017	950	176	1,126
*	<u>1,500</u>		<u>1,500</u>
Total	\$ <u>3,115</u>	\$ <u>627</u>	\$ <u>3,742</u>

\*Amortization of loan agreement will be finalized in 2007 with completion of the project resulting in a total borrowing of \$1.5 million under the Section 108 loan program.

During fiscal year 2007, the U.S. Department of Housing and Urban Development notified the City of Hartford that one of the City's loan holders refinanced a prior loan for which the proceeds were deposited with a trustee to provide for future repayment of the loan. A total \$8 million of previous Section 108 loans is considered to be defeased and the City has been released from all agreements, covenants and further obligations under the loan.

## Capital Leases

The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2007 were \$1,370. The following is a summary of capital lease commitments as of June 30, 2007:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 1,823
2009	1,856
2010	1,834
2011	1,277
2012	949
2013	335
Total lease payments	8,074
Less: amount representing interest	(846)
Present value of minimum lease payments	\$ <u>7,228</u>

The City originally issued \$9,631 in capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated value approximates the principal balance payable of \$7,228 at June 30, 2007.

## Compensated Absences

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

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

	<u>June 30, 2007</u>
Vested:	
Sick	\$ 10,585
Vacation	11,492
Non-vested:	
Sick	<u>8,397</u> *
Total	\$ <u>30,474</u>

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

## Net Pension Obligation

See Note 14.

### Business-type Activities

#### Changes in Long-term Liabilities

Long-term liabilities activities for the year ended June 30, 2007, was as follows:

	<b>Business-Type Activities</b>				<b>Due Within One Year</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	
Business-type Activities:					
General obligation bonds	\$ 34,340	\$	\$ 1,165	\$ 33,175	\$ 1,210
Less deferred amounts on refunding	(2,843)		(251)	(2,592)	
Total bonds payable	\$ 31,497	\$	\$ 914	\$ 30,583	\$ 1,210

The annual requirements to amortize all revenue bond debt outstanding as of June 30, 2007 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 1,210	\$ 1,551	\$ 2,761
2009	1,255	1,504	2,759
2010	1,305	1,453	2,758
2011	1,365	1,398	2,763
2012	1,425	1,341	2,766
2013-2017	8,245	5,557	13,802
2018-2022	10,630	3,166	13,796
2023-2025	7,740	539	8,279
Total	\$ 33,175	\$ 16,509	\$ 49,684

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

Morgan Street Garage - Refunding bonds issued 2005; final maturity August 1, 2024; interest at 3.0 to 5.5%	\$ 33,175
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## 10. FUND BALANCES

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

### A. Fund Balance

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

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

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

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

Fund balance reserves are as follows:

	<b>Capital Improvement Fund</b>	<b>Other Governmental Funds</b>
Encumbrances and commitments	\$ 53,493	\$ 1,593
Housing assistance		4,328
Inventory		360
Trusts		21,348
Total	\$ <u>53,493</u>	\$ <u>27,629</u>

## 11. 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 \$34.4 million, reported in the fund at June 30, 2007 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 2007 and 2006 were:

		<b>Beginning of Fiscal Year Liability</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Ending Fiscal Year Liability</b>
<hr/>								
Self Insurance Fund:								
2005-2006	\$	36,116	\$	76,549	\$	76,533	\$	36,132
2006-2007		36,132		80,198		81,940		34,390

## 12. COMMITMENTS AND CONTINGENCIES

### A. Contractual Commitments

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

### B. Statutory Commitments

The City is a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), and is contingently liable for \$20.4 million or 27.07% of the debt of the District.

### C. Contingencies

The Office of Corporation Counsel for the City, represents the City, its various departments and divisions and the Board of Education directly or by oversight responsibility in connection with many instances of litigation. Cases involve tax appeals, negligence, foreclosure, zoning, personnel, and other miscellaneous court actions and administrative agency proceedings. In the opinion of the City's Corporation Counsel, a conservatively estimated liability of \$17.5 million could exist, if all claims and suits were resolved unfavorable against the City, including tax appeals and excluding workers' compensation.

### 13. OTHER POSTEMPLOYMENT BENEFITS

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Actuarial valuations involve estimates of the value of reported amounts and assumption about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. The Government Accounting Standards Board (GASB) has issued statements to establish financial reporting, liability calculation, along with the requirement to disclose the government's funding strategy and progress.

The following is the current census of City benefit participants:

Active members	5,730
Retirees	<u>4,334</u>
Total	<u>10,064</u>

Although the City has not established a trust fund, as of June 30, 2007, to irrevocably segregate assets to fund the liability associated with postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines, an actuarial valuation was prepared to value the estimated accrued liability, as of June 30, 2007, and the annual required contribution (ARC) for the subsequent year ending June 30, 2008. The following reflects the assumptions and results of the actuarial report:

Valuation date	July 1, 2007
Actuarial cost method	Entry Age Normal
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	8.0%
Benefit cost trend	8.3% - declining to 5.0% in 2011 and after
Actuarial accrued liability:	
Retirees	\$ 222,200
Actives	<u>151,100</u>
Total	<u>373,300</u>
ARC - fiscal year ending June 30, 2008	\$ <u>38,900</u>

As of June 30, 2007, the funding and payment of postemployment benefits are accounted for in an internal service fund. The City is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, since a combination of trust fund and internal service fund control may be used, the City anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers. The estimated payments, net of retiree contributions, for 2007-2008 is expected to amount to \$16.3 million.

## 14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

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

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

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

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

#### A. Plan Description

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

As of the actuarial valuation date, July 1, 2006, City MERF membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,695
Terminated employees entitled to benefits but not yet receiving them	97
Active plan members	<u>2,544</u>
Total	<u><u>5,336</u></u>

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

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

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

Plan Changes: The July 1, 2006 valuation reflects the following plan changes:

The following changes have been made to the salary schedule:

Sample yearly rates of increase for promotion or merit for police employee's ages 25-29 has been reduced from 6.0% to 4.0%.

Sample yearly rates of increase for promotion or merit for fire employee's ages 25-29 has been reduced from 5.0% to 2.5%.

Sample yearly rates of increase for promotion or merit for municipal and library employee's ages 25-29 has been increased from 4.0% to 6.0%.

Sample yearly rates of increase for promotion or merit for municipal and library employee's ages 30-34 has been increased from 4.0% to 4.7%.

Sample yearly rates of increase for promotion or merit for municipal and library employee's ages 35-39 has been increased from 2.1% to 3.1%.

Sample yearly rates of increase for promotion or merit for municipal and library employee's at age 40 have been increased from 1.0% to 2.0%.

Sample yearly rates of increase for promotion or merit for municipal and library employee's over the age of 40 have been increased from 1.0% to 2.0%.

The provision for retirement benefit for the Hartford Federation of School Health Professionals has been modified from 2% of final average pay for highest 3 out of last 5 years to 2.5% of final average pay for highest 5 out of last 10 years of service.

The provision for retirement benefit for the City of Hartford Professional Employees Association individuals hired between October 1, 1997 and June 17, 2003 has been modified from 2% of final average pay for highest 2 out of last 5 years to 2.5% of final average pay for highest 2 out of last 5 years of service.

The assumed retirement age has been modified to incorporate an estimated retirement rate based on the actual number of years of service between 20-35 years of service for the police, fire, and municipal and library employees. The Board of Education assumed retirement age has been modified to incorporate an estimated retirement rate based on the age of the individual between ages 55-65.

Provisions for expenses other than investment expenses has been modified from a standard 2.5% increase from present value to an explicit dollar amount equal to an estimate of expected expenses in the upcoming year based on the average of the last 4 years.

Method Used to Value Investments: 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	29	%
Columbia Management	6	
Ariel Capital Management	8	

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 8.75% of social security-taxed wages and between 6% and 11.75% of wages above the social security-taxed level, depending on their union or non-union grouping. The City is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the City and may be amended only by the City Council through union negotiation.

### **D. Annual Pension Cost and Net Pension Obligations**

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

Annual required contribution, 7-1-05 valuation	\$ 14,329
Annual required contribution adjustment*	<u>1,134</u>
Adjusted annual required contribution	15,463
Interest on net pension obligation	1,014
Adjustment to annual required contribution	<u>(1,372)</u>
 Annual pension cost	 15,105
Contributions made**	<u>(16,481)</u>
 Increase (decrease) in net pension obligation	 (1,376)
Net Pension Obligation Beginning of Year	<u>11,548</u>
 Net Pension Obligation End of Year	 \$ <u>10,172</u>

\* Adjustment to reflect revised contribution requirements for fiscal years 2000 through 2006.

\*\* Includes \$164 of contributions derived from insurance benefit payments.

The annual required contribution for the current year was determined as part of the MERF actuarial valuation dated July 1, 2005. The actuarial method and assumptions used in that valuation are presented below:

Valuation Date	7/01/05
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

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/05	\$ 8,989	\$ 9,207	102 %	\$ 7,512
6/30/06	15,984	11,948	75	11,548
6/30/07	15,105	16,481	109	10,172

## **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**

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	
6/30/02	\$ 333	100	%
6/30/03	2,464	100	
6/30/04	6,536	100	
6/30/05	9,207	100	
6/30/06	16,196	74	
6/30/07	15,463	107	

### **RAF/PBF/FRF Plan**

#### **A. Plan Description**

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

There are 261 retirees and no active employees covered by this Plan as of the actuarial valuation dated July 1, 2006.

#### **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 \$1.8 million. The Plan did not have a net pension obligation as of June 30, 2007.

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%
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>
6/30/05	\$ 2,519	\$ 2,519	100 %	\$ -
6/30/06	1,926	1,926	100	-
6/30/07	1,757	1,757	100	-

#### F. Pension Plan Required Supplementary Information

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

##### Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
7/01/01	\$ -	\$ 17,361	\$ 17,361	0.0 %	N/A	N/A
7/01/02	-	13,688	13,688	0.0	N/A	N/A
7/01/03	-	12,259	12,259	0.0	N/A	N/A
7/01/04	-	11,706	11,706	0.0	N/A	N/A
7/01/05	-	11,123	11,123	0.0	N/A	N/A
7/01/06	-	9,389	9,389	0.0	N/A	N/A

## Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	
6/30/02	\$ 3,346	100	%
6/30/03	3,067	100	
6/30/04	2,816	100	
6/30/05	2,519	100	
6/30/06	1,926	100	
6/30/07	1,757	100	

### City of Hartford 415 (m) Fund

#### A. Plan Description

This plan currently covers eight (6) retirees and no active employees as of June 30, 2007 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 \$53 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%
Cost of Living Adjustments	None

#### D. Trend Information

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/05	\$ 48	\$ 48	100 %	\$ -
6/30/06	39	39	100	-
6/30/07	53	53	100	-

#### E. Pension Plan Required Supplementary Information

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

##### Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
7/01/01	\$ -	\$ 129	\$ 129	0.0 %	N/A	N/A
7/01/02	-	66	66	0.0	N/A	N/A
7/01/03	-	46	46	0.0	N/A	N/A
7/01/04	-	141	141	0.0	N/A	N/A
7/01/05	-	168	168	0.0	N/A	N/A
7/01/06	-	167	167	0.0	N/A	N/A

##### Schedule of Employer Contributions

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/30/02	\$ 46	100 %
6/30/03	21	100
6/30/04	34	100
6/30/05	48	100
6/30/06	39	100
6/30/07	53	100

## **State MERF-B**

Members of City AFSCME Local 1716 and members of Local 566, which consisted of 653 members on June 30, 2007, participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

*Funding Policy* - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the City are established and may be amended by the State Retirement Commission. Total contributions to MERF for the years ended June 30, 2007, 2006 and 2005 were \$3.4 million, \$3.1 million and \$3.5 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 7.25% of all teachers' annual salaries, \$10.3 million in fiscal year 2007, and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$142 million or 68% of the total Board of Education payroll of \$208 million.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The City does not have any liability for teacher pensions. For the year ended June 30, 2007 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$17.8 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, 2007 and the changes in net assets for the year then ended.

