COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF HARTFORD, CONNECTICUT

MAYOR-COUNCIL FORM OF GOVERNMENT

For the Fiscal Year

July 1, 2009 to June 30, 2010

PREPARED BY:

DEPARTMENT OF FINANCE

CHRISTIAN S. JOHNSON
ACTING DIRECTOR OF FINANCE

CITY OF HARTFORD, CONNECTICUT

MAYOR-COUNCIL FORM OF GOVERNMENT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JULY 1, 2009 TO JUNE 30, 2010

PREPARED BY THE FINANCE DEPARTMENT

ACTING DIRECTOR OF FINANCE Christian S. Johnson

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Introductory Section

CITY OF HARTFORD

DEPARTMENT OF FINANCE
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Hartford, Connecticut 06103
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PEDRO E. SEGARRA
Mayor

CHRISTIAN S. JOHNSON
Acting, Finance Director

January 28, 2011

The Honorable Mayor Pedro E. Segarra,
and Court of Common Council
City of Hartford, Connecticut

Dear Mayor and Members of the Council:

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, 2010. This report was prepared in its entirety by the Department of Finance and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules, and statistical tables.

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

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

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

The Hartford Parking Authority has been included as a discretely presented component unit in the CAFR in accordance with generally accepted accounting principles (GAAP).

PROFILE OF THE CITY

The City of Hartford was founded by Thomas Hooker and his followers in 1635 and was incorporated in 1784. It is the Capital of the State of Connecticut and the core of a metropolitan area with a population of over one million people. 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; 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. 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, street and road maintenance, flood control, solid waste collection, health, social services, parks and recreation, education, planning, development, zoning and general administrative services.

The Hartford Parking Authority ("Authority") is 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 municipalities 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 other towns, or areas therein, which are not members of the MDC.

FACTORS AFFECTING FINANCIAL CONDITION

ECONOMIC CONDITION AND OUTLOOK

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

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

Hartford continues to be the largest employment center in the State with more than 115,000 people working in the City on a daily basis. In addition to becoming a regional center for logistic and distribution companies, the headquarters of four Fortune 500 companies are located in Hartford to take advantage of the City's strategic location and highly productive workforce. However, the current challenges in the capital markets and the relative uncertainty about both the short and long-term economic outlook are a cause of continuing concern, given the concentration of financial service firms located in Hartford. The recently enacted federal legislation and financial reforms will likely impact companies within the City that are in this sector.

Status of "Six Pillars" of Economic Development

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

- **Adriaen's Landing**

  The total investment for the Adriaen's Landing project is nearly $1 billion with public funding totaling approximately $700 million and private investment amounting to approximately $275 million. All four components of the district are now completed. The Connecticut Convention Center and Marriott Hotel were completed in 2005, the Connecticut Science Center in 2009 and Front Street District, the entertainment, restaurant and retail district area, was completed in July 2010. It will provide 68,000 square feet of leasable space directly across from the Convention Center. New residential units are being planned in a second phase at the western end of Front Street.

- **Downtown Housing Units**

  Three residential developments have been completed with CCEDA's financial assistance. Trumbull on the Park, which includes 100 market rate apartments, 7,600 square feet of retail and a 600-space garage, was completed in late 2005. This was followed in 2006 by the opening of Hartford 21, a 36 story, 262-unit tower. Lastly, the Temple Street development opened in 2007, adding 78 market rate lofts and 42 student/intern townhouses

- **Downtown College Campus**

  Enrollment at Capital Community College continues to increase from year to year. The $55 million Capital Community College's campus now occupies the former G. Fox department store building at 950 Main Street. The 304,000 square-foot campus was completed in September 2002.

- **Parking Improvements**

  The Morgan Street Garage also opened in 2002 and added 2,300 parking spaces for the Capital Community College students, downtown office workers and professional and leisure commuters. The facility is run by the Hartford Parking Authority, which also operates the Church Street and MAT garages.

- **Civic Center Conversion**

  In addition to CCEDA's investment in Hartford 21, CCEDA funds were used to renovate the former Civic Center mall. The retail space that was previously inward facing now opens to Trumbull Street and a new entrance was built for the XL Center, which hosts UConn basketball games, exhibitions and concerts.

- **Riverfront Infrastructure**

  The majority of this $25 million project has been completed with the pedestrian walkway at Riverfront Plaza, boat launches at Charter Oak Landing, the community boathouse at Riverside Park, the Columbus Boulevard walkway and the Riverwalk North. Only the Riverside Park boat ramp and a Riverwalk South to the Colt Gateway remain to be completed. Currently, environmental assessment is underway with the assistance of EPA grant funds through CCROG and a remedial action plan will follow.

Major Projects

A sample of development activity in recent years includes the following:

- Saint Joseph College School of Pharmacy signed a long term lease to occupy 35,000 square feet of space at Hartford 21. In 2011, a three (3) year doctoral program is scheduled to begin. Enrollment is expected to range between 300-500 students at the peak of the program.

- Aetna, Inc. completed a $200 million upgrade of the Farmington Avenue campus and the relocation of 3,400 employees from other locations. In addition to major interior and exterior building renovations, Aetna has constructed two parking garages. Currently, approximately 6,400 employees are at the Hartford campus.

- Sims Metal Management Aerospace, Inc. is in the final stages of relocating from Flatbush Avenue to its new location in the North Meadows. The company executed a 25-year lease to rent an existing 279,000 square-foot building and a 145,000 square-foot expansion. This transaction resulted in the retention of 160 jobs within the City.

- In 2008, the University of Hartford opened its Handel Center for the Performing Arts. The university invested $20 million in a vacant car dealership, which extended its reach into the Upper Albany neighborhood. The facility consists of classrooms, offices, and rehearsal and performance space and is available for community use.

- The Hartford Financial Services Group, Inc. completed the purchase of 140 Garden Street in 2008, adding 17 acres to its headquarters campus. This acquisition provides a unique opportunity for growth in Hartford. In addition, the corporation is currently constructing a new data center. Following a review of corporate owned properties throughout the nation, The Hartford decided to site one of two new facilities at the headquarters. The project involves the renovation of 106,200 square-feet of existing space and the construction of a 31,725 square-foot building addition. This project will result in a minimum investment of $150 million and the retention of 600 positions.

- Northeast Utilities - In 2008, Northeast Utilities completed the relocation of its headquarters operation and 180 executive positions to downtown Hartford. Company officials stated their interest in being in the capital city and the seat of government as their relocation motivation.

- Public Safety Complex - Progress continues on the City's new public safety complex on High Street. The former Board of Education building is being renovated and expanded as the new Fire and Police headquarters. Commercial activity and interest in the surrounding area is increasing as a result of this project, located northwest of the central business district.

- 3 Constitution Plaza - A1 Engineers of Middletown, CT purchased the former WFSB-Broadcast House in July of 2008, and over the next year cleared the site in preparation for the development of a LEED Platinum tower to serve as its corporate headquarters and to provide additional space for technology companies. Located at the corner of Columbus Boulevard and State Street, 3 Constitution Plaza is a signature downtown site. A1 Engineers is designing.

Housing Initiatives

A sample of recent housing developments includes the following:

- 410 Asylum - Common Ground has converted a vacant downtown office building into 70 mixed - income apartments at a cost of $22 million. This 1920s building will overlook Bushnell Park and include 13,000 square feet of retail space. Presently this property is one-hundred percent occupied.

- Former American Airlines building - College Street Partners is currently finalizing the renovation of a 160,000 square-foot building purchased from the City. The project includes 18,000 square feet of retail space on the first floor and 101 apartments on the upper floors.

- Northend Gateway at 1450 Main Street - The City sold this 4.3-acre parcel of land to Sheldon Oak Central, LLC. The developer built 45 affordable rental units and 12 market-rate apartments in the Clay Arsenal neighborhood. This $17 million project opened for occupancy in December 2008 and is equipped with central air, high speed internet, direct access elevators and a dedicated green space for families.

- Dutch Point - The Hartford Housing Authority received a $20 million HUD Hope VI grant to rebuild the Dutch Point Housing Project. Phase I- 73 rental units, was completed in 2006. Phase II was completed in the fall of 2008, and consists of 54 apartments and recreational areas. Construction of Phase III is underway and will add another 58 units to this $73 million development, of which to date, 15 homes are built and 13 were sold.

- The Metropolitan - New Haven, Connecticut-based College Street Partners completed the renovation of 246 Pearl Street in 2006. The former office building was transformed into 50 market-rate condominiums in the central business district.

- Goodwin Estates - New York-based Ginsburg Development Company restored the historic Goodwin Estate in the west end of the City with seven condominium flats and 56 new townhouses in Hartford's first new high-end housing in 20 years. The project was completed at a cost of $23 million and all units have been sold.

- Pope Park/Park Terrace - 68 affordable units have been restored or constructed in 13 perfect-six apartment buildings. Mutual Housing Association of Greater Hartford Inc. developed the $14 million project with a combination of loans, grants, and other funding sources.

Redevelopment Opportunities

In January of 2009, the Court of Common Council approved three separate redevelopment plans in accordance with state statute. Each plan was designed to target blighted buildings and/or underutilized land areas in, or around, the downtown core. The purpose of each plan is to stimulate private investment and create better physical connections to the central business district. They are as follow:

- The Constitution Plaza East Project is the smallest of the three plans and focuses on the former WFSB-Broadcast House and the long vacant Sonesta Hotel. As noted above, AI Engineers is proceeding with a plan for the Broadcast House, which is consistent with the plan's goal for this important site. Since the reuse of the hotel building presents considerable financial challenges, a demolition and reuse of the site may be required.

- The Downtown North Project area is currently separated from the central business district by Interstate 84. The 123-acre plan area is dominated by underutilized land. The plan calls for the acquisition of one blighted structure and two vacant parcels of land to create a substantial assemblage to spur a large scale, mixed-use development to connect downtown and the Clay Arsenal neighborhood. In August 2010, the City acquired 1161 Main Street and 40 Chapel Street. A contractor was selected and demolition of 1161 Main Street has been recently completed.

- The Downtown West - Section II Union Station-Walnut Street Project aims to create a linkage between Union Station and Asylum Hill, home to major insurance companies and thousands of workers. One blighted building located at 1-7 Myrtle Street and a small parcel of land are included in the acquisition strategy. The City has recently begun the process of acquiring 1-7 Myrtle Street. With a new state focus on utilizing Union Station as a commuter rail hub, the area presents a unique opportunity for transit oriented development.

Long-term Financial Planning

The City's long-term financial planning is carried out along 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 Capital Improvement Plan. Projects are selected and reviewed by a capital planning committee led by the Planning Director and 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. Once approved the Capital Improvement Program is tracked and monitored by the DPW's Capital Project Director, and a quarterly report is prepared and submitted to the Mayor and 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 an adequate 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, the City has contracted with an outside actuarial firm to assist in pension planning. The Municipal Employees' Retirement Fund (MERF) is financially strong and the City and Pension Commission are closely monitoring contributions, investment returns, and assumptions, to maintain the continued viability of the MERF.

The City has identified and developed a strategy for funding the liability for other post-employment benefits (OPEB), which include health and other insurance to retirees. The City has developed a long-term plan to fully fund this liability and recognize, on a current basis, the cost associated with these employee benefits. Finally, our internal service funds for workers' compensation benefits and property & casualty self-insured activities 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 program strategies and assistance from our insurance advisors, will continue to systematically control and reduce the long-term liabilities in these funds.

RELEVANT FINANCIAL POLICIES

The Department of Finance is organized into four divisions: Administration, Accounting and Control, Revenue (tax assessment, tax collection and revenue control) and Risk Management. The department's major responsibilities include general accounting and financial reporting, accounts payable, risk management (other than employee benefits), property assessment, tax collection, debt administration, revenue management, payroll, revenue budget preparation in conjunction with the Mayor's Office, internal 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 confirmation by the Court of Common Council.

The City's accounting system is a fully automated integrated financial management system consisting of a general ledger and a full complement of ancillary systems and support modules. It is organized and operated on a fund basis - each fund being 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 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 and reporting of financial activity.

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).

Debt Administration

During the fiscal year ended June 30, 2010, the City issued $14.0 million of general obligation bonds to fund $12.55 million of general purpose projects and $1.45 million of school projects. Standard & Poor's assigned a rating of "A" to the bonds. The bonds carry interest rates from 2.0% to 4.1% with a final maturity date of 2029.

In April 2010, the City issued $30 million of bond anticipation notes for general obligation projects and $10 million for school projects. The notes will mature in April 2011 and were issued with an interest rate yield of .48%. It is expected that the notes will be retired by future bonding, and from the receipt of State of Connecticut school construction grants.

Additionally, in September 2009 the City issued $12.15 million of refunding bonds, with interest rates of 2.0% to 5.0% to refund $12.825 million of 1998 bonds with interest rates of 4.4% to 5.0%, along with $35 million of grant anticipation notes for school projects (maturing in April 2010 with an interest rate yield of .55%), and $5.0 million of general purpose bond anticipation notes (maturing in April 2010 with an interest rate yield of .55%).

Cash Management

During the fiscal year, idle cash was invested 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 has established a risk management program to account for and finance risk of loss for employee benefits, workers' compensation, and general liability, including property damage. Commercial insurance is purchased for claims in excess of amounts determined to be self-insured under the program. Internal service funds are maintained for each of the three risk management programs and funding is received from the participating funds and functions of the City. Settlement claims have not exceeded either the self-insured retention or the commercial coverage in any of the past three fiscal years.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Hartford for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the year beginning July 1, 2009. In order to qualify for the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The preparation of this report would not have been possible without the efforts of the entire staff 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.

In addition to acknowledging the efforts of the Office of the City Treasurer and Department of Education, special thanks is extended to City Controller Leigh Ann Ralls for her efforts during this challenging fiscal year of financial management system change. Management and Budget Director, Rick Galarza, and his staff, including the printing/reproduction division, made a significant contribution to the development of this report.

Finally, thanks are extended to the City's independent auditors, McGladrey & Pullen, LLP, for their efforts and counsel during the audit and CAFR preparation process.

Respectfully submitted,

Christian S. Johnson
Acting Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hartford
Connecticut

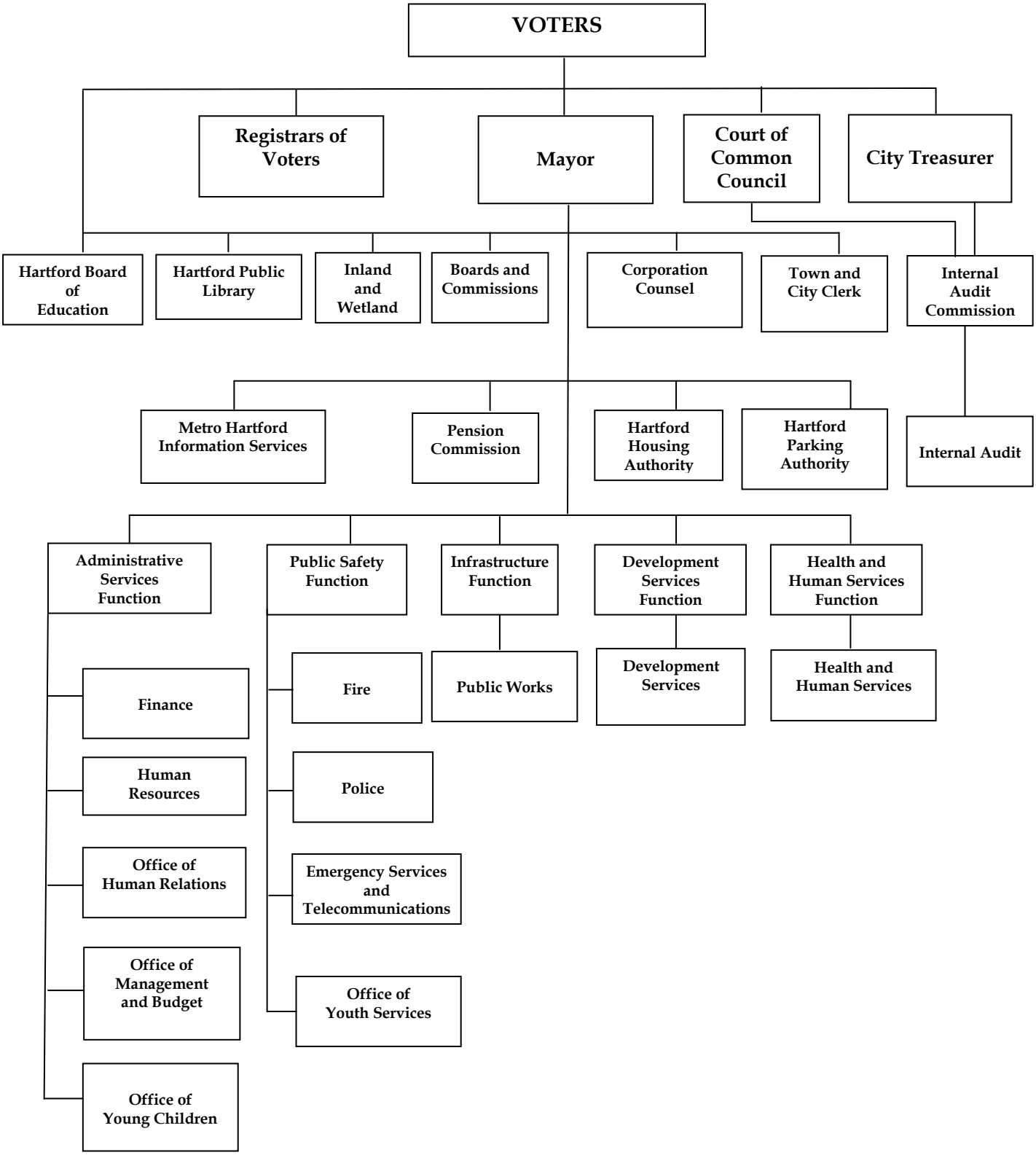
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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

President

Executive Director

City of Hartford – Organizational Chart



CITY OF HARTFORD, CONNECTICUT

Mayor-Council Form of Government
List of Elected and Principal Officials - As of June 30, 2010

THE HONORABLE PEDRO E. SEGARRA, MAYOR

Court of Common Council

Council President - Vacant

rJo Winch, Majority Leader	Larry Deutsch
James M. Boucher, Assistant Majority Leader	Kenneth H. Kennedy, Jr.
Luis E. Cotto, Minority Leader	Matthew D. Ritter
Veronica Airey-Wilson	Calixto Torres

City Treasurer - Kathleen Palm Devine

Appointed and Other Municipal Officials

Chief Operating Officer	David B. Panagore
Corporation Counsel	John Rose, Jr., Esq.
Town and City Clerk	John V. Bazzano
Director of Finance	Christopher J. Wolf, CPA
Deputy Director of Finance	Christian S. Johnson
Deputy Director of Finance	Lydia Rosario
Controller	Leigh Ann Ralls, CPA
Assessor	Lawrence LaBarbera
Tax Collector	Marc S. Nelson
Procurement Manager	Dellareece S. Thompson
Director of Development Services	David B. Panagore
Director of Management and Budget	Rick Galarza, Jr.
Chief of Police	Daryl K. Roberts
Fire Chief	Edward Casares
Director of Health and Human Services	Carlos Rivera
Director of Human Resources	Santiago Malave
Director of Public Works – Interim	Kevin E. Burnham

Hartford Public Schools

Steven J. Adamowski, Ph.D., Superintendent of Schools

Board of Education

Ada M. Miranda, Chair

David MacDonald, First Vice Chair	Robert Cotto, Jr.
Pamela M. Richmond, Second Vice Chair	Israel Flores
Lori L. Hudson, Secretary	Elizabeth Brad Noel
	Luis Rodriquez-Davila

Registrars of Voters

Olga Vasquez (D)	Salvatore Bramante (R)	Urania Petit (WF)

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Financial Section

McGladrey & Pullen, LLP
Certified Public Accountants

McGladrey

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hartford, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2010, 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, budgetary comparison information, the schedules of funding progress and employer contributions for the pension plans and other post-employment benefit plans 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.

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2011 on our consideration of the City of Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

McGladrey is the brand under which RSM McGladrey, Inc. and McGladrey & Pullen, LLP serve clients' business needs.
The two firms operate as separate legal entities in an alternative practice structure.

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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, budgetary detail, combining and individual nonmajor fund financial statements, other schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund financial statements and other 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 prior year comparative information has been derived from the City's 2009 financial statements and in our report dated February 25, 2010, we expressed an unqualified opinion on the respective financial statements taken as a whole. The introductory section and statistical section 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.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2011

CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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, 2010. Please read this MD&A in conjunction with the transmittal letter beginning on page i and the City's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased $69.0 million as a result of this year's operations. The net assets of our governmental activities increased by $69.7 million, or nearly 7.1 percent. The net assets of our business-type activities decreased by $.7 million.
- The City received $97.0 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 $799.5 million with no new programs added.
- The General Fund reported a fund balance this year of $18.6 million.
- The revenues available for appropriation were $1.1 million more than budgeted for the General Fund, while expenditures were $1.2 million under the budgeted amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The analysis of the City as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

- *Governmental activities* - Most of the City's basic services are reported here, including education, public safety, public works, development and community affairs, human services, recreation and culture, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business - type activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Hartford Parking Facilities Fund is reported here.
- *Component units* - The City includes a separate legal entity in its report; the Hartford Parking Authority. Although legally separate, this "component unit" is reported because the City is financially accountable for them.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by Charter. However, the City Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Improvement Fund and Library Operating Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the Educational Grants, Health Grants and Miscellaneous Grants Funds). The City's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental funds (Exhibits III and IV)* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI, and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Self-Insurance Internal Service Funds and the City's Metro Hartford Information Services Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net assets increased from a year ago by $69.0 million to $1.09 billion. 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.

Summary of Net Assets

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 386,243	$ 327,066	$ 995	$ 505	$ 387,238	$ 327,571
Capital assets, net of accumulated depreciation	1,247,547	1,182,461	63,777	66,281	1,311,324	1,248,742
Total assets	1,633,790	1,509,527	64,772	66,786	1,698,562	1,576,313
Long-term liabilities outstanding	425,977	411,924	311	28,598	426,288	440,522
Other liabilities	151,708	111,197	27,521	505	179,229	111,702
Total liabilities	577,685	523,121	27,832	29,103	605,517	552,224
Net Assets:						
Invested in capital assets, net of related debt	956,310	910,440	36,256	37,683	992,566	948,123
Restricted	63,564	63,642	-	-	63,564	63,642
Unrestricted (deficit)	36,231	12,324	684	-	36,915	12,324
Total net assets	$ 1,056,105	$ 986,406	$ 36,940	$ 37,683	$ 1,093,045	$ 1,024,089

The City's government-wide net assets of $1.09 billion represent an increase of $69.0 million (6.7 percent) over last year's net assets of $1.02 billion. The City was able to generate an overall increase in the City's governmental activities net assets principally due to the receipt of $97.0 million in capital grants and contributions from the State mostly in support of the City's school renovation and construction capital program. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - is $36.2 million at the end of this year as compared with a $12.3 million at the end of last year. Unrestricted net assets increased $23.9 million. Net assets of the City’s business-type activities decreased $.7 million in 2010 as transfers of unrestricted net assets to the City’s General Fund decreased from $3.1 million in 2009 to $1.4 million in 2010 due to funding of a capital reserve requirement and a decrease in parking revenues.

