

**Comprehensive  
Annual  
Financial Report**

**City of Hartford, Connecticut  
Mayor-Council Form of Government**

*For the Fiscal Year*

*July 1, 2013 to June 30, 2014*

PREPARED BY:

**Department of Finance**

**Leigh Ann Ralls, CPA  
Acting Director of Finance**



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## **Introductory Section**







**PEDRO E. SEGARRA**  
MAYOR

## CITY OF HARTFORD

DEPARTMENT OF FINANCE  
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Hartford, Connecticut 06103  
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**LEIGH ANN RALLS**  
Acting Director of Finance

January 23, 2015

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 Five of our Charter, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hartford (City) for the fiscal year ended June 30, 2014. 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, 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.

### **PROFILE OF THE CITY**

The City of Hartford (City) 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 125,017 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.

The Mayor is the Chief Executive Officer. The Court of Common Council (Council) is comprised of nine members who are elected at large for four-year terms in odd numbered years on a partisan basis; the Mayor, who is elected directly for a four-year term, acts upon ordinances and resolutions adopted by Council by approving, disapproving or taking no action. The Board of Education (BOE) is composed of nine members; five appointed by the Mayor and

four elected by the voters, all for four year terms. The BOE operates independently of the Council, although the overall operating budget for the Hartford school system must be approved as to its total by the 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 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.

### **Economic Condition and Outlook**

The City's Department of Development Services (DDS), encompassing the divisions of Planning, Housing and Property Management; Economic Development; Licenses & Inspections; and Marketing, Events & Cultural Affairs (MECA), continues to make a significant impact on major economic initiatives throughout the City. Divisions operate under a single department for the purpose of enhancing quality of life in our neighborhoods and community. DDS achieves this by focusing resources on redeveloping high quality public spaces, ensuring building and occupant safety, increasing homeownership, supporting a strong business climate, maximizing job retention efforts, enhancing technical capacity of small business owners, and providing residents and visitors with enjoyable entertainment opportunities through public arts and events. DDS is positioned as the single point of contact for commercial and residential development projects. The DDS service portfolio also consists of outreach and messaging, with the goal of promoting and supporting Hartford's natural, technological, cultural and human assets.

Evidence of the economic development activity and the revitalization of the City is clearly visible by the ongoing changes in Hartford's skyline and numerous neighborhoods as it continues to be the largest employment center in the State with more than 112,000 people working in the City daily. In addition to Hartford being a regional center for logistics and distribution companies, two Fortune One Hundred companies are headquartered in Hartford, taking advantage of the City's strategic location and highly productive workforce. The City is well positioned to support a wide range of economic development and housing initiatives.

Some of the areas of special note involving economic development, housing, citywide, and neighborhood initiatives include:

### **Economic Development**

- **Downtown North** – Over the past 24 months the city has developed a master plan for the redevelopment of the area between I-84 and the Clay Arsenal Neighborhood. This plan calls for the development of a mixed use neighborhood. During the planning process, the city was approached by the owners of the New Britain Double A ball team requesting the city to partner on the development of a new home for the team. With the completion of the plan and preliminary agreements with the team, the city sought proposals for the development of a 9,000 person capacity ballpark and the mixed use neighborhood. The city council has approved terms to a development deal which would result in the construction of the ballpark, approximately 1,000 market rate housing units, 200,000 square feet of retail space and approximately 50,000 square foot microbrewery. It is anticipated that construction of the ballpark will begin early 2015 with construction of the first 250 residential units and 90,000 square feet of retail space in the summer of 2015.
- **Front Street** — The HB Nitkin Group was selected by CCEDA, the predecessor agency to CRDA, as the developer for this project, which includes 60,000 square feet of retail, restaurant and entertainment space and a 286 space garage in its first phase. Several high profile tenants, including The Capital Grille, Ted's Montana Grille, Nix's Seafood, and Infinity Music Hall, Spotlight Theater and Front Street Bistro have opened. In the Fall of 2015, 115 market rate residential units will be completed with approximately 5,000 square feet of new commercial space.
- **UConn Downtown Relocation** – The University of Connecticut has decided to locate a variety of programs in Downtown Hartford. This campus development will center around the former Hartford Times Building located on the corner of Prospect and Arch Streets. The new facility will be the base for over 2,000 students and faculty. Construction is anticipated to start in the Summer/Fall of 2015 and the University is expected to occupy the space sometime in 2017. Prior to completion of the facilities, the University is looking for space to begin the transition of classes to Hartford and is hoping that some classes may begin in the Fall of 2015.

- **TIGER/Intermodal Triangle** The goal of this project is to strengthen the Capital Region's economic and employment core by improving downtown intermodal connections within the Union Station-to-Main Street triangle through creating transit hubs, complete green streets, and the innovative iQuilt pedestrian network. As part of the City's TIGER Intermodal Triangle project, the following initiatives will be undertaken:
  - Narrowing of Ford, Jewell, Wells to create a promenade along Bushnell Park North
  - Improvements to Union Station and Union Place to accommodate increased transit.
  - Streetscape improvements along Asylum and Pearl Streets.
  - Plaza improvements around State House Square.

A groundbreaking was held on June 27, 2014. Construction of the Intermodal Triangle is underway.

- **Downtown Revitalization Plan-** DDS has contracted with the University of Hartford to complete a revitalization plan for the downtown that will consist of a highly illustrative vision for the future of the downtown. Project initiation and public outreach is scheduled to begin in January 2015.

## HOUSING

The City of Hartford is committed to creating a livable and sustainable capital city and has experienced tremendous progress in the last two decades in the area of residential development. More recently, under the direction of Mayor Pedro Segarra, the City has adopted and actively pursued three major housing objectives — reconstructing or renovating antiquated public housing; residential development in the City's downtown; and increased mixed-income homeownership and rental opportunities.

A housing strategy has been initiated with both public and private partners that will grow the city's tax base, lead to increased economic activity, and encourage residential development that supports a variety of income, age, and ethnic demographics. The City, led by DDS, is working on a City-wide Housing plan that will result in empirical data-driven residential development 3-10 years out.

## CITYWIDE

- **Zone Hartford** - This project consists of a rewrite of the zoning regulations to create more user friendly regulations and to facilitate the type of development that will enhance the quality of life of our neighborhoods. Although the use of land will still play a significant role in zoning, more significance will be placed on building form and scale. Through this transition in zoning, we hope to influence the creation of walkable mixed use neighborhoods with highly functional nodes of economic activity. Zone Hartford is well underway. A Diagnostic phase analyzing existing conditions in the neighborhoods is 95% complete. A public outreach strategy has been employed for this project that consist of a series of public meetings with the neighborhoods, the formation of a zoning advisory group with community stakeholders and the engagement of a partnership with the Planning and Zoning Commission.