## Schedule of Plan Net Assets

	<b>Municipal Employees' Retirement Fund</b>	<b>RAF/PBF/ FRF Plan</b>	<b>Totals</b>
Assets:			
Cash and cash equivalents	\$ 55,219	\$ 224	\$ 55,443
Investments:			
Fixed income securities	190,131		190,131
Equities	805,906		805,906
Private equity contracts	129,334		129,334
Other domestic equities	4,687		4,687
Receivables:			
Accrued interest earnings	3,057		3,057
Notes receivable	1,800		1,800
Due from other funds	4,107		4,107
Total assets	<u>1,194,241</u>	<u>224</u>	<u>1,194,465</u>
Liabilities:			
Accounts payable and accrued liabilities	252		252
Net payables for investments purchased/sold	41,736		41,736
Due to other funds		195	195
Total liabilities	<u>41,988</u>	<u>195</u>	<u>42,183</u>
Net Assets Held in Trust for Pension Benefits	\$ <u><u>1,152,253</u></u>	\$ <u><u>29</u></u>	\$ <u><u>1,152,282</u></u>

## Schedule of Changes in Plan Net Assets

	<b>Municipal Employees' Retirement Fund</b>	<b>RAF/PBF/ FRF Plan</b>	<b>Totals</b>
Additions:			
Contributions:			
Employer	\$ 16,317	\$ 1,757	\$ 18,074
Plan members	9,810		9,810
Total contributions	<u>26,127</u>	<u>1,757</u>	<u>27,884</u>
Investment income:			
Net appreciation in fair value of investments	135,732		135,732
Interest and dividends	23,755		23,755
Total investment income	<u>159,487</u>		<u>159,487</u>
Less investment expense	<u>(4,437)</u>		<u>(4,437)</u>
Net investment income	<u>155,050</u>		<u>155,050</u>
Other additions	<u>1,318</u>		<u>1,318</u>
Total additions	<u>182,495</u>	<u>1,757</u>	<u>184,252</u>
Deductions:			
Benefits	73,851	1,789	75,640
Administration	2,029		2,029
Other	755		755
Total deductions	<u>76,635</u>	<u>1,789</u>	<u>78,424</u>
Net increase (decrease)	105,860	(32)	105,828
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>1,046,393</u>	<u>61</u>	<u>1,046,454</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 1,152,253</u>	<u>\$ 29</u>	<u>\$ 1,152,282</u>

## CITY OF HARTFORD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007**

**(In Thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
General Property Tax:				
Current Year's Levy	\$ 219,500	\$ 218,100	\$ 216,385	\$ (1,715)
Levy of Prior Years	9,550	9,950	12,090	2,140
Interest and Liens	2,596	2,596	3,163	567
Total General Property Tax	<u>231,646</u>	<u>230,646</u>	<u>231,638</u>	<u>992</u>
Other Local Taxes:				
Business Taxes	<u>2,700</u>	<u>2,500</u>	<u>2,617</u>	<u>117</u>
Licenses and Permits:				
Street Use	<u>20</u>	<u>33</u>	<u>11</u>	<u>(22)</u>
Business Licenses:				
Health Licenses	150	151	168	17
Police and Protection Licenses	51	54	57	3
Professional and Occupational Licenses	75	8	6	(2)
Total Business Licenses	<u>276</u>	<u>213</u>	<u>231</u>	<u>18</u>
Non-Business Licenses and Permits:				
Building Structure and Equipment Permits	4,782	4,818	5,335	517
Other Non-Business Licenses and Permits	44	49	57	8
Total Non-Business Licenses and Permits	<u>4,826</u>	<u>4,867</u>	<u>5,392</u>	<u>525</u>
Total Licenses and Permits	<u>5,122</u>	<u>5,113</u>	<u>5,634</u>	<u>521</u>
Fines, Forfeits and Penalties	<u>152</u>	<u>308</u>	<u>343</u>	<u>35</u>
Revenue from Use of Money and Property:				
Income from Investments	1,775	2,982	3,510	528
Income from Use of Property	534	538	636	98
Income from Development Properties	3,929	3,675	3,678	3
Total Revenue from Use of Money and Property	<u>6,238</u>	<u>7,195</u>	<u>7,824</u>	<u>629</u>
Intergovernmental Revenue:				
Federal Government	<u>40</u>	<u>202</u>	<u>202</u>	<u>-</u>

(Continued on next page)

## CITY OF HARTFORD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007**  
(In Thousands)

	<b>Budgeted Amounts</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>
Intergovernmental Revenue (continued):				
State of Connecticut:				
Education	\$ 177,297	\$ 177,947	\$ 177,132	\$ (815)
Housing	580	480	494	14
Public Works	662	615	615	-
Elderly Services	277	399	289	(110)
Mashantucket Pequot Fund	10,759	10,759	9,900	(859)
Property Tax Relief	4,923	4,923	4,923	-
Payment in Lieu of Taxes	37,783	38,695	38,353	(342)
Shared Taxes	301	313	346	33
Other	24		14	14
Total State of Connecticut	<u>232,606</u>	<u>234,131</u>	<u>232,066</u>	<u>(2,065)</u>
Total Intergovernmental Revenue	<u>232,646</u>	<u>234,333</u>	<u>232,268</u>	<u>(2,065)</u>
Charges for Services:				
General Government:				
Court Costs, Fees and Charges	13	14	3	(11)
Recording Legal Instruments	731	522	576	54
All Other	728	730	835	105
Total General Government	<u>1,472</u>	<u>1,266</u>	<u>1,414</u>	<u>148</u>
Public Safety:				
Police Charges	2,256	2,177	982	(1,195)
Fire Protection Services	306	321	372	51
Total Public Safety	<u>2,562</u>	<u>2,498</u>	<u>1,354</u>	<u>(1,144)</u>
Public Works:				
Highways and Streets	131	3	4	1
Sanitation	<u>671</u>	<u>519</u>	<u>449</u>	<u>(70)</u>
Total Public Works	<u>802</u>	<u>522</u>	<u>453</u>	<u>(69)</u>
Other:				
Human Services	10	19	47	28
Education	8	3	3	-
Recreation	8	9	9	-
Miscellaneous	<u>117</u>	<u>131</u>	<u>277</u>	<u>146</u>
Total Other	<u>143</u>	<u>162</u>	<u>336</u>	<u>174</u>
Total Charges for Services	<u>4,979</u>	<u>4,448</u>	<u>3,557</u>	<u>(891)</u>

(Continued on next page)

## CITY OF HARTFORD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007**

**(In Thousands)**

	<b>Budgeted Amounts</b>			<b>Variance Favorable (Unfavorable)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	
Reimbursements:				
Miscellaneous Reimbursements	\$ 1,207	\$ 1,197	\$ 361	\$ (836)
From Other Funds	<u>1,321</u>	<u>1,920</u>	<u>2,206</u>	<u>286</u>
Total Reimbursements	<u>2,528</u>	<u>3,117</u>	<u>2,567</u>	<u>(550)</u>
Other Revenues:				
Miscellaneous	4,086	1,795	3,807	2,012
Prior Year Encumbrance Liquidations	<u>500</u>	<u>500</u>	<u></u>	<u>(500)</u>
Total Other Revenues	<u>4,586</u>	<u>2,295</u>	<u>3,807</u>	<u>1,512</u>
Other Financing Sources:				
Transfers in from other funds:				
Hartford Parking Facilities Fund	5,600	5,900	4,513	(1,387)
Capital Improvement Fund	<u>700</u>	<u>1,800</u>	<u>3,614</u>	<u>1,814</u>
Total Other Financing Sources	<u>6,300</u>	<u>7,700</u>	<u>8,127</u>	<u>427</u>
Total	\$ <u>496,897</u>	\$ <u>497,655</u>	498,382	\$ <u>727</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	17,840
Reimbursements from other funds are excluded for financial statement reporting purposes	<u>(1,342)</u>

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

\$ 514,880

## CITY OF HARTFORD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
General Government:				
Mayor	\$ 1,645	\$ 1,860	\$ 1,860	\$ -
Court of Common Council	638	640	640	-
City Treasurer	428	490	490	-
Registrars of Voters	542	771	771	-
Corporation Counsel	1,635	2,149	2,149	-
Town and City Clerk	834	941	941	-
Internal Audit	377	328	328	-
Office of Information Services	3,155	3,155	3,155	-
Finance	3,346	3,526	3,526	-
Personnel	1,125	1,119	1,119	-
Human Relations	743	736	736	-
Office of Management and Budget	1,299	1,381	1,381	-
Office of Youth Services	768	603	603	-
Total General Government	<u>16,535</u>	<u>17,699</u>	<u>17,699</u>	<u>-</u>
Public Safety:				
Fire	29,991	30,498	30,498	-
Police	35,484	35,203	35,203	-
Emergency Services and Telecommunications	3,490	3,753	3,753	-
Licenses and Inspections	2,044	2,052	2,052	-
Total Public Safety	<u>71,009</u>	<u>71,506</u>	<u>71,506</u>	<u>-</u>
Infrastructure and Leisure Services:				
Public Works	<u>13,313</u>	<u>14,158</u>	<u>14,158</u>	<u>-</u>
Development and Community Affairs:				
Administration	553	628	628	-
Planning	688	726	726	-
Housing and Community Development	266	314	314	-
Economic Development	600	526	526	-
Total Development and Community Affairs	<u>2,107</u>	<u>2,194</u>	<u>2,194</u>	<u>-</u>

(Continued on next page)

## CITY OF HARTFORD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Human Services:				
Human Services and Health	\$ 7,549	\$ 7,740	\$ 7,740	\$ -
Education:				
Board of Education	261,000	261,000	261,000	-
Benefits and Insurance:				
Pension Contributions	14,337	13,021	13,021	-
Employee Benefits	38,154	35,654	35,654	-
Property and Casualty Insurance	6,000	7,421	7,421	-
Total Benefits and Insurance	58,491	56,096	56,096	-
Sundry:				
Transfers to Other Funds	9,551	11,124	11,124	-
Civic and Cultural Affairs	994	1,150	1,150	-
Debt Service	24,701	24,858	24,858	-
Payments to Other				-
Governmental Agencies	8,783	8,546	8,546	
Settlements	3,100	2,420	2,420	-
Other Sundry Items	19,764	18,406	18,393	13
Total Sundry	66,893	66,504	66,491	13
Total	\$ 496,897	\$ 496,897	496,884	\$ 13

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

17,840

Reimbursements from other funds are credited against budgetary expenditures for  
financial statement reporting purposes

(1,342)

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

246

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

\$ 513,628

## CITY OF HARTFORD, CONNECTICUT

## COMPARATIVE BALANCE SHEET - GENERAL FUND

JUNE 30, 2007 AND 2006  
(In Thousands)

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 63,440	\$ 61,199
Receivables:		
Property taxes receivable, net	18,629	18,738
Property taxes accrued interest receivable, net	5,523	7,332
School building grants receivable	21,367	24,967
Accounts and other receivables	9,366	4,057
Due from other funds	<u>7,810</u>	<u>6,114</u>
Total Assets	<u>\$ 126,135</u>	<u>\$ 122,407</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 35,146	\$ 29,087
Due to other funds	8,501	6,369
Deferred revenue	<u>48,021</u>	<u>53,736</u>
Total liabilities	<u>91,668</u>	<u>89,192</u>
Fund balance:		
Reserved		246
Unreserved:		
Undesignated	<u>34,467</u>	<u>32,969</u>
Total fund balance	<u>34,467</u>	<u>33,215</u>
Total Liabilities and Fund Balance	<u>\$ 126,135</u>	<u>\$ 122,407</u>

## CITY OF HARTFORD, CONNECTICUT

## GENERAL FUND

## REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

Grand List	Tax Collectible July 1, 2006	Lawful Corrections		Suspense Transfers	Adjusted Tax Levy	Tax Collections				Tax Collectible June 30, 2007
		Legal Additions	Legal Deletions			Tax*	Interest	Liens	Total	
1991	\$ 163	\$ 3	\$ 164	\$ 2	\$ -	\$	\$	\$	\$ -	\$ -
1992	180		47	4	129				-	129
1993	177		48	4	125	2	1		3	123
1994	245		74	12	159	2	3		5	157
1995	241		65	18	158	4	7		11	154
1996	248		61	25	162	4	6		10	158
1997	257	3	54	34	172	18	24		42	154
1998	270		61	59	150	31	36		67	119
1999	439	3	45	253	144	45	45		90	99
2000	913	1	29	645	240	103	87	1	191	137
2001	1,824	94	144	1,259	515	275	179	2	456	240
2002	3,298	3	54	540	2,707	661	352	4	1,017	2,046
2003	4,657	14	218		4,453	1,419	578	7	2,004	3,034
2004	11,361	157	1,226		10,292	5,547	1,164	35	6,746	4,745
74 Prior Years	24,273	278	2,290	2,855	19,406	8,111	2,482	49	10,642	11,295
2005	233,637	915	4,983		229,569	219,241	1,497	9	220,747	10,328
Total Grand List	\$ 257,910	\$ 1,193	\$ 7,273	\$ 2,855	\$ 248,975	227,352	3,979	58	231,389	\$ 21,623
Suspense						153	195		348	
Total Tax Collections						\$ 227,505	\$ 4,174	\$ 58	231,737	
Other Tax Related Income									209	
Total Collections								\$	231,946	

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

## CITY OF HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2007  
(In Thousands)

	Special Revenue							
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Hartford Public Library	Community Development Act	Housing Grants	Special Activities
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,573	\$ 6,813	\$ 1,844	\$ 1,735	\$ 1,277	\$ 1,750	\$ 106	\$ 427
Investments								
Receivables:								
Intergovernmental receivable	38	4,067	1,845	1,042		632		
Other receivables		1,274	105			11		
Due from other funds		18		24		456		
Inventories and other assets			360					
Total Assets	<u>\$ 4,611</u>	<u>\$ 12,172</u>	<u>\$ 4,154</u>	<u>\$ 2,801</u>	<u>\$ 1,277</u>	<u>\$ 2,849</u>	<u>\$ 106</u>	<u>\$ 427</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 283	\$ 1,599	\$ 1,281	\$ 935	\$ 443	\$ 575	\$	\$ 7
Due to Other Funds		309		143	810	162		49
Deferred Revenue		5,512		1,498				
Total liabilities	<u>283</u>	<u>7,420</u>	<u>1,281</u>	<u>2,576</u>	<u>1,253</u>	<u>737</u>	<u>-</u>	<u>56</u>
Fund Balance (deficit):								
Reserved:								
Encumbrances						456		
Housing assistance	4,328							
Inventory			360					
Trusts								
Unreserved:								
Undesignated		4,752	2,513	225	24	1,656	106	371
Total fund balances	<u>4,328</u>	<u>4,752</u>	<u>2,873</u>	<u>225</u>	<u>24</u>	<u>2,112</u>	<u>106</u>	<u>371</u>
Total Liabilities and Fund Balances	<u>\$ 4,611</u>	<u>\$ 12,172</u>	<u>\$ 4,154</u>	<u>\$ 2,801</u>	<u>\$ 1,277</u>	<u>\$ 2,849</u>	<u>\$ 106</u>	<u>\$ 427</u>