TABLE 2

CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
REVENUES	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charge for services	$ 19,414	$ 24,998	$ 4,791	$ 5,309	$ 24,205	$ 30,307
Operating grants and contributions	420,882	391,919	-	-	420,882	391,919
Capital grants and contributions	96,958	71,908	-	3,214	96,958	75,122
General Revenues:						
Property taxes	272,939	256,520	-	-	272,939	256,520
Grants and contributions not restricted to specific programs	51,975	53,234	-	-	51,975	53,234
Unrestricted investment earnings	3,319	(416)	1	7	3,320	(409)
Other general revenues	2,367	2,492	-	-	2,367	2,492
Total revenues	867,854	800,655	4,792	8,530	872,646	809,185
EXPENSES						
General government	61,687	58,575	-	-	61,687	58,575
Public safety	98,563	95,466	-	-	98,563	95,466
Public works	38,215	30,290	-	-	38,215	30,290
Development and community affairs	63,475	56,269	-	-	63,475	56,269
Human services	31,799	34,601	-	-	31,799	34,601
Education	477,009	450,428	-	-	477,009	450,428
Recreation and culture	9,632	10,227	-	-	9,632	10,227
Interest on long-term debt	19,125	17,169	-	-	19,125	17,169
Hartford Parking Facilities	-	-	4,185	3,760	4,185	3,760
Total expenses	799,505	753,025	4,185	3,760	803,690	756,785
Excess before transfers	68,349	47,630	607	4,770	68,956	52,400
Transfers	1,350	3,061	(1,350)	(3,061)	-	-
Change in net assets	69,699	50,691	(743)	1,709	68,956	52,400
Net Assets, beginning	986,406	935,715	37,683	35,974	1,024,089	971,689
Net Assets, ending	$ 1,056,105	$ 986,406	$ 36,940	$ 37,683	$ 1,093,045	$ 1,024,089

The City's total revenue in 2010 of $872.6 million represents an increase of $63.4 million over last year. Capital grants and contributions increased $21.8 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program decreased compared with the previous year. Operating grants and contributions increased $29.0 million due to new grants for various purposes.

The City's total program expenses of $803.7 million represent an increase of $46.9 million over last year. Increase is due to the increase in operating grants as discussed above and is reflected as an expense in the Education, Public Works and Development of Community Affairs Functions.

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

Governmental Activities

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

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2010	**2009**	**2010**	**2009**
General government	$ 61,647	$ 58,575	$ 58,007	$ 53,863
Public safety	98,563	95,466	88,711	88,671
Development and community affairs	63,475	56,269	3,423	1,397
Human services	31,799	34,601	7,332	6,944
Education	477,009	450,428	59,829	78,799
All other	66,972	57,686	44,949	34,526
Total	$ 799,465	$ 753,025	$ 262,251	$ 264,200

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, decreased from $5.3 million to $4.8 million. Expenses (including debt service and depreciation) for the City's dedicated parking facilities increased by $.4 million. Net transfers to the City's governmental activities decreased from $3.1 million in 2009 to $1.3 million in 2010 as the Parking Authority's revenues declined by $1.2 million over the same period due to the economic downturn and the funding of a capital reserve requirement.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

The City's General Fund reported a fund balance increase of $2.3 million during 2010 as compared with a decrease of $11.6 million in 2009. The General Fund's unreserved fund balance at June 30, 2010 is $18.5 million representing 3.5 percent of the General Fund's 2010 amended budgetary appropriations. Actual revenues were $1.1 million above the amended budgetary revenue estimate as property tax revenues were better than estimates by $3.3 million which was partially offset by a shortfall of $2.4 million in license and permit revenues. Expenditures were $1.2 million below the final budgeted appropriation of $535.8 million. Refer to RSI-1 and RSI-2 for details on other favorable and unfavorable variances in comparison to budgetary estimates.

As the City completed the year, its Capital Improvement Fund reported a fund balance decrease of $13.3 million. The decrease is the result of capital outlays on school projects. In addition, the City had $40 million in outstanding bond anticipation notes.

The Debt Service Fund had an unreserved fund balance as of June 30, 2010 of $146 thousand.

The City’s other governmental funds reported a decrease of $2.9 million in fund balance for the year. The City's permanent funds representing the reservation of assets for various trust purposes reported investment income of $1.8 million on investments.

Internal Service Funds

The net assets of the City's self-insurance programs increased $18.5 million, decreasing the total deficit of the City's internal service programs from $24.1 million to $5.5 million. Included in the deficit is $12.3 million of accrued estimated long-term obligations for the City's Workers Compensation and Liability and Property Damage self-insured programs. Overall operating revenues increased $10.9 million and operating expenses increased $5.1 million. Administrative and claims paid expenses increased $1.1 million, representing a 22.9 percent increase over 2009.

General Fund Budgetary Highlights

There were no supplemental appropriations in the City's General Fund.

The City's General Fund fund balance and budgetary fund balance are both $18.5 million at year end. There were $148 thousand encumbrances at year end with the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the City had $1.3 billion invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment and infrastructure - Table 4.

Capital asset additions during the year totaled $108.0 million (Note 7 to the financial statements). Construction in progress additions represent the majority of capital additions recorded by the City other than capital activity related to vehicle and equipment purchases. Refer to current period expenditures reported in Exhibit C for a detail of capital project expenditures by project in the City's Capital Improvement Fund. The majority of active projects as reported in Exhibit C qualify for capitalization under the City's asset capitalization policy.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	**2010**	2009	**2010**	2009
Land	$ 71.7	$ 71.7	$ 8.4	$ 8.4	$ 80.1	$ 80.1
Land improvements	9.5	9.9	0.2	0.2	9.7	10.1
Buildings	773.0	603.0	-	-	773.0	603.0
Other structures	8.3	8.9	55.0	57.6	63.3	66.5
Furniture and equipment	3.3	4.2	0.1	0.1	3.4	4.3
Rolling equipment	10.8	11.5	-	-	10.8	11.5
Infrastructure	198.7	204.4	-	-	198.7	204.4
Construction in progress	179.2	268.8	-	-	179.2	268.8
	$ 1,254.5	$ 1,182.4	$ 63.7	$ 66.3	$ 1,318.2	$ 1,248.7

There are 198 active projects in the City's Capital Improvement Fund with cumulative appropriations of $1,248.6 million, cumulative active project expenditures of $844.3 million and outstanding encumbrances of $62.0 million, resulting in an unencumbered balance of $335.7 million. Total expenditures for all projects during the fiscal year amounted to $115.3 million. New and supplemental appropriations totaled $33.8 million during 2010.

The City issued $14.0 million in general obligation bonds during 2010. Additionally, the City issued $12.15 of refunding bonds.

More detailed information about the City's capital assets is presented in Note 7 to the financial statements.

Long-term debt

At June 30, 2010, the City had $319.4 million in bonds outstanding versus $326.5 million last year - a decrease of 2.0% - as shown in Table 5.

TABLE 5
OUTSTANDING DEBT, AT YEAR-END
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	**2010**	2009	**2010**	2009
General obligation bonds	$ 290.0	$ 295.8	$ 29.4	$ 30.7	$ 319.4	$ 326.5
Serial notes payable	1.7	1.7	-	-	1.7	1.7
Total	$ 291.7	$ 297.5	$ 29.4	$ 30.7	$ 321.1	$ 328.2

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 $1.9 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 increased from 7,062 in calendar year 2008 to 7,192 in calendar year 2009 while the unemployment rate increased from 14.0 percent to 14.2 percent. This compares to the State's rate of 8.2 percent and the nation's rate of 10.0 percent.

The consumer price index in the northeast urban areas was higher than the national consumer price index. Inflation from October 2009 to October 2010 in the northeast was 1.5 percent while the rate was 1.2 percent for all urban areas in the U.S.

In developing the fiscal year 2011-2012 budget, the City continues to feel it is critical to examine the size and cost of government and the ability of the taxpayers to meet that burden. With costs escalating, government must evaluate services in terms of affordability and quality. Cost effectiveness, innovative approach and customer service are the standards for this evaluation.

The City feels that it is essential, given the current financial climate, to control the cost of each service provided. In developing the 2010-2011 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.

The adopted budget for fiscal year 2010-11 of $544.4 million is an increase of $8.7 million over the adopted 2009-10 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 included no mill rate increase remaining constant at 72.79 mills.

The City is exploring ways to reduce the 2010-11 expenditure budget and increase its revenue sources. In developing the City's 2011-12 budget, various options are being explored to reduce City expenditures and maximize revenues.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

CITY OF HARTFORD, CONNECTICUT **EXHIBIT I**

STATEMENT OF NET ASSETS
June 30, 2010
(In Thousands)

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Hartford Parking Authority
Assets				
Cash and cash equivalents	$ 201,967	$ 163	$ 202,130	$ 1,410
Investments	13,696	-	13,696	-
Receivables, net	163,235	-	163,235	429
Internal balances	65	(65)	-	-
Due from component unit	-	897	897	-
Other assets	280	-	280	-
Capital assets:				
Assets not being depreciated	250,907	8,428	259,335	-
Assets being depreciated, net	1,003,640	55,349	1,058,989	-
Total assets	1,633,790	64,772	1,698,562	1,839
Liabilities				
Accounts payable and accrued expenses	99,721	311	100,032	942
Due to primary government	-	-	-	897
Bond anticipation notes payable	40,000	-	40,000	-
Unearned revenue	11,987	-	11,987	-
Noncurrent liabilities:				
Due within one year	46,012	1,365	47,377	-
Due in more than one year	379,965	26,156	406,121	-
Total liabilities	577,685	27,832	605,517	1,839
Net Assets				
Invested in capital assets, net of related debt	956,310	36,256	992,566	-
Restricted for:				
Housing loans	44,824	-	44,824	-
Trust purposes:				
Expendable	1,151	-	1,151	-
Nonexpendable	17,589	-	17,589	-
Unrestricted	36,231	684	36,915	-
Total net assets	$ 1,056,105	$ 36,940	$ 1,093,045	$ -

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010
(In Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			Component Unit
Functions/Programs	**Expenses**	**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	$ (61,687)	$ 2,241	$ 1,439	$ -	$ (58,007)	$ -	$ (58,007)	$ -
Public safety	(98,563)	1,739	8,113	-	(88,711)	-	(88,711)	-
Public works	(38,215)	10,089	4,060	6,369	(17,697)	-	(17,697)	-
Development and community affairs	(63,475)	1,633	52,881	5,538	(3,423)	-	(3,423)	-
Human services	(31,799)	2,315	22,152	-	(7,332)	-	(7,332)	-
Education	(477,009)	860	331,517	84,803	(59,829)	-	(59,829)	-
Recreation and culture	(9,632)	537	720	248	(8,127)	-	(8,127)	-
Interest on long-term debt	(19,125)	-	-	-	(19,125)	-	(19,125)	-
Total governmental activities	(799,505)	19,414	420,882	96,958	(262,251)	-	(262,251)	-
Business-type activities:								
Hartford Parking Facilities	(4,185)	4,791	-	-	-	606	606	-
Total business-type activities	(4,185)	4,791	-	-	-	606	606	-
Total primary government	$ (803,690)	$ 24,205	$ 420,882	$ 96,958	(262,251)	606	(261,645)	-
Component Units:								
Hartford Parking Authority	$ (9,825)	$ 9,825	$ -	$ -	-	-	-	-
		General revenues:						
		Property taxes			272,939	-	272,939	-
		Grants and contributions not restricted to specific programs			51,975	-	51,975	-
		Unrestricted investment earnings			3,319	1	3,320	-
		Miscellaneous			2,367	-	2,367	-
		Transfers			1,350	(1,350)	-	-
		Total general revenues and transfers			331,950	(1,349)	330,601	-
		Change in net assets			69,699	(743)	68,956	-
		Net assets - beginning			986,406	37,683	1,024,089	-
		Net assets - ending			$ 1,056,105	$ 36,940	$ 1,093,045	$ -

The notes to the financial statements are an integral part of this statement

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010
(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 74,783	$ 59,260	$ 4,346	$ 193	$ 16,282	$ 24,704	$ 179,568
Investments	-	-	-	-	-	13,696	13,696
Receivables, net	46,689	51,331	45,866	-	2,710	15,888	162,484
Due from other funds	1,994	2,545	-	-	-	-	4,539
Inventories and other assets	-	-	-	-	-	280	280
Total assets	$ 123,466	$ 113,136	$ 50,212	$ 193	$ 18,992	$ 54,568	$ 360,567
Liabilities							
Accounts payable and accrued liabilities	57,522	20,655	723	47	7,717	5,722	92,386
Due to other funds	217	-	-	-	-	4,257	4,474
Deferred/unearned revenue	47,079	1,217	45,853	-	4,362	13,982	112,493
Bond anticipation notes	-	40,000	-	-	-	-	40,000
Total liabilities	104,818	61,872	46,576	47	12,079	23,961	249,353
Fund balances							
Reserved	148	62,036	-	-	-	27,183	89,367
Unreserved, reported in:							
General fund	18,500	-	-	-	-	-	18,500
Special revenue funds	-	-	3,636	-	6,913	1,709	12,258
Debt service funds	-	-	-	146	-	-	146
Capital project funds	-	(10,772)	-	-	-	1,715	(9,057)
Total fund balances	18,648	51,264	3,636	146	6,913	30,607	111,214
Total liabilities and fund balances	$ 123,466	$ 113,136	$ 50,212	$ 193	$ 18,992	$ 54,568	$ 360,567

The notes to the financial statements are an integral part of this statement.

(Continued on Next Page)

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)
June 30, 2010
(In Thousands)

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:		
Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:		
Fund balances - total governmental funds (Exhibit III)		$ 111,214
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	1,803,391	
Less accumulated depreciation	(548,844)	
Net capital assets		1,254,547
Other long-term assets are not available to pay for current-period expenditures and, therefore, are recorded as deferred in the funds:		
Property tax receivables		24,421
Interest receivable on property taxes		8,077
Receivable from the State for school construction projects		14,581
Housing loans		45,853
Other receivables		7,574
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.		(5,530)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable		(290,020)
Interest payable on bonds and notes		(6,389)
Compensated absences		(39,132)
HUD loans		(6,245)
Capital leases		(5,157)
Clean Water Fund serial note		(1,665)
Net OPEB obligation		(42,907)
Net pension obligation		(4,236)
Bond premium		(8,968)
Deferred charges on refunding		87
Net Assets of Governmental Activities (Exhibit I)		$ 1,056,105

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 266,990	$ -	$ -	$ -	$ -	$ -	$ 266,990
Licenses, permits, and other charges	5,608	-	-	-	-	-	5,608
Intergovernmental revenues	267,840	91,420	-	-	96,362	101,134	556,756
Charges for services	2,175	-	-	-	-	6,602	8,777
Use of property	4,368	-	-	-	-	-	4,368
Investment income	1,027	-	209	-	-	2,083	3,319
Miscellaneous	3,028	-	869	-	11,120	2,432	17,449
Total revenues	551,036	91,420	1,078	-	107,482	112,251	863,267
EXPENDITURES							
Current:							
General government	19,831	-	-	-	-	1,811	21,642
Public safety	70,756	-	-	-	-	9,043	79,799
Public works	12,522	-	-	-	-	7,597	20,119
Development and community affairs	4,342	-	2,693	-	-	54,822	61,857
Human services	7,237	-	-	-	-	24,019	31,256
Education	305,210	-	-	-	103,398	12,424	421,032
Recreation and culture	-	-	-	-	-	9,145	9,145
Benefits and insurance	55,791	-	-	-	-	-	55,791
Other	31,042	-	-	-	-	-	31,042
Capital outlay	-	115,275	-	-	-	4,000	119,275
Debt service	-	364	-	33,278	-	3,521	37,163
Total expenditures	506,731	115,639	2,693	33,278	103,398	126,382	888,121
Excess (deficiency) of revenues over expenditures	44,305	(24,219)	(1,615)	(33,278)	4,084	(14,131)	(24,854)
OTHER FINANCING SOURCES (USES)							
Transfers in	2,884	1,500	-	33,003	2,613	12,233	52,233
Transfers out	(44,854)	(944)	-	-	-	(5,085)	(50,883)
Issuance of refunding bonds	-	-	-	12,150	-	-	12,150
Issuance of bonds	-	10,000	-	-	-	4,000	14,000
Bond premium	-	364	-	1,369	-	63	1,796
Payment to escrow	-	-	-	(13,244)	-	-	(13,244)
Total other financing sources (uses)	(41,970)	10,920	-	33,278	2,613	11,211	16,052
Net change in fund balances	2,335	(13,299)	(1,615)	-	6,697	(2,920)	(8,802)
FUND BALANCES, beginning of year	16,313	64,563	5,251	146	216	33,527	120,016
FUND BALANCES, end of year	$ 18,648	$ 51,264	$ 3,636	$ 146	$ 6,913	$ 30,607	$ 111,214

The notes to the financial statements are an integral part of this statement.

(Continued on Next Page)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS, (Continued)
For the Year Ended June 30, 2010
(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and changes in fund balances of governmental funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	$	(8,802)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		108,014
Depreciation expense		(35,928)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
School building grant receipts		(1,616)
Property tax receivable - accrual basis change		4,233
Property tax interest and lien revenue - accrual basis change		1,716
Housing loans		287
Other receivables - accrual basis change		(33)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities.		
Bond and series note principal payments		20,536
Issuance of bonds and notes		(14,000)
Refunding proceeds		(12,150)
Accrued interest on bonds - accrual basis change		(1,049)
HUD loan proceeds		(3,897)
HUD loan principal payments		130
Bond issuance costs		275
Payment to escrow		13,244
Capital lease payments		2,985
Amortization of deferred charge on refunding		(65)
Bond premium		(2,000)
Amortization of bond premium		(673)
Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(6,663)
Change in pension and other postemployment benefit liabilities		(13,391)
Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities		18,546
Change in Net Assets of Governmental Activities (Exhibit II)	$	69,699

The notes to the financial statements are an integral part of this statement.

CITY OF HARTFORD, CONNECTICUT **EXHIBIT V**

STATEMENT OF NET ASSETS (DEFICITS) - PROPRIETARY FUNDS
June 30, 2010
(In Thousands)

	Business-Type Activities	Governmental Activities
	Hartford Parking Facilities	Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 163	$ 22,399
Receivables, net	-	751
Due from component unit	897	-
Total current assets	1,060	23,150
CAPITAL ASSETS, NET	63,777	-
Total assets	64,837	23,150
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and other payables	311	946
Due to other funds	65	-
Risk management claims	-	13,934
Bonds payable	1,365	-
Total current liabilities	1,741	14,880
NONCURRENT LIABILITIES		
Risk management claims	-	13,800
Bonds payable	26,156	-
Total noncurrent liabilities	26,156	13,800
Total liabilities	27,897	28,680
NET ASSETS (DEFICITS)		
Invested in capital assets, net of related debt	36,256	-
Unrestricted	684	(5,530)
Total net assets (deficits)	$ 36,940	$ (5,530)

The notes to the financial statements are an integral part of this statement.

CITY OF HARTFORD, CONNECTICUT **EXHIBIT VI**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICITS) - PROPRIETARY FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	Business-Type Activities	Governmental Activities
	Hartford Parking Facilities	Internal Service Funds
OPERATING REVENUES		
City's contribution for insurance	$ -	$ 92,278
Employee and pensioners contributions for insurance	-	19,479
Hartford Parking Authority - operations	4,791	-
Other	-	2,521
Total operating revenues	4,791	114,278
OPERATING EXPENSES		
Administrative	-	5,756
Operations	-	5,513
Insurance benefits and claims	-	84,463
Depreciation and amortization	2,504	-
Total operating expenses	2,504	95,732
Operating income	2,287	18,546
NONOPERATING INCOME (EXPENSE)		
Interest earnings	1	-
Interest expense	(1,681)	-
Total nonoperating income (expense)	(1,680)	-
Net income before transfers	607	18,546
Transfers out	(1,350)	-
Change in net assets	(743)	18,546
FUND NET ASSETS (DEFICITS), beginning	37,683	(24,076)
FUND NET ASSETS (DEFICITS), ending	$ 36,940	$ (5,530)

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	Business-Type Activities	Governmental Activities
	Hartford Parking Facilities	Internal Service Funds
Cash Flows From Operating Activities		
City's contribution	$ -	$ 91,989
Cash paid by participants	-	21,999
Cash received from Hartford Parking Authority	4,107	-
Cash paid for salaries and benefits	-	(3,540)
Cash paid for claims	-	(94,342)
Cash paid to other funds	356	-
Net cash provided by operating activities	4,463	16,106
Cash Flows From Noncapital and Related Financing Activities		
Transfers to other funds	(1,350)	-
Net cash used in noncapital and related financing activities	(1,350)	-
Cash Flows From Capital and Related Financing Activities		
Principal paid on bonds	(1,305)	-
Interest paid on bonds	(1,681)	-
Net cash used in capital and related financing activities	(2,986)	-
Cash Flows From Investing Activities		
Income on investments	1	-
Net increase in cash and cash equivalents	128	16,106
Cash and Cash Equivalents, beginning of year	35	6,293
Cash and Cash Equivalents, end of year	$ 163	$ 22,399
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 2,287	$ 18,546
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,504	-
Increase in other receivables	-	(291)
Decrease in due from other funds	259	-
Decrease in accounts payable and accrued liabilities	-	(47)
Increase (decrease) in due to other funds	220	(486)
Decrease in insurance claims payable	-	(1,616)
Decrease in due from component unit	(807)	-
Net cash provided by operating activities	$ 4,463	$ 16,106

The notes to the financial statements are an integral part of this statement.

CITY OF HARTFORD, CONNECTICUT **EXHIBIT VIII**

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30, 2010
(In Thousands)

	Pension Trust Funds	School Agency Funds
ASSETS		
Cash and cash equivalents	$ 138,778	$ 669
Investments:		
Fixed income securities	238,512	-
Common stock and other	517,700	-
Total investments	756,212	-
Loan receivable	1,800	-
Accrued investment earnings	2,786	-
Total assets	899,576	669
LIABILITIES		
Accounts payable and accrued liabilities	198	-
Net settlement due on investments purchased/sold	7,398	-
Due to student groups and other	-	669
Total liabilities	7,596	669
Net Assets Held in Trust for Pension Benefits	$ 891,980	$ -

The notes to the financial statements are an integral part of this statement.

CITY OF HARTFORD, CONNECTICUT **EXHIBIT IX**

STATEMENT OF CHANGES IN PLAN NET ASSETS -
FIDUCIARY FUNDS - PENSION TRUST FUNDS
For the Year Ended June 30, 2010
(In Thousands)

Additions		
Contributions:		
Employer	$	13,747
Plan members		9,355
Total contributions		23,102
Investment Income:		
Net appreciation in fair value of investments		77,662
Interest and dividends		16,156
Total investment income		93,818
Less investment expense		3,752
Net investment income		90,066
Deductions		
Benefits		86,716
Administration		2,027
Other		105
Total deductions		88,848
Increase in net assets		24,320
Net Assets Held in Trust for Pension Benefits		
Beginning of year		867,660
End of year	$	891,980

The notes to the financial statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Hartford, Connecticut (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.

Reporting entity

The City of Hartford, Connecticut was incorporated May 29, 1784 and the 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 received from the Authority. Separate financial statements of the Authority are available from the Authority's offices, 155 Morgan Street, Hartford, Connecticut.

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.

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 for. 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). A one-year availability period is used for revenue recognition for all construction grants. 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, pension obligations, other post-employment obligations, and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, primarily licenses and fees, are considered to be measurable 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 *Capital Improvement Fund* accounts for the proceeds of general obligation bonds and grants for various construction and reconstruction projects.

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

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.

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,* fiduciary funds, account for the activities of the Hartford Retirement System, which accumulates resources for pension benefit payments to qualified City employees.

The *Agency Funds,* fiduciary fund, account for monies held as a custodian for outside student groups.

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between certain City'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 are financed and operated in a manner similar to private business enterprises.

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 fund is net revenues from operations of the parking facilities and of the City's internal service funds are charges from participants and premiums from the City. Operating expenses for the enterprise fund include operating expenses, administrative expenses, and depreciation on capital assets. for the internal service funds, expenses represent claims paid. 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.

Accounting estimates

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

Cash equivalents

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.

Investments

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

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

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

Receivables

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). 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 $5.8 million is equal to 21.7% of outstanding property taxes at June 30, 2010.

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. The lien date is July 1 on the May 1 levy. 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.

The City has also entered into various loan agreements with third parties related to its public housing programs. These loan agreements have been recorded as notes receivable within the Community Development Loan and Grant Fund. Under these agreements, the City has loaned money for the purpose of establishing and/or improving public housing units. The loans are secured by an interest in the property being acquired and/or improved. The programs consist of the House Hartford Program, the Home Ownership Appraisal GAP Financing Program, Home Program and the Housing Preservation Loan Program. The City develops an allowance for uncollectible amounts on a loan-by-loan basis.