## NEIGHBORHOOD

- **Blue Hills Master Plan** – The DDS is partnering with the Blue Hills neighborhood to develop a master plan that will communicate the vision of the neighborhood with a focus centered around housing (homeownership), education and recreation. As part of this master plan DDS will also assist the neighborhood with determining the feasibility of retail in targeted areas of the neighborhood.
- **Dillon Stadium in CSS/CON** – The Council has appropriated \$12 million for improvements to be made at the existing Dillon Stadium site. The city selected a firm to work with North American Soccer League for the purpose of establishing a Hartford franchise. Preliminary plans will redevelop the facility into a 9,000 seat premier sports stadium. Plans call to activate the site year-round with entertainment and community venues. The City is working closely with the Sheldon-Charter Oak neighborhood associations to ensure any impacts caused by the stadium's redevelopment will be resolved. The inaugural season of competition is intended to begin in the spring of 2016.
- **Coltville** – In July 2010, Colt Gateway LLC took over site control as developer. All 50 completed residential lofts are leased. In addition, the campus is home to two CREC Regional Magnet Schools and Insurity, a software company. In the summer of 2012, Insurity extended the term of its lease at this facility by another seven years. Environmental remediation of the courtyard is scheduled and a new streetscape is

being funded with federal dollars, City funds and State of Connecticut Department of Transportation assistance. The National Trust Community Investment Corporation provided a portion of its New Market Tax Credit ("NMTC") allocation to Chevron TCI, the historic tax credit investor, resulting in a combined \$23 million historic NMTC investment. The City also committed \$5 million in funding to assist with the ongoing renovation of 79 apartments within this complex. Coltsville itself was just designated a National Historic Park by Congress.

- **Swift Factory in the Northeast** — Revitalization of the former Swift Factory gold leafing complex in the Northeast neighborhood is underway. The property consists of a 65,000 square foot manufacturing factory, two houses and vacant land. The project will offer affordable workspaces for occupancy by small manufacturing enterprises that will employ Northeast residents, and an urban farm employing and teaching local adults and youth farming skills. This development is one of the major projects listed in the regional Comprehensive Economic Development Strategy (CEDS).
- **Albany Avenue Streetscape and Safety Improvement Project in Upper Albany** -This consist of a 1.1 mile arterial street project involving one of the city's primary commercial thoroughfares. The project consists of roadway safety improvements, streetscape and pedestrian amenities including sidewalk repairs, curb bump-outs, cross-walks, and traffic signal equipment from Westbourne Parkway to Bedford Street. This project is in the design phase. Construction on this project is anticipated in the Fall of 2016.

## REDEVELOPMENT

**North Meadows IBD Project Area (Block VI)** - Block VI in the North Meadows Industrial Business District (IBD) Project Area is comprised of approximately six acres of unimproved land on Leibert Road. Pride Companies, a leading independent retail store chain in Western Massachusetts, has submitted a proposal to the City to develop the Property into a Travel Center for both local and highway motorists. The development would consist of fueling stations and an approximately 12,000 square foot building. Pride is currently completing its due diligence of the site in advance of the City seeking approval for the disposition of the property.

### **Livable and Sustainable Neighborhoods Initiative**

The Mayor's Livable and Sustainable Neighborhoods Initiative (LSNI) is an interdepartmental effort to improve Hartford's neighborhoods by enforcing the Anti-Blight Ordinance, implementing community development projects, coordinating capital improvements, and engaging neighborhood stakeholders. Among the numerous projects and activities are the Hartford Restoration Project which is a housing program providing financial assistance in the form of deferred loans for to moderate income property owners, Rebuilding Together Day, a partnership to assist the City's senior citizens and veterans with free home repairs, Community Clean-Up Days where the City partners with community organizations and volunteers in cleaning the neighborhoods of litter, overgrown vegetation and other forms of blight conditions. LSNI sponsors these clean-up day events that are community-based with the goals of (1) cleaning our environment (2) raising community awareness (3) inspiring and empowering our citizenry to conserve our environment.) In collaboration with Keep America Beautiful (KAB) the City has implemented an Education & Prevention pilot program to incorporate litter prevention & solid waste management curriculum into Hartford Public Schools.

## LONG TERM FINANCIAL PLANNING

The City's long-term financial planning is carried out along six 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 five-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 ten-year vehicle and equipment replacement plan is formulated and reviewed annually. The requested items are reviewed and approved by committee and the appropriate funding sources are identified: City contributions, capital leases or bonding.

These discrete planning cycles provide inputs to the General Fund long-term planning process. General Fund revenues and expenditures are forecast over five years by both function and category. The long-term planning process is driven by the City's core strategy to increase long-term economic growth, to promote education, safety and health, and to nurture the City's cultural vitality through the implementation of the Mayor's goals and objectives. In addition, the City continually strives to secure a stronger bond rating through strong fiscal administration and the maintenance of 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 and has contracted with an outside actuarial firm to assist in pension planning.

## **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 and revenue budget preparation in conjunction with the Mayor's Office. The Director of Finance is the chief financial officer of the City and is an appointee of the Mayor, subject to confirmation by the Council.

### **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 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 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 (BOE) 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 Council.

### **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 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. 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.

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 Finance Department, especially Rajpaul Singh, Acting Controller, as well as the Accounting and Control Division personnel who assisted and contributed to the preparation of this report. I would also like to acknowledge the efforts of the Office of Management & Budget, Office of the City Treasurer, Department of Development Services, Hartford Public Schools, Hartford Public Library, and the Hartford Parking Authority.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "LRalls", written in a cursive style.

Leigh Ann Ralls, CPA  
Acting Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Hartford  
Connecticut**