(Continued on next page)

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

**JUNE 30, 2007**  
**(In Thousands)**

	Special Revenue					Capital Projects			
	HOME Program	Capital Lease	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Redevelopment	HUD Special Projects	Total
ASSETS									
Cash and cash equivalents	\$	\$ 1,137	\$ 4	\$	\$ 1	\$ 19,667	\$ 2,824	\$ 913	\$ 3,737
Investments			910		63	973			-
Receivables:									
Intergovernmental receivable	56					7,680		67	67
Other receivables						1,390	88	3,115	3,203
Due from other funds		1,177				1,675			-
Inventories and other assets		124				484			-
Total Assets	\$ 56	\$ 2,438	\$ 914	\$ -	\$ 64	\$ 31,869	\$ 2,912	\$ 4,095	\$ 7,007
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 2	\$ 2	\$	\$	\$ 1	\$ 5,128	\$ 44	\$	\$ 44
Due to Other Funds	54					1,527		396	396
Deferred Revenue						7,010	1,261	3,415	4,676
Total liabilities	56	2	-	-	1	13,665	1,305	3,811	5,116
Fund Balance (deficit):									
Reserved:									
Encumbrances		1,137				1,593			-
Housing assistance						4,328			-
Inventory						360			-
Trusts			914		63	977			-
Unreserved:									
Undesignated		1,299	-		-	10,946	1,607	284	1,891
Total fund balances	-	2,436	914	-	63	18,204	1,607	284	1,891
Total Liabilities and Fund Balances	\$ 56	\$ 2,438	\$ 914	\$ -	\$ 64	\$ 31,869	\$ 2,912	\$ 4,095	\$ 7,007

(Continued on next page)

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

**JUNE 30, 2007**  
**(In Thousands)**

	Permanent						
	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Interfund Eliminations	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 2,716	\$ 225	\$ 1	\$ 2,942	\$	\$ 26,346
Investments	6	16,233	3,354	35	19,628		20,601
Receivables:							
Intergovernmental receivable					-		7,747
Other receivables					-		4,593
Due from other funds					-	(479)	1,196
Inventories and other assets					-		484
Total Assets	\$ 6	\$ 18,949	\$ 3,579	\$ 36	\$ 22,570	\$ (479)	\$ 60,967
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$ 5	\$	\$ 5	\$	\$ 5,177
Due to Other Funds		2,194			2,194	(479)	3,638
Deferred Revenue					-		11,686
Total liabilities	-	2,194	5	-	2,199	(479)	20,501
Fund Balance (deficit):							
Reserved:							
Encumbrances					-		1,593
Housing assistance					-		4,328
Inventory					-		360
Trusts	6	16,755	3,574	36	20,371		21,348
Unreserved:							
Undesignated					-		12,837
Total fund balances	6	16,755	3,574	36	20,371	-	40,466
Total Liabilities and Fund Balances	\$ 6	\$ 18,949	\$ 3,579	\$ 36	\$ 22,570	\$ (479)	\$ 60,967

## CITY OF HARTFORD, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)**

Special Revenue								
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Hartford Public Library	Community Development Act	Housing Grants	Special Activities
Revenues:								
Intergovernmental revenues	\$ 42,778	\$ 20,066	\$ 10,708	\$ 7,411	\$ 509	\$ 4,444	\$	\$
Charges for services		4,648	558		182			180
Investment income			68		77		1	4
Other revenues		240	275	453	293	569		7
Total	<u>42,778</u>	<u>24,954</u>	<u>11,609</u>	<u>7,864</u>	<u>1,061</u>	<u>5,013</u>	<u>1</u>	<u>191</u>
Expenditures:								
General government		350				1,037		
Public safety		4,993				55		
Public works		122				88		
Development and community affairs	38,450	4,947				2,756		
Human services		13,749		7,838		1,135		2
Education			11,730			33		184
Recreation and culture					9,015	363		
Debt service								
Total expenditures	<u>38,450</u>	<u>24,161</u>	<u>11,730</u>	<u>7,838</u>	<u>9,015</u>	<u>5,467</u>	<u>-</u>	<u>186</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,328</u>	<u>793</u>	<u>(121)</u>	<u>26</u>	<u>(7,954)</u>	<u>(454)</u>	<u>1</u>	<u>5</u>
Other Financing Sources (Uses):								
Transfers in		726		224	7,879	1,688		
Transfers out		(958)		(330)		(529)		
Capital lease								
Total Other Financing Sources (Uses)	<u>-</u>	<u>(232)</u>	<u>-</u>	<u>(106)</u>	<u>7,879</u>	<u>1,159</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,328	561	(121)	(80)	(75)	705	1	5
Fund Balances at Beginning of Year	<u>-</u>	<u>4,191</u>	<u>2,994</u>	<u>305</u>	<u>99</u>	<u>1,407</u>	<u>105</u>	<u>366</u>
Fund Balances at End of Year	<u>\$ 4,328</u>	<u>\$ 4,752</u>	<u>\$ 2,873</u>	<u>\$ 225</u>	<u>\$ 24</u>	<u>\$ 2,112</u>	<u>\$ 106</u>	<u>\$ 371</u>

(Continued on next page)

## CITY OF HARTFORD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)**

	Special Revenue						Capital Projects		
	HOME Program	Capital Lease	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Redevelopment	HUD Special Projects	Total
Revenues:									
Intergovernmental revenues	\$ 2,868	\$	\$	\$	\$	88,784	\$ 62	\$ 200	\$ 262
Charges for services						5,568	17		17
Investment income		108	29		9	296	64	28	92
Other revenues						1,837	154	307	461
Total	2,868	108	29	-	9	96,485	297	535	832
Expenditures:									
General government		1,401				2,788			-
Public safety		1,344				6,392			-
Public works		1,452				1,662			-
Development and community affairs	2,767					48,920	124	213	337
Human services				117		22,841			-
Education					4	11,951			-
Recreation and culture			23			9,401			-
Debt service		1,698				1,698		307	307
Total expenditures	2,767	5,895	23	117	4	105,653	124	520	644
Excess (Deficiency) of Revenues over Expenditures	101	(5,787)	6	(117)	5	(9,168)	173	15	188
Other Financing Sources (Uses):									
Transfers in		2,910	54	117	1	13,599			-
Transfers out	(101)					(1,918)			-
Capital lease		2,283				2,283			-
Total Other Financing Sources (Uses)	(101)	5,193	54	117	1	13,964	-	-	-
Net Change in Fund Balances	-	(594)	60	-	6	4,796	173	15	188
Fund Balances at Beginning of Year	-	3,030	854	-	57	13,408	1,434	269	1,703
Fund Balances at End of Year	\$ -	\$ 2,436	\$ 914	\$ -	\$ 63	\$ 18,204	\$ 1,607	\$ 284	\$ 1,891

(Continued on next page)

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

**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

	Permanent						
	Public Safety Trusts	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Interfund Eliminations	Total
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$ -	\$	\$ 89,046
Charges for services					-		5,585
Investment income	1	2,666	454		3,121		3,509
Other revenues					-		2,298
Total	<u>1</u>	<u>2,666</u>	<u>454</u>	<u>-</u>	<u>3,121</u>	<u>-</u>	<u>100,438</u>
Expenditures:							
General government					-		2,788
Public safety					-		6,392
Public works					-		1,662
Development and community affairs					-		49,257
Human services					-		22,841
Education					-		11,951
Recreation and culture					-		9,401
Debt service					-		2,005
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,297</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1</u>	<u>2,666</u>	<u>454</u>	<u>-</u>	<u>3,121</u>	<u>-</u>	<u>(5,859)</u>
Other Financing Sources (Uses):							
Transfers in		3,348			3,348	(228)	16,719
Transfers out		(757)	(117)	(1)	(875)	228	(2,565)
Capital lease							2,283
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,591</u>	<u>(117)</u>	<u>(1)</u>	<u>2,473</u>	<u>-</u>	<u>16,437</u>
Net Change in Fund Balances	1	5,257	337	(1)	5,594	-	10,578
Fund Balances at Beginning of Year	<u>5</u>	<u>11,498</u>	<u>3,237</u>	<u>37</u>	<u>14,777</u>	<u>-</u>	<u>29,888</u>
Fund Balances at End of Year	<u>\$ 6</u>	<u>\$ 16,755</u>	<u>\$ 3,574</u>	<u>\$ 36</u>	<u>\$ 20,371</u>	<u>\$ -</u>	<u>\$ 40,466</u>

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
Facility Services										
Public Works Projects:										
123D010	Telecommunications Equipment and Software. Includes the 311 System, Tax Collectors System, and Communications and Radios for the Police and Fire Departments	03/29/2005	\$ 1,000	\$ -	\$ 1,000	\$ 911	\$ 33	\$ 944	\$ 9	\$ 47
311B315	Roof Replacement at the Public Works Facilities Building	01/12/2005	90	-	90		-	-		90
311B602	City Buildings ADA Modifications	11/12/2005	250	500	750	3	33	36	5	709
311B603	City Buildings Environmental Compliance	11/12/2005	400	200	600	220	309	529	68	3
311B604	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	300	300	600	112	141	253	215	132
311B605	Roof Replacement at Various City Buildings	11/12/2005	500	200	700	48	340	388	36	276
311B606	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,000	800	1,800	295	761	1,056	189	555
311B608	Rising Star Block, Pride Block, Infrastructure Improvements	11/12/2005	1,000	300	1,300		1	1		1,299
311B609	Church Street Garage Structural Repairs	01/12/2005	6,300	-	6,300		714	714		5,586
311B610	Church Street Façade Restoration	01/12/2005	3,150	(1,340)	1,810		-	-		1,810
311B611	MAT Street Garage Façade Restoration	01/12/2005	2,300	-	2,300		-	-		2,300
311B612	Remainder of Construction Contract at Morgan St Garage	01/12/2005	640	950	1,590		657	657		933
311B613	Remainder of Repair Contracts at MAT Garage	01/12/2005	500	-	500		-	-		500
311B614	Remainder of Repairs Contracts at Church St Garage	01/12/2005	1,000	-	1,000		-	-		1,000
311B615	Streetscape Improvements at MAT Garage	01/12/2005	125	-	125		-	-		125
311B616	Streetscape Improvements at Church St Garage	01/12/2005	280	-	280		-	-		280
311B617	Landscaping/Lighting Improvements opposite Morgan St Garage	01/12/2005	42	390	432		11	11		421
311B629	Renovations and Improvements to the South End Senior Center and Police Substation on Maple Avenue	04/25/2006	1,300	-	1,300		94	94	16	1,190
311B624	Long Term Document Archive and Storage	07/1/2006		100	100		-			100
413A209	Main-John-Hudson Street Project	09/02/2004	500	-	500	429	67	496	2	2
420E003	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,075	250	1,325	1,075	64	1,139		186

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
420E004	Economic Development Site Acquisition	07/1/2006		1,450	1,450		13	13		1,437
Total Public Works Projects			21,752	4,100	25,852	3,093	3,238	6,331	540	18,981
Public Safety Projects:										
311B479	Major Renovations and Construction Improvements to Certain Fire Stations, Training Facility and Equipment Maintenance Facility Building	11/07/2000	6,200	-	6,200	2,539	2,822	5,361	770	69
311B482	Construction of a Public Safety Complex	11/07/2000	40,000	-	40,000	1,369	1,424	2,793	2,900	34,307
311B628	Renovations and Improvements to the Jennings Road Police Facility and Police Substations	04/25/2006	2,000	-	2,000		42	42	40	1,918
311B623	Adriaen's Landing Fire Station Study	07/1/2006		50	50		-	-	50	-
311B632	Police Station Improvements-HVAC	01/9/2007		500	500		5	5	130	365
311B635	Firearms, Equipment Leasing and Transmitter Equipment	06/26/2007		650	650		-	-		650
Total Public Safety Projects			48,200	1,200	49,400	3,908	4,293	8,201	3,890	37,309
Recreation and Culture Projects:										
311B434	Elizabeth Park Pathway, Traffic and Parking Improvements	05/22/1995	904	221	1,125	686	271	957	7	161
311B442	Central (Main) Library Renovations/Improvements	08/12/1996	37,900	699	38,599	34,827	2,180	37,007	1,336	256
311B443	Library Branch Renovations	08/12/1996	4,500	1,000	5,500	2,062	204	2,266	147	3,087
311B451	Northwood Cemetery Drainage Improvements	05/28/1998	1,130	-	1,130	1,071	-	1,071	36	23
311B456	Dillion Stadium – Facilities Renovations	05/28/1998	1,885	-	1,885	1,379	66	1,445	338	102
311B469	City Wide Restoration of Park Ponds	02/09/1999	1,325	-	1,325	1,305	-	1,305	20	-
311B472	Public Monument Survey	05/31/1999	50	-	50	20	-	20	4	26
311B478	Pope Park Pool Replacement	05/26/2000	1,581	-	1,581	1,475	-	1,475	50	56
311B480	Renovations and Construction of Certain Swimming Pools	11/07/2000	6,000	-	6,000	5,654	187	5,841	180	(21)
311B481	Pool Enclosures for Certain Swimming Pools	11/07/2000	6,000	(2,100)	3,900	129	692	821	273	2,806
311B483	Metzner Recreation Center Renovations and Expansion	11/07/2000	4,000	-	4,000	808	2,806	3,614	360	26