Allowances for doubtful accounts

Accounts and notes receivable for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay. The majority of amount relates to taxes receivable, housing loans and police special duty fees.

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.

Capital assets

Capital assets, which include land, buildings, 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) and an estimated useful life in excess of one year. 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, net of interest earned on specific project related debt, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
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

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

Compensated absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due. The general fund is typically used to liquidate the liability.

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 as reported include unamortized bond premiums and discounts. 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, and bond principal payments, are reported as debt service expenditures.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

Fund equity and net assets

In the government-wide and proprietary fund financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets – This category presents external restriction imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets or Deficit – This category represents the net assets of the City, which are not restricted. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved fund balance - indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved-Designated fund balance - indicates that portion of fund equity for which the City has made tentative plans.

Unreserved fund balance (deficit) - indicates that portion of fund equity which is available for appropriation and expenditure in future periods. A deficit will require future funding.

Note 2. Stewardship, Compliance and Accountability

Budgetary information

The City adopted the legal budget for the 2009-2010 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 cannot exceed total appropriations by project, over the length of the project.

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

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

During the fiscal year ended June 30, 2010 there were no General Fund supplemental budget appropriations and there were no additional appropriations against fund balance.

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

Note 3. Cash, Cash Equivalents and Investments

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do 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 funds 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 value of the position in the pool is the same as the value of the pool shares.

The City pension plan asset allocation parameters are as follows:

Equities	50%
Fixed income securities	48.5%
Cash	1.5%

Deposits

City

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 dealings with institutions designed to mitigate custodial credit risk. As of June 30, 2010, $231,529 of the City's bank balance of $258,666 was uninsured and uncollateralized.

Hartford Parking Authority

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 dealings with institutions to mitigate custodial credit risk. As of June 30, 2010, $972 of the Authority's bank balance of $1,409 was uninsured and uncollateralized.

Cash and investments of the City consist of the following at June 30, 2010:

Cash and Cash Equivalents		
Deposits with financial institutions	$ 251,355	
State of Connecticut Short-Term Investment fund	91,632	
Total cash and cash equivalents	342,987	
Investments		
Non-Major Funds		
U.S. Government Agencies	1,428	*
U.S. Treasury	2,053	*
Corporate Bonds	2,609	*
Foreign Bonds	52	*
Common Stock	7,554	*
Total non-major funds	13,696	

Pension Trust Funds:		
U.S. Government Agencies	28,492	*
U.S. Treasury	102,917	*
Corporate Bonds	85,829	*
Foreign Bonds	21,274	*
Common Trusts	153,511	
Alternative Investments	46,165	
Common stock	318,024	*
Total pension trust funds	756,212	
Total investments	769,908	
Total cash, cash equivalents and investments	$ 1,112,895	

* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the City's or the pension fund's name.

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

Statement of Net Assets	
Cash and cash equivalents	$ 203,540
Investments	13,696
Total statement of net assets	217,236
Fiduciary Funds:	
Cash and cash equivalents	139,447
Investments	756,212
	895,659
Total cash, cash equivalents and investments	$ 1,112,895

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's and Pension Plan'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 and Pension Plan'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, 2010, is as follows:

	Currency	Fair Value
Fixed Income Securities:	Euro Currency Unit	$ 7,183
	Japanese Yen	7,577
	Australian Dollar	4,047
	Polish Zloty	1,744
	Other foreign currencies	775
Equities:	Japanese Yen	15,076
	Euro Currency Unit	8,705
	British Pound Sterling	738
	South Korean Won	2,216
	Hong Kong Dollar	657
	Singapore Dollar	1,976
	Swiss Franc	2,087
	Other foreign currencies	2,501

Information about the exposure of the City's debt type investments to interest rate risk using the segmented time distribution model is as follows:

		Investment Maturities (in Years)			
Summary of Investments and Interest Rate Risk	Fair Value	Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
Foreign Bonds	$ 21,326	$ 4,314	$ 8,073	$ 4,933	$ 4,006
U.S. Government Agencies	29,920	816	584	3,040	25,480
U.S. Treasury	104,970	3,918	32,193	24,822	44,037
Corporate Bonds	88,438	1,455	15,321	32,010	39,652
Pooled fixed income	91,632	91,632	-	-	-
				-	
TOTAL	$ 336,286	$ 102,135	$ 56,171	$ 64,805	$ 113,175

Credit risk - investments: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City's and Pension Plan'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 are the actual ratings by Standard and Poors.

Actual Rating	Foreign Bonds	U.S. Gov't Agencies	U.S. Treasury	Corporate Bonds	Pooled Fixed Income
AAA	$ 2,878	$ 29,000	$ 104,970	$ 14,527	$ -
AAAm	-	-	-	-	91,632
AA+	219	-	-	1,443	-
AA	7,395	-	-	5,419	-
AA-	1,295	-	-	2,592	-
A+	2,526	-	-	6,974	-
A	1,953	-	-	19,689	-
A-	213	-	-	8,640	-
BBB+	218	-	-	7,147	-
BBB	-	-	-	5,864	-
BBB-	532	-	-	4,514	-
BB+	-	-	-	1,380	-
BB	132	-	-	1,865	-
BB-	49	-	-	1,438	-
B+	-	-	-	911	-
B-	-	-	-	265	-
CCC+	-	-	-	274	-
CCC	-	-	-	1,912	-
CC	-	-	-	31	-
Unrated	3,916	920	-	3,553	-
	$ 21,326	$ 29,920	$ 104,970	$ 88,438	$ 91,632

Concentration of Credit Risk - The City's and Pension Plan'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, U.S treasury securities, domestic corporate bonds, foreign bonds, and U.S government 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 common trusts and alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination.

Note 4. Receivables

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

	General	Capital Improvement Fund	Community Development Loan and Grant Fund	Educational Grants	Nonmajor and Other Funds	Internal Service Fund	Total Governmental Funds
Receivables							
Taxes	$ 27,089	$ -	$ -	$ -	$ -	$ -	$ 27,089
Accrued interest on taxes	9,502	-	-	-	-	-	9,502
Intergovernmental	14,581	51,331	-	2,710	7,866	-	76,488
Accounts	2,812	-	-	-	3,214	751	6,777
Housing loans	-	-	68,071	-	-	-	68,071
Section 108-business loans	-	-	-	-	6,245	-	6,245
Gross receivables	53,984	51,331	68,071	2,710	17,325	751	194,172
Less:							
Allowance for uncollectibles:							
Taxes	(5,870)	-	-	-	-	-	(5,870)
Accrued interest on taxes	(1,425)	-	-	-	-	-	(1,425)
Accounts	-	-	-	-	(1,437)	-	(1,437)
Housing loans	-	-	(22,205)	-	-	-	(22,205)
Total allowance	(7,295)	-	(22,205)	-	(1,437)	-	(30,937)
Net total receivables	$ 46,689	$ 51,331	$ 45,866	$ 2,710	$ 15,888	$ 751	$ 163,235

Note 5. Deferred Revenue/Unearned Revenue

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

Primary Government Unit	Deferred	Unearned	Total
General Fund:			
Delinquent property taxes	$ 24,421	$ -	$ 24,421
Accrued interest on delinquent property taxes	8,077	-	8,077
School building construction grant receivables	14,581	-	14,581
Capital Improvement Fund:			
Grant drawdowns prior to meeting all eligibility requirements	-	1,217	1,217
Community Development Loan and Grant:			
Housing loans and interest	45,853	-	45,853
Educational Grants:			
Grant drawdowns prior to meeting all eligibility requirements	-	4,362	4,362
Nonmajor and other funds:			
Grant drawdowns prior to meeting all eligibility requirements and other	1,610	6,408	8,018
Section 108 - business loans	5,964	-	5,964
Total deferred/unearned revenue for governmental funds	$ 100,506	$ 11,987	$ 112,493

Note 6. Interfund Receivables, Payables and Transfers

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2010 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	$ 1,994	$ 217
Capital Improvement	2,545	-
Hartford Parking Facilities	-	65
Nonmajor Governmental Funds	-	4,257
	$ 4,539	$ 4,539

The interfunds relate to loans made primarily between the Capital Improvement Fund, Nonmajor Governmental Fund and the General Fund. All of the balance is scheduled to be collected in the subsequent year.

A summary of interfund transfers is presented below:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	$ 2,884	$ 44,854
Capital Improvement Fund	1,500	944
Debt Service	33,003	-
Educational Grants	2,613	-
Nonmajor Governmental Funds	12,233	5,085
Hartford Parking Facilities	-	1,350
Total	$ 52,233	$ 52,233

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 activity derived from the City's parking facilities. Transfers from the Nonmajor Governmental Funds to the General Fund primarily include net income derived from the City's police private duty services program. Transfers from the General Fund to the Nonmajor Governmental funds include $7.9 million in support of the City's library program. Transfers from Nonmajor Governmental Funds to the Educational Grants Fund represent monies collected on behalf of the Educational Grants Fund. Transfers to and from the Capital Improvement Fund represent monies from the Parks Trust Fund that are used for capital projects.

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 71,702	$ -	$ -	$ -	$ 71,702
Construction in progress	268,804	104,295	-	(193,894)	179,205
Total capital assets, not being depreciated	340,506	104,295	-	(193,894)	250,907
Capital assets, being depreciated:					
Land improvements	23,016	-	-	-	23,016
Buildings	813,578	-	-	193,894	1,007,472
Other structures	21,145	-	-	-	21,145
Furniture and equipment	34,121	306	-	-	34,427
Rolling equipment	38,682	1,625	-	-	40,307
Infrastructure	424,329	1,788	-	-	426,117
Total capital assets being depreciated	1,354,871	3,719	-	193,894	1,552,484
Less accumulated depreciation for:					
Land improvements	(13,061)	(414)	-	-	(13,475)
Buildings	(210,566)	(23,860)	-	-	(234,426)
Other structures	(12,277)	(604)	-	-	(12,881)
Furniture and equipment	(29,955)	(1,198)	-	-	(31,153)
Rolling equipment	(27,148)	(2,320)	-	-	(29,468)
Infrastructure	(219,909)	(7,532)	-	-	(227,441)
Total accumulated depreciation	(512,916)	(35,928)	-	-	(548,844)
Total capital assets, being depreciated, net	841,955	(32,209)	-	193,894	1,003,640
Governmental activities capital assets, net	$ 1,182,461	$ 72,086	$ -	$ -	$ 1,254,547

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 8,428	$ -	$ -	$ 8,428
Total capital assets, not being depreciated	8,428	-	-	8,428
Capital assets, being depreciated:				
Land improvements	29	-	-	29
Parking garages	69,988	-	-	69,988
Other structures	3,202	-	-	3,202
Furniture, fixtures and equipment	272	-	-	272
Total capital assets, being depreciated	73,491	-	-	73,491
Less accumulated depreciation for:				
Land improvements	(6)	(2)	-	(8)
Parking garages	(15,195)	(2,127)	-	(17,322)
Other structures	(320)	(321)	-	(641)
Furniture, fixtures and equipment	(117)	(54)	-	(171)
Total accumulated depreciation	(15,638)	(2,504)	-	(18,142)
Total capital assets, being depreciated, net	57,853	(2,504)	-	55,349
Business-type activities capital assets, net	$ 66,281	$ (2,504)	$ -	$ 63,777

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

Governmental Activities:	
General government	$ 1,130
Public safety	1,974
Public works	11,810
Development and community affairs	149
Education	20,483
Recreation and culture	382
Total depreciation expense – governmental activities	$ 35,928
Business-type activities:	
Hartford Parking Facilities	$ 2,504

Construction Commitments

The City has the following authorized construction projects in the Capital Improvement Fund as of June 30, 2010. 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:

	Cumulative Appropriations	Cumulative* Disbursements	Encumbrances* and Commitments	Unencumbered Balance
Public works - facilities	$ 55,820	$ 19,409	$ 799	$ 35,612
Public safety - facilities	90,650	32,234	43,437	14,979
Recreation and culture projects	102,849	80,644	1,710	20,495
Education projects	871,541	623,422	18,887	229,232
Public works - infrastructure	108,590	72,710	3,405	32,475
Local capital improvement projects	19,159	15,839	395	2,925
	$ 1,248,609	$ 844,258	$ 68,633	$ 335,718

* Excludes retainage payable recorded in the financial statements in the amount of $6.6 million at June 30, 2010.

Note 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 during 2010 amounted to $2.9 million. The cost of the buildings and land associated with these rental income amounts is estimated at $27.8 million with a carrying value of $14.5 million. Depreciation expense related to these properties was $57 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 $834 per year through Fiscal Year 2011.

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. 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. Future minimum lease payments are projected as follows.

2011-2017	$1,000*

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

In addition to the base rent, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2010, base rent and additional rent amounted to $2,246.

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:

2011	$ 293
2012	293

Note 9. Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 295,845	$ 26,150	$ (31,975)	$ 290,020	$ 21,275
Less: deferred amounts	8,143	2,000	(1,262)	8,881	-
Total bonds payable	303,988	28,150	(33,237)	298,901	21,275
Compensated absences	32,469	8,383	(1,720)	39,132	9,783
HUD Section 108 loans	2,478	3,897	(130)	6,245	304
Capital leases	8,142	-	(2,985)	5,157	2,333
CWF Serial Note	1,745	-	(80)	1,665	83
Net OPEB obligation	28,166	14,741	-	42,907	-
Net pension obligation	5,586		(1,350)	4,236	-
Risk management claims	29,350	82,847	(84,463)	27,734	12,234
Total capital assets being depreciated	107,936	109,868	(90,728)	127,076	24,737
Total governmental activities long-term liabilities	$ 411,924	$ 138,018	$ (123,965)	$ 425,977	$ 46,012

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:

Date of Issue	Interest Rate (%)	Original Amounts	Maturity Dates	Annual Payment	Balance June 30, 2010
May 2001	4.25-5.50	$ 23,000	2015	$ 1,150	$ 5,750
March 2003	4.25-5.25	30,225	2016	1,250-2,340	15,010
July 2004	3.50-5.50	34,000	2023	1,600-1,800	25,000
June 2005	4.50-5.00	29,510	2020	1,050-3,600	28,120
June 2005	3.00-5.00	32,300	2024	1,700	25,500
June 2006	4.00-5.00	70,000	2025	3,685	58,960
June 2007	4.00-5.25	70,000	2026	3,680-3,685	62,630
September 2009	2.00-5.00	12,150	2018	1325-1435	12,150
April 2010	2.00-4.30	14,000	2029	735-740	14,000
February 2009	2.50-5.00	40,225	2022	2,115-2,120	40,225
March 1972	5.10	2,750	2012	750	500
December 1972	5.00	1,500	2012	500	375
February 1993	4.90-5.62	7,200	2013	600-1,200	1,800
					$ 290,020

The annual requirements to amortize all bonded debt outstanding as of June 30, 2010 are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 21,275	$ 12,790	$ 34,065
2012	21,965	12,791	34,756
2013	21,680	11,260	32,940
2014	20,940	10,266	31,206
2015	20,910	9,321	30,231
2016-2020	92,425	32,369	124,794
2021-2025	67,645	13,422	81,067
2026-2029	23,180	1,694	24,874
	$ 290,020	$ 103,913	$ 393,933

Clean Water Fund - Serial Notes Payable

The City has entered into a Clean Water Fund serial note payable to the State of Connecticut as part of a tower brook conduit extension project administered by the Metropolitan District. Principal in the amount of $80 and interest in the amount of $34 was paid in the 2009-10 fiscal year. Future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 83	$ 33	$ 116
2012	85	31	116
2013	86	29	115
2014	88	27	115
2015	90	26	116
2016-2020	478	100	578
2021-2025	528	49	577
2026-2029	227	5	232
	$ 1,665	$ 300	$ 1,965

2009/2010 General Obligation Bond – In-substance Defeasance

On September 30, 2009, the City issued $12,150 of general obligation bonds with interest rates ranging from 2.0% to 5.0%, of which were used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the City dated November 2008 (the “Refunding Bonds”). Of the net proceeds of $13,659 (after payment of $275 in underwriters fees and other costs), $13,244 was placed in an irrevocable trust fund under an Escrow Agreement dated April 2009 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America (“Government Obligations”). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt of $945 and cash savings of $1,170.

The balance in the escrow was approximately $13,200 at June 30, 2010. The balance of the defeased bonds was approximately $12,825 at June 30, 2010. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In previous years the City has defeased general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2010, the following bonds outstanding are considered defeased:

Year of Original Issue	Date Refunded	Refunded Amount	Defeased Balance
1998	06/01/2005	$ 13,185	$ 13,185
2000	06/01/2005	10,000	10,000
2001	06/01/2005	6,900	6,900
2000	04/01/2005	31,285 *	29,570
2009	09/30/2009	12,150	12,825

* Morgan Street Garage Revenue Bonds

The City's indebtedness ($588 million) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	$ 604,757	$ 388,105	$ 216,652
Schools	1,209,515	141,595	1,067,920
Sewer	1,007,929	58,456	949,473
Urban renewal	873,538	-	873,538
Pension deficit	806,343	-	806,343

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation ($1.9 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 $16.7 million are applicable to outstanding bond issues. It is estimated that an additional $92.8 million of authorized education project costs will be funded through State of Connecticut progress payments.

Total bonds authorized and unissued as of June 30, 2010 were:

Description	Authorized/ Unissued
General Purpose	$ 138,331
Schools	92,800
Sewers	578
Total	$ 231,709

Housing and Urban Development (HUD) Section 108 Loans

The future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 304	$ 55	$ 359
2012	327	42	369
2013	346	37	383
2014	365	30	395
2015	389	22	411
2016-2020	1,574	19	1,593
2021-2025	1,474	-	1,474
2026-2030	1,466	-	1,466
	$ 6,245	$ 205	$ 6,450

Capital Leases

The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2010 were $2,680. The following is a summary of capital lease commitments as of June 30, 2010:

Year Ended June 30,	Amount
2011	$ 2,333
2012	1,985
2013	1,002
2014	194
Total lease payments	5,514
Less: amount representing interest	357
Present value of minimum lease payments	$ 5,157

The City originally issued $13,514 in capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated value approximates the principal balance payable of $5,157 at June 30, 2010.

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.

	June 30, 2010	
Vested:		
Sick	$ 26,050	
Vacation	9,349	
Nonvested:		
Sick	3,733	*
Total	$ 39,132	

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

Business-Type Activities

Changes in Long-Term Liabilities

Long-term liabilities for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type Activities:					
General obligation bonds	$ 30,710	$ -	$ 1,305	$ 29,405	$ 1,365
Less: deferred amounts	(2,112)	-	(228)	(1,884)	-
Total bonds payable	$ 28,598	$ -	$ 1,077	$ 27,521	$ 1,365

The annual requirements to amortize all general obligation bond debt outstanding as of June 30, 2010 are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 1,365	$ 1,398	$ 2,763
2012	1,425	1,341	2,766
2013	1,485	1,273	2,758
2014	1,565	1,197	2,762
2015	1,645	1,117	2,762
2016-2020	9,605	4,195	13,800
2021-2025	12,315	1,480	13,795
	$ 29,405	$ 12,001	$ 41,406

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%	$ 29,405

Bond Anticipation Notes

Bond Anticipation Notes activity was as follows:

Beginning balance, July 1, 2009	$ 10,000
Issuances	80,000
Retired/Matured	(50,000)
Ending balance, June 30, 2010	$ 40,000

The bond anticipation note outstanding at year-end was issued March 31, 2010 and is due April 14, 2011 with interest at 2.5%.

Note 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:

Fund balance

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

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

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

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

Fund balance reserves are as follows:

	General Fund	Capital Improvement Fund	Other Governmental Funds
Encumbrances and commitments	$ 148	$ 62,036	$ 4,297
Housing assistance	-	-	3,866
Inventory	-	-	280
Trusts	-	-	18,740
Total	$ 148	$ 62,036	$ 27,183

Deficit fund equity

Nonmajor Funds:	
Miscellaneous grants	$ 256
Internal Service Funds:	
Workers' Compensation	16,142
Liability and Property Damage	4,264
	$ 20,662

The City anticipates financing the miscellaneous Grants Fund deficit through future operations and grants. The Internal Service Funds deficit will be covered through future City contributions.

Note 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, $2 million for each worker's compensation claim, $500 thousand for each auto and general liability claim, $100 thousand for each property damage claim and $250 thousand per occurrence for public officials' claims. 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 $27.7 million, reported in the fund at June 30, 2010 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 2010 and 2009 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self-Insurance Fund:				
2008-2009	$ 35,083	$ 74,737	$ 80,470	$ 29,350
2009-2010	29,350	82,847	84,463	27,734

Note 12. Commitments and Contingencies

Contractual commitments

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

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 $56.2 million or 27.8% of the debt of the District.

Contingencies

The City, its officers and employees, are defendants in numerous lawsuits. The City is insured for damages (see Note 11). Judgments or settlements for less than the deductible are paid from the General Fund. Corporation Counsel expects that none of the cases currently in litigation, if adversely decided, would have a negative impact on the finances of the City. In the opinion of the Corporation Counsel, there are no claims or litigation pending or to his knowledge threatened which, individually or in the aggregate, will or may result in final judgments against the City which would have a material adverse effect on the finances of the City.

Note 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. Benefits are established and amended through negotiations between the City and the various unions representing City employees. The City pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts towards the cost of receiving benefits under the City's self-insured medical benefits program. The City provides post-retirement benefits through a single-employer defined benefit plan. The post-retirement plan does not issue stand-alone financial reports.

Funding policy

The City currently funds claims and administrative costs for postemployment benefits through it's self-insured internal service funds. The City has worked in conjunction with health benefits consultants to establish a health benefits fund structure that is both premium-based, similar to a fully insured process, and isolates legacy costs versus ongoing employees while combining actives and retirees into one process. In order to isolate legacy costs from ongoing employees, three groups were created that support a phased strategy to funding where the first group is retirees before 6/30/09 which remains pay-as-you-go with no amortization of prior service cost. The second group includes actives hired prior to 7/1/09 and retired since then and provides funding of normal cost, including an accrual for future benefits, but no amortization of prior service cost. Finally, the third group is new hires since 7/1/09 and is actuarially funded and claims paid, both current and future benefits. Groups 2 and 3 envision that a trust fund will be established while all 3 groups have distinct discount rates as provide for by GASB.

The City has not implemented a trust fund, as of June 30, 2010, to irrevocably segregate assets to fund the liability associated with postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The following is the current census of City benefit participants as of July 1, 2009:

	(not rounded)
Active members	4,620
Retirees and spouses	3,383
Total	8,003

Postemployment retiree benefit payments for the year ended June 30, 2010, net of retiree and other contributions, amounted to $10,343.

Annual OPEB Cost and Net OPEB Obligations

The City of Hartford's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actuarial results are compared with past expectations and new estimates are made about the future.

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

	Other Post-Employment Benefits (OPEB)
Annual required contribution (ARC)	$ 24,744
Interest on net OPEB obligation	1,596
Adjustment for Net OPEB obligation	(1,256)
Annual OPEB cost	25,084
Contributions made	10,343
Increase in net OPEB obligation	14,741
Net OPEB obligation, beginning of year	28,166
Net OPEB obligation, end of year	$ 42,907

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2008, 2009 and 2010 is presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/08	$ 31,600	$ 15,425	48.8%	$ 16,175
6/30/09	24,853	12,862	51.8%	28,166
6/30/10	25,084	10,343	41.2%	42,907

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

ACTUARIAL ASSUMPTIONS - OPEB

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Entry Age – Normal Cost
Asset Valuation Method:	N/A
Amortization Method:	Level Percent
Remaining Amortization Period:	30 Years Decreasing
Actuarial Assumptions:	
Discount Rate:	Group 1 – 5% per annum; Group 2 – 6.5% per annum; Group 3 – 8.0% per annum
Inflation Rate:	3.0%
Health Cost Trend Rates:	Annual increases in premium for retired medical and benefits are assumed to be as follows:

Year After Valuation Date	Blended Increase
2009	11.0%
2010	10.0%
2011	9.0%
2012	8.5%
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.0%
2017	5.0%

Dental Trend Rate:	5.0%

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/08	$ -	$ 302,988	$ 302,988	0.0%	N/A	N/A
07/01/09	-	309,156	309,156	0.0%	N/A	N/A

Note 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)

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, 2009, City MERF membership consisted of:

	(not rounded)
Retirees and beneficiaries currently receiving benefits	2,731
Terminated employees entitled to benefits but not yet receiving them	164
Active plan members	2,406
Total	5,301

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.