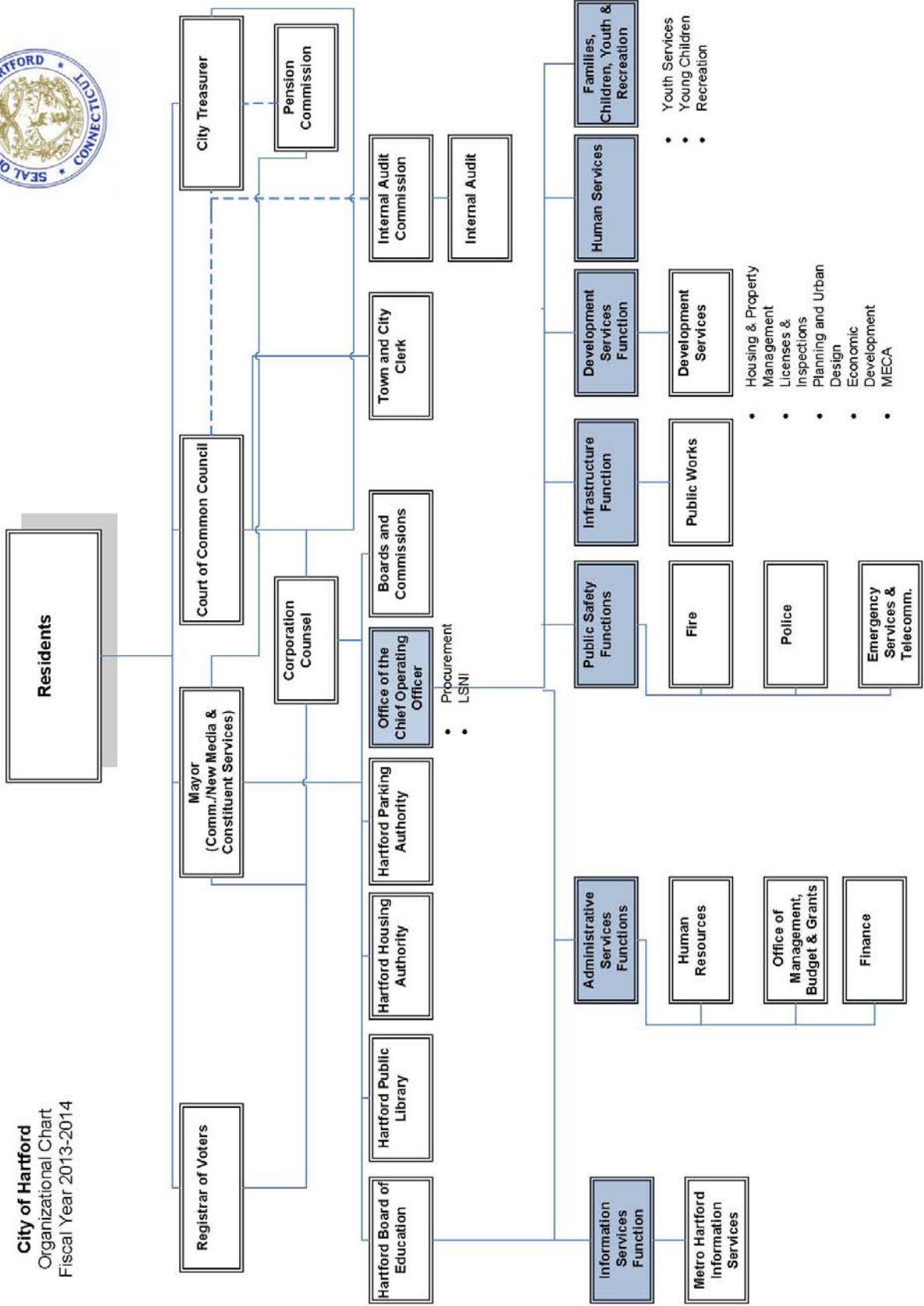
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



**City of Hartford**  
Organizational Chart  
Fiscal Year 2013-2014





**CITY OF HARTFORD, CONNECTICUT**  
Mayor-Council Form of Government  
List of Elected and Principal Officials - As of June 30, 2014

**THE HONORABLE PEDRO E. SEGARRA, MAYOR**

**The Honorable Court of Common Council**

Council President – Shawn T. Wooden

Alexander Aponte, Majority Leader  
Larry Deutsch, Minority Leader  
Kyle Anderson  
Raul De Jesus, Jr.

Cynthia Renee Jennings  
Kenneth H. Kennedy, Jr.  
David MacDonald  
Joel Cruz

**The Honorable Adam Cloud - City Treasurer**

**Appointed and Other Municipal Officials**

Chief Operating Officer  
Corporation Counsel  
Town and City Clerk  
Director of Finance, Acting  
Controller  
Assessor  
Tax Collector  
Revenue Management  
Procurement Manager  
Director of Development Services  
Director of Management and Budget  
Chief of Police  
Fire Chief  
Director of Health and Human Services  
Director of Human Resources  
Director of Public Works, Acting

Darrel Hill  
Saundra Kee Borges, Esq.  
John V. Bazzano  
Albert Ilg  
Leigh Ann Ralls, CPA  
John Phillip  
Marc S. Nelson  
Domenic Greco  
Tara Washington  
Thomas E., Deller, AICP  
Jose L. Sanchez  
James C. Rovella  
Carlos Huertas  
Raul Pino, Ph.D.  
Henry Burgos  
Keith Chapman

**Hartford Public Schools**

Dr. Christina M. Kishimoto Ed. D., Superintendent of Schools

**Board of Education**

Richard F. Wareing, Chairman

Jose Colon-Rivas, Vice Chair  
Beth A. Taylor, Vice Chair  
Craig Stallings, Secretary

Rev. Dr. Shelley Best  
Michael Brescia  
Robert Cotto, Jr.  
Matthew K. Poland

**Registrars of Voters**

Olga Vasquez (D)

Sheila Hal (R)

Urania Petit (WF)

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**Financial Section**





## Independent Auditor's Report

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

### Report on the Financial Statements

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 (the City) as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 3-10, the budgetary comparison information on pages 69-73, the schedules of funding progress and employee contributions on pages 74-76, the schedule of changes in the City's net pension liability and related ratios on page 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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, the individual and combining fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



New Haven, Connecticut  
January 23, 2015

**City of Hartford, Connecticut  
Management's Discussion and Analysis - Unaudited  
June 30, 2014**

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, 2014. 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 position decreased \$39.0 million as a result of this year's operations. The net position of our governmental activities decreased by \$30.9 million, or nearly 2.8%. The net position of our business-type activities decreased by \$8.2 million.
- The City received \$18.6 million in capital grants and contributions related to school building construction grants from the State in support of the City's school renovation and construction projects, and for various public works projects.
- The total cost of the City's programs for the year was \$902.5 million with no new programs added.
- The General Fund reported a fund balance this year of \$16.9 million including an assignment of \$3.9 million.
- The revenues available for appropriation and other financing sources were \$2.6 million more than budgeted for the General Fund and expenditures and other financing sources were \$3.9 million less than budgeted amount of \$551.4 million. The unassigned balance of \$13.0 million decreased \$14.5 million, which represents in part a planned use of fund balance of \$9.4 million.
- Major items that contributed to the revenue surplus are: increased amount received from intergovernmental revenues, which were a favorable variance of \$5.8 million. This is partially offset by an unfavorable variance in tax revenue of \$.7 million and an unfavorable variance of \$2.6 million in premiums from bond sales.
- Major items that contributed to the expenditure surplus of \$3.9 million are favorable surpluses in benefits and insurance of \$1.3 million, debt service of \$0.6 million, and health and human services of \$0.5 million.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net position 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 position 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 position and changes in them. The City's net position, 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 position 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 position 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) 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 position 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 position 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 position and changes in fiduciary net position. 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 position decreased from a year ago by \$39.0 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

### Summary Schedule of Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 488,418	\$ 559,469	\$ 1,232	\$ 1,803	\$ 489,650	\$ 561,272
Capital assets, net of accumulated depreciation	1,427,779	1,400,730	31,497	57,786	1,459,276	1,458,516
<b>Total assets</b>	<b>1,916,197</b>	<b>1,960,199</b>	<b>32,729</b>	<b>59,589</b>	<b>1,948,926</b>	<b>2,019,788</b>
Deferred amounts on refundings	447	-	-	-	447	-
<b>Total deferred outflows of resources</b>	<b>447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447</b>	<b>-</b>
Long-term liabilities outstanding	659,478	609,975	3,970	22,311	663,448	632,286
Other liabilities	172,323	234,513	1,207	1,569	173,530	236,082
<b>Total liabilities</b>	<b>831,801</b>	<b>844,488</b>	<b>5,177</b>	<b>23,880</b>	<b>836,978</b>	<b>868,368</b>
Net Position:						
Net investment in capital assets	983,461	1,006,633	26,732	33,910	1,010,193	1,040,543
Restricted	75,720	73,049	-	-	75,720	73,049
Unrestricted	25,662	36,029	820	1,799	26,482	37,828
<b>Total net position</b>	<b>\$ 1,084,843</b>	<b>\$ 1,115,711</b>	<b>\$ 27,552</b>	<b>\$ 35,709</b>	<b>\$ 1,112,395</b>	<b>\$ 1,151,420</b>

The City's government-wide net position of \$1,112.4 million represents a decrease of \$39.0 million over last year's net position of \$1,151.4 million. This decrease was due in no small part to the receipt of only \$18.9 million in capital grants and contributions from the State in support of the City's school renovation and construction capital program and various public works projects. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - is \$26.4 million at the end of this year as compared with a \$37.8 million at the end of last year. Government activities unrestricted net position decreased \$10.4 million while the unrestricted net position of the City's business-type activities decreased \$0.98 million in 2014.