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
311B487	Batterson Park Infrastructure - Hartford Parks Trust Fund	05/24/2002	300	150	450	293	2	295	1	154
311B490	Keney Park Pond Perimeter – Hartford Parks Trust Fund	05/24/2002	450	-	450	449	-	449	-	1
311B491	Park Ponds Restoration - Hartford Parks Trust Fund	05/24/2002	800	-	800	306	1	307	113	380
311B492	Keney Park Improvements – UPARR	06/11/2002	500	-	500	450	-	450	5	45
311B494	Goodwin Park Playground and Entrance Hartford Parks Trust Fund	05/16/2003	570	200	770	542	21	563	2	205
311B495	Kelvin Anderson Center Façade Improvements State Grant	06/28/2005	60	-	60	-	-	-	-	60
311B497	Park Security and Access Management System Hartford Parks Trust Fund	05/16/2003	200	-	200	22	-	22	17	161
311B498	Pope Park Master Plan Hartford Parks Trust Fund	05/16/2003	550	-	550	519	6	525	25	-
311B499	Wood-Rail Fence/Keney Ridgewood Hartford Parks Trust Fund	05/16/2003	100	-	100	90	-	90	10	-
311B600	Colt, Goodwin & Keney Parks Restoration of Playing Fields Hartford Parks Trust Fund	05/24/2005	500	200	700	29	17	46	50	604
311B607	Pope Park Indoor Pool Repairs	11/12/2005	250	-	250	-	-	-	52	198
311B620	Lozada Park Preconstruction Planning, State DEP	02/28/2006	20	-	20	8	-	8	12	-
311B625	Colts Park and Coltsville Park Planning	07/1/2006		1,000	1,000		526	526	171	303
311B626	Pope Park - Phase II	07/1/2006		1,820	1,820		1,119	1,119	694	7
311B627	Citywide Playground Enhancements	07/1/2006		245	245		10	10	24	211
311B630	Pope Park Pool/Master Plan Work	10/11/2006		400	400		27	27	-	373
311B631	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006		1,500	1,500		268	268	1,143	89
311B633	Blue Hills Recreation Center	01/9/2007		150	150		34	34	38	78
311B634	Colt, Goodwin & Keney Parks Restoration of Playing Fields	01/9/2007		300	300		2	2	-	298
Total Recreation and Culture Projects			69,575	5,785	75,360	52,124	8,439	60,563	5,108	9,689
Education Projects:										
311B516	Acquisition and Renovation of Former South Catholic High School	11/3/1992	15,500	-	15,500	15,036	-	15,036	-	464

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
311B528	South Arsenal Elementary School Reconstruction	11/3/1992	17,544	-	17,544	16,176	6	16,182	11	1,351
311B533	Thirteen School Renovations	08/12/1996	20,000	-	20,000	19,978	-	19,978	2	20
311B534	Renovation of Hartford High School Project	09/23/1997	105,000	1,500	106,500	79,174	26,381	105,555	281	664
311B535	Magnet High School in Learning Corridor	10/15/1997	51,557	-	51,557	47,051	-	47,051	17	4,489
311B537	Renovations of Various Hartford Schools	08/11/1998	27,000	-	27,000	22,727	1,327	24,054	1,179	1,767
311B538	Replacement of Various Hartford School Roofs	08/11/1998	9,000	-	9,000	8,890	-	8,890	55	55
311B539	Replacement of Underground Storage Tanks	08/11/1998	3,000	-	3,000	2,829	23	2,852	-	148
311B546	Renovations and Construction Improvements to Hartford Public Schools	11/07/2000	126,890	4,000	130,890	112,032	11,294	123,326	3,013	4,551
311B548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	29,500	1,000	30,500	27,076	2,474	29,550	698	252
311B549	Sports Science Academy Magnet High School	05/12/2003	67,649	-	67,649	5,794	22,078	27,872	32,317	7,460
311B550	Greater Hartford Classical Magnet School	11/13/2003	36,450	1,500	37,950	34,408	3,246	37,654	133	163
311B551	Pathways to Technology Magnet School	11/13/2003	36,950	-	36,950	3,985	2,156	6,141	1,110	29,699
311B552	General School Improvements Phase V	03/09/2004	2,112	-	2,112	1,976	-	1,976	15	121
311B553	University High School for Science	08/11/2004	34,000	9,000	43,000	2,216	2,403	4,619	932	37,449
311B554	Capital College Preparatory Magnet	08/11/2004	45,650	-	45,650	38	24	62	-	45,588
311B555	Simpson-Waverly Classical Magnet	08/11/2004	20,000	-	20,000	56	1	57	-	19,943
311B556	Annie Fisher Magnet School	07/12/2005	40,366	(1,928)	38,438	15	2,240	2,255	1,022	35,161
311B557	Richard B. Kinsella, Magnet School of Arts	07/12/2005	38,675	(1,860)	36,815	15	2,054	2,069	1,206	33,540
311B558	875 Asylum Avenue-Leasehold Improvements	04/25/2006	1,050	300	1,350	184	1,073	1,257	66	27
311B559	Mary Hooker Environment Studies Magnet School	07/11/2006		46,200	46,200		54	54	-	46,146
Total Education Projects			727,893	59,712	787,605	399,656	76,834	476,490	42,057	269,058
Total Facility Services			867,420	70,797	938,217	458,781	92,804	551,585	51,595	335,037

Engineering Services

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

Project Number	Description	Date	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
		Project Approved	Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
Public Works Projects:										
311C229	SIA - Streetscape Improvements	09/24/1996	1,391	-	1,391	956	-	956	-	435
311C240	Road Improvement Program	08/11/1998	10,280	2,675	12,955	9,074	1,045	10,119	52	2,784
311C244	Road Repair/Reconstruction	11/07/2000	8,000	1,500	9,500	6,921	364	7,285	113	2,102
311C245	Streetscape Improvements	11/07/2000	17,000	2,600	19,600	1,662	3,350	5,012	3,276	11,312
311C246	Reconstruction of Woodland Street	06/11/2001	1,525	-	1,525	1,377	-	1,377	146	2
311C247	High Street Pavement	07/16/2001	236	-	236	182	-	182	9	45
311C248	Enhanced Tourist Destination	10/24/2001	625	-	625	608	-	608	14	3
311C249	Demolition of Mixmaster Temple Street	05/12/2003	917	-	917	274	512	786	123	8
311C250	Trinity College Area Improvements	11/13/2003	5,166	(601)	4,565	2,033	1,815	3,848	341	376
311C251	Riverwalk North Project	11/09/2004	4,361	-	4,361	2,310	1,788	4,098	163	100
311B484	Flood Control System Improvements	11/07/2000	10,000	-	10,000	463	5,009	5,472	2,830	1,698
311C252	Streetscape Improvements on Huyshope Avenue	03/14/2006	948	-	948	1	819	820	81	47
311C255	Renovations and Improvements to the City's Tower Brook Conduit	07/12/2005	4,800	-	4,800	-	19	19	-	4,781
311C253	Trumbull Street Streetscapes	07/01/2006		500	500		212	212	2	286
311C254	School Area Predestrian Routes Safety Enhancements	07/01/2006		300	300		-	-	-	300
311C256	Matching Funds for State and Federal Grants (CDBG) and Improvements	01/09/2007		1,000	1,000		891	891	-	109
Total Engineering Services			65,249	7,974	73,223	25,861	15,824	41,685	7,150	24,388
Transportation Services										
Public Works Projects:										
311D201	Urban Systems/TOPICS Reserve Account	02/21/1970	1,305	-	1,305	1,265	-	1,265		40
311D209	Upgrade of Hartford Traffic Signals	11/23/1999	1,861	-	1,861	1,820	-	1,820	8	33
311D212	Safety Improvements to Franklin and Benton	08/16/2005	92	-	92	-	-	-		92
311D213	Safety Improvements to Washington and Ward	08/16/2005	92	-	92	-	-	-		92
311D214	City Sidewalk Replacements	10/11/2006		300	300		-	-		300
Total Transportation Services			3,350	300	3,650	3,085	-	3,085	8	557

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
Local Capital Improvement Program										
Public Works Projects:										
311F217	LOCIP - STP Match	10/10/1995	236	-	236	234	-	234	2	-
311F218	LOCIP - Woodland Street Bridge Rehabilitation Match	10/10/1995	250	-	250	118	-	118	50	82
311F219	Library Renovations	09/11/1996	1,000	-	1,000	963	-	963	-	37
311F228	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400	-	400	154	14	168	11	221
311F234	Municipal Building Improvements – 064-00-030; 064-01-060	10/11/2000	716	-	716	487	-	487	14	215
311F236	West Service Road Extension - 064-00-050	10/11/2000	900	-	900	835	-	835	64	1
311F237	Library Branch Facility Study - 064-00-60	10/11/2000	50	-	50	50	-	50	-	-
311F239	Signalization of Franklin Avenue/Ward Street and Washington/Ward Street - LOCIP project #242 – 064-01-010	09/12/2001	20	-	20	3	-	3	-	17
311F241	Reconstruction of Broad and/or Vine Street - LOCIP Project #553 - 064-01 040	09/12/2001	300	-	300	123	32	155	125	20
311F242	Traffic Circulation and Master Plan - LOCIP Project #554 – 064-01-050	09/12/2001	500	-	500	499	-	499	1	-
311F243	Reconstruction of City Sidewalks - LOCIP Project #555 – 064-01-070	09/12/2001	350	(100)	250	218	-	218	32	-
311F245	Truck Wash Facility - LOCIP Project #247 - 064-03-010	09/15/2003	75	-	75	36	1	37	-	38
311F246	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	09/15/2003	750	-	750	33	23	56	29	665
311F247	Replacement of Roof at 40 Jennings Road (Vehicle Maintenance Bldg) - LOCIP Project #251 - 064-03-030	09/15/2003	785	-	785	688	33	721	31	33

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
311F248	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	09/15/2003	125	-	125	-	14	14	6	105
311F249	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	09/15/2003	2,000	900	2,900	1,470	348	1,818	180	902
311F250	Relocation of Police Training Academy and Traffic Division - LOCIP Project #116 - 064-03-060	09/15/2003	300	-	300	51	(14)	37	-	263
311F251	Police Headquarters - Heating, Ventilation, and Air Conditioning (HVAC Improvements) - LOCIP Project #117-064-03-080&064-05-020	09/15/2003	2,066	-	2,066	63	1,769	1,832	225	9
311F252	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	09/15/2003	100	-	100	27	(27)	-	-	100
311F253	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	09/15/2003	150	-	150	93	-	93	57	-
311F254	Mark Twain Branch Library - LOCIP Project #256 - 064-04-020	10/13/2004	75	-	75	-	-	-	-	75
311F255	City Hall Department Reconfiguration and Canopy Roof - LOCIP Project #258 - 064-04-030	10/13/2004	400	-	400	360	(43)	317	25	58
311F256	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	400	-	400	18	-	18	1	381
311F257	Central Business District Streetlight Replacement - LOCIP Project #549 064-04-050	10/13/2004	500	-	500	-	-	-	500	-
311F258	Colt and Keney Park Swimming Pool Renovations - LOCIP Project #383 - 064-04-070	10/13/2004	250	-	250	15	94	109	14	127

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

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2006	Current Period	Cumulative Total	Prior to July 1, 2006	Current Period	Cumulative Total		
311F259	Fire Department Back-Up Vehicle Storage Building LOCIP Project#118 064-05-010	11/29/2005	200	-	200	29	1	30	16	154
311F260	Fire Department Fire Resistant Finish at Burn Building LOCIP Project #119 064-05-030	11/29/2005	200	-	200	7	193	200	-	-
311F261	Plan of Conservation and Development LOCIP Project #572 064-05-050	11/29/2005	250	-	250	27	60	87	11	152
311F262	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	02/16/2006	250	-	250	-	-	-	-	250
311F263	Roof Replacements at Various City Buildings Project #265, 064-06-010	01/30/2007		450	450		-	-	-	450
311F264	Boiler Replacement at Various City Buildings Project #266, 064-06-020	01/30/2007		250	250		-	-	-	250
311F265	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	01/30/2007		250	250		-	-	92	158
311F266	Citywide Decorative Light Replacements Project #575, 064-06-050	01/30/2007		125	125		23	23	-	102
Total Local Capital Improvement Program			<u>13,598</u>	<u>1,875</u>	<u>15,473</u>	<u>6,601</u>	<u>2,521</u>	<u>9,122</u>	<u>1,486</u>	<u>4,865</u>
TOTAL CAPITAL IMPROVEMENT FUND			\$ <u>949,617</u>	\$ <u>80,946</u>	\$ <u>1,030,563</u>	\$ <u>494,328</u>	111,149	\$ <u>605,477</u>	60,239	\$ <u>364,847</u>
Conversion to GAAP based financial statement reporting:										
Previous year retainage and off system accrued payables							(9,333)			
Less borrowing interest charged to school projects reported as transfer to General Fund on Exhibit IV							(2,500)			
Current year disbursements in closed projects							585			
Current year retainage and off system accrued payables							<u>6,746</u>		<u>(6,746)</u>	
TOTAL CAPITAL OUTLAY - EXHIBIT IV							\$ <u>106,647</u>		\$ <u>53,493</u>	