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 contributions are recognized as revenues in the period in which employee services are performed and are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

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

Plan Changes

The valuation reflects plan improvements in both vesting and retirement eligibility for non-bargaining employees of the Board of Education and members of HSSSA. In addition, employee contribution rates increased for certain groups.

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.

Funding Policy

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

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, July 1, 2008 valuation	$	9,602
Interest on net pension obligation		446
Adjustment to annual required contribution		(558)
Annual pension cost		9,490
Contributions made		10,840
Decrease in net pension obligation		(1,350)
Net pension obligation, beginning of year		5,586
Net pension obligation, end of year	$	4,236

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal and contractual funding limitations.

The annual required contribution for the current year was determined as part of the MERF actuarial valuation dated July 1, 2009. The actuarial method and assumptions used in the July 1, 2009 valuation are presented below:

Valuation date	7/1/09
Actuarial Method	Aggregate Actuarial Cost Method
Amortization Method	Level Dollar Amount
Remaining Amortization Method	17.84 years – open period
Asset Valuation Method	Four-year smoothed market value

Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	Projected salary which vary by age and group
Inflation Rate	3.00%
Cost of Living Adjustments	None

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/08	$13,159	$16,584	126%	$6,747
06/30/09	$11,668	$12,829	110%	$5,586
06/30/10	$ 9,490	$10,840	114%	$4,236

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

The Schedule of Funding Progress represented below, including the funded status, has been developed using the Entry Age Actuarial Cost method, and the information presented is intended to approximate the funded status and funding progress of the plan.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/09	$ 1,089,184	$ 1,126,965	$ 37,781	96.6%	$ 134,143	-28.2%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

RAF/PBF/FRF Plan

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 151 (not rounded) retirees covered by this plan as of the actuarial valuation dated July 1, 2009.

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.

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.

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, 2010.

The actuarial method and assumptions are presented below:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	N/A
Remaining Amortization Method	Closed – no amortization period
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	None
Inflation Rate	3.00%
Cost of Living Adjustments	None

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/08	$1,967	$1,967	100%	$-0-
06/30/09	$1,770	$1,770	100%	$-0-
06/30/10	$1,521	$1,521	100%	$-0-

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/09	$ -	$ 7,249	$ 7,249	0.0%	N/A	N/A

City of Hartford 415 (m) Fund

Plan Description

This plan currently covers four (4) retirees and no active employees as of June 30, 2010 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).

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.

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 $50. 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).

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Method	Closed – no amortization period
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	None
Inflation Rate	3.00%
Cost of Living Adjustments	None

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/08	$61	$61	100%	$-0-
06/30/09	$50	$50	100%	$-0-
06/30/09	$43	$43	100%	$-0-

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/09	$ -	$ 143	$ 143	0.0%	N/A	N/A

State MERF-B

Members of City AFSCME Local 1716 and members of Local 566, which consisted of 524 members on June 30, 2010, 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, 2010, 2009 and 2008 were $2.9 million, $2.9 million and $3.1 million, respectively, equal to the City's required contributions for each year.

Teachers' Retirement System

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

The Board of Education withholds 7.25% of all teachers' annual salaries, $9.7 million in fiscal year 2010, and transmits the funds to the State Teachers' Retirement Board.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The City does not have any liability for teacher pensions. For the year ended June 30, 2010 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of $20.8 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, 2010 and the changes in net assets for the year then ended.

	Municipal Employees' Retirement Fund	RAF/PBF FRF Plan	Total Trust Funds
ASSETS			
Cash and cash equivalents	$ 138,738	$ 40	$ 138,778
Investments:		-	
U.S. Treasury	102,917	-	102,917
Alternative Investments	46,165	-	46,165
Common Stock	318,024	-	318,024
Corporate Bonds	85,829	-	85,829
Foreign Bonds	21,274	-	21,274
Common Trust	153,511	-	153,511
U.S. Government Agencies	28,492	-	28,492
Accrued investment earnings	2,786	-	2,786
Loan receivable	1,800	-	1,800
Total assets	899,536	40	899,576
LIABILITIES			
Accounts payable and accrued liabilities	198	-	198
Net settlement due on investments purchased/sold	7,398	-	7,398
Total liabilities	7,596	-	7,596
Net Assets Held in Trust for Pension Benefits	$ 891,940	$ 40	$ 891,980

	Municipal Employees' Retirement Fund	RAF/PBF/FRF Plan	Total Trust Funds
Addition			
Contributions:			
Employer - ARC	$ 10,727	$ 1,532	$ 12,259
Employer - other	1,488	-	1,488
Plan members	9,355	-	9,355
Total contributions	21,570	1,532	23,102
Investment Income:			
Net appreciation in fair value of investments	77,662	-	77,662
Interest and dividends	16,156	-	16,156
Total investment income	93,818	-	93,818
Less investment expense	3,752	-	3,752
Net investment income	90,066	-	90,066
Deductions			
Benefits	85,184	1,532	86,716
Administration	2,027	-	2,027
Other	105	-	105
Total deductions	87,316	1,532	88,848
Net increase	24,320	-	24,320
Net Assets Held in Trust for Pension Benefits			
Beginning of year	867,620	40	867,660
End of year	$ 891,940	$ 40	$ 891,980

Note 15. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2010 that have effective dates that may impact future financial presentations. Management is currently assessing the impact, if any, that the adoption of these standards will have on future financial statements of the City.

Statement No. 54
Fund Balance Reporting and Governmental Fund Type Definitions

This Statement will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2011. This Statement establishes accounting and financial reporting standards for all governments that report governmental funds. This Statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this Statement will result in changes to the classification of fund balances in the City's governmental funds.

Statement No. 57
OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans

The provisions of Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

Statement No. 59
Financial Instrument Omnibus

The objective of Statement No. 59 is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010.

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Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BASIS) - GENERAL FUND
For the Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
GENERAL PROPERTY TAX				
Current year's levy	$ 245,367	$ 245,367	$ 246,808	$ 1,441
Levy of prior years	6,150	6,150	7,954	1,804
Interest and liens	3,000	3,000	2,867	(133)
Proceeds from lien sales	8,500	8,500	8,641	141
Total general property tax	263,017	263,017	266,270	3,253
OTHER LOCAL TAXES				
Business taxes	1,100	1,100	720	(380)
LICENSES, PERMITS, FEES AND OTHER				
Street use	28	28	32	4
Business Licenses:				
Health licenses	300	300	365	65
Police and protection licenses	55	55	43	(12)
Professional and occupational licenses	7	7	5	(2)
Total business licenses	362	362	413	51
Non-Business Licenses and Permits:				
Building structure and equipment permits	7,338	7,338	4,845	(2,493)
Other non-business licenses and permits	76	76	78	2
Total non-business licenses and permits	7,414	7,414	4,923	(2,491)
Total licenses and permits	7,804	7,804	5,368	(2,436)
FINES, FORFEITS AND PENALTIES	248	248	240	(8)
REVENUE FROM USE OF MONEY AND PROPERTY				
Income from investments	416	416	500	84
Income from use of property	764	764	697	(67)
Income from development properties	3,109	3,109	3,671	562
Total revenue from use of money and property	4,289	4,289	4,868	579

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BASIS) - GENERAL FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
INTERGOVERNMENTAL REVENUE				
Federal Government - ARRA	60	60	26,862	26,802
State of Connecticut:				
Education	193,504	193,504	166,773	(26,731)
Housing	-	-	521	521
Public Works	551	551	613	62
Elderly Services	368	368	313	(55)
Mashantucket Pequot Fund	8,920	8,920	8,784	(136)
Payment in Lieu of Taxes	43,504	43,504	42,835	(669)
Shared Taxes	320	320	305	(15)
Other	42	42	51	9
Total State of Connecticut	247,209	247,209	220,195	(27,014)
Total intergovernmental revenue	247,269	247,269	247,057	(212)
CHARGES FOR SERVICES				
General Government:				
Recording legal instruments	399	399	296	(103)
All other	955	955	1,147	192
Total general government	1,354	1,354	1,443	89
Public Safety:				
Police charges	225	225	303	78
Fire protection services	265	265	172	(93)
Total public safety	490	490	475	(15)
Public Works:				
Highways and streets	1	1	4	3
Sanitation	97	97	67	(30)
Total public works	98	98	71	(27)

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BASIS) - GENERAL FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
CHARGES FOR SERVICES, Cont'd.				
Other:				
Health	10	10	5	(5)
Recreation	10	10	9	(1)
Miscellaneous	120	120	172	52
Total other	140	140	186	46
Total charges for services	2,082	2,082	2,175	93
REIMBURSEMENTS				
Other	1,128	1,128	485	(643)
Reimbursements from other funds	2,428	2,428	3,729	1,301
Total reimbursements	3,556	3,556	4,214	658
OTHER REVENUES				
Settlements	50	50	26	(24)
Miscellaneous	1,911	1,911	2,341	430
Total other revenues	1,961	1,961	2,367	406

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BASIS) - GENERAL FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
OTHER FINANCING SOURCES				
Transfers in from other funds:				
Hartford Parking Facilities Fund	1,842	1,842	1,349	(493)
Special Police Services	1,500	1,500	1,535	35
Capital Improvement Fund	600	600	527	(73)
Premium from Bond Sale	500	500	176	(324)
Total other financing sources	4,442	4,442	3,587	(855)
TOTAL	$ 535,768	$ 535,768	536,866	$ 1,098

Budgetary revenues are different than GAAP revenues because:	
State of Connecticut on-behalf contributions to the State Teachers' Retirement System for City teachers are not budgeted	20,783
Budgetary revenues derived from reimbursements for expenditures allocated to other funds are excluded for GAAP financial statement reporting purposes	(3,729)
Total Revenues and Other Financing Sources as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 553,920

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT				
Mayor	$ 1,637	$ 1,637	$ 1,632	$ 5
Court of Common Council	616	616	581	35
City Treasurer	522	522	522	-
Registrars of Voters	595	698	672	26
Corporation Counsel	1,580	1,580	1,577	3
Town and City Clerk	819	819	818	1
Internal Audit	467	467	465	2
Office of Information Services	3,545	3,545	3,545	-
Finance	3,576	3,576	3,517	59
Human Resources	1,294	1,294	1,230	64
Human Relations	751	751	692	59
Office of Management and Budget	1,236	1,236	1,190	46
Office of Youth Services	2,761	2,761	2,761	-
Office of Young Children	632	632	629	3
Total general government	20,031	20,134	19,831	303
PUBLIC SAFETY				
Fire	30,887	30,887	30,805	82
Police	36,529	36,529	36,527	2
Emergency Services and Telecommunications	3,645	3,645	3,596	49
Total public safety	71,061	71,061	70,928	133
INFRASTRUCTURE AND LEISURE SERVICES				
Public Works	12,595	12,595	12,522	73
DEVELOPMENT AND COMMUNITY AFFAIRS				
Development Services	4,345	4,345	4,342	3
HUMAN SERVICES				
Health and Human Services	7,275	7,275	7,237	38
EDUCATION				
Board of Education	284,554	284,554	284,333	221
BENEFITS AND INSURANCE				
Benefits and insurance	59,592	59,592	59,520	72

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
SUNDRY				
Debt service	33,147	33,147	33,003	144
Hartford public library	7,915	7,915	7,915	-
Other sundry items	35,253	35,150	34,953	197
Total sundry	76,315	76,212	75,871	341
Total	535,768	535,768	534,584	1,184

Budgetary expenditures are different than GAAP expenditures because:	
State of Connecticut on-behalf payments to the Connecticut State Teacher's Retirement System for City teachers are not budgeted.	20,783
Reimbursements from other funds are credited against budgetary expenditures for GAAP financial statement reporting purposes	(3,729)
Encumbrances	
June 30, 2009	95
June 30, 2010	(148)
Total Expenditures and Other Financing Sources as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 551,585

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2010
(In Thousands)

Schedules of Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/04	$ 963,044	$ 967,393	$ 4,349	99.6%	$ 107,808	4.0%
07/01/05	986,405	970,286	(16,119)	101.7%	117,261	(13.7%)
07/01/06	1,021,491	1,002,848	(18,643)	101.9%	124,837	(14.9%)
07/01/07	1,092,128	1,090,715	(1,413)	100.1%	133,280	(1.1%)
07/01/08	1,123,379	1,099,441	(23,938)	102.2%	139,243	(17.3%)
07/01/09	1,089,184	1,126,965	37,781	96.6%	134,143	28.2%

RAF/PBF/FRF Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/04	$ -	$ 11,706	$ 11,706	0.0%	N/A	N/A
07/01/05	-	11,123	11,123	0.0%	N/A	N/A
07/01/06	-	9,389	9,389	0.0%	N/A	N/A
07/01/07	-	8,276	8,276	0.0%	N/A	N/A
07/01/08	-	7,700	7,700	0.0%	N/A	N/A
07/01/09	-	7,249	7,249	0.0%	N/A	N/A

City of Hartford 415(m) Fund

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/04	$ -	$ 141	$ 141	0.0%	N/A	N/A
07/01/05	-	168	168	0.0%	N/A	N/A
07/01/06	-	167	167	0.0%	N/A	N/A
07/01/07	-	260	260	0.0%	N/A	N/A
07/01/08	-	213	213	0.0%	N/A	N/A
07/01/09	-	143	143	0.0%	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS, Continued
June 30, 2010
(In Thousands)

OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/07	$ -	$ 373,386	$ 373,386	0.0%	N/A	N/A
07/01/08	-	302,988	302,988	0.0%	N/A	N/A
07/01/09	-	309,156	309,156	0.0%	N/A	N/A

* For the City's MERF Plan, the projected unit cost method was used for July 1, 2002 through July 1, 2006, and the entry age normal cost method was used beginning with the July 1, 2007 valuation.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL REQUIRED CONTRIBUTIONS
June 30, 2010
(In Thousands)

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

Year Ended	Annual Required Contribution	Percentage Contributed
06/30/05	$ 9,207	100.0%
06/30/06	16,196	74.0%
06/30/07	15,463	107.0%
06/30/08	13,253	125.0%
06/30/09	11,797	109.0%
06/30/10	9,602	113.0%

RAF/PBF/FRF Plan

Year Ended	Annual Required Contribution	Percentage Contributed
06/30/05	$ 2,519	100.0%
06/30/06	1,926	100.0%
06/30/07	1,757	100.0%
06/30/08	1,967	100.0%
06/30/09	1,700	100.0%
06/30/10	1,521	100.0%

City of Hartford 415(M) Fund

Year Ended	Annual Required Contribution	Percentage Contributed
06/30/05	$ 48	100.0%
06/30/06	39	100.0%
06/30/07	53	100.0%
06/30/08	61	100.0%
06/30/09	50	100.0%
06/30/10	43	100.0%

OPEB

Year Ended	Annual Required Contribution	Percentage Contributed
06/30/2008	$ 31,600	51.2%
06/30/2009	24,500	52.8%
06/30/2010	24,744	41.8%

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

General Fund

GENERAL FUND

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

CITY OF HARTFORD, CONNECTICUT **EXHIBIT A-1**

COMPARATIVE BALANCE SHEET - GENERAL FUND
June 30, 2010 With Comparative Totals for June 30, 2009
(In Thousands)

		2010		2009
ASSETS				
Cash and cash equivalents	**$**	**74,783**	$	59,375
Receivables:				
Property taxes receivable, net		**21,219**		19,512
Property taxes accrued interest receivable, net		**8,077**		7,201
School building grants receivable		**14,581**		16,197
Accounts and other receivables		**2,812**		2,687
Due from other funds		**1,994**		1,965
Total assets	**$**	**123,466**	$	106,937
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	**$**	**57,522**	$	45,032
Due to other funds		**217**		412
Deferred revenue/unearned revenue		**47,079**		45,180
Total liabilities		**104,818**		90,624
Fund balance:				
Reserved		**148**		95
Unreserved:				
Undesignated		**18,500**		16,218
Total fund balance		**18,648**		16,313
Total liabilities and fund balance	**$**	**123,466**	$	106,937

CITY OF HARTFORD, CONNECTICUT

REPORT OF TAX COLLECTOR
GENERAL FUND
For the Year Ended June 30, 2010
(In Thousands)

Grand List Year	Taxes Collectible July 1, 2009	Lawful Corrections: Additions	Lawful Corrections: Deletions	Suspense Transfers
1995	$ 1	$ -	$ 1	$ -
1996	-	-	-	-
1997	-	-	-	-
1998	-	-	-	-
1999	-	1	-	1
2000	1	2	2	1
2001	16	-	16	-
2002	39	-	38	1
2003	1,825	1	474	216
2004	2,827	46	332	-
2005	4,119	1,073	602	-
2006	5,503	1,537	1,039	-
2007	9,149	2,573	2,241	-
Prior Years	23,480	5,233	4,745	219
2008	272,065	1,509	13,536	-
Total Grand List	$ 295,545	$ 6,742	$ 18,281	$ 219
Suspense				
Total Tax Collections				
Tax Lien Sale				
Total Collections				

Note: Tax collections are reduced for refunds processed during the year related to both current and prior year's collections.

EXHIBIT A-2

Adjusted Tax Levy	Collections: Taxes	Collections: Interest	Collections: Liens	Collections: Total	Taxes Receivable June 30, 2010
$ -	$ -	$ 1	$ -	$ 1	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1	-	1	-
1,136	39	38	-	77	1,097
2,541	83	65	-	148	2,458
4,590	1,299	319	-	1,618	3,291
6,001	1,774	392	-	2,166	4,227
9,481	4,022	599	-	4,621	5,459
23,749	7,217	1,415	-	8,632	16,532
260,038	249,186	1,272	-	250,458	10,852
$ 283,787	256,403	2,687	-	259,090	$ 27,384
	141	203	-	344	
	$ 256,544	$ 2,890	$ -	259,434	
				8,986	
				$ 268,420	

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Nonmajor
Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Fund	Funding Source	Function
Section 8	Federal grants	Housing assistance
Miscellaneous Grants	State, federal, other grants	Various programs
Food Services Program	State and federal grants, and sale of food	School lunch and breakfast programs
Health Grants	State and federal grants	Health and human services
Hartford Public Library	City, grants & contributions	Public library system
Community Development	Federal block grants	Housing and development
Housing Grants	Federal grants	Housing and energy
Special Activities	Contributions and fees	Student and public safety
Home Program	Federal grants	Affordable housing
Capital Leases	Capital lease obligations	Vehicle and equipment
Parks & Recreation Trusts	Donations & trust income	Park and recreation
Education Trusts	Donations & trust income	Education and scholarships

Capital Projects Funds

Capital Projects Funds are used to account for financial resource to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds). The City's two nonmajor capital projects funds include the Redevelopment Fund and HUD Special Projects Fund. The Redevelopment Fund accounts for the acquisition and improvement of properties for future development. The HUD Special Projects Fund accounts for special project funding used for urban development.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes as defined by the grantor. The City's permanent trust funds include funds for public safety, parks and recreation, human services, and education.

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CITY OF HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010
(In Thousands)

	Special Revenue Funds			
	Section 8	**Miscellaneous Grants**	**Food Service Program**	**Health Grants**
ASSETS				
Cash and cash equivalents	$ 3,859	$ 2,672	$ 3,307	$ 671
Investments	-	-	-	-
Receivables:				
Intergovernmental receivable	-	3,401	1,492	670
Other receivables	7	1,264	-	56
Inventories and other assets	-	-	280	-
Total assets	$ 3,866	$ 7,337	$ 5,079	$ 1,397
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ 1,742	$ 1,771	$ 769
Due to other funds	-	-	-	-
Deferred revenue/unearned revenue	-	5,851	-	430
Total liabilities	-	7,593	1,771	1,199
Fund Balance (Deficits):				
Reserved:				
Encumbrances	-	1,177	-	3,120
Housing assistance	3,866	-	-	-
Inventory	-	-	280	-
Trusts	-	-	-	-
Unreserved:				
Undesignated	-	(1,433)	3,028	(2,922)
Total fund balances (deficits)	3,866	(256)	3,308	198
Total liabilities and fund balances (deficits)	$ 3,866	$ 7,337	$ 5,079	$ 1,397

Special Revenue Funds					
Hartford Public Library	Community Development Act	Special Activities	HOME Program	Capital Lease	Parks and Recreation Trusts
$ 641	$ 976	$ 928	$ -	$ 1,111	$ 102
-	-	-	-	-	1,000
-	415	-	493	-	-
70	-	108	-	254	-
-	-	-	-	-	-
$ 711	$ 1,391	$ 1,036	$ 493	$ 1,365	$ 1,102
$ 389	$ 351	$ -	$ -	$ 357	$ -
-	-	-	493	-	-
262	-	108	-	-	-
651	351	108	493	357	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,102
60	1,040	928	-	1,008	-
60	1,040	928	-	1,008	1,102
$ 711	$ 1,391	$ 1,036	$ 493	$ 1,365	$ 1,102

CITY OF HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010
(In Thousands)

	Special Revenue Funds				
	Human Services Trusts	**Education Trusts**	**ARRA Stimulus Grants**	**ARRA Capital Grants**	**Total**
ASSETS					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 14,267
Investments	37	12	-	-	1,049
Receivables:					
Intergovernmental receivable	-	-	1,180	215	7,866
Other receivables	-	-	-	-	1,759
Inventories and other assets	-	-	-	-	280
Total assets	$ 37	$ 12	$ 1,180	$ 215	$ 25,221
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	5,379
Due to other funds	-	-	1,119	215	1,827
Deferred revenue/unearned revenue	-	-	61	-	6,712
Total liabilities	-	-	1,180	215	13,918
Fund Balance (Deficits):					
Reserved:					
Encumbrances	-	-	-	-	4,297
Housing assistance	-	-	-	-	3,866
Inventory	-	-	-	-	280
Trusts	37	12	-	-	1,151
Unreserved:					
Undesignated	-	-	-	-	1,709
Total fund balances (deficits)	37	12	-	-	11,303
Total liabilities and fund balances (deficits)	$ 37	$ 12	$ 1,180	$ 215	$ 25,221

Capital Projects Funds				Permanent Funds					
Vehicle Equipment & Technology	Redevelop-ment	HUD Special Projects	Total	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Total
$ 214	$ 2,947	$ -	$ 3,161	$ -	$ 6,901	$ 375	$ -	$ 7,276	$ 24,704
-	-	-	-	5	9,691	2,874	77	12,647	13,696
			-						
-	-	-	-	-	-	-	-	-	7,866
-	18	6,245	6,263	-	-	-	-	-	8,022
-	-	-	-	-	-	-	-	-	280
$ 214	$ 2,965	$ 6,245	$ 9,424	$ 5	$ 16,592	$ 3,249	$ 77	$ 19,923	$ 54,568
$ 151	$ 7	$ 185	343	$ -	$ -	$ -	$ -	$ -	$ 5,722
-	-	96	96	-	2,334	-	-	2,334	4,257
-	1,306	5,964	7,270	-	-	-	-	-	13,982
151	1,313	6,245	7,709	-	2,334	-	-	2,334	23,961
-	-	-	-	-	-	-	-	-	4,297
-	-	-	-	-	-	-	-	-	3,866
-	-	-	-	-	-	-	-	-	280
-	-	-	-	5	14,258	3,249	77	17,589	18,740
63	1,652	-	1,715	-	-	-	-	-	3,424
63	1,652	-	1,715	5	14,258	3,249	77	17,589	30,607
$ 214	$ 2,965	$ 6,245	$ 9,424	$ 5	$ 16,592	$ 3,249	$ 77	$ 19,923	$ 54,568