TABLE 2

**SUMMARY STATEMENT OF ACTIVITIES**  
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charge for services	\$ 27,880	\$ 22,674	\$ 5,690	\$ 4,511	\$ 33,570	\$ 27,185
Operating grants and contributions	482,748	465,918	-	-	482,748	465,918
Capital grants and contributions	18,553	65,774	-	-	18,553	65,774
<b>General Revenues:</b>						
Property taxes	267,234	256,943	-	-	267,234	256,943
Grants and contributions not restricted to specific programs	55,364	56,696	-	-	55,364	56,696
Unrestricted investment earnings	5,512	2,781	3	4	5,515	2,785
Other general revenues	498	2,317	-	-	498	2,317
<b>Total revenues</b>	<b>857,789</b>	<b>873,103</b>	<b>5,693</b>	<b>4,515</b>	<b>863,482</b>	<b>877,618</b>
<b>Expenses</b>						
General government	69,912	72,050	-	-	69,912	72,050
Public safety	119,995	106,619	-	-	119,995	106,619
Public works	37,310	44,280	-	-	37,310	44,280
Development and community affairs	61,626	61,652	-	-	61,626	61,652
Human services	29,697	27,561	-	-	29,697	27,561
Education	544,398	503,475	-	-	544,398	503,475
Recreation and culture	10,064	10,106	-	-	10,064	10,106
Interest on long-term debt	20,665	21,358	-	-	20,665	21,358
Hartford Parking Facilities	-	-	8,640	3,669	8,640	3,669
Golf Course	-	-	200	-	200	-
<b>Total expenses</b>	<b>893,667</b>	<b>847,101</b>	<b>8,840</b>	<b>3,669</b>	<b>902,507</b>	<b>850,770</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(35,878)</b>	<b>26,002</b>	<b>(3,147)</b>	<b>846</b>	<b>(39,025)</b>	<b>26,848</b>
Transfers	5,010	2,160	(5,010)	(2,160)	-	-
<b>Change in net position</b>	<b>(30,868)</b>	<b>28,162</b>	<b>(8,157)</b>	<b>(1,314)</b>	<b>(39,025)</b>	<b>26,848</b>
<b>Net Position, beginning</b>	<b>1,115,711</b>	<b>1,087,549</b>	<b>35,709</b>	<b>37,023</b>	<b>1,151,420</b>	<b>1,124,572</b>
<b>Net Position, ending</b>	<b>\$ 1,084,843</b>	<b>\$ 1,115,711</b>	<b>\$ 27,552</b>	<b>\$ 35,709</b>	<b>\$ 1,112,395</b>	<b>\$ 1,151,420</b>

The City's total revenue in 2014 of \$863.4 million represents a decrease of \$14.1 million over last year. Capital grants and contributions decreased \$47.2 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program decreased compared with the previous year. This was due to enrollment shortfalls and change in construction type. Operating grants and contributions increased \$16.8 million due to additional grants for various purposes, property taxes increased 10.3 million and charges for services increased \$6.4 million. These favorable variances mitigated 70% of the drop off in capital grants and contributions.

The City's total program expenses of \$902.5 million represent an increase of \$51.7 million over last year. The increase in Public Safety, Public Works and Education is related to the receipt of additional grants.

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	
	2014	2013	2014	2013
General government	\$ 69,912	\$ 72,050	\$ 56,793	\$ 63,051
Public safety	119,995	106,619	93,630	93,110
Development and community affairs	61,626	61,652	8,018	1,125
Human services	29,697	27,561	2,469	12,191
Education	544,398	503,475	155,291	59,601
All other	68,039	75,744	48,285	63,657
<b>Total</b>	<b>\$ 893,667</b>	<b>\$ 847,101</b>	<b>\$ 364,486</b>	<b>\$ 292,735</b>

## 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, remained consistent at \$4.0 million. Expenses (including debt service and depreciation) for the City's dedicated parking facilities remained consistent with the prior year. Net transfers to the City's governmental activities increased from \$2.2 million in 2013 to \$5.0 million in 2014 as the Parking Authority's revenues increased due to the sale of a garage.

## CITY FUNDS FINANCIAL ANALYSIS

### Governmental Funds

The City's General Fund reported a fund balance decrease of \$13.5 million during 2014 as compared with an increase of \$0.3 million in 2013. This decrease includes approved drawdowns of \$8.3 million and a supplemental drawdown of \$1.1 million of the fund balance. The General Fund's unassigned fund balance at June 30, 2014, is \$13.0 million representing 2.4 percent of the General Fund's 2014 amended budgetary appropriations. Actual revenues were \$ 2.6 million above the amended budgetary revenue estimate. Expenditures were \$3.9 million below the final budgeted appropriation of \$ 551.4 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 increase of \$13.0 million. The increase is the result of the issuance of bonds and bond anticipation notes of \$66.2 million and intergovernmental revenue of \$18.2 million exceeding the capital outlays on various projects. In addition, the City has outstanding school construction audits of \$ 2.6 million with the State of Connecticut and anticipates future reimbursements to offset additional capital outlays.

The Debt Service Fund had a restricted fund balance as of June 30, 2014, of \$116.1 million which represents a decrease due to scheduled debt service payments. There also is \$102.3 million of restricted cash and investments to pay down the existing restructured debt.

The Education Grant Fund had a decrease in fund balance of \$2.4 million due to an increase in expenditures.

The Community Development Loan and Grant Fund had a decrease in fund balance of \$1.3 million due to the financing of new loans exceeding revenue in fiscal year 2014.

The City's other governmental funds reported a small decrease of \$0.4 million in fund balance for the year.

**Internal Service Funds**

The net position of the City's self-insurance programs increased \$1.7 million, increasing the total net position of the City's internal service programs from \$21.6 million to a \$23.3 million surplus. This is a result of the City's continued efforts to fund its post-retirement benefits at the actuaries' recommended level as well as a consistent management strategy directed toward the reduction of deficit net position balances in these funds.