**CITY OF HARTFORD, CONNECTICUT**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**

**JUNE 30, 2007**  
**(In Thousands)**

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Liability and Property Damage</u>	<u>Metro Hartford Information Services</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Assets:						
Cash and cash equivalents	\$ 2,026	\$ 920	\$	\$ 404	\$	\$ 3,350
Other receivables	34	23		259		316
Due from other funds	<u>1,145</u>		<u>59</u>		<u>(503)</u>	<u>701</u>
Total assets	<u>3,205</u>	<u>943</u>	<u>59</u>	<u>663</u>	<u>(503)</u>	<u>4,367</u>
Liabilities:						
Current:						
Accounts payable and accrued liabilities	517		2	437		956
Due to other funds		42	503	147	(503)	189
Insurance claims payable		6,600	2,900			9,500
Claims incurred and not reported	<u>6,390</u>					<u>6,390</u>
Total current liabilities	<u>6,907</u>	<u>6,642</u>	<u>3,405</u>	<u>584</u>	<u>(503)</u>	<u>17,035</u>
Noncurrent:						
Insurance claims payable		6,200	900			7,100
Claims incurred and not reported		7,800	3,600			11,400
Total noncurrent liabilities	<u>-</u>	<u>14,000</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>18,500</u>
Total liabilities	<u>6,907</u>	<u>20,642</u>	<u>7,905</u>	<u>584</u>	<u>(503)</u>	<u>35,535</u>
Net Assets:						
Unrestricted	<u>\$ (3,702)</u>	<u>\$ (19,699)</u>	<u>\$ (7,846)</u>	<u>\$ 79</u>	<u>\$ -</u>	<u>\$ (31,168)</u>

**CITY OF HARTFORD, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Liability and Property Damage</u>	<u>Metro Hartford Information Services</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Operating Revenues:						
City's contribution	\$ 57,462	\$ 10,546	\$ 2,994	\$ 6,209	\$	\$ 77,211
Pensioners contribution	12,317					12,317
Employees contribution	6,026					6,026
Other			322	354		676
Total operating revenues	<u>75,805</u>	<u>10,546</u>	<u>3,316</u>	<u>6,563</u>		<u>96,230</u>
Operating Expenses:						
Administrative	5,092			3,002		8,094
Operations				3,690		3,690
Insurance benefits and claims:						
Paid	72,665	7,044	2,231			81,940
Incurred and reported but not paid		(1,800)	(2,500)			(4,300)
Incurred and not reported	58	1,700	800			2,558
Total operating expenses	<u>77,815</u>	<u>6,944</u>	<u>531</u>	<u>6,692</u>		<u>91,982</u>
Operating Income	(2,010)	3,602	2,785	(129)		4,248
Nonoperating Income:						
Interest earnings	<u>67</u>					<u>67</u>
Change in Net Assets	(1,943)	3,602	2,785	(129)		4,315
Net Assets at Beginning of Year	<u>(1,759)</u>	<u>(23,301)</u>	<u>(10,631)</u>	<u>208</u>		<u>(35,483)</u>
Net Assets at End of Year	<u>\$ (3,702)</u>	<u>\$ (19,699)</u>	<u>\$ (7,846)</u>	<u>\$ 79</u>	<u>\$</u>	<u>\$ (31,168)</u>

## CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDSFOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)

	Employee Benefits	Workers' Compensation	Liability and Property Damages	Metro Hartford Information Services	Interfund Eliminations	Total
Cash Flows from Operating Activities:						
City's contribution	\$ 59,679	\$ 10,698	\$ 2,935	\$ 6,211	\$	\$ 79,523
Cash received from other			322	113		435
Cash received from users	18,343					18,343
Cash paid for salaries and benefits				(2,995)		(2,995)
Cash paid to suppliers and other	(79,600)	(7,066)	(2,640)	(3,879)		(93,185)
Net cash provided by (used in) operating activities	<u>(1,578)</u>	<u>3,632</u>	<u>617</u>	<u>(550)</u>		<u>2,121</u>
Cash Flows from Noncapital Financing Activities:						
Advances (to) from other funds	<u>3,537</u>	<u>(2,920)</u>	<u>(617)</u>			<u>-</u>
Cash Flows from Investing Activities:						
Interest received	<u>67</u>					<u>67</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,026	712	-	(550)		2,188
Cash and Cash Equivalents at Beginning of Year		208		954		1,162
Cash and Cash Equivalents at End of Year	<u>\$ 2,026</u>	<u>\$ 920</u>	<u>\$</u>	<u>\$ 404</u>	<u>\$</u>	<u>\$ 3,350</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ (2,010)	\$ 3,602	\$ 2,785	\$ (129)	\$	\$ 4,248
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
(Increase) decrease in other receivables		(23)		(241)		(264)
(Increase) decrease in due from other funds	2,217	175	(59)	2		2,335
Increase (decrease) in accrued payroll				7		7
Increase (decrease) in accounts payable	(1,582)	(64)	(59)	(230)		(1,935)
Increase (decrease) in due to other funds	(261)	42	(350)	41		(528)
Increase (decrease) in insurance claims payable	58	(200)	(400)			(542)
Increase (decrease) in claims incurred but not reported		100	(1,300)			(1,200)
Total adjustments	<u>432</u>	<u>30</u>	<u>(2,168)</u>	<u>(421)</u>		<u>(2,127)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,578)</u>	<u>\$ 3,632</u>	<u>\$ 617</u>	<u>\$ (550)</u>	<u>\$</u>	<u>\$ 2,121</u>

## CITY OF HARTFORD, CONNECTICUT

## AGENCY FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2007

(In Thousands)

	<b>Student Activity Funds</b>	<b>Adult Education Book Fund</b>	<b>Totals</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Cash and cash equivalents	\$ <u>          636</u>	\$ <u>              9</u>	\$ <u>          645</u>
Liabilities:			
Due to student groups and other	\$ <u>          636</u>	\$ <u>              9</u>	\$ <u>          645</u>

## CITY OF HARTFORD, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b><u>Student Activity Funds</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>569</u>	\$ <u>1,635</u>	\$ <u>1,568</u>	\$ <u>636</u>
Liabilities:				
Due to student groups	\$ <u>569</u>	\$ <u>1,635</u>	\$ <u>1,568</u>	\$ <u>636</u>
<b><u>Adult Education Book Fund</u></b>				
Assets:				
Cash	\$ <u>5</u>	\$ <u>5</u>	\$ <u>1</u>	\$ <u>9</u>
Liabilities:				
Due to other	\$ <u>5</u>	\$ <u>5</u>	\$ <u>1</u>	\$ <u>9</u>
<b><u>Total - All Agency Funds</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>574</u>	\$ <u>1,640</u>	\$ <u>1,569</u>	\$ <u>645</u>
Liabilities:				
Due to student groups	<u>569</u>	<u>1,635</u>	<u>1,568</u>	<u>636</u>
Due to other	<u>5</u>	<u>5</u>	<u>1</u>	<u>9</u>
Total	\$ <u>574</u>	\$ <u>1,640</u>	\$ <u>1,569</u>	\$ <u>645</u>

## CITY OF HARTFORD, CONNECTICUT

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Governmental Funds Capital Assets:		
Land and land improvements	\$ 96,110	\$ 93,914
Buildings	872,372	785,202
Other structures	28,803	26,103
Furniture and equipment	32,195	29,796
Rolling equipment	33,385	34,109
Infrastructure	<u>417,806</u>	<u>406,632</u>
Total	<u><u>1,480,671</u></u>	<u><u>1,375,756</u></u>
Investments in Governmental Funds Capital Assets	<u><u>\$ 1,480,671</u></u>	<u><u>\$ 1,375,756</u></u>

CITY OF HARTFORD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2007

(In Thousands)

	Land and Land Improvements	Buildings	Other Structures	Furniture and Equipment	Rolling Equipment	Infrastructure	Total
General Government:							
Mayor	\$	\$	\$	\$ 71	\$	\$	\$ 71
Court of Common Council				63			63
City Treasurer				41			41
Registrars of Voters				35			35
City Manager				33			33
Corporation Counsel				20			20
Town and City Clerk				48			48
Office of Information Services				2,142			2,142
Finance	494	142	3	658			1,297
Personnel				64			64
Human Relations				31			31
Management & Budget				396			396
Total	<u>494</u>	<u>142</u>	<u>3</u>	<u>3,602</u>	<u>-</u>		<u>4,241</u>
Public Safety:							
Fire	246	7,819		1,693	9,771		19,529
Police	667	10,712	109	8,703	5,019		25,210
Total	<u>913</u>	<u>18,531</u>	<u>109</u>	<u>10,396</u>	<u>14,790</u>		<u>44,739</u>
Physical and Leisure Services:							
Public Works	23,555	41,461	9,890	4,542	17,558	405,333	502,339
Civic Center Garage	796						796
Richardson Building	1,831	742					2,573
Church St Garage			1,377				1,377
Mixmaster	-		1,960				1,960
Total	<u>26,182</u>	<u>42,203</u>	<u>13,227</u>	<u>4,542</u>	<u>17,558</u>	<u>405,333</u>	<u>509,045</u>
Development and Community Affairs:							
Housing, Community Development and Planning	21,746	6,679	127	91			28,643
Redevelopment	11,760	5,766	170				17,696
Total	<u>33,506</u>	<u>12,445</u>	<u>297</u>	<u>91</u>	<u>-</u>		<u>46,339</u>
Human Services:							
Human Services	5	953		264			1,222
Health				198			198
Hospitals	292	4,296					4,588
Total	<u>297</u>	<u>5,249</u>	<u>-</u>	<u>462</u>	<u>-</u>		<u>6,008</u>
Board of Education	<u>25,937</u>	<u>325,337</u>	<u>1,525</u>	<u>13,015</u>	<u>1,037</u>		<u>366,851</u>
Recreation and Culture:							
Hartford Public Library	567	5,641		87			6,295
Civic Center	2,687	26,624					29,311
Total	<u>3,254</u>	<u>32,265</u>	<u>-</u>	<u>87</u>	<u>-</u>		<u>35,606</u>
Construction in Progress	<u>5,527</u>	<u>436,200</u>	<u>13,642</u>			<u>12,473</u>	<u>467,842</u>
TOTAL	<u>\$ 96,110</u>	<u>\$ 872,372</u>	<u>\$ 28,803</u>	<u>\$ 32,195</u>	<u>\$ 33,385</u>	<u>\$ 417,806</u>	<u>\$ 1,480,671</u>

## CITY OF HARTFORD, CONNECTICUT

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
(In Thousands)

	Governmental Funds Capital Assets July 1, 2006	Department Transfers	Transfers From CIP	Additions	Deductions	Governmental Funds Capital Assets June 30, 2007
General Government:						
Mayor	\$ 71	\$	\$	\$	\$	71
Court of Common Council	63					63
City Treasurer	41					41
Registrars of Voters	35					35
City Manager	33					33
Corporation Counsel	20					20
Town and City Clerk	48					48
Office of Information Services	1,947			195		2,142
Finance	1,297					1,297
Personnel	64					64
Human Relations	31					31
Management & Budget	396					396
Total	<u>4,046</u>	<u>-</u>	<u>-</u>	<u>195</u>	<u>-</u>	<u>4,241</u>
Public Safety:						
Fire	19,475			54		19,529
Police	24,283	(615)		1,739	(197)	25,210
Total	<u>43,758</u>	<u>(615)</u>	<u>-</u>	<u>1,793</u>	<u>(197)</u>	<u>44,739</u>
Physical and Leisure Services:						
Public Works	491,676	589	11,832	3,142	(4,900)	502,339
Civic Center Garage	796					796
Church St Garage	1,377					1,377
Richardson Building	2,573					2,573
Mixmaster	1,960					1,960
Total	<u>498,382</u>	<u>589</u>	<u>11,832</u>	<u>3,142</u>	<u>(4,900)</u>	<u>509,045</u>
Development and Community Affairs:						
Housing, Community Development and Planning	26,371	60	2,212			28,643
Redevelopment	17,692			4		17,696
Total	<u>44,063</u>	<u>60</u>	<u>2,212</u>	<u>4</u>	<u>-</u>	<u>46,339</u>
Human Services:						
Human Services	1,222					1,222
Health	198					198
Hospitals	4,588					4,588
Total	<u>6,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,008</u>
Board of Education	<u>213,607</u>	<u>(34)</u>	<u>153,278</u>			<u>366,851</u>
Recreation and Culture:						
Hartford Public Library	3,041		3,228	26		6,295
Civic Center	29,311					29,311
Total	<u>32,352</u>	<u>-</u>	<u>3,228</u>	<u>26</u>	<u>-</u>	<u>35,606</u>
Construction in Progress	<u>533,540</u>		<u>(170,550)</u>	<u>104,852</u>		<u>467,842</u>
<b>TOTAL</b>	<u>\$ 1,375,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,012</u>	<u>\$ (5,097)</u>	<u>\$ 1,480,671</u>