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	Special Revenue Funds			
	Section 8	**Miscellaneous Grants**	**Food Service Program**	**Health Grants**
REVENUES				
Intergovernmental revenues	$ 43,567	$ 21,617	$ 10,715	$ 11,619
Charges for services	464	4,674	860	-
Investment income (loss)	60	-	5	-
Other revenues	-	433	518	782
Total revenues	44,091	26,724	12,098	12,401
EXPENDITURES				
General government	-	742	-	-
Public safety	-	6,660	-	-
Public works	-	1,319	-	-
Development and community affairs	44,686	6,221	-	-
Human services	-	10,654	-	12,770
Education	-	-	11,924	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	44,686	25,596	11,924	12,770
Excess (deficiency) of revenues over expenditures	(595)	1,128	174	(369)
OTHER FINANCING SOURCES (USES)				
Transfers in	18	538	-	185
Transfers out	-	(4,148)	-	-
Bond proceeds	-	-	-	-
Bond premium	-	-	-	-
Total other financing sources (uses)	18	(3,610)	-	185
Changes in fund balance (deficits)	(577)	(2,482)	174	(184)
FUND BALANCE (DEFICITS), beginning	4,443	2,226	3,134	382
FUND BALANCE (DEFICITS), ending	$ 3,866	$ (256)	$ 3,308	$ 198

Special Revenue Funds					
Hartford Public Library	Community Development Act	Special Activities	HOME Program	Capital Lease	Parks and Recreation Trusts
$ 27	$ 3,907	$ -	$ 1,726	$ -	$ -
98	9	429	-	35	-
-	3	1	-	1	133
568		-	-	-	-
693	3,919	430	1,726	36	133
-	859	-	-	210	-
-	-	-	-	178	-
-	176	-	-	367	-
-	2,161	-	1,726	-	-
-	435	-	-	-	-
-	268	188	-	-	-
8,527	129	-	-	-	10
-	-	-	-	-	-
-	-	-	-	3,328	-
8,527	4,028	188	1,726	4,083	10
(7,834)	(109)	242	-	(4,047)	123
7,915	381	-	-	3,196	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,915	381	-	-	3,196	-
81	272	242	-	(851)	123
(21)	768	686	-	1,859	979
$ 60	$ 1,040	$ 928	$ -	$ 1,008	$ 1,102

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS, Continued
For the Year Ended June 30, 2010
(In Thousands)

	Special Revenue Funds				
	Human Services Trusts	**Education Trusts**	**ARRA Stimulus Grants**	**ARRA Capital Grants**	**Total**
REVENUES					
Intergovernmental revenues	$ -	$ -	$ 2,205	$ 215	$ 95,598
Charges for services	-	-	-	-	6,569
Investment income (loss)	4	4	-	-	211
Other revenues	-	-	-	-	2,301
Total revenues	4	4	2,205	215	104,679
EXPENDITURES					
General government	-	-	-	-	1,811
Public safety	-	-	2,205	-	9,043
Public works	-	-	-	215	2,077
Development and community affairs	-	-	-	-	54,794
Human services	1	-	-	-	23,860
Education	-	44	-	-	12,424
Recreation and culture	-	-	-	-	8,666
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	3,328
Total expenditures	1	44	2,205	215	116,003
Excess (deficiency) of revenues over expenditures	3	(40)	-	-	(11,324)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	12,233
Transfers out	-	-	-	-	(4,148)
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	8,085
Changes in fund balance (deficits)	3	(40)	-	-	(3,239)
FUND BALANCE (DEFICITS), beginning	34	52	-	-	14,542
FUND BALANCE (DEFICITS), ending	$ 37	$ 12	$ -	$ -	$ 11,303

Capital Projects Funds				Permanent Funds					
Vehicle Equipment & Technology	Redevelop-ment	HUD Special Projects	Total	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Total
$ -	$ 17	$ 5,519	$ 5,536	$ -	$ -	$ -	$ -	$ -	$ 101,134
-	33	-	33	-	-	-	-	-	6,602
-	4	65	69	1	1,472	282	48	1,803	2,083
-	1	130	131		-		-	-	2,432
-	55	5,714	5,769	1	1,472	282	48	1,803	112,251
-	-	-	-	-	-	-	-	-	1,811
-	-	-	-	-	-	-	-	-	9,043
-	-	5,520	5,520	-	-	-	-	-	7,597
-	28	-	28	-	-	-	-	-	54,822
-	-	-	-	-	-	159	-	159	24,019
-	-	-	-	-	-	-	-	-	12,424
-	-	-	-	-	479	-	-	479	9,145
4,000	-	-	4,000	-	-	-	-	-	4,000
-	-	193	193	-	-	-	-	-	3,521
4,000	28	5,713	9,741	-	479	159	-	638	126,382
(4,000)	27	1	(3,972)	1	993	123	48	1,165	(14,131)
-	-	-	-	-	-	-	-	-	12,233
-	-	(381)	(381)	-	(556)	-	-	(556)	(5,085)
4,000	-	-	4,000	-	-	-	-	-	4,000
63	-	-	63	-	-	-	-	-	63
4,063	-	(381)	3,682	-	(556)	-	-	(556)	11,211
63	27	(380)	(290)	1	437	123	48	609	(2,920)
-	1,625	380	2,005	4	13,821	3,126	29	16,980	33,527
$ 63	$ 1,652	$ -	$ 1,715	$ 5	$ 14,258	$ 3,249	$ 77	$ 17,589	$ 30,607

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Capital Improvement Fund

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund accounts for the purchase, construction or renovation of major capital assets. These activities are funded primarily from general obligation bonds and intergovernmental revenues.

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
Facility Services										
Public Works Projects:										
Z5001	Telecommunications Equipment and Software. Includes the 311 System, Tax Collectors System, and Communications and Radios for the Police and Fire Departments	03/29/2005	$ 1,000	$ -	$ 1,000	$ 944	$ -	$ 944	$ -	56
W5265	Roof Replacement at the Public Works Facilities Building	01/12/2005	325	-	325	171	-	171	-	154
W6262	City Buildings ADA Modifications	11/12/2005	750	-	750	741	-	741	-	9
W6263	City Buildings Environmental Compliance	11/12/2005	600	-	600	582	-	582	-	18
W6264	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	600	-	600	398	29	427	1	172
W6265	Roof Replacement at Various City Buildings	11/12/2005	700	-	700	635	23	658	-	42
W6269	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,800	-	1,800	1,686	-	1,686	-	114
W6565	Rising Star Block, Pride Block, Infrastructure Improvements	11/12/2005	1,300	-	1,300	393	-	393	-	907
A6500	Church Street Garage Structural Repairs	01/12/2005	3,000	-	3,000	2,948	24	2,972	-	28
A6501	Church Street Façade Restoration	01/12/2005	1,810	-	1,810	347	840	1,187	-	623
A6502	MAT Street Garage Façade Restoration	01/12/2005	2,300	-	2,300	63	48	111	65	2,124
A6503	Remainder of Construction Contract at Morgan St Garage	01/12/2005	1,590	-	1,590	1,374	47	1,421	119	50

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
A6504	Remainder of Repair Contracts at MAT Garage	01/12/2005	500	-	500	104	-	104	-	396
A6505	Remainder of Repairs Contracts at Church St Garage	01/12/2005	1,000	-	1,000	343	(343)	-	-	1,000
A6506	Streetscape Improvements at MAT Garage	01/12/2005	125	-	125	-	-	-	-	125
A6507	Streetscape Improvements at Church St Garage	01/12/2005	280	-	280	-		-	-	280
A6508	Landscaping/Lighting Improvements opposite Morgan St Garage	01/12/2005	432	-	432	215	-	215	4	213
W6996	Renovations and Improvements to the South End Senior Center and Police Substation on Maple Avenue	04/25/2006	1,300	-	1,300	1,298	-	1,298	-	2
W7268	Long Term Document Archive and Storage	07/1/2006	200	-	200	-		-	-	200
D6576	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325	-	1,325	1,275	8	1,283	-	42
D7576	Economic Development Site Acquisition	07/1/2006	1,450	-	1,450	575	8	583	-	867
W8262	City Buildings ADA Modifications FYE 2008 Appropriation	08/14/2007	950	-	950	580	269	849	7	94
W8263	City Buildings Environmental Compliance FYE 2008 Appropriation	08/14/2007	400	-	400	328	72	400	-	-
W8264	City Buildings Energy Conservation Security Technology and Communication FYE 2008 Appropriation	08/14/2007	600	-	600	389	207	596	-	4
W8270	Salt, Sand & Truck Wash at 40 Jennings Road	08/14/2007	500	-	500	-	-	-		500
W8279	525 Main St. Building Renovations	08/14/2007	550	-	550	200	-	200	3	347

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W8281	City Hall Entrance Plaza Improvements	08/14/2007	950	-	950	25	-	25	1	924
W8282	Burgdorf Environmental Clean-up & Campus Planning	08/14/2007	250	-	250	26	-	26	1	223
W8202	Energy Projects	11/27/2007	1,000	-	1,000	53	436	489	163	348
D8576	Economic Development Site Acquisition, FYE 2008 Appropriation	08/14/2007	750	-	750	-	24	24	-	726
D9514	Acquisition of Property for Development	5/29/2008	1,000	-	1,000	-	-	-	-	1,000
D9515	Downtown North/West Redevelopment	5/29/2008	4,250	-	4,250	-	31	31	-	4,219
D9584	Neighborhood Development Fund	5/29/2008	2,000	-	2,000	-	78	78	-	1,922
M9011	Early Learning Centers		1,000	-	1,000	-	-	-	-	1,000
W9201	Public Works Equipment	5/29/2008	500	-	500	-	-	-	-	500
W9262	City Buildings ADA Modifications FYE 2009 Appropriation	5/29/2008	950	-	950	34	(27)	7	23	920
W9263	City Buildings Environmental Compliance FYE 2009 Appropriation	5/29/2008	500	-	500	-	67	67	5	428
W9264	City Buildings Energy Conservation, Security Technology and Communication FYE 2009 Appropriation	5/29/2008	300	-	300	277		277		23
W9269	Municipal Facility Renovations	5/29/2008	750	-	750	266	268	534	48	168
W9276	Albany Avenue Library	5/29/2008	3,000	-	3,000	-	16	16		2,984
W9282	Burgdorf Environmental Clean-up & Campus Planning FYE 2009 Appropriation	5/29/2008	3,000	-	3,000	-		-		3,000
W9285	New Alternate Feed Generators	5/29/2008	500	-	500	-		-	254	246
W9288	North End Senior Center Renovations	5/29/2008	300	-	300	-		-		300

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W9587	Bulky Waste Recycling Center		1,100	-	1,100	217	742	959	96	45
A9510	Parking Authority Capital Improvements	6/23/2008	2,000		2,000	-		-		2,000
W0592	South End Senior Center Improvements	9/22/2009	-	683	683	-	55	55	9	619
W1601	Pope Park Recreation Center Building Shell	6/1/2010	-	1,200	1,200	-	-	-	-	1,200
W1602	Energy Projects	6/1/2010	-	1,000	1,000	-	-	-	-	1,000
W1603	525 Main St. Roof Top Unit Replacement	6/1/2010	-	500	500	-	-	-	-	500
D1616	Enhance Founder Bridge Gateway	6/1/2010	-	2,700	2,700	-	-	-	-	2,700
D1617	Federal/State Matching Fund	6/1/2010	-	250	250	-	-	-	-	250
Total Public Works Projects			49,487	6,333	55,820	16,487	2,922	19,409	799	35,612
Public Safety Projects:										
W0306	Major Renovations and Construction Improvements to Certain Fire Stations, Training Facility and Equipment Maintenance Facility Building	11/07/2000	6,200	-	6,200	6,122	-	6,122	-	78
W1115	Construction of a Public Safety Complex	11/07/2000	77,000	-	77,000	9,383	11,347	20,730	43,367	12,903
W6122	Renovations and Improvements to the Jennings Road Police Facility and Police Substations	04/25/2006	2,000	-	2,000	1,963	8	1,971	-	29
W7121	Adriaen's Landing Fire Station Study	07/1/2006	50	-	50	50	-	50	-	-
W7101	Firearms, Equipment Leasing and Transmitter Equipment	06/26/2007	650	-	650	145	-	145	1	504
W8109	Rehabilitation of 11 Fire Stations & Buy Truck	08/14/2007	1,500	-	1,500	983	424	1,407	-	93
W8117	Police Headquarters HVAC Improvements & Roof Replacement	08/14/2007	1,800	-	1,800	1,278	239	1,517	-	283
W9109	Fire Houses Citywide - Improvements & Renovations	6/23/2008	1,000	250	1,250	-	292	292	69	889
W9120	50 Jennings Rd Interior Mechanical Renovations	5/29/2008	200	-	200	-	-	-		200
Total Public Safety Projects			90,400	250	90,650	19,924	12,310	32,234	43,437	14,979

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
Recreation and Culture Projects:										
W5303	Elizabeth Park Pathway, Traffic and Parking Improvements	05/22/1995	1,125	-	1,125	957	-	957	-	168
W7243	Central (Main) Library Renovations/Improvements	08/12/1996	38,599	-	38,599	38,326	23	38,349	150	100
W7239	Library Branch Renovations	08/12/1996	5,500	-	5,500	2,696	132	2,828	146	2,526
W8301	Dillion Stadium – Facilities Renovations	05/28/1998	1,885	-	1,885	1,445	-	1,445	-	440
W9391	City Wide Restoration of Park Ponds	02/09/1999	1,325	-	1,325	1,305	-	1,305	-	20
W3010	Pope Park Pool Replacement	05/26/2000	1,581	-	1,581	1,475	-	1,475	49	57
W1384	Renovations and Construction of Certain Swimming Pools	11/07/2000	6,000	-	6,000	5,980	-	5,980	-	20
W1383	Pool Enclosures for Certain Swimming Pools	11/07/2000	3,900	-	3,900	1,005	64	1,069	38	2,793
W1340	Metzner Recreation Center Renovations and Expansion	11/07/2000	4,000	-	4,000	3,993	-	3,993	-	7
W2302	Batterson Park Infrastructure - Hartford Parks Trust Fund	05/24/2002	450	-	450	296	148	444	1	5
W2341	Park Ponds Restoration - Hartford Parks Trust Fund	05/24/2002	800	-	800	323	-	323	17	460
W3394	Goodwin Park Playground and Entrance Hartford Parks Trust Fund	05/16/2003	770	-	770	563	-	563	-	207
W3395	Park Security and Access Management System Hartford Parks Trust Fund	05/16/2003	200	-	200	23	-	23	-	177

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W5313	Colt, Goodwin & Keney Parks Restoration of Playing Fields Hartford Parks Trust Fund	05/24/2005	700	-	700	73	75	148	25	527
W6306	Pope Park Indoor Pool Repairs	11/12/2005	250	-	250	14	35	49	9	192
W6342	Lozada Park Preconstruction Planning, State DEP	02/28/2006	20	-	20	15	4	19	1	-
W7307	Colts Park and Coltsville Park Planning	07/1/2006	1,500	-	1,500	743	26	769	146	585
W7396	Pope Park - Phase II	07/1/2006	2,220	-	2,220	1,920	-	1,920	-	300
W7398	Citywide Playground Enhancements	07/1/2006	245	-	245	245	-	245	-	-
W7306	Pope Park Pool/Master Plan Work	10/11/2006	400	-	400	151	1	152	143	105
W7399	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	16,200	-	16,200	10,166	4,811	14,977	591	632
W7305	Blue Hills Recreation Center	01/9/2007	150	-	150	75	-	75		75
W7313	Colt, Goodwin & Keney Parks Restoration of Playing Fields	01/9/2007	300	-	300	297	-	297	-	3
W8357	Foster Heights Park	08/14/2007	400	-	400	395	-	395	-	5
W8383	City Wide Pool Enhancements	08/14/2007	800	-	800	256	29	285	12	503
W8272	Central and Branch Library, Dwight	08/14/2007	1,000	1,000	2,000	51	9	60	86	1,854
W8351	Park Monuments, Pond House & Spray Pools Renovations & Improvements	08/14/2007	500	-	500	413	78	491	5	4
W8201	Citywide Day Care and Park Enhancements	11/15/2007	600	-	600	70	16	86	11	503
W8321	Park Enhancements	11/27/2007	300	-	300	279	21	300		-
W9398	Playground & Building Improvements	6/23/2008	1,000	-	1,000	237	274	511	28	461
W9588	Lozada Park Improvements	3/9/2009	390	-	390		390	390		-
W9589	Levee System Improvements	5/12/2009	5,000	-	5,000	74	586	660	229	4,111
W0591	Hyland Park Improvements and Renovations	9/11/2009	-	500	500	-	55	55	11	434
W0593	Improvements to Pope Park West	6/2/2009	-	139	139	-	6	6	12	121
W0594	North Cemetery	6/2/2009	-	1,000	1,000	-	-	-	-	1,000
W0595	Keney Park Pavilion	6/2/2009	-	50	50	-	-	-	-	50
W0596	Goodwin Park Pond House Improvement	6/2/2009	-	450	450	-	-	-	-	450
W0597	Keney/Waverly Expansion Athletic Fields	6/2/2009	-	500	500	-	-	-	-	500
W1604	Batterson Park Infrastructure Improvements	6/1/2010	-	1,000	1,000	-	-	-	-	1,000
W1605	I-Quilt/Bushnell Park	6/1/2010	-	100	100	-	-	-	-	100
Total Recreation and Culture Projects			98,110	4,739	102,849	73,861	6,783	80,644	1,710	20,495

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
Education Projects										
Q7413	Thirteen School Renovations	08/12/1996	20,000	-	20,000	19,978	-	19,978		22
QB534	Renovation of Hartford High School Project	09/23/1997	114,500	-	114,500	114,226	117	114,343	81	76
QB537	Renovations of Various Hartford Schools	08/11/1998	27,000	-	27,000	24,392	3	24,395		2,605
Q9420	Replacement of Various Hartford School Roofs	08/11/1998	9,000	-	9,000	8,928	-	8,928		72
Q9421	Replacement of Underground Storage Tanks	08/11/1998	3,000	-	3,000	2,862	-	2,862		138
QB546	Renovations and Construction Improvements to Hartford Public Schools	11/07/2000	129,590	-	129,590	126,786	613	127,399	478	1,713
QB548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	30,500	-	30,500	30,186	134	30,320	5	175
QB549	Sports Science Academy Magnet High School	05/12/2003	67,649	-	67,649	63,138	973	64,111	1,235	2,303
QB550	Greater Hartford Classical Magnet School	11/13/2003	37,950	-	37,950	37,791	34	37,825	79	46
QB551	Pathways to Technology Magnet School	11/13/2003	36,950	-	36,950	6,803	11	6,814	1,155	28,981
Q9552	General School Improvements Phase V	03/09/2004	2,112	-	2,112	1,983	-	1,983		129
QB553	University High School for Science	08/11/2004	43,000	-	43,000	36,068	5,798	41,866	398	736
QB554	Capital College Preparatory Magnet	08/11/2004	45,650	-	45,650	12,854	23,121	35,975	5,995	3,680
QB556	Annie Fisher Magnet School	07/12/2005	45,500	-	45,500	11,693	22,397	34,090	4,025	7,385
QB557	Richard B. Kinsella, Magnet School of Arts	07/12/2005	38,015	-	38,015	31,679	6,221	37,900	698	(583)
Q6412	875 Asylum Avenue-Leasehold Improvements	04/25/2006	1,350	-	1,350	1,277		1,277		73
QB559	Mary Hooker Environment Studies Magnet School	07/11/2006	43,500	-	43,500	5,379	24,770	30,149	4,496	8,855
Q8416	Weaver High School Renovations	08/14/2007	940	-	940	-	-	-		940
Q8417	Bulkeley High School Improvements to Air Handling System	08/14/2007	240	-	240	-	-	-	-	240
Q8418	Betances Elementary School Replacement of Five Rear Staircases	08/14/2007	45	-	45	-	-	-	-	45
Q1564	Journalism & New Media High School	06/09/2008	37,450	-	37,450	-	-	-	-	37,450
Q1565	Dwight Bellizzi Middle School	06/09/2008	13,000	-	13,000	6	2	8	-	12,992
Q1566	International Baccalaureate School	06/09/2008	55,050	-	55,050	-	-	-		55,050
Q9430	Window Replacement Fox School	6/23/2008	2,000	-	2,000	727	619	1,346	208	446
Q9553	Transitional Classroom University of Science		1,650	-	1,650	1,295	-	1,295	-	355
Q9901	MD Fox Elementary School		54,400	-	54,400	-	-	-	-	54,400
Q9902	Student Bathrooms - Bulkeley	10/27/2008	700	-	700	355	161	516	4	180
Q0903	Burns Roof & Asbestos Abate	6/2/2009	-	700	700	-	42	42	30	628
Q0904	Roofs/Masonry Intrusion Alan	6/2/2009	-	9,300	9,300	-	-	-	-	9,300
Q0905	M.L. King (Gifted and Talented)	6/2/2009	-	100	100	-	-	-	-	100
Q0906	Burns (Language Lab)	6/2/2009	-	700	700	-	-	-	-	700
Total Education Projects			860,741	10,800	871,541	538,406	85,016	623,422	18,887	229,232
Total Facility Services			1,098,738	22,122	1,120,860	648,678	107,031	755,709	64,833	300,318

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
Engineering Services										
W9519	Road Improvement Program	08/11/1998	12,955	-	12,955	10,761	4	10,765	12	2,178
W1556	Road Repair/Reconstruction	11/07/2000	9,500	-	9,500	9,479	-	9,479	-	21
W1519	Streetscape Improvements	11/07/2000	16,700	-	16,700	10,246	645	10,891	1,601	4,208
W1534	Reconstruction of Woodland Street	06/11/2001	1,525	-	1,525	1,392	-	1,392	133	-
W3560	Demolition of Mixmaster Temple Street	05/12/2003	917	-	917	794	-	794	43	80
W3570	Trinity College Area Improvements	11/13/2003	4,565	-	4,565	4,063	-	4,063	48	454
W4548	Riverwalk North Project	11/09/2004	4,686	-	4,686	4,686	-	4,686	-	-
W1520	Flood Control System Improvements	11/07/2000	13,000	-	13,000	11,597	983	12,580	122	298
W5547	Streetscape Improvements on Huyshope Avenue	03/14/2006	948	-	948	914	-	914	-	34
W6522	Trumbull Street Streetscapes	07/01/2006	5,000	-	5,000	3,803	538	4,341	575	84
W7574	School Area Pedestrian Routes Safety Enhancements	07/01/2006	300	-	300	200	-	200	35	65
W7562	Matching Funds for State and Federal Grants (CDBG) and Improvements	01/09/2007	1,000	-	1,000	988	-	988	-	12
W8562	Match Funds for State/Federal Infrastructure Grants FYE 2008 Appropriation	08/14/2007	1,190	-	1,190	677	120	797	389	4
W8510	Reconstruction of Asylum St. from Main St. to Trumbull St. CFDA 20.205-State 63-570	07/10/2007	1,266	-	1,266	456	574	1,030	-	236
W8556	Street Rehabilitation FYE 2008 Appropriation	08/14/2007	4,000	-	4,000	3,635	207	3,842	70	88
W8519	Streetscapes FYE 2008 Appropriation	08/14/2007	2,000	-	2,000	182	67	249	-	1,751
W8577	Main Street, Streetscapes	08/14/2007	475	-	475	-	-	-	-	475
W8564	Citywide Sidewalk Replacements FYE 2008 Appropriation	08/14/2007	100	-	100	48	-	48	-	52
W8518	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.	10/11/2007	4,040	-	4,040	2,436	246	2,682	278	1,080
W8523	Extension of Mark Twain Dr.	04/28/2008	2,728	-	2,728	1,018	1,562	2,580	81	67
W9510	Street Rehabilitation & Road Improvements	5/29/2008	4,000	-	4,000	-	-	-	-	4,000