**General Fund Budgetary Highlights**

There was a supplemental appropriation for the additional use of fund balance of \$1.1 million, which is reflected in RSI-1.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2014, the City had \$1.4 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 \$73.3 million (Note 6 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)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land	\$ 63.4	\$ 63.5	\$ 8.8	\$ 8.4	\$ 72.1	\$ 72.0
Land improvements	9.8	9.5	-	-	9.8	9.5
Buildings	887.3	899.8	0.2	-	887.5	899.8
Other structures	16.9	17.2	22.2	49.3	39.1	66.6
Furniture and equipment	5.2	2.6	0.3	-	5.5	2.6
Rolling equipment	15.8	13.3	-	-	15.8	13.3
Infrastructure	216.6	218.7	-	-	216.6	218.7
Construction in progress	212.8	176.0	-	-	212.8	176.0
	<b>\$ 1,427.8</b>	<b>\$ 1,400.7</b>	<b>\$ 31.5</b>	<b>\$ 57.8</b>	<b>\$ 1,459.3</b>	<b>\$ 1,458.5</b>

There are 324 active projects in the City's Capital Improvement Fund with appropriations of \$ 1,593.6 million, cumulative active project expenditures of \$1,127.4 million and outstanding encumbrances of \$43.8 million, resulting in an unencumbered balance of \$422.4 million. Total expenditures for all projects during the fiscal year amounted to \$75.3 million. New and supplemental appropriations are reflected in the FY 2015 budget.

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

### Long-term debt

The City issued \$10.3 million in general obligation bonds and \$56 million in bond anticipation notes during 2014.

At June 30, 2014, the City had \$459.9 million in bonds outstanding versus \$494.8 million last year - a decrease of 7.1% - as shown in Table 5. The City has approximately \$136 million of restricted cash and investments to offset this debt.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 455.1	\$ 469.7	\$ 4.8	\$ 25.1	\$ 459.9	\$ 494.8
Serial notes payable	1.3	1.4	-	-	1.3	1.4
<b>Total</b>	<b>\$ 456.4</b>	<b>\$ 471.1</b>	<b>\$ 4.8</b>	<b>\$ 25.1</b>	<b>\$ 461.2</b>	<b>\$ 496.2</b>

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 \$2.1 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

Connecticut's unemployment rate was calculated at 6.5% for November 2014 (seasonally adjusted). This is one tenth of a percentage point higher than October 2014 rate, but down a full percentage point from the November 2013 unemployment rate of 7.5%. The unemployment October rate for Hartford, East Hartford and West Hartford was 6.4%.

The CPI rose 0.8 percent in 2014 after a 1.5 percent increase in 2013. This is the second-smallest December-December increase in the last 50 years, trailing only the 0.1 percent increase in 2008. It is considerably lower than the 2.1 percent average annual increase over the last ten years

The 2015-2016 budget process is faced with balancing the short term fiscal realities of maintaining a stable property tax rate in a period of reduced state and federal assistance yet finding the resources to lay the seeds of economic growth that will benefit the City long term. To accomplish this, innovative approaches to the delivery of services and deployment of assets becomes paramount in budget deliberations. Partnerships between the public and private sector to increase the existing tax base are necessary to fuel the type of growth that will provide the revenue necessary to fund the delivery of quality services and educational opportunities for our citizens and stakeholders.

The adopted budget for fiscal year 2014-2015 of \$552 million is an increase of \$13.2 million over the revised 2013-2014 budget due to the slow growth of the City of Hartford's Grand List. In developing the City's 2015-2016 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, or by telephone (860) 757-9600.

## **Basic Financial Statements**





**Statement of Net Position**  
**June 30, 2014**  
(In Thousands)

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Hartford Parking Authority
<b>Assets</b>				
Cash and cash equivalents	\$ 147,482	\$ 2,686	\$ 150,168	\$ 2,662
Investments	28,509	-	28,509	-
Receivables, net	172,449	8	172,457	1,670
Internal balances	3,558	(3,558)	-	-
Due from component unit	34	2,096	2,130	-
Other assets	354	-	354	-
Restricted cash	33,773	-	33,773	-
Restricted investments	102,259	-	102,259	-
Capital assets:				
Assets not being depreciated	276,191	8,753	284,944	-
Assets being depreciated, net	1,151,588	22,744	1,174,332	-
<b>Total assets</b>	<b>1,916,197</b>	<b>32,729</b>	<b>1,948,926</b>	<b>4,332</b>
<b>Deferred Outflows of Resources</b>				
Deferred amounts on refundings	447	-	447	-
<b>Total deferred outflows of resources</b>	<b>447</b>	<b>-</b>	<b>447</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	109,263	412	109,675	2,202
Due to primary government	-	-	-	2,130
Unearned revenue	13,510	-	13,510	-
Noncurrent liabilities:				
Due within one year	49,550	795	50,345	-
Due in more than one year	659,478	3,970	663,448	-
<b>Total liabilities</b>	<b>831,801</b>	<b>5,177</b>	<b>836,978</b>	<b>4,332</b>
<b>Net Position</b>				
Net investment in capital assets	983,461	26,732	1,010,193	-
Restricted for:				
Housing loans and grants	46,959	-	46,959	-
Trust purposes:				
Expendable	20,402	-	20,402	-
Nonexpendable	8,359	-	8,359	-
Unrestricted	25,662	820	26,482	-
<b>Total net position</b>	<b>\$ 1,084,843</b>	<b>\$ 27,552</b>	<b>\$ 1,112,395</b>	<b>\$ -</b>

See Notes to Financial Statements.

Statement of Activities  
For the Year Ended June 30, 2014  
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Hartford Parking Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ (69,912)	\$ 5,265	\$ 7,854	\$ -	\$ (56,793)	\$ -	\$ (56,793)	\$ -
Public safety	(119,995)	6,132	20,233	-	(93,630)	-	(93,630)	-
Public works	(37,310)	9,289	1,321	7,053	(19,647)	-	(19,647)	-
Development and community affairs	(61,626)	861	52,744	3	(8,018)	-	(8,018)	-
Human services	(29,697)	3,953	23,275	-	(2,469)	-	(2,469)	-
Education	(544,398)	2,241	375,369	11,497	(155,291)	-	(155,291)	-
Recreation and culture	(10,064)	139	1,952	-	(7,973)	-	(7,973)	-
Interest on long-term debt	(20,665)	-	-	-	(20,665)	-	(20,665)	-
<b>Total governmental activities</b>	<b>(893,667)</b>	<b>27,880</b>	<b>482,748</b>	<b>18,553</b>	<b>(364,486)</b>	<b>-</b>	<b>(364,486)</b>	<b>-</b>
Business-type activities:								
Hartford Parking Facilities	(8,640)	4,932	-	-	-	(3,708)	(3,708)	-
Golf Course	(200)	758	-	-	-	558	558	-
<b>Total business-type activities</b>	<b>(8,840)</b>	<b>5,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,150)</b>	<b>(3,150)</b>	<b>-</b>
Total primary government	\$ (902,507)	\$ 33,570	\$ 482,748	\$ 18,553	(364,486)	(3,150)	(367,636)	-
Component Units:								
Hartford Parking Authority	\$ (8,793)	\$ 8,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General revenues:								
Property taxes					267,234	-	267,234	-
Grants and contributions not restricted to specific programs					55,364	-	55,364	-
Unrestricted investment earnings					5,512	3	5,515	-
Miscellaneous					498	-	498	-
Transfers					5,010	(5,010)	-	-
Total general revenues and transfers					333,618	(5,007)	328,611	-
Change in net position					(30,868)	(8,157)	(39,025)	-
Net Position - beginning					1,115,711	35,709	1,151,420	-
Net Position - ending					\$ 1,084,843	\$ 27,552	\$ 1,112,395	\$ -

See Notes to Financial Statements.