## CITY OF HARTFORD, CONNECTICUT

## SCHEDULE OF BONDS PAYABLE

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

Serial Bonds								
Description	Rate of Interest	Issue Date	Maturity Date	Authorized And Issued	Outstanding July 1, 2006	Issued During Year	Maturities During Year	Outstanding June 30, 2007
General Purpose:								
Capital Improvement Program:								
Central Library	4.000/5.125	01/15/1998	01/15/2009	\$ 1,530	\$ 270	\$	\$ 90	\$ 180
Library Branches	4.000/5.125	01/15/1998	01/15/2009	357	63		21	42
Road Improvement Program	4.000/5.000	11/15/1998	11/15/2018	724	524		40	484
Central Library	4.000/5.000	11/15/1998	11/15/2018	9,180	6,630		510	6,120
Library Branches	5.000/6.000	06/15/2000	06/15/2010	551	116		29	87
Road Improvement Program	5.000/6.000	06/15/2000	06/15/2010	1,900	400		100	300
Central Library	5.000/6.000	06/15/2000	06/15/2010	6,650	1,400		350	1,050
Road Improvement Program	4.250/5.500	05/15/2001	05/15/2015	3,295	1,480		165	1,315
Central Library	4.250/5.500	05/15/2001	05/15/2015	8,500	3,825		425	3,400
Swimming Pool Reconstructions/Construction	4.250/5.500	05/15/2001	05/15/2015	670	307		33	274
Road Repair/Reconstruction	4.250/5.500	05/15/2001	05/15/2015	1,300	585		65	520
Flood Control System Improvements	4.250/5.500	05/15/2001	05/15/2015	900	405		45	360
Refunding Bonds - 1995 Park Street Rec. Center	4.250/5.250	03/15/2003	12/01/2016	1,717	1,515		133	1,382
Public Safety Complex	3.500/5.500	07/15/2004	08/15/2023	1,300	1,231		69	1,162
Swimming Pool Renovations	3.500/5.500	07/15/2004	08/15/2023	5,330	5,048		282	4,766
Central and Branch Library Renovations - Phase II	3.500/5.500	07/15/2004	08/15/2023	8,500	8,050		450	7,600
1998 Road Improvement Program	3.500/5.500	07/15/2004	08/15/2023	3,000	2,841		159	2,682
Infrastructure Improvements	3.500/5.500	07/15/2004	08/15/2023	5,300	5,020		280	4,740
Refunding Bonds - Series 1998, 2000, and 2001	4.500/5.000	06/01/2005	09/01/2024	9,992	9,992			9,992
Public Safety Complex	4.000/5.000	06/22/2006	07/15/2025	26,000	26,000			26,000
Various Infrastructure Improvements	4.000/5.000	06/22/2006	07/15/2025	10,000	10,000			10,000
Swimming Pool Enclosures	4.000/5.000	06/22/2006	07/15/2025	5,000	5,000			5,000
Central Library	4.000/5.000	06/22/2006	07/15/2025	1,100	1,100			1,100
Road Improvement Program	4.000/5.250	06/12/2007	08/15/2026	900		900		900
Central Library - Phase II	4.000/5.250	06/12/2007	08/15/2026	3,400		3,400		3,400
Infrastructure Improvements	4.000/5.250	06/12/2007	08/15/2026	17,500		17,500		17,500
Metzner Center	4.000/5.250	06/12/2007	08/15/2026	3,500		3,500		3,500
Rehab, Fire Stations	4.000/5.250	06/12/2007	08/15/2026	5,580		5,580		5,580
2005-2006 Capital Budget	4.000/5.250	06/12/2007	08/15/2026	3,470		3,470		3,470
South End Senior Center	4.000/5.250	06/12/2007	08/15/2026	1,300		1,300		1,300
Renovation Police Facility	4.000/5.250	06/12/2007	08/15/2026	2,000		2,000		2,000
2006-2007 Capital Budget - Part I	4.000/5.250	06/12/2007	08/15/2026	2,500		2,500		2,500
2006-2007 Capital Budget - Part II	4.000/5.250	06/12/2007	08/15/2026	2,450		2,450		2,450
Various Public Improvements	4.000/5.250	06/12/2007	08/15/2026	1,800		1,800		1,800
Total Capital Improvement Program					91,802	44,400	3,246	132,956

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**CITY OF HARTFORD, CONNECTICUT**  
**SCHEDULE OF BONDS PAYABLE (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

Serial Bonds								
Description	Rate of Interest	Issue Date	Maturity Date	Authorized And Issued	Outstanding July 1, 2006	Issued During Year	Maturities During Year	Outstanding June 30, 2007
Parking Facilities:								
Refunding G.O. Bonds - Series 2000 Revenue Bonds	3.000/5.510	04/01/2005	08/01/2024	\$ 34,340	\$ 34,340	\$	\$ 1,165	\$ 33,175
Parking Facilities	3.000/5.000	06/01/2005	09/01/2024	3,000	3,000		160	2,840
Parking Facilities	4.000/5.250	06/12/2007	08/15/2026	4,000		4,000		4,000
Total Parking Facilities					37,340	4,000	1,325	40,015
Civic Center :								
Civic Center	4.800	03/01/1971	03/01/2009	1,750	625		225	400
Civic Center	5.100	03/01/1972	03/01/2012	2,750	1,500		250	1,250
Civic Center	5.000	12/01/1972	12/01/2012	1,500	875		125	750
Civic Center Garage Refinancing	4.900/5.625	02/01/1993	02/01/2013	7,200	4,200		600	3,600
Total Civic Center					7,200	-	1,200	6,000
Total General Purpose					136,342	48,400	5,771	178,971
Education:								
Maria C. Sanchez School(formerly Babock)	5.750/6.125	02/01/1992	02/01/2007	2,970	495		495	-
Kennelly School Addition	5.750/6.125	02/01/1992	02/01/2007	2,700	450		450	-
Weaver and Bulkeley Roof Replacements	5.750/6.125	02/01/1992	02/01/2007	270	45		45	-
HVAC Improvements - Weaver and Bulkeley	5.750/6.125	02/01/1992	02/01/2007	1,260	210		210	-
Weaver and Bulkeley Roof Replacements	4.900/5.600	02/01/1993	02/01/2008	1,078	308		154	154
HVAC Improvements - Weaver and Bulkeley	4.900/5.600	02/01/1993	02/01/2008	795	245		110	135
New Moylan Elementary School	4.900/5.600	02/01/1993	02/01/2008	2,247	642		321	321
West Middle School Annex	4.900/5.600	02/01/1993	02/01/2008	1,480	405		215	190
New Moylan Elementary School	4.300/5.300	12/15/1996	12/15/2006	1,480	93		93	-
Acquisition and Renovation of the South Middle School	4.300/5.300	12/15/1996	12/15/2006	2,000	125		125	-
Parkville Community School	4.300/5.300	12/15/1996	12/15/2006	848	54		54	-
Milner Elementary School	4.300/5.300	12/15/1996	12/15/2006	1,720	106		106	-
New SAND Elementary School	4.300/5.300	12/15/1996	12/15/2006	1,296	81		81	-
Batchelder Elementary School	4.300/5.300	12/15/1996	12/15/2006	4,800	300		300	-
McDonough Elementary School	4.300/5.300	12/15/1996	12/15/2006	7,856	491		491	-
Batchelder Elementary School	4.000/4.125	01/15/1998	01/15/2009	1,700	300		100	200
Milner Elementary School	4.000/4.125	01/15/1998	01/15/2009	4,760	840		280	560
New SAND Elementary School	4.000/4.125	01/15/1998	01/15/2009	10,455	1,845		615	1,230
McDonough Elementary School	4.000/4.125	01/15/1998	01/15/2009	1,190	210		70	140
Thirteen School Renovations	4.000/4.125	01/15/1998	01/15/2009	4,250	750		250	500
Hartford Public High School	4.000/4.125	01/15/1998	01/15/2009	663	117		39	78
Milner Elementary School	4.000/5.000	11/15/1998	11/15/2018	1,395	1,005		78	927
New SAND Elementary School	4.000/5.000	11/15/1998	11/15/2018	2,115	1,530		117	1,413

(Continued on next page)

**CITY OF HARTFORD, CONNECTICUT**  
**SCHEDULE OF BONDS PAYABLE (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

Serial Bonds								
Description	Rate of Interest	Issue Date	Maturity Date	Authorized And Issued	Outstanding July 1, 2006	Issued During Year	Maturities During Year	Outstanding June 30, 2007
McDonough Elementary School	4.000/5.000	11/15/1998	11/15/2018	\$ 378	\$ 273	\$	\$ 21	\$ 252
Hartford Public High School	4.000/5.000	11/15/1998	11/15/2018	495	355		28	327
New Hartford Public High School	4.000/5.000	11/15/1998	11/15/2018	2,588	1,868		144	1,724
East Central Middle School	4.000/5.000	11/15/1998	11/15/2018	5,400	3,900		300	3,600
School Renovations	4.000/5.000	11/15/1998	11/15/2018	225	165		12	153
Various School Infrastructure Renovations - Roofs	4.000/5.000	11/15/1998	11/15/2018	2,182	1,577		121	1,456
Various School Infrastructure Renovations - Removal of Underground Storage Tanks	4.000/5.000	11/15/1998	11/15/2018	724	524		40	484
Various School Infrastructure Renovations - Support Structure at South Middle School	4.000/5.000	11/15/1998	11/15/2018	243	173		14	159
McDonough Elementary School	5.000/6.000	06/15/2000	06/15/2010	760	160		40	120
Hartford Public High School	5.000/6.000	06/15/2000	06/15/2010	3,995	845		210	635
School Renovations	5.000/6.000	06/15/2000	06/15/2010	4,432	937		233	704
East Central Middle School	5.000/6.000	06/15/2000	06/15/2010	713	143		38	105
New Hartford Public High School	4.250/5.500	05/15/2001	05/15/2015	3,500	1,575		175	1,400
School Renovations	4.250/5.500	05/15/2001	05/15/2015	1,835	823		92	731
Major School Renovations	4.250/5.500	05/15/2001	05/15/2015	3,000	1,350		150	1,200
Refunding 1994, 1995 and 1996 School Bonds	4.250/5.500	03/15/2003	12/15/2016	28,508	25,165		2,212	22,953
Various School Renovations	3.500/5.500	07/15/2004	08/15/2023	500	473		27	446
Major School Renovations	3.500/5.500	07/15/2004	08/15/2023	10,070	9,537		533	9,004
James H. Naylor Elementary School	3.000/5.000	06/01/2005	09/01/2024	6,000	6,000		315	5,685
Noah Webster Elementary School	3.000/5.000	06/01/2005	09/01/2024	6,200	6,200		325	5,875
Sarah J. Rawson Elementary School	3.000/5.000	06/01/2005	09/01/2024	6,600	6,600		350	6,250
Alfred E. Burr Elementary School	3.000/5.000	06/01/2005	09/01/2024	5,600	5,600		295	5,305
Simpson-Waverly Elementary School	3.000/5.000	06/01/2005	09/01/2024	1,000	1,000		50	950
University of Hartford Elementary School	3.000/5.000	06/01/2005	09/01/2024	1,700	1,700		90	1,610
Capital College Preparatory Magnet School	3.000/5.000	06/01/2005	09/01/2024	2,200	2,200		115	2,085
Refunding Bonds - Series 1998, 2000, and 2001	4.500/5.000	06/01/2005	09/01/2024	19,518	19,518			19,518
Hartford Public High School	4.000/5.000	06/22/2006	07/15/2025	19,000	19,000			19,000
Classical Magnet School	4.000/5.000	06/22/2006	07/15/2025	3,000	3,000			3,000
Pathways to Technology Magnet School	4.000/5.000	06/22/2006	07/15/2025	3,000	3,000			3,000
Breakthrough Academy Magnet School	4.000/5.000	06/22/2006	07/15/2025	2,900	2,900			2,900
Major School Renovations	4.000/5.250	06/12/2007	08/15/2026	10,000		10,000		10,000
Kinsella School	4.000/5.250	06/12/2007	08/15/2026	3,000		3,000		3,000
Classical Magnet School	4.000/5.250	06/12/2007	08/15/2026	600		600		600
Fisher Magnet School	4.000/5.250	06/12/2007	08/15/2026	3,000		3,000		3,000
Hooker Magnet School	4.000/5.250	06/12/2007	08/15/2026	4,000		4,000		4,000
Renovations 875 Asylum	4.000/5.250	06/12/2007	08/15/2026	1,000		1,000		1,000
Total Education					137,208	21,600	10,729	148,079
Total					\$ 273,550	\$ 70,000	\$ 16,500	\$ 327,050

CITY OF HARTFORD, CONNECTICUT

FUTURE BUDGET DEBT SERVICE

JUNE 30, 2007  
(In Thousands)

	Current Bonded Debt				Less State School Building Aid			
	Percentage of Maturities	Principal	Interest	Total Bonded Debt Service*	Serial Building Grant	Bond Interest Subsidies	Total Building Aid	Net Future Debt Service
<u>Prior Years</u>								
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
2004-05		14,150	5,997	20,147	3,777	1,374	5,151	14,996
2005-06		14,870	11,029	25,899	3,452	1,229	4,681	21,218
2006-07		16,500	11,031	27,531	3,600	1,050	4,650	22,881
<u>Future Years</u>								
2007-08	5.79%	\$ 18,945	\$ 13,896	\$ 32,841	\$ 3,005	\$ 877	\$ 3,882	\$ 28,959
2008-09	6.66%	21,775	14,322	36,097	2,486	775	3,261	32,836
2009-10	6.25%	20,455	13,370	33,825	1,944	686	2,630	31,195
2010-11	6.27%	20,510	12,427	32,937	1,932	604	2,536	30,401
2011-12	6.29%	20,565	11,450	32,015	1,927	516	2,443	29,572
2012-13	6.23%	20,375	10,441	30,816	1,924	425	2,349	28,467
2013-14	6.03%	19,725	9,485	29,210	1,922	332	2,254	26,956
2014-15	6.05%	19,795	8,580	28,375	1,915	242	2,157	26,218
2015-16	6.08%	19,890	7,618	27,508	1,908	154	2,062	25,446
2016-17	5.80%	18,965	6,670	25,635	1,416	78	1,494	24,141
2017-18	5.45%	17,810	5,759	23,569	810	27	837	22,732
2018-19	5.02%	16,405	4,908	21,313	153	6	159	21,154
2019-20	4.61%	15,080	4,117	19,197	25	1	26	19,171
2020-21	4.33%	14,150	3,386	17,536				17,536
2021-22	4.04%	13,215	2,713	15,928				15,928
2022-23	4.08%	13,335	2,065	15,400				15,400
2023-24	4.05%	13,250	1,423	14,673				14,673
2024-25	3.60%	11,760	826	12,586				12,586
2025-26	2.25%	7,365	364	7,729				7,729
2026-27	1.13%	3,680	92	3,772				3,772
Total	100%	\$ 327,050	\$ 133,912	\$ 460,962	\$ 21,367	\$ 4,723	\$ 26,090	\$ 434,872

\* Includes parking facilities general obligation bonds

TABLE 1

## CITY OF HARTFORD, CONNECTICUT

## NET ASSETS BY COMPONENT

LAST SIX FISCAL YEARS  
(In Thousands)

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

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.