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W9511	Streetscape Projects - North & South	6/23/2008	2,000	-	2,000	-	-	-	-	2,000
W9512	Flood Control Infrastructure Improvements	5/29/2008	1,000	-	1,000	-	229	229	1	770
W9549	Central Business District Streetlight Replacement	5/29/2008	250	-	250	-	-	-	-	250
W9562	Match Funds for State/Federal Infrastructure Grants FYE 2009	5/29/2008	1,500	-	1,500	58	85	143	17	1,340
W9586	Clean Water Related Infrastructure Supplemental Funding	5/29/2008	1,500	-	1,500	7	9	16	-	1,484
W0598	Citywide Decorative Light Replacement	6/2/2009	-	350	350	-	-	-	-	350
W0599	Citywide Guide Rail & Traffic Island	6/2/2009	-	700	700	-	-	-	-	700
W1600	Park St./Pope Commons Streetscape Improvements	7/1/2010	-	95	95	-	1	1	-	94
W1606	Repair of 12 City Bridges	6/1/2010	-	900	900	-	-	-	-	900
W1607	Sidewalk Replacement	6/1/2010	-	200	200	-	-	-	-	200
W1608	Traffic Signals and Cameras	6/1/2010	-	1,500	1,500	-	-	-	-	1,500
W1609	Street Paving	6/1/2010	-	3,000	3,000	-	-	-	-	3,000
W1610	Connect Regional, Nat'l Trails	6/1/2010	-	200	200	-	-	-	-	200
W1612	Streetlight Replacement	6/1/2010	-	300	300	-	-	-	-	300
W1613	Farmington/Broad/Asylum Intersection	6/1/2010	-	3,500	3,500	-	-	-	-	3,500
W1614	South Green Ornamental Fence	6/1/2010	-	200	200	-	-	-	-	200
W1615	Traffic Calming	6/1/2010	-	500	500	-	-	-	-	500
Total Engineering Services			97,145	11,445	108,590	67,440	5,270	72,710	3,405	32,475

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
Transportation Services										
Public Works Projects:										
W0511	Upgrade of Hartford Traffic Signals	11/23/1999	1,861	-	1,861	1,820	-	1,820	-	41
W6550	Safety Improvements to Franklin and Benton	08/16/2005	92	-	92	92	-	92	-	-
W6551	Safety Improvements to Washington and Ward	08/16/2005	92	-	92	90	1	91	-	1
W7564	City Sidewalk Replacements	10/11/2006	300	-	300	-	175	175	121	4
W8550	Safety Improvements at the Intersection of New Britain Ave. and Henry Street.	10/10/2007	87	-	87	25	-	25	-	62
A8509	On-Street Parking Meters	02/13/2008	3,300	-	3,300	3,204	-	3,204	-	96
Total Transportation Services			5,732	-	5,732	5,231	176	5,407	121	204
Local Capital Improvement Program										
Public Works Projects:										
W5534	LOCIP - Woodland Street Bridge Rehabilitation Match	10/10/1995	250	-	250	237	(1)	236	-	14
W7244	Library Renovations	09/11/1996	1,000	-	1,000	988		988	-	12
W0521	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400	-	400	383	5	388	12	-
W1263	Municipal Building Improvements – 064-00-030; 064-01-060	10/11/2000	716	-	716	683	10	693	23	-
W2552	Signalization of Franklin Avenue/Ward Street and Washington/Ward Street - LOCIP project #242 – 064-01-010	09/12/2001	20	-	20	21		21	-	(1)

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W2553	Reconstruction of Broad and/or Vine Street - LOCIP Project #553 - 064-01 040	09/12/2001	300	-	300	281		281	-	19
W4270	Truck Wash Facility - LOCIP Project #247 - 064-03-010	09/15/2003	75	-	75	37		37	-	38
W4271	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	09/15/2003	750	-	750	118		118	44	588
W4563	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	09/15/2003	125	-	125	20		20	-	105
W4556	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	09/15/2003	3,850	-	3,850	2,733	564	3,297	128	425
W4117	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	2,002		2,002	10	54
W4268	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	09/15/2003	100	-	100	4		4	-	96
W4203	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	09/15/2003	150	-	150	93	10	103	8	39

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W5268	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	400	-	400	18	253	271	19	110
W5269	Central Business District Streetlight Replacement - LOCIP Project #549 064-04-050	10/13/2004	500	-	500	476	-	476	24	-
W5383	Colt and Keney Park Swimming Pool Renovations - LOCIP Project #383 - 064-04-070	10/13/2004	250	-	250	109	-	109	-	141
W6572	Plan of Conservation and Development LOCIP Project #572 064-05-050	11/29/2005	250	250	500	225	305	530	-	(30)
W7568	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	02/16/2006	250	-	250	2	-	2	-	248
W7265	Roof Replacements at Various City Buildings Project #265, 064-06-010	01/30/2007	750	-	750	-	368	368	-	382
W7266	Boiler Replacement at Various City Buildings Project #266, 064-06-020	01/30/2007	250	-	250	46	113	159	5	86
W6568	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	01/30/2007	250	-	250	138	101	239	1	10

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued
For the Year Ended June 30, 2010
(In Thousands)

			Appropriations			Expenditures				
Project Number	Description	Date Project Approved	Prior to July 1, 2009	Current Period	Cumulative Total	Prior to July 1, 2009	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
W7575	Citywide Decorative Light Replacements Project #575, 064-06-050	01/30/2007	225	-	225	23	67	90	-	135
W9590	LOCIP Project #581 - Handicap Ramps	6/9/2009	250	-	250	-	-	-	-	250
Total Local Capital Improvement Program			13,177	250	13,427	8,637	1,795	10,432	274	2,721
TOTAL CAPITAL IMPROVEMENT FUND			$ 1,214,792	$ 33,817	$ 1,248,609	$ 729,986	114,272	$ 844,258	$ 68,633	$ 335,718
Conversion to GAAP based financial statement reporting:										
	Previous year retainage and off system accrued payables						(5,594)		-	
	Current year retainage and off system accrued payables						6,597		(6,597)	
		TOTAL					$ 115,275		$ 62,036	

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Internal Service Funds

INTERNAL SERVICE FUNDS

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

The City maintains nine (9) internal service funds to account for the risk management program for employee benefits including retirees, municipal actives, BOE actives, new hires, and VEBA, workers' compensation, and general liability, including property damage.

An internal service fund is also maintained for the Metro Hartford Information Services Fund (MHIS). The accounting and reporting for the centralized computer services, including communication systems, is maintained through this internal service fund.

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CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS (DEFICITS) - INTERNAL SERVICE FUNDS
June 30, 2010
(In Thousands)

	Employee Benefits	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
ASSETS				
Cash and cash equivalents	$ 945	$ 1,158	$ 194	$ 861
Other receivables	-	-	-	-
Total assets	945	1,158	194	861
LIABILITIES				
Current:				
Accounts payable and accrued liabilities	-	-	258	90
Insurance claims payable	-	5,400	2,300	-
Claims incurred and not reported	-	-	-	-
Total current liabilities	-	5,400	2,558	90
Noncurrent:				
Insurance claims payable	-	-	1,500	-
Claims incurred and not reported	-	11,900	400	-
Total noncurrent liabilities	-	11,900	1,900	-
NET ASSETS (DEFICITS)				
Unrestricted	945	(16,142)	(4,264)	771
Total net assets (deficits)	$ 945	$ (16,142)	$ (4,264)	$ 771

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
$ 2,733	$ 6,851	$ 9,026	$ 457	$ 174	$ 22,399
477	274	-	-	-	751
3,210	7,125	9,026	457	174	23,150
180	28	366	24	-	946
-	-	-	-	-	7,700
1,749	1,375	3,026	84	-	6,234
1,929	1,403	3,392	108	-	14,880
-	-	-	-	-	1,500
-	-	-	-	-	12,300
-	-	-	-	-	13,800
1,281	5,722	5,634	349	174	(5,530)
$ 1,281	$ 5,722	$ 5,634	$ 349	$ 174	$ (5,530)

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICITS) - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	Employee Benefits	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
OPERATING REVENUES				
City's contribution	$ 3,036	$ 7,241	$ 2,002	$ 6,107
Pensioners contribution	-	-	-	-
Other	-	-	176	130
Total operating revenues	3,036	7,241	2,178	6,237
OPERATING EXPENSES				
Administrative	-	-	-	353
Operations	-	16	-	5,497
Insurance benefits and claims paid	-	7,626	(186)	-
Total operating expenses	-	7,642	(186)	5,850
Change in net assets (deficits)	3,036	(401)	2,364	387
NET ASSETS (DEFICITS), beginning of year	(2,091)	(15,741)	(6,628)	384
NET ASSETS (DEFICITS), end of year	$ 945	$ (16,142)	$ (4,264)	$ 771

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
$ 13,358	$ 20,129	$ 38,812	$ 1,419	$ 174	$ 92,278
11,920	2,452	5,107	-	-	19,479
2,098	117	-	-	-	2,521
27,376	22,698	43,919	1,419	174	114,278
2,071	1,116	2,192	24	-	5,756
-	-	-	-	-	5,513
24,024	15,860	36,093	1,046	-	84,463
26,095	16,976	38,285	1,070	-	95,732
1,281	5,722	5,634	349	174	18,546
-	-	-	-	-	(24,076)
$ 1,281	$ 5,722	$ 5,634	$ 349	$ 174	$ (5,530)

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	Employee Benefits	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Cash Flows From Operating Activities				
City's contribution	$ 3,496	$ 7,241	$ 2,003	$ 6,107
Cash received from other	-	-	-	130
Cash received from users	-	-	175	-
Cash paid for salaries and benefits	-	-	-	(353)
Cash paid for claims	(7,331)	(7,042)	(2,001)	(5,560)
Net cash provided by (used in) operating activities	(3,835)	199	177	324
Net increase (decrease) in cash and cash equivalents	(3,835)	199	177	324
Cash and Cash Equivalents, beginning of year	4,780	959	17	537
Cash and Cash Equivalents, end of year	$ 945	$ 1,158	$ 194	$ 861
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	$ 3,036	$ (401)	$ 2,364	$ 387
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in other receivables	460	-	-	-
(Decrease) increase in accounts payable	(781)	-	199	(63)
Increase (decrease) in due to other funds	-	-	(486)	-
(Decrease) increase in insurance claims payable	-	900	(100)	-
(Decrease) increase in claims incurred but not reported	(6,550)	(300)	(1,800)	-
Net cash provided by (used in) operating activities	$ (3,835)	$ 199	$ 177	$ 324

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
$ 12,882	$ 19,855	$ 38,812	$ 1,419	$ 174	$ 91,989
2,098	2,452	5,107	-	-	9,787
11,920	117	-	-	-	12,212
(2,071)	(1,116)	-	-	-	(3,540)
(22,096)	(14,457)	(34,893)	(962)	-	(94,342)
2,733	6,851	9,026	457	174	16,106
2,733	6,851	9,026	457	174	16,106
-	-	-	-	-	6,293
$ 2,733	$ 6,851	$ 9,026	$ 457	$ 174	$ 22,399
$ 1,281	$ 5,722	$ 5,634	$ 349	$ 174	$ 18,546
(477)	(274)	-	-	-	(291)
180	28	366	24	-	(47)
					(486)
-	-	-	-	-	800
1,749	1,375	3,026	84	-	(2,416)
$ 2,733	$ 6,851	$ 9,026	$ 457	$ 174	$ 16,106

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Agency Funds

AGENCY FUNDS

Agency funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities).

The City reports student activities, including class events and various other functions of the Hartford Public School System, within the School Agency Funds.

CITY OF HARTFORD, CONECTICUT **EXHIBIT E-1**

COMBINING BALANCE SHEET - AGENCY FUNDS
June 30, 2010
(In Thousands)

	Student Activity Funds	Adult Education Book Fund	Totals
ASSETS			
Cash and cash equivalents	$ 660	$ 9	$ 669
LIABILITIES			
Due to student groups and other	$ 660	$ 9	$ 669

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended June 30, 2010
(In Thousands)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
STUDENT ACTIVITY FUNDS				
Assets				
Cash and cash equivalents	$ 600	$ 1,733	$ 1,673	$ 660
Liabilities				
Due to student groups	$ 600	$ 1,733	$ 1,673	$ 660
ADULT EDUCATION BOOK FUND				
Assets				
Cash	$ 9	$ -	$ -	$ 9
Liabilities				
Due to other	$ 9	$ -	$ -	$ 9
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	$ 609	$ 1,733	$ 1,673	$ 669
Liabilities				
Due to student groups	$ 600	$ 1,733	$ 1,673	$ 660
Due to other	9	-	-	9
Total	$ 609	$ 1,733	$ 1,673	$ 669

Capital Assets Used in the Operation of Governmental Funds

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Capital asset reporting by function and source is presented in these schedules. Assets are reported primarily at historical cost or estimated historical cost. Current and accumulated provisions for depreciation are not included in the schedules.

CITY OF HARTFORD, CONNECTICUT **EXHIBIT F-1**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS,
COMPARATIVE SCHEDULE BY SOURCE
June 30, 2010 and 2009
(In Thousands)

	2010	2009
Governmental funds capital assets:		
Land and land improvements	**$ 94,718**	$ 94,718
Buildings	**1,007,472**	813,578
Other structures	**21,145**	21,145
Furniture and equipment	**34,427**	34,121
Rolling equipment	**40,307**	38,682
Infrastructure	**426,117**	424,329
Construction in progress	**179,205**	268,804
Total	**$ 1,803,391**	$ 1,695,377
Investments in governmental funds capital assets:		
Total governmental funds capital assets	**$ 1,803,391**	$ 1,695,377

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Statistical Section

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended (1) to assist users in understanding the socioeconomic environment and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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

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CITY OF HARTFORD, CONNECTICUT

NET ASSETS BY COMPONENT
Last Nine Fiscal Years
(In Thousands)

	Fiscal Year			
	2010	**2009**	**2008**	**2007**
Governmental activities				
Invested in capital assets, net of related debt	$ 956,310	$ 910,440	$ 877,583	$ 815,601
Restricted	63,564	63,642	64,098	65,320
Unrestricted	36,231	12,324	(5,966)	43,920
Total governmental activities net assets	1,056,105	986,406	935,715	924,841
Business-type activities				
Invested in capital assets, net of related debt	36,256	37,683	35,974	36,969
Restricted	-	-	-	-
Unrestricted	684	-	-	1,562
Total business-type activities net assets	36,940	37,683	35,974	38,531
Primary Government				
Invested in capital assets, net of related debt	992,566	948,123	913,557	852,570
Restricted	63,564	63,642	64,098	65,320
Unrestricted	36,231	12,324	(5,966)	45,482
Total primary government net assets	$ 1,092,361	$ 1,024,089	$ 971,689	$ 963,372

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 1

Fiscal Year				
2006	**2005**	**2004**	**2003**	**2002**
$ 737,253	$ 425,801	$ 355,753	$ 338,416	$ 364,532
55,509	53,375	50,445	48,188	44,915
53,952	58,531	44,137	73,832	64,403
846,714	537,707	450,335	460,436	473,850
36,641	33,145	31,056	35,377	36,688
-	-	17,843	17,625	16,344
1,033	4,604	-	947	1,519
37,674	37,749	48,899	53,949	54,551
773,894	458,946	386,809	373,793	401,220
55,509	53,375	68,288	65,813	61,259
54,985	63,135	44,137	74,779	65,922
$ 884,388	$ 575,456	$ 499,234	$ 514,385	$ 528,401

CITY OF HARTFORD, CONNECTICUT

CHANGES IN NET ASSETS
Last Nine Fiscal Years
(In Thousands)

	Fiscal Year			
	2010	**2009**	**2008**	**2007**
Expenses				
Governmental activities:				
General government	$ 61,687	$ 58,575	$ 115,504	$ 97,524
Public safety	98,563	95,466	83,414	77,513
Public works	38,215	30,290	29,127	23,821
Development and community affairs	63,475	56,269	51,777	47,702
Human services	31,799	34,601	30,042	30,755
Education	477,009	450,428	496,857	397,355
Recreation and culture	9,632	10,227	10,338	10,231
Benefits and insurance	-	-	-	-
Sundry	-	-	-	-
Interest on long-term debt	19,125	17,169	13,723	11,045
Total governmental activities expenses	799,505	753,025	830,782	695,946
Business-type activities:				
Hartford Parking Facilities	4,185	3,760	3,897	3,768
American Airlines Building	-	-	-	-
G. Fox Building	-	-	-	-
Total business-type activities net assets	4,185	3,760	3,897	3,768
Total primary government expenses	803,690	756,785	834,679	699,714
Program Revenues				
Governmental activities				
Charges for services:				
General government	2,241	2,374	2,907	4,324
Public safety	1,739	2,053	4,696	5,439
Public works	10,089	14,715	14,224	12,155
Recreation and culture	537	458	2,514	2,383
Other	4,808	5,398	1,340	1,434
Operating grants and contributions	420,882	391,919	466,397	382,080
Capital grants and contributions	96,958	71,908	58,545	73,070
Total governmental activities program revenues	537,254	488,825	550,623	480,885

TABLE 2

Fiscal Year				
2006	**2005**	**2004**	**2003**	**2002**
$ 94,466	$ 22,080	$ 18,002	$ 20,645	$ 19,969
74,179	71,142	67,442	72,533	69,267
24,730	16,881	26,702	26,497	31,595
45,570	54,484	48,305	42,025	41,680
24,022	18,853	19,126	21,043	22,021
375,615	295,963	291,152	280,120	273,160
9,991	7,446	9,737	11,137	11,489
-	102,396	105,141	79,783	81,520
-	22,589	12,058	11,722	13,870
6,941	9,409	6,860	7,806	8,728
655,514	621,243	604,525	573,311	573,299
3,701	5,876	4,067	3,991	508
-	-	863	763	1,372
-	-	-	-	801
3,701	5,876	4,930	4,754	2,681
659,215	627,119	609,455	578,065	575,980
4,227	4,109	2,894	1,740	4,242
7,843	6,226	5,412	5,196	4,673
12,278	11,142	13,240	11,311	9,196
2,063	2,077	2,891	2,729	254
1,674	1,970	1,785	2,662	2,138
364,191	330,611	313,870	318,736	311,770
122,823	98,134	24,745	8,044	20,607
515,099	454,269	364,837	350,418	352,880

CITY OF HARTFORD, CONNECTICUT

CHANGES IN NET ASSETS
Last Nine Fiscal Years
(In Thousands)

	Fiscal Year			
	2010	**2009**	**2008**	**2007**
Business-type activities:				
Charges for services:				
Parking facilities*	4,791	5,309	6,724	6,337
Other enterprise funds	-	-	-	-
Capital grants and contributions	-	3,214	167	-
Total business-type activities program revenues	4,791	8,523	6,891	6,337
Total primary government program revenues	542,045	497,348	557,514	487,222
Net (expense)/revenue				
Governmental activities	(262,251)	(264,200)	(280,159)	(215,061)
Business-type activities	606	4,763	2,994	2,569
Total primary government net expense	(261,645)	(259,437)	(277,165)	(212,492)
General revenues and other changes in net expenses				
Governmental activities:				
Property taxes	272,939	256,520	229,500	229,734
Unrestricted grants and contributions	51,975	53,234	47,698	49,262
Investment earnings	3,319	(416)	3,692	8,519
Other general revenues	2,367	2,492	4,581	3,920
Transfers and other	1,350	3,061	5,562	1,753
Special item - net loss on sale of property	-	-	-	-
Total governmental activities	331,950	314,891	291,033	293,188
Business-type activities: (2)				
Investment earnings	1	7	11	41
Other general revenues	-	-	-	-
Special item - net loss on sale of property	-	-	-	-
Transfers and other	(1,350)	(3,061)	(5,562)	(1,753)
Total business-type activities	(1,349)	(3,054)	(5,551)	(1,712)
Total primary government	330,601	311,837	285,482	291,476
Changes in net assets				
Governmental activities	69,699	50,691	10,874	78,127
Business-type activities	(743)	1,709	(2,557)	857
Total primary government	$ 68,956	$ 52,400	$ 8,317	$ 78,984

* 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 2

Fiscal Year				
2006	**2005**	**2004**	**2003**	**2002**
4,840	3,698	-	-	-
-	-	3,825	3,778	2,738
37	43	-	-	-
4,877	3,741	3,825	3,778	2,738
519,976	458,010	368,662	354,196	355,618
(140,415)	(166,974)	(239,688)	(222,893)	(220,419)
1,176	(2,135)	(1,105)	(976)	57
(139,239)	(169,109)	(240,793)	(223,869)	(220,362)
215,285	196,846	191,514	172,094	169,770
41,861	39,907	37,755	44,026	51,847
5,490	3,949	3,515	2,344	3,033
4,779	3,829	1,726	4,376	1,773
1,381	9,815	1,813	103	-
-	-	(6,736)	-	-
268,796	254,346	229,587	222,943	226,423
130	500	272	477	1,042
-	300	-	-	-
-	-	(2,404)	-	-
(1,381)	(9,815)	(1,813)	(103)	-
(1,251)	(9,015)	(3,945)	374	1,042
267,545	245,331	225,642	223,317	227,465
128,381	87,372	(10,101)	50	6,004
(75)	(11,150)	(5,050)	(602)	1,099
$ 128,306	$ 76,222	$ (15,151)	$ (552)	$ 7,103

CITY OF HARTFORD, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Nine Fiscal Years
(In Thousands)

	Fiscal Year			
	2010	**2009**	**2008**	**2007**
General fund				
Reserved	$ 148	$ 95	$ -	$ -
Unreserved	18,500	16,218	27,900	34,467
Total general fund	$ 18,648	$ 16,313	$ 27,900	$ 34,467
All other governmental funds				
Reserved	89,367	99,213	95,227	81,122
Unreserved, reported in:				
Debt service funds	146	146	146	3,238
Special revenue funds	12,258	8,748	9,176	17,151
Capital project funds	(9,057)	(4,404)	8,229	60,226
Total all other governmental funds	$ 92,714	$ 103,703	$ 112,778	$ 161,737

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 3

Fiscal Year				
2006	**2005**	**2004**	**2003**	**2002**
$ 246	$ 143	$ 379	$ 1,453	$ 3,629
32,969	30,776	21,093	24,340	28,154
$ 33,215	$ 30,919	$ 21,472	$ 25,793	$ 31,783
62,397	115,549	49,752	28,966	23,314
2,747	1,834	39	39	39
17,771	3,187	5,011	7,305	11,870
38,593	(36,609)	19,586	34,436	37,586
$ 121,508	$ 83,961	$ 74,388	$ 70,746	$ 72,809

CITY OF HARTFORD, CONNECTICUT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Nine Fiscal Years
(In Thousands)

	Fiscal Year			
	2010	**2009**	**2008**	**2007**
Revenues:				
Property taxes	$ 266,990	$ 250,668	$ 232,955	$ 231,638
Licenses, permits, and other charges	5,608	8,155	9,850	8,594
Intergovernmental revenues	556,756	505,062	567,464	503,669
Charges for services	8,777	9,353	7,531	8,184
Use of property	4,368	4,196	4,294	4,314
Investment income	3,319	(416)	3,653	8,452
Miscellaneous	17,449	16,733	18,347	15,120
Total revenues	863,267	793,751	844,094	779,971
Expenditures:				
General government	21,642	23,739	25,776	20,487
Public safety	79,799	80,388	79,424	77,898
Public works	20,119	17,712	14,998	15,820
Development and community affairs	61,857	54,857	52,876	53,441
Human services	31,256	33,786	29,879	30,581
Education	421,032	400,535	479,031	391,131
Recreation and culture	9,145	9,234	9,636	9,401
Benefits and insurance	55,791	57,985	57,012	54,754
Other	31,042	28,955	28,122	28,755
Capital outlay	119,275	113,021	101,332	106,647
Debt Service:				
Principal	20,536	24,590	19,838	16,810
Interest	16,627	15,954	13,063	9,965
Total expenditures	888,121	860,756	910,987	815,690
Excess of revenues over (under) expenditures	(24,854)	(67,005)	(66,893)	(35,719)
Other Financing Sources (Uses)				
Transfers in	52,233	56,633	55,761	53,222
Transfers out	(50,883)	(53,572)	(50,199)	(51,469)
Bonds issued	14,000	40,225	-	70,000
Capital leases	-	1,700	3,883	3,164
Bond premium	1,796	1,357	-	2,283
Refunding bonds issued	12,150	-	-	-
Payment to refunding bond escrow agent	(13,244)	-	-	-
Section 108 loans and CWF serial notes	-	-	1,922	-
Proceeds from sale of property	-	-	-	-
Total other financing sources (uses)	16,052	46,343	11,367	77,200
Net change in fund balances	(8,802)	(20,662)	(55,526)	41,481
Fund Balances, beginning of year	120,016	140,678	196,204	154,723
Fund Balances, end of year	$ 111,214	$ 120,016	$ 140,678	$ 196,204
Debt Service as a Percentage of Noncapital Expenditures	5.40%	5.40%	4.06%	3.79%