**Balance Sheet - Governmental Funds**  
**June 30, 2014**  
(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 57,279	\$ 19,885	\$ 798	\$ 579	\$ 20,668	\$ 15,981	\$ 115,190
Restricted cash	-	-	-	13,888	-	-	13,888
Investments	-	-	-	-	-	28,509	28,509
Restricted investments	-	-	-	102,259	-	-	102,259
Receivables, net	82,264	35,916	31,397	-	6,958	15,517	172,052
Due from other funds	4,387	1,036	-	-	-	-	5,423
Inventories and other assets	-	-	-	-	-	354	354
<b>Total assets</b>	<b>\$ 143,930</b>	<b>\$ 56,837</b>	<b>\$ 32,195</b>	<b>\$ 116,726</b>	<b>\$ 27,626</b>	<b>\$ 60,361</b>	<b>\$ 437,675</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	49,323	21,815	5	-	15,220	13,918	100,281
Due to other funds	-	830	-	-	-	1,001	1,831
Unearned revenue	-	670	-	-	3,775	9,065	13,510
<b>Total liabilities</b>	<b>49,323</b>	<b>23,315</b>	<b>5</b>	<b>-</b>	<b>18,995</b>	<b>23,984</b>	<b>115,622</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	77,726	26,235	31,380	-	546	4,120	140,007
<b>Total deferred inflows of resources</b>	<b>77,726</b>	<b>26,235</b>	<b>31,380</b>	<b>-</b>	<b>546</b>	<b>4,120</b>	<b>140,007</b>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	8,712	8,712
Restricted	-	7,287	810	116,147	4,887	30,267	159,398
Committed	-	-	-	579	-	1,773	2,352
Assigned	3,859	-	-	-	3,198	-	7,057
Unassigned (deficits)	13,022	-	-	-	-	(8,495)	4,527
<b>Total fund balances (deficits)</b>	<b>16,881</b>	<b>7,287</b>	<b>810</b>	<b>116,726</b>	<b>8,085</b>	<b>32,257</b>	<b>182,046</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 143,930</b>	<b>\$ 56,837</b>	<b>\$ 32,195</b>	<b>\$ 116,726</b>	<b>\$ 27,626</b>	<b>\$ 60,361</b>	<b>\$ 437,675</b>

**Reconciliation of Fund Balance to Net Position of Governmental Activities**  
**June 30, 2014**  
(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$	182,046
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	2,133,731
Less accumulated depreciation		<u>(705,952)</u>
Net capital assets		1,427,779
Assets not available to pay for current-period expenditures and, therefore, are recorded as unavailable revenue in the funds:		
Property tax receivables		49,952
Interest receivable on property taxes		17,154
Receivable from the State for school construction projects		7,424
Housing loans		31,380
Other receivables		34,097
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 position.		
		23,268
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		(511,100)
Interest payable on bonds and notes		(6,535)
Compensated absences		(36,036)
HUD loans		(7,610)
Capital leases		(7,879)
Clean Water Fund serial note		(1,322)
Net OPEB obligation		(72,892)
Net pension obligation		(3,843)
Claims and judgments		(2,600)
Bond premium		(38,887)
Deferred charges on refunding		<u>447</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$</u>	<u>1,084,843</u>

See Notes to Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2014  
(In Thousands)**

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 256,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,765
Licenses, permits, and other charges	6,555	-	-	-	-	-	6,555
Intergovernmental revenues	286,236	18,229	-	-	115,422	119,533	539,420
Charges for services	3,589	-	-	-	-	14,238	17,827
Use of property	3,227	-	-	-	-	-	3,227
Investment income	489	-	159	-	-	4,864	5,512
Miscellaneous	498	169	982	-	11,690	1,954	15,293
<b>Total revenues</b>	<b>557,359</b>	<b>18,398</b>	<b>1,141</b>	<b>-</b>	<b>127,112</b>	<b>140,589</b>	<b>844,599</b>
<b>Expenditures</b>							
Current:							
General government	19,384	-	-	-	-	8,462	27,846
Public safety	74,778	-	-	-	-	21,917	96,695
Public works	13,761	(1,560)	-	-	-	128	12,329
Development and community affairs	4,739	-	2,406	-	-	53,010	60,155
Human services	4,441	-	-	-	-	24,128	28,569
Education	321,535	-	-	-	131,614	17,296	470,445
Recreation and culture	7,863	-	-	-	-	2,264	10,127
Benefits and insurance	86,898	-	-	-	-	-	86,898
Other	21,019	-	-	-	-	-	21,019
Capital outlay	-	71,730	-	-	-	4,549	76,279
Debt service	-	1,480	-	46,851	-	5,987	54,318
<b>Total expenditures</b>	<b>554,418</b>	<b>71,650</b>	<b>2,406</b>	<b>46,851</b>	<b>131,614</b>	<b>137,741</b>	<b>944,680</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,941</b>	<b>(53,252)</b>	<b>(1,265)</b>	<b>(46,851)</b>	<b>(4,502)</b>	<b>2,848</b>	<b>(100,081)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	10,430	-	-	25,360	2,074	1,108	38,972
Transfers out	(26,868)	-	-	-	-	(7,094)	(33,962)
Lease proceeds	-	-	-	-	-	2,758	2,758
Issuance of bonds	-	10,250	-	-	-	-	10,250
Issuance of bond anticipation notes	-	56,000	-	-	-	-	56,000
<b>Total other financing sources (uses)</b>	<b>(16,438)</b>	<b>66,250</b>	<b>-</b>	<b>25,360</b>	<b>2,074</b>	<b>(3,228)</b>	<b>74,018</b>
<b>Net change in fund balances</b>	<b>(13,497)</b>	<b>12,998</b>	<b>(1,265)</b>	<b>(21,491)</b>	<b>(2,428)</b>	<b>(380)</b>	<b>(26,063)</b>
<b>Fund Balances, beginning of year</b>	<b>30,378</b>	<b>(5,711)</b>	<b>2,075</b>	<b>138,217</b>	<b>10,513</b>	<b>32,637</b>	<b>208,109</b>
<b>Fund Balances, end of year</b>	<b>\$ 16,881</b>	<b>\$ 7,287</b>	<b>\$ 810</b>	<b>\$ 116,726</b>	<b>\$ 8,085</b>	<b>\$ 32,257</b>	<b>\$ 182,046</b>

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2014  
(In Thousands)**

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (26,063)
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	73,293
Loss on disposal	(427)
Depreciation expense	(45,817)
Changes in some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
School building grant	(1,785)
Property tax receivable	7,737
Property tax interest and lien revenue	2,732
Housing loans	637
Intergovernmental revenue on school bonds and other	3,870
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 position. Also, governmental funds report the effect of 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	24,835
Issuance of bonds	(66,250)
Lease proceeds	(4,780)
Accrued interest on bonds - accrual basis change	136
HUD loan principal payments	4,658
CWF serial note	90
Capital lease payments	1,082
Amortization of deferred charge on refunding	(183)
Amortization of bond premium	2,457
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	(362)
Change in pension and other postemployment benefit liabilities	(8,382)
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	<u>1,654</u>
Change in Net Position of Governmental Activities (Exhibit II)	<u><u>\$ (30,868)</u></u>

See Notes to Financial Statements.