TABLE 2

## CITY OF HARTFORD, CONNECTICUT

## CHANGES IN NET ASSETS

LAST SIX FISCAL YEARS  
(In Thousands)

	FISCAL YEAR					
	2007	2006	2005	2004	2003	2002
Expenses:						
Governmental activities:						
General government	\$ 97,524	\$ 94,466	\$ 22,080	\$ 18,002	\$ 20,645	\$ 19,969
Public safety	77,513	74,179	71,142	67,442	72,533	69,267
Public works	23,821	24,730	16,881	26,702	26,497	31,595
Development and community affairs	47,702	45,570	54,484	48,305	42,025	41,680
Human services	30,755	24,022	18,853	19,126	21,043	22,021
Education	397,355	375,615	295,963	291,152	280,120	273,160
Recreation and culture	10,231	9,991	7,446	9,737	11,137	11,489
Benefits and insurance			102,396	105,141	79,783	81,520
Sundry			22,589	12,058	11,722	13,870
Interest on long-term debt	11,045	6,941	9,409	6,860	7,806	8,728
Total governmental activities expenses	<u>695,946</u>	<u>655,514</u>	<u>621,243</u>	<u>604,525</u>	<u>573,311</u>	<u>573,299</u>
Business-type activities:						
Hartford Parking Facilities	3,768	3,701	5,876	4,067	3,991	508
American Airlines Building				863	763	1,372
G. Fox Building						801
Total business-type activities expenses	<u>3,768</u>	<u>3,701</u>	<u>5,876</u>	<u>4,930</u>	<u>4,754</u>	<u>2,681</u>
Total Expenses	<u>\$ 699,714</u>	<u>\$ 659,215</u>	<u>\$ 627,119</u>	<u>\$ 609,455</u>	<u>\$ 578,065</u>	<u>\$ 575,980</u>
Program Revenues:						
Governmental activities:						
Charges for services	\$ 25,735	\$ 28,085	\$ 25,524	\$ 26,222	\$ 23,638	\$ 20,503
Operating grants and contributions	382,080	364,191	330,611	313,870	318,736	311,770
Capital grants and contributions	73,070	122,823	98,134	24,745	8,044	20,607
Total governmental activities program revenues	<u>480,885</u>	<u>515,099</u>	<u>454,269</u>	<u>364,837</u>	<u>350,418</u>	<u>352,880</u>
Business-type activities:						
Charges for services:						
Parking facilities*	6,337	4,840	3,698		3,778	2,738
Other enterprise funds				3,825		
Capital grants and contributions		37	43			
Total business-type activities program revenues	<u>6,337</u>	<u>4,877</u>	<u>3,741</u>	<u>3,825</u>	<u>3,778</u>	<u>2,738</u>
Total Program Revenues	<u>\$ 487,222</u>	<u>\$ 519,976</u>	<u>\$ 458,010</u>	<u>\$ 368,662</u>	<u>\$ 354,196</u>	<u>\$ 355,618</u>
Net (expense)/revenue:						
Governmental activities	(215,061)	(140,415)	(166,974)	(239,688)	(222,893)	(220,419)
Business-type activities	<u>2,569</u>	<u>1,176</u>	<u>(2,135)</u>	<u>(1,105)</u>	<u>(976)</u>	<u>57</u>
Total Net Cost of Services	<u>\$ (212,492)</u>	<u>\$ (139,239)</u>	<u>\$ (169,109)</u>	<u>\$ (240,793)</u>	<u>\$ (223,869)</u>	<u>\$ (220,362)</u>
General revenues and other changes in net assets:						
Governmental activities:						
Property taxes	\$ 229,734	\$ 215,285	\$ 196,846	\$ 191,514	\$ 172,094	\$ 169,770
Unrestricted grants and contributions	49,262	41,861	39,907	37,755	44,026	51,847
Investment earnings	8,519	5,490	3,949	3,515	2,344	3,033
Other general revenues	3,920	4,779	3,829	1,726	4,376	1,773
Transfers	1,753	1,381	9,815	1,813	103	
Special item - net loss on sale of property				(6,736)		
Total governmental activities	<u>293,188</u>	<u>268,796</u>	<u>254,346</u>	<u>229,587</u>	<u>222,943</u>	<u>226,423</u>
Business-type activities:						
Investment earnings	41	130	500	272	477	1,042
Other general revenues			300			
Special item - net loss on sale of property				(2,404)		
Transfers	(1,753)	(1,381)	(9,815)	(1,813)	(103)	
Total business-type activities	<u>(1,712)</u>	<u>(1,251)</u>	<u>(9,015)</u>	<u>(3,945)</u>	<u>374</u>	<u>1,042</u>
Total General Revenues and Other Charges	<u>\$ 291,476</u>	<u>\$ 267,545</u>	<u>\$ 245,331</u>	<u>\$ 225,642</u>	<u>\$ 223,317</u>	<u>\$ 227,465</u>
Changes in Net Assets:						
Governmental activities	\$ 78,127	\$ 128,381	\$ 87,372	\$ (10,101)	\$ 50	\$ 6,004
Business-type activities	<u>857</u>	<u>(75)</u>	<u>(11,150)</u>	<u>(5,050)</u>	<u>(602)</u>	<u>1,099</u>
Total	<u>\$ 78,984</u>	<u>\$ 128,306</u>	<u>\$ 76,222</u>	<u>\$ (15,151)</u>	<u>\$ (552)</u>	<u>\$ 7,103</u>

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

## Notes:

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

TABLE 3

## CITY OF HARTFORD, CONNECTICUT

## FUND BALANCES, GOVERNMENTAL FUNDS

## LAST SIX FISCAL YEARS

(In Thousands)

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

## Notes:

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

(2) Data has not been presented for years prior to the implementation of GASB Statement No. 34 in 2002.

TABLE 4

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

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

	FISCAL YEAR					
	2007	2006	2005	2004	2003	2002
Revenues:						
Property taxes	\$ 231,638	\$ 208,241	\$ 197,028	\$ 183,048	\$ 172,279	\$ 171,219
Licenses, permits, and other charges	8,594	10,058	9,681	10,307	6,991	5,442
Intergovernmental revenues	503,669	523,276	454,432	385,155	373,706	388,454
Charges for services	8,184	9,734	8,322	7,546	6,847	6,883
Use of property	4,314	4,085	3,925	5,079	10,025	6,124
Investment income	8,452	5,413	3,889	3,482	2,244	2,715
Miscellaneous	15,120	18,805	19,224	11,896	12,375	5,215
Total revenues	<u>779,971</u>	<u>779,612</u>	<u>696,501</u>	<u>606,513</u>	<u>584,467</u>	<u>586,052</u>
Expenditures:						
General government	20,487	16,266	14,737	17,497	20,720	19,735
Public safety	77,898	74,519	69,671	67,441	70,113	69,799
Public works	15,820	15,362	16,729	23,386	25,259	30,251
Development and community affairs	53,441	52,020	63,369	50,567	46,345	41,899
Human services	30,581	23,867	18,824	19,044	20,951	22,047
Education	391,131	368,936	286,985	275,176	277,559	270,147
Recreation and culture	9,401	8,014	6,832	8,414	8,847	9,880
Benefits and insurance	54,754	47,348	100,797	89,470	74,820	77,014
Other	28,755	26,709	22,589	12,275	11,414	14,087
Capital outlay	106,647	163,076	136,903	32,293	13,394	30,857
Debt Service:						
Principal	16,810	15,901	14,150	14,515	14,830	16,055
Interest	9,965	9,020	6,037	6,700	7,898	8,732
Total expenditures	<u>815,690</u>	<u>821,038</u>	<u>757,623</u>	<u>616,778</u>	<u>592,150</u>	<u>610,503</u>
Excess of Revenues Over (Under) Expenditures	<u>(35,719)</u>	<u>(41,426)</u>	<u>(61,122)</u>	<u>(10,265)</u>	<u>(7,683)</u>	<u>(24,451)</u>
Other Financing Sources (Uses):						
Transfers in	53,222	40,069	54,881	40,770	40,779	43,340
Transfers out	(51,469)	(36,239)	(45,066)	(38,944)	(40,618)	(44,094)
Bonds issued	70,000	70,000	66,300			
Capital leases	3,164	4,526	2,822			
Bond premium	2,283	2,913	3,093		1,640	
Refunding bonds issued			29,510		30,225	
Payment to refunding bond escrow agent			(32,866)		(32,396)	
Section 108 - loans			1,468			
Proceeds from sale of property				7,760		
Total other financing sources (uses)	<u>77,200</u>	<u>81,269</u>	<u>80,142</u>	<u>9,586</u>	<u>(370)</u>	<u>(754)</u>
Net Change in Fund Balances	41,481	39,843	19,020	(679)	(8,053)	(25,205)
Fund Balances, Beginning of Year	<u>154,723</u>	<u>114,880</u>	<u>95,860</u>	<u>96,539</u>	<u>104,592</u>	<u>129,797</u>
Fund Balances, End of Year	<u>\$ 196,204</u>	<u>\$ 154,723</u>	<u>\$ 114,880</u>	<u>\$ 95,860</u>	<u>\$ 96,539</u>	<u>\$ 104,592</u>
Debt Service as a % of Noncapital Expenditures	3.28%	3.79%	3.25%	3.63%	3.93%	4.28%

## Notes:

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

## CITY OF HARTFORD, CONNECTICUT

## ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(In Thousands)

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Tax Exempt Property	Net Taxable Grand List	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2007	2005	\$ 4,602,272	\$ 695,752	\$ 265,073	\$ 5,563,097	\$ 1,952,351	\$ 3,610,746	\$ 5,158,209	70.00%
2006	2004	4,517,806	674,941	300,819	5,493,566	1,983,982	3,509,584	5,013,691	70.00%
2005	2003	4,482,273	731,144	282,932	5,496,349	1,950,749	3,545,600	5,065,143	70.00%
2004	2002	4,498,815	736,813	310,330	5,545,958	1,941,233	3,604,725	5,149,607	70.00%
2003	2001	4,412,462	767,052	316,646	5,496,160	1,890,005	3,606,155	5,151,650	70.00%
2002	2000	4,402,483	781,371	313,605	5,497,459	1,865,419	3,632,040	5,188,629	70.00%
2001	1999	4,362,566	765,329	301,795	5,429,690	1,827,574	3,602,116	5,145,880	70.00%
2000	1998	7,885,603	758,935	282,243	8,926,781	3,135,866	5,790,915	8,272,736	70.00%
1999	1997	7,908,279	733,216	265,515	8,907,010	3,129,352	5,777,658	8,253,797	70.00%
1998	1996	7,917,233	764,702	261,383	8,943,318	3,082,052	5,861,266	8,373,237	70.00%

Source: City of Hartford, Assessor's Office

## Notes:

(1) 1999 Real property grand list is adjusted to reflect statutory revaluation.