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

Fiscal Year				
2006	**2005**	**2004**	**2003**	**2002**
$ 208,241	$ 197,028	$ 183,048	$ 172,279	$ 171,219
10,058	9,681	10,307	6,991	5,442
523,276	454,432	385,155	373,706	388,454
9,734	8,322	7,546	6,847	6,883
4,085	3,925	5,079	10,025	6,124
5,413	3,889	3,482	2,244	2,715
18,805	19,224	11,896	12,375	5,215
779,612	696,501	606,513	584,467	586,052
16,266	14,737	17,497	20,720	19,735
74,519	69,671	67,441	70,113	69,799
15,362	16,729	23,386	25,259	30,251
52,020	63,369	50,567	46,345	41,899
23,867	18,824	19,044	20,951	22,047
368,936	286,985	275,176	277,559	270,147
8,014	6,832	8,414	8,847	9,880
47,348	100,797	89,470	74,820	77,014
26,709	22,589	12,275	11,414	14,087
163,076	136,903	32,293	13,394	30,857
15,901	14,150	14,515	14,830	16,055
9,020	6,037	6,700	7,898	8,732
821,038	757,623	616,778	592,150	610,503
(41,426)	(61,122)	(10,265)	(7,683)	(24,451)
40,069	54,881	40,770	40,779	43,340
(36,239)	(45,066)	(38,944)	(40,618)	(44,094)
70,000	66,300	-	-	-
4,526	2,822	-	-	-
2,913	3,093	-	1,640	-
-	29,510	-	30,225	-
-	(32,866)	-	(32,396)	-
-	1,468	-	-	-
-	-	7,760	-	-
81,269	80,142	9,586	(370)	(754)
39,843	19,020	(679)	(8,053)	(25,205)
114,880	95,860	96,539	104,592	129,797
$ 154,723	$ 114,880	$ 95,860	$ 96,539	$ 104,592
3.79%	3.25%	3.63%	3.93%	4.28%

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	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2010	2008	$ 5,981,880	$ 639,564	$ 259,922	$ 6,881,366	$ 3,302,820	$ 3,578,546	72.79%	$ 7,646,419	(3)
2009	2007	5,187,321	678,893	258,996	6,125,210	2,678,393	3,446,817	68.34%	(3)	(3)
2008	2006	4,751,126	672,107	268,835	5,692,068	2,355,636	3,336,432	63.39%	(3)	(3)
2007	2005	4,602,272	695,752	265,073	5,563,097	1,952,351	3,610,746	64.82%	5,158,209	70.00%
2006	2004	4,517,806	674,941	300,819	5,493,566	1,983,982	3,509,584	60.80%	5,013,691	70.00%
2005	2003	4,482,273	731,144	282,932	5,496,349	1,950,749	3,545,600	56.30%	5,065,143	70.00%
2004	2002	4,498,815	736,813	310,330	5,545,958	1,941,233	3,604,725	52.90%	5,149,607	70.00%
2003	2001	4,412,462	767,052	316,646	5,496,160	1,890,005	3,606,155	48.00%	5,151,650	70.00%
2002	2000	4,402,483	781,371	313,605	5,497,459	1,865,419	3,632,040	48.00%	5,188,629	70.00%
2001	1999	4,362,566	765,329	301,795	5,429,690	1,827,574	3,602,116	47.00%	5,145,880	70.00%

Source: City of Hartford, Assessor's Office

Notes:

(1) 2006 and 1999 real property grand list is adjusted to reflect statutory revaluation.

(3) Beginning in 2006 Assessed Value-not all property at 70%, therefore amounts cannot be estimated.

PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago
(In Thousands)

	2010			2001		
Taxpayer	**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.	$ 124,492	1	3.45%	$ 130,729	2	3.68%
Connecticut Light & Power	119,950	2	3.33%	92,103	4	2.60%
Northland Properties	113,251	3	3.14%	-		-
Travelers Indemnity Co. Affiliate	109,898	4	3.05%	29,846	10	0.84%
Aetna Life Insurance Co.	104,407	5	2.90%	144,428	1	4.07%
State House Financial	60,624	6	1.68%	-		-
City Place 1 LTD Partnership	58,120	7	1.61%	68,962	5	1.94%
Talcott II Gold, LLC	53,674	8	1.49%	38,266	8	1.1%
FGA Trumbull, LLC	47,664	9	1.32%	31,782	9	0.9%
Connecticut Constitution LTD	40,784	10	1.1%	-		-
Northeast Plaza	-		-	-		-
Travelers Insurance Co	-		-	98,006	3	2.76%
Principal Mutual Life Insurance Co.	-		-	-		-
Fleet Bank NA	-		-	59,412	6	1.7%
Hartford Steam Boiler	-		-	52,187	7	1.47%
	-		-	-		-
Total Taxable Grand List	$ 832,864		23.10%	$ 745,721		21.01%

Source: City of Hartford Assessor's Office

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Tax Levy	Amount	Percentage of Levy	Tax Collections in Subsequent Years	Amount	Percentage of Levy
2010	2008	$ 3,578,546	$ 72.79	$ 272,065	$ 249,912	$ 249,186	98.68%	$ -	$ 249,912	100.86%
2009	2007	3,465,777	68.34	256,899	242,777	233,628	90.94%	-	233,628	96.23%
2008	2006	3,704,353	63.39	233,705	221,445	213,260	91.25%	2,822	216,082	97.58%
2007	2005	3,596,490	64.82	233,373	229,963	219,241	93.94%	3,395	222,636	96.81%
2006	2004	3,510,147	60.82	210,146	209,283	198,964	94.68%	5,679	204,643	97.78%
2005	2003	3,545,600	56.32	196,887	191,124	185,278	94.10%	5,846	191,124	100.00%
2004	2002	3,604,725	52.92	190,277	181,685	175,153	92.05%	6,532	181,685	100.00%
2003	2001	3,606,156	48.00	173,465	168,065	158,888	91.60%	8,037	166,925	99.32%
2002	2000	3,634,644	48.00	174,464	166,787	161,646	92.65%	5,141	166,787	100.00%
2001	1999	3,602,116	47.00	169,314	162,594	157,206	92.85%	5,380	162,586	100.00%

Source: City of Hartford Tax Collector's Office.

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	General Purpose	Schools	Civic Center	Section 108 Loans	Capital Leases	Hartford Parking Facilities	Total	School Building Aid	Net General Bonded Debt	Ratio of Net General Bonded Debt Taxable Assessed Value	Ratio of Net General Bonded Debt Per Per Capita	Percentage of Personal Income
2010	$ 187,694	$ 99,651	$ 2,675	$ 6,245	$ 5,157	$ 29,405	$ 330,827	$14,581	$ 275,439	8.90%	$ 2,928	20.51%
2009	166,273	125,922	3,650	2,478	8,142	30,710	337,175	16,197	279,648	9.31%	2,246	20.83%
2008	134,118	137,222	4,800	2,845	9,278	31,965	320,228	18,515	257,625	7.14%	2,068	19.19%
2007	139,796	148,079	6,000	3,115	7,228	33,175	337,393	21,367	272,508	7.55%	2,188	20.29%
2006	94,802	137,208	7,200	11,220	6,315	34,340	291,085	24,967	214,243	5.94%	1,720	15.95%
2005	56,719	118,746	8,615	11,288	2,720	34,340	232,428	28,419	155,661	4.31%	1,250	11.59%
2004	33,763	88,712	10,030	9,910	-	32,115	* 174,530	32,196	100,309	2.78%	805	7.47%
2003	37,703	97,872	11,445	1,995	-	32,115	* 181,130	36,104	110,916	3.07%	890	8.26%
2002	41,794	105,771	12,860	2,075	-	32,115	* 194,615	40,432	119,993	3.32%	963	8.94%
2001	47,047	115,158	14,275	2,150	-	-	178,630	44,760	131,720	3.65%	1,057	9.81%

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.

STATEMENT OF DEBT LIMITATION
June 30, 2010
(In Thousands)

Total Fiscal Year 2010 tax collections (taxes, interest and fees)	$ 268,420
Tax Relief for the elderly	361
Base for establishing debt limit	$ 268,781

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	$ 604,757	$ -	$ -	$ -	$ -	$ 604,757
4 1/2 times base	-	1,209,515	-	-	-	1,209,515
3 3/4 times base	-	-	1,007,929	-	-	1,007,929
3 1/4 times base	-	-	-	873,538	-	873,538
3 times base	-	-	-	-	806,343	806,343
Total debt limitation	604,757	1,209,515	1,007,929	873,538	806,343	4,502,082
Debt, as defined by Statute:						
Bonds payable	219,774	99,651	-	-	-	319,425
Bonds authorized - unissued	138,331	92,800	578	-	-	231,709
Bond anticipation notes	30,000	10,000	-	-	-	40,000
Overlapping debt	-	-	56,213	-	-	56,213
Serial notes payable	-	-	1,665	-	-	1,665
School building grants receivable	-	(60,856)	-	-	-	(60,856)
Total indebtedness	388,105	141,595	58,456	-	-	588,156
Debt limitation in excess of outstanding and authorized debt	$ 216,652	$ 1,067,920	$ 949,473	$ 873,538	$ 806,343	$ 3,913,926

Note: Total indebtedness above amounts to $588 million but in no event shall total indebtedness exceed $1.9 billion (seven times the base for debt limitation computation.

School building grants totaling $16.2 million are applicable to outstanding bond issues. It is estimated that an additional $205.5 million of authorized education project costs will be funded through State of Connecticut progress payments.

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Debt Limit	$ 1,881,467	$ 1,764,168	$ 1,558,669	$ 1,623,692	$ 1,454,201	$ 1,376,389	$ 1,283,989	$ 1,184,505	$ 1,198,757	$ 1,196,438
Total net debt applicable to limit	588,156	503,253	416,180	396,682	352,585	354,831	382,338	366,710	407,649	412,282
Legal Debt Margin	$ 1,293,311	$ 1,260,915	$ 1,142,489	$ 1,227,010	$ 1,101,616	$ 1,021,558	$ 901,651	$ 817,795	$ 791,108	$ 784,156
Total net debt applicable to the limit as percentage of debt limit	31.26%	28.53%	26.70%	24.43%	24.25%	25.78%	29.78%	30.96%	34.01%	34.46%

STATEMENT OF DIRECT AND OVERLAPPING DEBT

Last Ten Fiscal Years

(In Thousands)

Fiscal Year	Governmental General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total Direct Debt	MDC Bonded Debt	MDC Self Funded Debt	MDC Overlapping Debt All Participating Governments	City's Percentage Share of MDC Debt	City's Share of MDC Debt Total Overlapping Debt	Total Direct and Overlapping Debt	Ratio of Debt to Taxable Assessed Value	Debt Per Capita
2010	$ 290,020	$ 29,405	$ 319,425	$ 299,391	$ 92,930	$ 206,461	27.82%	$ 56,213	$ 376,862	10.93%	3.025
2009	287,334	39,221	326,555	218,195	79,888	138,307	27.61%	38,187	364,742	10.58%	2.928
2008	276,140	31,965	308,105	181,340	74,267	107,073	27.49%	29,434	337,539	9.35%	2.710
2007	293,875	33,175	327,050	102,162	26,977	75,185	27.07%	20,353	347,403	9.62%	2.793
2006	239,210	34,340	273,550	112,301	30,053	82,248	26.78%	22,026	295,576	8.42%	2.376
2005	184,080	34,340	218,420	122,819	33,267	89,552	27.37%	24,510	242,930	6.85%	1.946
2004	132,505	-	132,505	117,897	28,835	89,062	27.81%	24,768	157,273	4.36%	1.264
2003	147,020	-	147,020	111,899	23,121	88,778	28.96%	25,710	172,730	4.79%	1.386
2002	160,425	-	160,425	120,495	26,404	94,091	29.79%	28,030	188,455	5.19%	1.518
2001	176,480	-	176,480	90,375	22,777	67,598	30.97%	20,935	197,415	5.48%	1.624

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) MDC - Metropolitan District Commission.

(3) Metropolitan District's overlapping debt is the net direct debt, primarily sewer infrastructure, supported by the MDC's member municipalities taxing authority

Each member municipality's share of the MDC's overlapping debt is based on its percentage share of the overall annual town tax levy.

DEMOGRAPHIC AND EMPLOYMENT STATISTICS
Last Ten Calendar Years

Calendar Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	*Per Capita Personal Income (1)	Calendar Year	Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Market Area	State of CT	United States
2010	$ 124,060	$ 22,069	30.1	$ 29,224	$ 17,094	2009	43,627	7,192	14.2%	8.3%	8.2%	9.3%
2009	124,512	22,360	29.7	24,820	*	2008	43,481	7,062	14.0%	8.0%	8.0%	8.9%
2008	124,563	22,319	30.4	30,805	*	2007	44,534	4,367	8.9%	5.1%	5.9%	6.0%
2007	124,512	22,172	32.0	29,293	*	2006	44,044	4,178	8.7%	4.4%	4.3%	4.7%
2006	124,397	22,296	30.4	28,984	*	2005	43,404	4,670	9.7%	5.1%	4.9%	5.1%
2005	124,848	24,407	29.7	28,362	*	2004	42,899	4,835	10.1%	5.2%	4.9%	5.5%
2004	124,387	24,614	29.7	28,132	*	2003	42,825	5,443	11.3%	5.8%	5.5%	6.0%
2003	124,588	24,598	29.7	29,788	*	2002	43,284	4,198	8.8%	4.5%	4.3%	5.8%
2002	124,180	24,479	29.7	25,947	*	2001	46,819	3,539	7.0%	3.3%	3.3%	4.7%
2001	121,578	24,420	28.4	23,701	*	2000	51,317	2,610	4.8%	2.4%	2.2%	4.0%

(1) U.S. Department of Commerce, Bureau of Census.
(2) Hartford Board of Education (2005 and prior), (State Department of Education for fiscal years 2006 and forward).
(3) State of Connecticut, Department of Labor (Calendar Year).
* Started recording Statistic in FY 10

PRINCIPAL EMPLOYERS

Metro Hartford's Major Employers

Business Name	Nature of Business	Location	Employees (1)	% of Total Employed in Hartford County (2)
State of Connecticut	Government	Hartford	$ 53,129	11.37%
United Technologies Corp.	Diversified manufacturer	Hartford	26,400	5.65%
The Hartford Financial Services Group	Insurance, financial services	Hartford	12,600	2.70%
Aetna Inc.	Health insurance	Hartford	7,366	1.58%
The Travelers Cos. Inc.	Property/casualty insurance	Hartford	6,200	1.33%
Hartford Hospital	General hospital	Hartford	5,100	1.09%
Bank of America	Banking/financial services	Metro Hartford	5,100	1.09%
John Dempsey Hospital	General hospital	Farmington	5,000	1.07%
Northeast Utilities	Electric utility	Hartford	4,148	0.89%
University of Connecticut	State university	Storrs	4,000	0.86%
CIGNA Corp.	Insurance	Bloomfield	3,833	0.82%
Saint Francis Hospital & Medical Center	General hospital	Hartford	3,466	0.74%
ESPN	Media	Bristol	3,000	0.64%
The Hospital of Central Conn.	General hospital	New Britain	3,000	0.64%
UnitedHealth Group (Uniprise)	Health insurance	Hartford	2,300	0.49%
Cianbro Corp.	General contractor	Bloomfield	2,200	0.47%
ING Group	Financial services	Hartford	1,900	0.41%
Mass Mutual Financial Group	Insurance	Enfield	1,800	0.39%
MetLife	Insurance	Hartford	1,750	0.37%
Eastern CT Health Network	General hospital	Manchester	1,570	0.34%
AT & T	Telecommunications	Metro Hartford	1,497	0.32%
Kaman Corporation	Diversified manufacturer	Bloomfield	1,400	0.30%
Stanley Works	Hardware manufacture	New Britain	1,320	0.28%
J.C. Penney Company, Inc.	Catalog and retail distribution	Manchester	1,300	0.28%
Total			159,379	34.12%

Source: (1) Metro Hartford Chamber of Commerce, 2009

(2) U.S. Department of Commerce, Bureau of Census.

Note: Data not available for 1999 information.

BUDGETED FULL-TIME EQUIVALENT EMPLOYEES
Last Nine Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002
City Department									
Mayor's Office	23	25	26	28	22	22	12	5	6
Court of Common Council	9	10	10	10	10	10	9	11	11
Treasurer	10	7	7	7	13	11	9	11	12
Registrars of Voters	8	8	10	9	9	9	9	9	10
Corporation Counsel	17	17	16	15	13	14	13	16	19
Town & City Clerk	15	18	19	16	11	11	11	12	14
Internal Audit	5	5	5	5	4	4	2	-	-
City Manager	-	-	-	-	-	-	19	31	32
Metro Hartford Information System	18	22	25	23	20	11	13	21	36
Finance	54	57	66	58	61	50	43	60	76
Personnel	13	15	14	13	12	12	12	16	18
Office of Human Relations	9	11	9	9	9	10	7	10	11
Office of Management & Budget	11	13	15	12	11	14	-	-	-
Fire	391	399	361	369	366	404	401	393	416
Police	522	559	511	517	533	519	497	547	559
Emergency Services & Telecommunications	69	67	60	68	70	60	55	-	-
Public Works	198	233	232	245	261	263	280	301	345
Development Services	56	59	69	67	81	56	46	66	89
Health & Human Services	52	61	65	63	68	76	66	94	169
Office for Young Children	3	3	-	-	-	-	-	-	-
Office for Youth Services	5	3	6	3	-	-	-	-	-
Total	1,488	1,592	1,526	1,537	1,574	1,556	1,504	1,603	1,823
Board of Education									
Teachers	1,639	1,790	2,058	1,987	1,953	1,869	1,897	1,933	1,649
Administrators	110	173	146	160	127	120	118	127	134
Paraprofessionals	384	213	484	453	488	540	479	520	539
Clerical	125	142	175	202	200	176	178	203	203
Nurses	49	40	41	52	53	51	52	45	47
Security	87	75	85	99	93	81	81	84	84
Custodial	202	207	225	218	212	199	206	215	223
Guidance Counselors	31	39	44	47	43	41	42	48	44
Social Workers	52	54	62	69	69	66	70	74	72
Psychologists	21	25	25	23	23	24	22	26	27
Support Staff	282	91	188	271	251	190	185	199	205
Others	11	156	163	99	119	87	95	117	111
Total	2,993	3,005	3,696	3,680	3,631	3,444	3,425	3,591	3,338
Grand Total	4,481	4,597	5,222	5,217	5,205	5,000	4,929	5,194	5,161

CITY OF HARTFORD, CONNECTICUT

OPERATING INDICATORS BY FUNCTION
Last Five Fiscal Years

	FISCAL YEAR				
	2010	2009	2008	2007	2006
General Government					
Finance					
Number of bills mailed	$ 80,020	$ 75,710	$ 75,710	$ 72,395	$ 73,025
Number of invoices approved for payment	81,611	74,865	74,865	123,587	102,138
Number of internal control reviews performed	14	14	15	16	15
Assessor					
Number of deeds processed	1,501	1,829	2,710	3,365	3,338
Number of veterans exemptions	787	1,374	1,670	1,913	1,548
Board of assessment appeals adjustments	(2,094,060)	(1,479,909)	(5,859,236)	(5,962,926)	(4,276,153)
Personnel					
Number of applications processed	1,458	1,701	1,974	2,350	2,674
Vacancies filled through promotion	57	58	67	218	159
Vacancies filled through new hires	85	54	153	166	109
City Clerk					
Land records recorded	12,985	13,287	16,500	21,000	22,000
Marriage licenses issued	1,462	1,680	1,284	910	1,233
Death certificates issued	11,126	10,992	12,600	2,690	2,539
Birth certificates issued	22,951	24,568	21,200	7,150	8,928
Management Information Systems					
Help desk calls:					
City	3,034	3,664	3,664	3,356	3,057
Schools	8,282	10,976	10,976	11,645	9,616
Unassigned	-	-	-	-	85
Website hits (www.hartford.gov)	13,386,564	30,639,065	30,639,065	22,187,131	18,827,679
Elections					
Voters added	5,576	6,801	5,075	3,533	2,483
Voters removed	5,876	6,984	4,455	4,397	3,957
Voter changes	11,263	11,715	11,950	10,836	10,550
Total voters	45,492	46,612	41,026	40,209	41,142
Public Safety					
Police					
911 calls	12,179	15,861	19,030	20,784	23,289
Non-emergency calls	115,310	106,316	106,699	108,625	107,896
DWI arrests	-	249	168	156	133
Fire					
Fire	1,056	1,053	1,228	1,240	856
No Fire	24	24	26	28	16
Rescue & Emergency Medical Services	15,460	14,818	14,350	11,465	9,247
Hazardous Conditions	714	766	819	794	615
Service Calls	2,361	2,013	2,413	2,523	1,491
Good Intent Calls	1,216	1,046	1,254	3,007	1,658
False Alarm & False Calls	1,988	1,947	1,904	2,143	1,581
Severe Weather & Natural Disaster	2	2	-	1	2
Special Incident Type	201	138	92	112	58
Other	-	-	-	21	21

OPERATING INDICATORS BY FUNCTION, Continued
Last Fiver Fiscal Years

	FISCAL YEAR				
	2010	2009	2008	2007	2006
Public Works					
Engineering & Administration					
Lane miles paved	37	37	37	37	411
Development and Community Affairs					
Development Services					
Housing vouchers, residential assistance (families)	4,720	4,784	4,614	4,619	4,336
Zoning Board appeals	22	53	60	57	48
Code violations	1,931	1,493	6,002	10,415	9,594
Citations issued	10	41	1,799	2,786	2,449
Human Services					
General Human Services					
Job placements (out of 240 referrals)	-	50	52	72	48
Senior Center					
Preventative health clinic services	1,216	297			
Outreach services (duplicated units)	15,679	16,480	63,981	76,820	32,196
Youth & Family Services					
Counseling cases	1,395	1,387	1,387	85	297
Young parent cases (FYE 2008 No longer done)	N/A	N/A	N/A	45	55
Education					
Average Class Size - Kindergarten	18.3	18.9	19.1	18.6	18.2
Average Class Size - Grade 2	17.5	18.2	18.2	18.3	19.0
Average Class Size - Grade 5	18.6	20.3	20.9	18.9	20.1
Average Class Size - Grade 7	19.3	22.0	22.0	20.6	20.8
Recreation and culture					
Number of youth registrations	2,319	2,100	2,549	2,300	2,040
Number of youth program hours	53,550	26,654	30,995	23,924	23,873
Number of hours provided by volunteers	1,983	1,600	1,450	1,302	1,040

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
Last Six Fiscal Years

	FISCAL YEAR					
Function/Program	2010	2009	2008	2007	2006	2005
Public Safety						
Police						
Stations	3	3	3	3	3	3
Vehicles	257	235	235	231	225	225
Fire						
Firefighting/rescue vehicles	26	28	29	26	30	30
Other vehicles	55	56	50	48	40	40
Fire stations	12	12	12	12	12	12
Public Works						
Infrastructure						
Concrete road miles	63	63	63	63	63	63
Asphalt road miles	148	148	148	148	148	148
Bridges	8	8	8	8	8	8
Traffic lights	241	241	241	241	238	238
Conduit system (miles)	8	8	8	8	8	8
Street Maintenance						
Dump trucks	31	31	31	31	42	36
Sweepers	7	7	7	7	16	16
Parks and Cemeteries						
Parks						
Large multi-use	9	9	9	9	9	9
Medium size	10	10	10	10	10	10
Smaller/playgrounds	10	10	10	10	10	10
Cemeteries	5	5	5	5	5	5
Building Maintenance						
Parking lots	1	1	1	1	1	-
Parking garages	3	3	3	3	3	3
Education						
School buildings	44	45	45	44	40	38
Administrative buildings	3	3	3	3	3	3
Recreation and Culture						
Recreation						
Number of basketball courts	32	33	32	32	32	32
Number of football fields	6	6	6	6	6	6
Number of multi-use fields	4	4	4	4	1	1
Number of playscapes/grounds	27	28	27	27	27	27
Number of soccer fields	6	6	6	6	6	6
Number of softball fields	16	16	16	16	16	16
Number of tennis courts	24	27	27	27	27	27
Mowers	42	35	35	35	35	35
Other vehicles	33	47	47	47	47	47
Libraries						
Central	1	1	1	1	1	1
Number of Branches	9	9	9	9	9	9
Library on Wheels	-	1	1	1	1	1

CITY OF HARTFORD, CONNECTICUT

FEDERAL AND STATE FINANCIAL
AND COMPLIANCE REPORTS
Year Ended June 30, 2010

CITY OF HARTFORD, CONNECTICUT

FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS

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McGladrey

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Compliance: We have audited the City of Hartford, Connecticut's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Hartford, Connecticut's major federal programs for the year ended June 30, 2010. The City of Hartford, Connecticut's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the City of Hartford, Connecticut's management. Our responsibility is to express an opinion on the City of Hartford, Connecticut's compliance based on our audit.