**Statement of Net Position - Proprietary Funds**  
**June 30, 2014**  
(In Thousands)

	Business-Type Activities			Governmental
	Hartford Parking Facilities	Golf Course	Total	Internal Service Funds
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 2,383	\$ 303	\$ 2,686	\$ 52,177
Receivables, net	-	8	8	397
Due from component unit	2,096	-	2,096	-
<b>Total current assets</b>	<b>4,479</b>	<b>311</b>	<b>4,790</b>	<b>52,574</b>
Capital Assets, Net	30,815	682	31,497	-
<b>Total assets</b>	<b>35,294</b>	<b>993</b>	<b>36,287</b>	<b>52,574</b>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable and other payables	377	35	412	2,447
Due to other funds	3,558	-	3,558	-
Risk management claims	-	-	-	17,659
Bonds payable	795	-	795	-
<b>Total current liabilities</b>	<b>4,730</b>	<b>35</b>	<b>4,765</b>	<b>20,106</b>
Noncurrent Liabilities				
Risk management claims	-	-	-	9,200
Bonds payable	3,970	-	3,970	-
<b>Total noncurrent liabilities</b>	<b>3,970</b>	<b>-</b>	<b>3,970</b>	<b>9,200</b>
<b>Total liabilities</b>	<b>8,700</b>	<b>35</b>	<b>8,735</b>	<b>29,306</b>
<b>Net Position</b>				
Net investment in capital assets	26,050	682	26,732	-
Unrestricted	544	276	820	23,268
<b>Total net position</b>	<b>\$ 26,594</b>	<b>\$ 958</b>	<b>\$ 27,552</b>	<b>\$ 23,268</b>

See Notes to Financial Statements.

**Statement of Revenues, Expenses and Changes in  
Net Position - Proprietary Funds  
For the Year Ended June 30, 2014  
(In Thousands)**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Hartford Parking Facilities</b>	<b>Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ 81,122
Employee and pensioners charges for insurance	-	-	-	24,827
Hartford Parking Authority fees	3,973	-	3,973	-
Golf Course fees	-	758	758	-
Other	959	-	959	2,398
<b>Total operating revenues</b>	<b>4,932</b>	<b>758</b>	<b>5,690</b>	<b>108,347</b>
<b>Operating Expenses</b>				
Administrative	769	144	913	8,545
Operations	-	40	40	4,253
Insurance benefits and claims	-	-	-	93,895
Depreciation and amortization	1,255	16	1,271	-
<b>Total operating expenses</b>	<b>2,024</b>	<b>200</b>	<b>2,224</b>	<b>106,693</b>
<b>Operating income</b>	<b>2,908</b>	<b>558</b>	<b>3,466</b>	<b>1,654</b>
<b>Nonoperating Income (Expense)</b>				
Interest earnings	3	-	3	-
Interest expense	(3,962)	-	(3,962)	-
Loss on sale of capital assets	(2,654)	-	(2,654)	-
<b>Total nonoperating income (expense)</b>	<b>(6,613)</b>	<b>-</b>	<b>(3,959)</b>	<b>-</b>
<b>Net income (loss) before transfers</b>	<b>(3,705)</b>	<b>558</b>	<b>(3,147)</b>	<b>1,654</b>
Transfers in	-	400	400	-
Transfers out	(5,410)	-	(5,410)	-
<b>Change in net position</b>	<b>(9,115)</b>	<b>958</b>	<b>(8,157)</b>	<b>1,654</b>
<b>Fund Net Position, beginning</b>	<b>35,709</b>	<b>-</b>	<b>35,709</b>	<b>21,614</b>
<b>Fund Net Position, ending</b>	<b>\$ 26,594</b>	<b>\$ 958</b>	<b>\$ 27,552</b>	<b>\$ 23,268</b>

See Notes to Financial Statements.



**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2014**  
(In Thousands)

	Business-Type Activities			Governmental
	Hartford Parking Facilities	Golf Course	Total	Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
City's contribution	\$ -	\$ -	\$ -	\$ 81,379
Cash paid by participants	-	-	-	27,222
Cash received from Hartford Parking Authority	4,639	-	4,639	-
Cash from customers and users	-	750	750	-
Cash paid for salaries and benefits	-	(40)	(40)	(5,717)
Cash paid to suppliers	-	(109)	(109)	-
Cash paid for claims	-	-	-	(99,846)
Cash paid to other funds	(2,193)	-	(2,193)	-
<b>Net cash provided by operating activities</b>	<b>2,446</b>	<b>601</b>	<b>3,047</b>	<b>3,038</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of capital assets	(173)	(698)	(871)	-
Transfer (to) from General Fund	(5,410)	400	(5,010)	-
Proceeds on the sale of capital assets	25,889	-	25,889	-
Principal paid on bonds	(20,365)	-	(20,365)	-
Interest paid on bonds	(2,708)	-	(2,708)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(2,767)</b>	<b>(298)</b>	<b>(3,065)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>				
Income on investments	3	-	3	-
<b>Net cash provided by investing activities</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(318)</b>	<b>303</b>	<b>(15)</b>	<b>3,038</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,701</b>	<b>-</b>	<b>2,701</b>	<b>49,139</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 2,383</b>	<b>\$ 303</b>	<b>\$ 2,686</b>	<b>\$ 52,177</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating income	\$ 2,908	\$ 558	\$ 3,466	\$ 1,654
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,255	16	1,271	-
Loss on disposal of assets	(2,654)	-	(2,654)	-
(Increase) in other receivables	-	(8)	(8)	254
Increase (decrease) in accounts payable and accrued liabilities	373	35	408	293
Increase in due to other funds	2,598	-	2,598	-
Decrease in insurance claims payable	-	-	-	837
Increase in due from component unit	(2,034)	-	(2,034)	-
<b>Net cash provided by operating activities</b>	<b>\$ 2,446</b>	<b>\$ 601</b>	<b>\$ 3,047</b>	<b>\$ 3,038</b>
<b>Supplemental Disclosure for Cash Flow Information</b>				
Noncash capital and related financing activities:				
Write off of bond issuance costs	\$ 1,066	\$ -	\$ -	\$ -

See Notes to Financial Statements.

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2014**  
(In Thousands)

	<b>Pension Trust Funds</b>	<b>School Agency Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 56,845	\$ 993
Investments:		
U.S. Government Agencies	48,715	-
U.S. Treasury	76,902	-
Corporate Bonds	85,360	-
Foreign Bonds	19,530	-
Common Trusts	108,058	-
Alternative Investments	228,655	-
Common stock	443,978	-
<b>Total investments</b>	<b>1,011,198</b>	<b>-</b>
Accrued investment earnings	5,783	-
<b>Total assets</b>	<b>1,073,826</b>	<b>993</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	353	-
Net settlement due on investments purchased/sold	10,922	-
Due to student groups and other	-	993
<b>Total liabilities</b>	<b>11,275</b>	<b>993</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 1,062,551</b>	<b>\$ -</b>

See Notes to Financial Statements.