(2) Assessed value is 70% of Estimated Actual Value

TABLE 6

## CITY OF HARTFORD, CONNECTICUT

## PRINCIPAL TAXPAYERS

OCTOBER 1, 2005 AND OCTOBER 1, 1996  
(In Thousands)

Business Name	October 1, 2005			October 1, 1996		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hartford Fire Insurance & Twin City Ins.	\$ 130,400	1	3.61%	\$ 200,781	3	3.43%
Travelers Indemnity Co. Affiliate	112,082	2	3.10%	215,205	2	3.67%
Connecticut Light & Power	104,030	3	2.88%	95,286	6	1.63%
Aetna Life Insurance Co. & Annuity	93,129	4	2.58%	262,436	1	4.48%
City Place I LTD Partnership	65,165	5	1.80%	123,550	4	2.11%
Northland Properties	60,799	6	1.68%			
State House Financial	53,142	7	1.47%			
Bank of Boston, CT	45,181	8	1.25%	91,646	7	1.56%
Hartford Steam Boiler	43,476	9	1.20%	72,198	10	1.23%
Talcott II Gold, LLC	38,129	10	1.06%			
Northeast Plaza				98,982	5	1.69%
Fleet Bank				91,227	8	1.56%
Principal Mutual Life Insurance				74,226	9	1.27%
Total	\$ 745,533		20.65%	\$ 1,325,537		22.62%

Source: City of Hartford Assessor's Office

TABLE 7

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

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

<b>Fiscal Year Ended June 30,</b>	<b>Grand List Year</b>	<b>Net Taxable Grand List</b>	<b>Mill Rate</b>	<b>Original Tax Levy</b>	<b>Adjusted Tax Levy</b>	<b>Collected Within the Fiscal Year of Levy</b>		<b>Tax Collections In Subsequent Years</b>	<b>Total Collections to Date</b>	
						<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2007	2005	\$ 3,610,746	64.82	\$ 233,637	\$ 229,569	\$ 219,241	93.84%	\$	\$ 219,241	95.50%
2006	2004	3,509,584	60.80	213,395	209,256	198,964	93.24%	5,547	204,511	97.73%
2005	2003	3,545,600	56.30	199,736	193,889	185,278	92.76%	5,577	190,855	98.44%
2004	2002	3,604,725	52.90	190,277	183,711	175,153	92.05%	6,512	181,665	98.89%
2003	2001	3,606,155	48.00	173,465	167,117	158,888	91.60%	7,989	166,877	99.86%
2002	2000	3,632,040	48.00	174,464	166,923	161,646	92.65%	5,140	166,786	99.92%
2001	1999	3,602,116	47.00	169,314	162,674	157,206	92.85%	5,369	162,575	99.94%
2000	1998	5,790,915	29.50	170,955	163,532	157,828	92.32%	5,585	163,413	99.93%
1999	1997	5,777,658	29.90	172,638	164,438	158,040	91.54%	6,244	164,284	99.91%
1998	1996	5,861,266	31.40	184,044	172,155	164,416	89.34%	7,581	171,997	99.91%

## CITY OF HARTFORD, CONNECTICUT

## RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(In Thousands)

Fiscal Year	Governmental Activities					Business-Type Activities		Total	School Building Aid	Net General Bonded Debt	Ratio of of Net General Bonded Debt Taxable Assessed Value	Ratio of of Net General Bonded Debt Debt Per Capita
	General Obligation Bonds					General Obligation Bonds						
	General Purpose	Schools	Civic Center	Section 108 Loans	Capital Leases	Hartford Parking Facilities						
2007	\$ 139,796	\$ 148,079	\$ 6,000	\$ 3,115	\$ 7,228	\$ 33,175	\$ 337,393	\$ 21,367	\$ 272,508	7.55%	\$ 2,189	
2006	94,802	137,208	7,200	11,220	6,315	34,340	291,085	24,967	214,243	5.93%	1,721	
2005	56,719	118,746	8,615	11,288	2,720	34,340	232,428	28,419	155,661	4.31%	1,250	
2004	33,763	88,712	10,030	9,910		32,115 *	174,530	32,196	100,309	2.78%	806	
2003	37,703	97,872	11,445	1,995		32,115 *	181,130	36,104	110,916	3.07%	891	
2002	41,794	105,771	12,860	2,075		32,115 *	194,615	40,432	119,993	3.32%	964	
2001	47,047	115,158	14,275	2,150			178,630	44,760	131,720	3.65%	1,058	
2000	36,853	115,942	15,690	2,220			170,705	49,088	119,397	3.31%	959	
1999	32,264	114,096	17,105	2,285			165,750	53,416	110,049	3.05%	884	
1998	25,710	104,365	18,520	2,345			150,940	57,744	90,851	2.52%	730	

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

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

## CITY OF HARTFORD, CONNECTICUT

## STATEMENT OF DEBT LIMITATION

JUNE 30, 2007

(In Thousands)

Total tax collections (including interest and penalties) \$ 231,946

State reimbursement for:

Tax relief for elderly - freeze 10

Base \$ 231,956

<u>Debt Limitation</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Factor multiplied times					
base:					
2-1/4	\$ 521,901	\$	\$	\$	\$
4-1/2		1,043,802			
3-3/4			869,835		
3-1/4				753,857	
3					695,868
Total debt limitation	<u>521,901</u>	<u>1,043,802</u>	<u>869,835</u>	<u>753,857</u>	<u>695,868</u>

Debt, as defined by

Statute:

Bonds payable	178,971	148,079			
Bonds authorized - unissued	32,365	149,914			
Overlapping debt			20,353		
School building grants receivable		(133,000)			
Total indebtedness	<u>211,336</u>	<u>164,993</u>	<u>20,353</u>	<u>-</u>	<u>-</u>

Debt Limitation in Excess

of Outstanding and

Authorized Debt \$ 310,565 \$ 878,809 \$ 849,482 \$ 753,857 \$ 695,868

Note: Total indebtedness above amounts to \$397 million but in no event shall total indebtedness exceed \$1.6 billion (seven times the base for debt limitation computation).

School Building Grants totaling \$21 million are applicable to outstanding bond issues.

It is estimated that approximately \$112 million or 75% of authorized education project costs will be funded through State of Connecticut progress payments.

TABLE 10

## CITY OF HARTFORD, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(In Thousands)

		FISCAL YEAR									
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Debt Limit	\$	1,623,692	\$ 1,454,201	\$ 1,376,389	\$ 1,283,989	\$ 1,184,505	\$ 1,198,757	\$ 1,196,438	\$ 1,187,123	\$ 1,202,030	\$ 1,242,494
Total net debt applicable to limit		<u>396,682</u>	<u>352,585</u>	<u>354,831</u>	<u>382,338</u>	<u>366,710</u>	<u>407,649</u>	<u>412,282</u>	<u>317,795</u>	<u>328,775</u>	<u>224,405</u>
Legal Debt Margin	\$	<u><u>1,227,010</u></u>	<u><u>1,101,616</u></u>	<u><u>1,021,558</u></u>	<u><u>901,651</u></u>	<u><u>817,795</u></u>	<u><u>791,108</u></u>	<u><u>784,156</u></u>	<u><u>869,328</u></u>	<u><u>873,255</u></u>	<u><u>1,018,089</u></u>
Total net debt applicable to the limit as a percentage of debt limit		24.43%	24.25%	25.78%	29.78%	30.96%	34.01%	34.46%	26.77%	27.35%	18.06%

**CITY OF HARTFORD, CONNECTICUT**  
**STATEMENT OF DIRECT AND OVERLAPPING DEBT**

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

<b>Fiscal Year</b>	<b>Governmental General Obligation Bonds</b>	<b>Business-Type Activities General Obligation Bonds</b>	<b>MDC Bonded Debt</b>	<b>MDC Self Funded Debt</b>	<b>MDC Overlapping Debt All Participating Governments</b>	<b>City's Percentage Share of MDC Debt</b>	<b>City's Share of MDC Debt</b>	<b>Total Direct and Overlapping Debt</b>	<b>Ratio of Debt to Taxable Assessed Value</b>	<b>Debt Per Capita</b>
2007	\$ 293,875	\$ 33,175	\$ 102,162	\$ 26,977	\$ 75,185	27.07%	\$ 20,353	\$ 347,403	9.62%	\$ 2,790
2006	239,210	34,340	112,301	30,053	82,248	26.78%	22,026	295,576	8.42%	2,376
2005	184,080	34,340	122,819	33,267	89,552	27.37%	24,510	242,930	6.85%	1,946
2004	132,505		117,897	28,835	89,062	27.81%	24,768	157,273	4.36%	1,264
2003	147,020		111,899	23,121	88,778	28.96%	25,710	172,730	4.79%	1,386
2002	160,425		120,495	26,404	94,091	29.79%	28,030	188,455	5.19%	1,518
2001	176,480		90,375	22,777	67,598	30.97%	20,935	197,415	5.48%	1,624
2000	168,485		93,148	31,445	61,703	32.09%	19,800	188,285	3.25%	1,415
1999	163,465		89,583	26,224	63,359	33.47%	21,206	184,671	3.20%	1,388
1998	148,595		83,697	25,082	58,615	35.46%	20,785	169,380	2.89%	1,273

Note:

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

**CITY OF HARTFORD, CONNECTICUT**  
**DEMOGRAPHIC AND EMPLOYMENT STATISTICS**

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

Calendar Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Marked Area	State of Connecticut	United States
2007	124,512	22,172	32.0	29,293	2006	44,044	4,178	8.7%	4.4%	4.3%	4.7%
2006	124,397	22,296	30.4	28,984	2005	43,404	4,670	9.7%	5.1%	4.9%	5.1%
2005	124,848	24,407	29.7	28,362	2004	42,899	4,835	10.1%	5.2%	4.9%	5.5%
2004	124,387	24,614	29.7	28,132	2003	42,825	5,443	11.3%	5.8%	5.5%	6.0%
2003	124,588	24,598	29.7	29,788	2002	43,284	4,198	8.8%	4.5%	4.3%	5.8%
2002	124,180	24,479	29.7	25,947	2001	46,819	3,539	7.0%	3.3%	3.3%	4.7%
2001	121,578	24,420	28.4	23,701	2000	51,317	2,610	4.8%	2.4%	2.2%	4.0%
2000	133,086	24,278	30.5	23,701	1999	48,547	3,307	6.4%	3.3%	3.2%	4.2%
1999	133,086	23,734	30.5	23,701	1998	49,403	3,607	6.8%	3.4%	3.4%	4.5%
1998	133,086	24,186	30.5	18,231	1997	49,782	5,557	10.0%	5.4%	5.1%	4.9%

Sources:

- (1) U.S. Department of Commerce, Bureau of Census
- (2) Hartford Board of Education, (State Department of Education for fiscal years 2006 and 2007)
- (3) State of Connecticut, Department of Labor (Calendar Year)

## CITY OF HARTFORD, CONNECTICUT

## PRINCIPAL EMPLOYERS

## GREATER HARTFORD AREA

Business Name	Nature of Business	Location	Employees
United Technologies	Diversified manufacturer	Hartford	26,400
The Hartford Financial Group	Insurance, financial services	Hartford	12,100
Aetna Inc.	Health insurance	Hartford	7,266
Travelers	Property/casualty insurance	Hartford	6,700
Hartford Hospital	General hospital	Hartford	6,377
Bank of America	Banking/financial services	Metro Hartford	5,100
CIGNA Corp.	Insurance	Bloomfield	4,390
Northeast Utilities	Electric utility	Berlin	4,148
University of Connecticut	State university	Storrs	4,000
Saint Francis Hospital	General hospital	Hartford	3,892
ABB, Inc.	Fossil and nuclear power generation	Windsor	3,000
United Health Care	Health insurance	Hartford	3,000
ESPN	Media	Bristol	3,000
The Hospital of Central Connecticut	General hospital	New Britain	3,000
Cianbro Corp.	General contractor	Bloomfield	2,200
ING Group	Financial services	Hartford	2,000
Mass Mutual Financial Group	Insurance	Enfield	1,850
Eastern CT Health Network	General hospital	Manchester	1,570
UPS	Distribution	Metro Hartford	1,500
AT&T	Telecommunications	Metro Hartford	1,497
MetLife	Insurance	Hartford	1,310
J.C. Penney Company, Inc.	Catalog and retail distribution	Manchester	1,300
Stanley Works	Hardware manufacturer	New Britain	1,300
Kaman Corporation	Diversified manufacturer	Metro Hartford	1,300
Lydal, Inc.	Fiber material, specialty papers	Manchester	1,193
Hartford Courant	Newspaper publishing and printing	Hartford	1,100
University of Hartford	University	West Hartford	1,050
Uniprise	Insurance	Hartford	1,018
ALSTOM USA	Power generation products	Windsor	1,000
Alstrom Power Systems	North America HQ-engineering	Windsor	1,000
Central Connecticut State University	University	New Britain	1,000
DATTCO, Inc.	Transportation services	New Britain	945
Total			116,506

Source: Metro Hartford Chamber of Commerce

TABLE 14

## CITY OF HARTFORD, CONNECTICUT

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

## LAST SIX FISCAL YEARS

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

## CITY OF HARTFORD, CONNECTICUT

## OPERATING INDICATORS BY FUNCTION/PROGRAM

## FISCAL YEARS 2007 AND 2006

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

(Continued on next page)

## CITY OF HARTFORD, CONNECTICUT

## OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)

## FISCAL YEARS 2007 AND 2006

	2007	2006
Public Safety:		
Police:		
911 calls	20,784	23,289
Non-emergency calls	108,625	107,896
DWI arrests	156	133
Fire:		
Fire	1,240	856
No Fire	28	16
Rescue and Emergency Medical Services	11,465	9,247
Hazardous Conditions	794	615
Service Calls	2,523	1,491
Good Intent Calls	3,007	1,658
False Alarm & False Calls	2,143	1,581
Serve Weather & Natural Disaster	1	2
Special Incident Type	112	58
Other	21	21
Public Works:		
Engineering and Administration:		
Lane miles paved	37	411
Development and Community Affairs:		
Development Services:		
Housing vouchers, residential assistance (families)	4,619	4,336
Zoning Board appeals	57	48
Code violations	10,415	9,594
Citations issued	2,786	2,449
Human Services:		
General Human Services		
Job placements (out of 240 referrals)	72	48
Senior Center		
Outreach services (duplicated units)	76,820	32,196
Youth and Family Services		
Counseling cases	85	297
Young parent cases	45	55
Education:		
Average Class Size - Kindergarten	18.6	18.2
Average Class Size - Grade 2	18.3	19.0
Average Class Size - Grade 5	18.9	20.1
Average Class Size - Grade 7	20.6	20.8
Recreation and culture:		
Number of youth registrations	2,300	2,040
Number of youth program hours	23,924	23,873
Number of hours provided by volunteers	1,302	1,040

**CITY OF HARTFORD, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST THREE FISCAL YEARS**

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