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

In our opinion, the City of Hartford, Connecticut complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance: Management of the City of Hartford, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Hartford, Connecticut*'s* internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hartford, Connecticut*'s* internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards: We have audited the financial statements of the governmental activities, the business-type activities, the discretely 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, 2010, and have issued our report thereon dated January 28, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Hartford's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management, the Mayor and Members of the Court of Common Council, the Board of Education and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2011

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State of Connecticut			
Department of Education:			
Child Nutrition Cluster:			
Food Donation - Non-cash	10.555	N/A	$ 483,495
School Breakfast Program	10.553	12060-SDE64370-20508	1,893,707
National School Lunch Program	10.555	12060-SDE64370-20560	7,568,411
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	627,499
Total Child Nutrition Cluster			10,573,112
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	147,907
WIC Farmers' Market Nutrition Program	10.572	12060-DAG42710-20736	3,928
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051	199,795
Passed through the State of Connecticut			
Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	12060-DPH48872-20892	1,188,483
WIC Food Benefits 2010-Non cash	10.557	12060-DPH48872-20892	5,927,933
			7,116,416
Total U.S. Department of Agriculture			18,041,158
U.S. Department of Education			
Direct Programs:			
Smaller Learning Communities	84.215L	N/A	543,702
Passed through the State of Connecticut			
Department of Education:			
Title I Cluster:			
Title I Programs - Local Educational Agencies	84.010	12060-SDE64370-20679	20,750,912
ARRA Title I Improving Basic Programs	84.389	12060-SDE64370-29010	6,216,570
Total Title I Cluster			26,967,482
ARRA Title I Part A, School Improvement, ARRA	84.388	12060-SDE64000-22223	1,265,533
Carl Perkins Vocational and Technical Education - Basic Grants to State	84.048	12060-SDE64370-20742	670,256
Special Education Cluster:			
IDEA, Part B Section 619	84.173	12060-SDE64370-20983	201,064
IDEA, Part B Section 611	84.027	12060-SDE64370-20977	5,506,433
ARRA IDEA, Part B Section 611	84.391	12060-SDE64370-29090	5,746,065
ARRA IDEA, Part B Section 619	84.392	12060-SDE64370-29012	166,960
Total Special Education Cluster			11,620,522

(Continued)

N/A = Not Available
See Notes to Schedule.

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2010

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Education, Continued			
Passed through the State of Connecticut			
Department of Education, Continued:			
Title IV - Drug-Free Schools and Communities - State Grants	84.186	12060-SDE64370-20873	290,915
Title II, Part D - Enhancing Education Through Technology	84.318	12060-SDE64370-20826	99,033
Title III, Part A - English Language	84.365	12060-SDE64370-20868	478,584
Education of Homeless Children and Youth	84.196	12060-SDE64370-20770	24,294
Title II, Improving Teacher Quality	84.367	12060-SDE64370-20858	3,820,414
Adult Education	84.002	12060-SDE64370-20784	197,916
Program Improvement Project-Adult Education	84.002A	12060-SDE64370-20784	34,320
Title I Part B, Reading First	84.357	12060-SDE64370-20854	235,487
Stabilization Cluster:			
ARRA Stabilization Gov. Services	84.397	12060-SDE64370-29053	9,530,973
ARRA Stabilization Ed. Grants	84.394	12060-SDE64370-29054	17,286,463
Total Stabilization Cluster			26,817,436
ARRA NSLP Equipment Assistance	10.555	N/A	32,970
Total U.S. Department of Education			73,098,864
U.S. Department of Health and Human Services			
Direct Programs:			
HIV Emergency Relief Project Grants	93.914	N/A	5,143,188
Women's Health Incentive Program	N/A	N/A	3,000
Maternal and Infant Outreach Program	93.110	N/A	3,284
Healthy Hartford Campaign Account	N/A	N/A	2,890
Metro-Hartford HIV Prevention Coalition	93.243	N/A	324,242
			5,476,604
Passed through the State of Connecticut			
Department of Public Health:			
Childhood Lead Poisoning Prevention Projects	93.139	12060-DPH48766-20995	90,206
Vaccines - H1N1 FY 2010	93.069	N/A	90,921
Federal Healthy Start	93.926	N/A	45,648
Vaccines - H1N1 FY 2010	93.268	N/A	25,064
Immunization	93.268	N/A	117,301
Sexually Transmitted Diseases	93.977	12060-DPH48660-20920	60,578
			429,718
Passed through the State of Connecticut			
Department of Social Services:			
Maternal/Child Health Block Grant	93.944	12060-DSS60521-20507	125,000

(Continued)

N/A = Not Available
See Notes to Schedule.

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2010

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Health and Human Services, Cont'd.			
Passed through the Massachusetts Department of Public Health:			
Center for Disease Control Grant	93.991	VC6000020253	21,998
Total U.S. Department of Health and Human Services			6,053,320
U.S. Department of Homeland Security			
Passed through the State of Connecticut Department of Emergency Management and Homeland Security:			
Emergency Management Performance Grants	97.042	12060-EHS99660-21881	33,121
State Homeland Security SHS	97.073	12060-EHS99530-21877	45,000
			78,121
Passed through the United Way:			
Emergency Shelter McKinney-Utility	97.114	N/A	42,278
Total U.S. Department of Homeland Security			120,399
U.S. Department of Housing and Urban Development			
Direct Programs:			
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	N/A	1,263,336
Lead Hazard Reduction Demonstration	14.905	N/A	983,881
Lower Income Housing Assistance Program-Section 8 Moderate Rehab	14.856	N/A	1,977,955
Emergency Shelter Grants Program	14.231	N/A	170,899
Home Investment Partnership Program	14.239	N/A	1,698,819
Housing Opportunities for Persons with AIDS	14.241	N/A	1,147,947
Section 8 Housing Choice Vouchers	14.871	N/A	42,686,461
ARRA CDBG Homeless Prevention & Rapid Re-housing Program	14.262	N/A	767,955
CDBG - Entitlement Cluster:			
Community Development Block Grant/Entitlement	14.218	N/A	3,926,500
HUD Section 108 Loan and Grant	14.218	N/A	5,518,160
ARRA CDBG Recovery Program (CDBG-R) B-09-MY-09-0006	14.253	N/A	293,114
Total CDBG - Entitlement Cluster			9,737,774
Total U.S. Department of Housing and Urban Development			60,435,027
U.S. Department of Energy			
Direct Programs:			
ARRA EECBG Single Stream Recycling	81.128	N/A	215,100

(Continued)

N/A = Not Available
See Notes to Schedule.

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2010

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Environmental Protection			
Direct Programs:			
2007 Targeted Grant to Reduce Childhood Lead Poison	66.716	EPA-R9-CED1-07-001	37,059
U.S. Department of Justice			
Direct Programs:			
Smart Sex Offender Management Grant	16.750	N/A	32,872
Project Safe Neighborhood	16.609	N/A	16,508
ARRA Cops Hiring Recovery Program	16.804	N/A	661,647
OJJDP Mentoring	16.541	N/A	29,890
ARRA JAG Grant	16.710	N/A	1,529,576
FBI Safe Streets	16.595	N/A	40,223
Hartford Resident Office DEA	16.595	N/A	16,218
Weed and Seed	16.595	N/A	273,758
Secure our Schools Grant	N/A	N/A	20,483
JAG Grant	16.738	N/A	228,946
Street Smart to Bus Smarts OJJDP	N/A	NA	181,040
Hartford Police Sports and Mentoring Program 2010	16.540	N/A	7,298
Passed through the State Department of Public Safety:			
ARRA- Drug Task Force	16.xxx	N/A	13,500
Total U.S. Department of Justice			3,051,959
U.S. Department of Transportation			
Passed through the State of Connecticut Department of Transportation:			
Highway Planning and Construction	20.205	12062-DOT57141-22108	1,562,994
Total Federal Awards Expended			$ 162,615,880

N/A = Not Available
See Notes to Schedule.

Note 1. Basis of Presentation.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Hartford, Connecticut and is presented on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the propriety fund types. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Non-Cash Awards

U.S.D.A. Contributions – Non-cash

The United States Department of Agriculture makes available commodities for donations to schools. The amount of $483,495 represents the market value of such commodities used during the period. This amount is included with the Child Nutrition Cluster.

WIC Food Payments - Noncash

The United States Department of Agriculture makes noncash distributions of food vouchers for WIC. The amount of $5,927,933 represents the market value of such vouchers used during this period.

Note 3. Housing and Urban Development (HUD) Section 108 Loans

The City has entered into three Federal HUD Section 108 loans.

	June 30, 2009	Issued	Retired	June 30, 2010
Burgdorf/Fleet Health Center	$ 1,375,000	$ -	$ 130,000	$ 1,245,000
Front Street	1,103,000	3,897,000	-	5,000,000
Total Section 108 Loans	$ 2,478,000	$ 3,897,000	$ 130,000	$ 6,245,000

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal Control over Financial Reporting

• Material weakness(es) identified?	_____	Yes	X	No
• Significant deficiency(ies) identified?	X	Yes	_____	None reported
Noncompliance material to financial statements?	_____	Yes	X	No

Federal Awards

Internal control over major programs:

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

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

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

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
16.710	JAG Program
14.871	Section 8 Housing Choice Vouchers
84.010/84.389	Title I Programs Cluster
84.394/84.397	ARRA – Stabilization Cluster
16.804	COPS
93.914	HIV Relief Grants
14.218/14.253/14.254	CDBG Cluster
84.027/84.173/84.391/84.392	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs $4,878,000

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

II. FINANCIAL STATEMENT FINDINGS

SDIC10-1. Criteria:

The City's tax office should have proper policies in place to prepare a monthly or quarterly tax collector's report to reconcile to the general ledger.

Condition:

There is no tax collector's report that is prepared during the fiscal year. In addition, there is no monthly process to reconcile between tax and general ledger accounts. The reports are all done at year-end.

Context:

Systemic in nature.

Cause:

During fiscal year 2009, the City converted to the new MUNIS general ledger system which was integrated with the existing MUNIS tax system during the year. Reconciliation policies and procedures have not been fully implemented.

Recommendation:

Policies and procedures should be adhered to that will provide guidance on the standard reports and reconciliations that should be prepared monthly and annually. For instance, a tax collectors report should be prepared monthly which would then assist in the reconciliation between the tax system, and the general ledger on a monthly basis. This will allow the City to find inconsistencies as they occur and address them timely.

SDIC10-2. Criteria:

The Student Activity Fund administrators should fully implement the policies and procedures as established in the uniform policies and procedures manual.

Condition:

It was noted that although there are formal policies and procedures for Student Activity funds in relation to the use of funds, documentation of collections, the approval process and the timely completion of bank reconciliations, policies and controls were not being followed at all schools. The Board of Education has begun training to assist in enforcing the controls and in addition, the Board of Education has also begun to perform desk audits at the schools.

Context:

Systemic in nature.

Cause:

Controls are not in place to properly enforce the policies.

Effect:

Proper approvals were not obtained, and improper items could be purchased. In addition, cash collections were not document, and improper use of funds could occur.

Recommendation:

We recommend the Board of Education fully implement the procedures they have written to improve the internal controls over the student activity funds.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CITY OF HARTFORD, CONNECTICUT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2010

Finding SDIC09-1

Audit Finding:

There is no tax collector's report that is prepared during the fiscal year. In addition, there is no monthly process to reconcile between tax and general ledger accounts. The reports are all done at year-end.

Corrective Action Taken:

Finding repeated in current year.

Finding SDIC09-2

Audit Finding:

Bank reconciliations were performed throughout the year, but reconciling items were not addressed until the end of the year. This left a number of significant items to be investigated at year-end which caused the City to spend an excessive amount time after year end.

Corrective Action Taken:

The City fully implemented reconciliation procedures; finding is not repeated.

Finding SDIC09-3

Audit Finding:

The City's capital asset ledger was not properly maintained during the year. The City had to undergo a significant reconciliation process at year-end to properly identify assets in the adequate categories and depreciate. In addition, even though assets were in use, they were still being maintained in construction in progress not be depreciated.

Corrective Action Taken:

Finding was partially remediated and included as a control deficiency.

Finding SDIC09-4

Audit Finding:

It was noted that there are no formal policies and procedures for Student Activity funds, in relation to the use of funds, documentation of collections, the approval process and the timely completion of bank reconciliations.

Corrective Action Taken:

Finding repeated in current year.

Finding SDIC09-5

Audit Finding:

The Board of Education does not maintain its school lunch fund on their accounting software system.

Corrective Action Taken:

The Board of Education prepared a study and determined it would not be beneficial to use the MUNIS System, as the current system is operating effectively.

McGladrey

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the 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, 2010, which collectively comprise the City of Hartford, Connecticut's basic financial statements, and have issued our report thereon dated January 28, 2011. 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (Items SDIC10-1 through SDIC10-2). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We also noted certain matters that we reported to the management of the City of Hartford, Connecticut in a separate letter dated January 28, 2011.

This report is intended solely for the information and use of the management, the Mayor and Members of the Court of Common Council, the Board of Education and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2011

McGladrey

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

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

Compliance: We have audited the City of Hartford, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City of Hartford, Connecticut's major state programs for the year ended June 30, 2010. The City of Hartford, Connecticut's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the City of Hartford, Connecticut's management. Our responsibility is to express an opinion on the City of Hartford, Connecticut's compliance based on our audit.

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

In our opinion, the City of Hartford, Connecticut complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2010.

Internal Control Over Compliance: Management of the City of Hartford, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the City of Hartford, Connecticut's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hartford, Connecticut's internal control over compliance.

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

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

Schedule of Expenditures of State Financial Assistance: We have audited the financial statements of the governmental activities, 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, 2010, and have issued our report thereon dated January 28, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Hartford, Connecticut's basic financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management, the Mayor and Members of the Court of Common Council, the Board of Education of the City of Hartford, Connecticut, the Office of Policy and Management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2011

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2010

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
OFFICE OF POLICY AND MANAGEMENT:		
Property Tax Disability Exemption	11000-OPM20600-17011	$ 10,986
Property Tax Relief on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	48,501
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	356,796
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	3,984
Property Tax Relief for Veterans	11000-OPM20600-17024	62,891
Property Tax Relief for Manufacturing, Machinery, Equipment and Commercial Vehicles	11000-OPM20600-17031	1,609,649
Total Child Nutrition Cluster	11000-OPM20600	17,891
Local Capital Improvement Program	12050-OPM20600-40254	1,794,613
Municipal Video Competition	12060-OPM20600-35362	9,393
Total Office of Policy and Management		3,914,704
DEPARTMENT OF EDUCATION:		
Child Nutrition Program-State Match	11000-SDE64000-16072-82051	148,023
Family Resource Center	11000-SDE64000-16110	461,625
Adult Education	11000-SDE64000-17030	1,998,000
Health Services	11000-SDE64000-17034	75,103
Bilingual Education	11000-SDE64000-17042	280,869
Priority School Districts	11000-SDE64000-17043-82052	6,298,095
Extended School Hours	11000-SDE64000-17043-82054	417,815
Summer School Accountability Grant	11000-SDE64000-17043-82055	455,081
Interdistrict Cooperative Grant	11000-SDE64000-17045	307,650
School Breakfast Program	11000-SDE64000-17046	149,577
Youth Services Bureau	11000-SDE64000-17052	10,000
Youth Services Bureau-Enhancement	11000-SDE64370-16201	160,722
Open Choice	11000-SDE64000-17053	105,020
Magnet Schools	11000-SDE64000-17057	26,510,120
School Readiness Quality Enhancement	12060-SDE64000-90242	194,517
Sheff Settlement	11000-SDE64370-12457	843,075
Healthy Food Grant	11000-SDE64370-16072-82010	322,087
Magnet School Transportation	11000-SDE64370-17057-82061	1,233,387
Adult Education	11000-SDE64000-17030	727,594
Early Learning Center	N/A	1,696,961
After School Program	11000-SDE64000-17084	90,619
School Readiness	11000-SDE64000-17043-82056	10,840,758
Minor Capital Improvements and Wiring- School Readiness Centers	12052-SDE64000-42861	46,285
Total Department of Education		53,372,983

(Continued)

N/A= Not Available
See Notes to Schedule.

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued
For the Year Ended June 30, 2010

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants	12001-DOT57000-17036	613,175
Bus Operations	12001-DOT57000-12175	73,406
Comprehensive DUI Enforcement	N/A	134,220
Operations - Safe the Streets	12062-DOT57343-20559	55,832
Distracted Driving Enforcement	N/A	20,600
Total Department of Transportation		897,233
EDUCATION AND SERVICES FOR THE BLIND:		
Services for the Blind	11000-ESB65020-12060	14,580
CHILDRENS TRUST FUND:		
Community-Based Child Abuse and Neglect Program	11000-CTF94000-12042	191,807
OFFICE OF THE STATE COMPTROLLER:		
PILOT on State Owned Property	11000-OSC15910-17004	11,508,085
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OSC15910-17006	23,191,376
Boat Grant	12027-OSC15910-40211	6,542
Total Office of the State Comptroller		34,706,003
JUDICIAL DEPARTMENT:		
Building Bridges	11000-JUD96114-12043-057	122,879
Juvenile Review Board	11000-JUD91178-26043	50,000
Hartford Juvenile Review Board	11000-JUD96114-12105	150,000
Total Judicial Department		322,879
CONNECTICUT STATE LIBRARY:		
Historic Documents Preservation Grant	12060-CSL66094-35150	39,514
DEPARTMENT OF SOCIAL SERVICES:		
Senior End Senior Center	11000-DSS60000-16123	55,409
Healthy Start	11000-DSS60521-41002	329,208
Housing/Homeless Services	11000-DSS60783-17038	305,262
Total Department of Social Services		689,879
DEPARTMENT OF CHILDREN AND FAMILIES:		
DCF - Family Enrichment Services	110000-DCF91110-12304	26,906

(Continued)

N/A= Not Available
See Notes to Schedule.

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued
For the Year Ended June 30, 2010

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
DEPARTMENT OF REVENUE SERVICES:		
Payments to Municipalities-Bingo	34003-DSR18309-42350	33,915
DEPARTMENT OF ENVIRONMENTAL PROTECTION:		
Local Flood and Erosion Project	Various	586,143
Hyland Park Improvements	N/A	59,345
Community and Conservation	13019-DEP43153-41239	3,822
Lozada Park	12052-DEP43153-40519	350,000
Total Department of Environmental Protection		999,310
DEPARTMENT OF PUBLIC HEALTH:		
Immunization Program	11000-DPH48664-10020	5,211
AIDS Services	11000-DPH48500-12236	1,937
Health Block Grant	N/A	34,144
H1N1 Vaccination	N/A	77,426
Public Health Preparedness	N/A	74,730
Tuberculosis Control and Prevention	11000-DPH48666-16112	44,215
Women's Healthy Heart	N/A	733
Per capita	11000-DPH48500-17009	146,984
Sexually Transmitted Disease Control	11000-DPH48500-17013	41,150
School-Based Health Clinics	11000-DPH48500-17019	721,213
Childhood Lead Poisoning	11000-DPH48766-12227	44,212
Total Department of Public Health		1,191,955
DEPARTMENT OF PUBLIC SAFETY:		
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	175,378
Emergency Management Performance Grant	N/A	33,121
Public Safety Training Grant	N/A	5,654
911 Enhancement Grant	N/A	564,392
Total Department of Public Safety		778,545
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Tax Abatement Program	11000-ECD46400-17008	510,886
Payment in Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	432,486
Park Streetscape	N/A	215
Parkville	N/A	47,584
Neighborhood Stabilization	12060-ECD46400-22324	1,253,501
Demolition & Redevelopment	12059-ECD46050-40577	2,660,786
TOTAL DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		4,905,458
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		102,085,671

(Continued)

N/A= Not Available
See Notes to Schedule.

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued
For the Year Ended June 30, 2010

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
EXEMPT PROGRAMS		
DEPARTMENT OF EDUCATION:		
Department of Education Public School Transportation	11000-SDE64000-17027	2,707,561
Education Cost Sharing	11000-SDE64000-17041	160,387,499
Excess Cost - Student Based	11000-SDE64000-17047	9,915,054
Non-Public School Transportation	11000-SDE64000-17049	101,995
School Construction - Interest	13009-SDE64000-40896	708,624
School Construction - Progress Payment	13009-SDE64000-40901	1,609,485
School Construction - Principal	13010-SDE64000-40901	70,787,325
		246,217,543
OFFICE OF THE STATE COMPTROLLER:		
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	8,783,940
Total Exempt Programs		255,001,483
TOTAL STATE FINANCIAL ASSISTANCE		$ 357,087,154

N/A= Not Available
See Notes to Schedule.

Various departments and agencies of the State of Connecticut have provided financial assistance to the City of Hartford, Connecticut, through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. The financial assistance programs fund several programs including education, economic and community development, environmental protection, library, health, public safety, social services, developmental services, emergency management and homeland security and transportation.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Hartford, Connecticut conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting

The financial statements for the governmental fund types contained in the City of Hartford's basic financial statements are prepared on the modified accrual basis of accounting. The financial statements for the business-type activities are prepared on the full 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 for the current period.
- Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

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

Note 2. LOAN PROGRAMS

In accordance with Section 426-23(a)4(f) of the regulations to the State Single Audit Act, the notes to the Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2010:

Department of Environmental Protection

Clean Water Funds 21014-OTT4230-4001

Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
$ 1,745,000	$ -	$ 80,000	$ 1,665,000

CITY OF HARTFORD, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2010

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified.

Internal control over financial reporting:

• Material weakness(es) identified?	____	Yes	X	No
• Significant deficiency(ies) identified?	X	Yes	____	None reported
Noncompliance material to financial statements noted?	____	Yes	X	No

State Financial Assistance

Internal control over major programs:

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

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

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

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State CORE-CT Number	Expenditures
Department of Education		
Magnet School-Operating	11000-SDE64370-17057	$ 26,510,120
Office of the State Comptroller		
PILOT on State Owned Property	11000-OSC15910-17004	11,508,085
Payment in Lieu of Taxes (PILOT) on Private and General/Chronic Disease Hospitals	11000-OSC15910-17006	23,191,376
• Dollar threshold used to distinguish between type A and type B programs		$2,041,000

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated January 28, 2011, on internal control over financial reporting and compliance and other matters based on an audit of basic financial statements performed in accordance with the standards applicable to financial audits contained in "Government Auditing Standards."
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no matters that we consider to be material weaknesses and two matters that we consider to be significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.