**Statement of Changes in Plan Net Position -  
Fiduciary Funds - Pension Trust Funds  
For the Year Ended June 30, 2014  
(In Thousands)**

<b>Additions</b>	
Contributions:	
Employer	\$ 42,710
Plan members	12,139
Other	1,274
<b>Total contributions</b>	<u>56,123</u>
Investment Income:	
Net appreciation in fair value of investments	120,608
Interest and dividends	16,462
<b>Total investment income</b>	<u>137,070</u>
Less investment expense	5,045
<b>Net investment income</b>	<u>132,025</u>
<b>Deductions</b>	
Benefits	94,458
Administration	2,232
Other	145
<b>Total deductions</b>	<u>96,835</u>
<b>Increase in net position</b>	91,313
<b>Net Position Held in Trust for Pension Benefits</b>	
Beginning of year	<u>971,238</u>
End of year	<u>\$ 1,062,551</u>

See Notes to Financial Statements.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### 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.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification 2100 have been considered, as a result, the component unit discussed below is included in the City's reporting entity because of its operational significance or financial relationship with the City.

Discretely Presented Component Unit: Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. They are financially accountable to the City, or have relationships with the City such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For each discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the City as a result of the existence of the component unit. For the discretely presented component units included in the City's financial statements, the City, generally acting through the Mayor, appoints a voting majority of the component units' governing boards.

***The Hartford Parking Authority (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 Authority is reported as a component unit as the Mayor appoints and the City Council approves its governing board of 5 members.

#### Accounting Standards Adopted in the Current Year:

*GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, was implemented as July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refundings were required to be reclassified to Deferred Outflows of Resources. In addition, amounts previously classified as deferred revenue were reclassified as deferred inflows of resources.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

*GASB Statement No. 67, Financial Reporting for Pension Plans* an amendment of *GASB Statement No. 25*, issued in June 2012, was effective for the City as of July 1, 2013 as the plans are part of the City's financial statements. This Statement replaces the requirements of *Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and *Statement No. 50, Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The implementation of this statement had a material impact on the City's financial statements due to the significant new disclosures.

*GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees*, became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the City's financial statements.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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* - accounts for specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service of capital projects.

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

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

*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 90 days). A 180 day 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).

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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 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 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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 and 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.

Restricted Cash and Investments: Certain assets are classified as restricted because their use is limited. Restricted asset cash and investments are to be used for construction purposes and the repayment of the 2013 Refunded Bonds.

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

The pension fund allows 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 that represents the net asset value of these funds. 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 (STIF) and the State Tax Exempt Proceeds Fund (TEPF) are investment pools 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.

Due to/from Other Funds: 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".



## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Receivables: All trade and property tax receivables, including those for component units, are reported net of an allowance for uncollectibles. The property tax receivable allowance of \$8.2 million is equal to approximately 14.5% of outstanding property taxes at June 30, 2014.

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, Lead Abatement Program, Façade Program, Anti-Blight Program and the Housing Preservation Loan Program. In addition, the City has two outstanding loans under the HUD Section 108 Program. The City develops an allowance for uncollectible amounts on a loan-by-loan basis.

All other receivables, including intergovernmental receivables, are reported net of an allowance for uncollectibles.

Allowances for Doubtful Accounts: Accounts including property taxes 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 and proprietary fund 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 is capitalized in accordance with related guidance on enterprise and business-type capital assets.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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 fund 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 position. Bond premiums and discounts 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. Bond issuance costs are expensed.

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.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Fund Equity and Net Position: In the government-wide and proprietary fund financial statements, net position are classified in the following categories:

*Net Investment in Capital Assets* – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted Net Position* – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

*Unrestricted Net Position or (Deficit)* – This category represents the net position of the City, not included in the other two categories, which are not restricted. A deficit will require future funding.

In the fund financial statements, the City reported the following governmental fund balance categories:

- *Nonspendable Fund Balance* – These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- *Committed Fund Balance* – This represents amounts constrained prior to year-end for a specific purpose by the City using its highest level of decision-making authority (City of Hartford Court of Common Council). Amounts remain committed until action, in the form of a Resolution, is taken by the Court of Common Council to remove or revise the limitations.
- *Assigned Fund Balance* – For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Court of Common Council and finance department, which have been delegated to assign amounts by the City Charter.
- *Unassigned Fund Balance* – includes residual positive fund balance within the General Fund which has not been classified within the other abovementioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

##### Pension Accounting:

*Pension Trust Funds:* Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

*Governmental Funds and Governmental Activities:* 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, 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 is recorded as a noncurrent liability in the government-wide financial statements.

*Funding Policy:* The City makes annual contributions based on the Common Council's decisions using actuaries' recommendation. The net pension obligation is paid from the General Fund.

##### Other Post Employment Obligations (OPEB) Accounting:

*Governmental Funds and Governmental Activities:* 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 OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

*Funding Policy:* The City makes annual contributions based on the Common Council's decisions using the actuaries' recommendation. The post employment benefits are paid from the City's internal service funds.

#### **Note 2. 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."

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### **Note 2. Cash, Cash Equivalents and Investments**

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's MERF Plan has additional commitments to invest in certain alternative investments of approximately \$48.8 million at June 30, 2014.

#### 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, 2014, \$209.7 of the City's bank balance of \$235.6 was uninsured and uncollateralized.

##### Hartford Parking Authority

#### Deposits:

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, 2014, \$1,823 of the Authority's bank balance of \$2,526 was uninsured and uncollateralized.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 2. Cash, Cash Equivalents and Investments (Continued)**

Cash and investments of the City consist of the following at June 30, 2014:

**Cash and Cash Equivalents**

Deposits with financial institutions	\$	225,989	
State of Connecticut Short-Term Investment fund		18,452	
<b>Total cash and cash equivalents</b>		<u>244,441</u>	

**Investments**

Debt Service Fund:

U.S. Government Agencies		101,094	*
U.S. Treasury		1,165	*
<b>Total debt service fund</b>		<u>102,259</u>	

Non-Major Funds:

U.S. Government Agencies		264	*
U.S. Treasury		140	*
Corporate Bonds		1,414	*
Common Stock		2,624	*
Mutual Funds		1,458	
Common Trusts		22,608	
<b>Total non-major funds</b>		<u>28,508</u>	

Pension Trust Funds:

U.S. Government Agencies		48,715	*
U.S. Treasury		76,902	*
Corporate Bonds		85,360	*
Foreign Bonds		19,530	*
Common Trusts		108,058	
Alternative Investments		228,655	
Common stock		443,978	*
<b>Total pension trust funds</b>		<u>1,011,198</u>	

**Total investments**

1,141,965

**Total cash, cash equivalents and investments**

\$ 1,386,406

\*These investments are uninsured and registered, with securities held by the counterparty, in the City's or the pension trust's name.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

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

**Statement of Net Position**

Cash and cash equivalents	\$ 152,830
Restricted cash	33,773
Investments	28,508
Restricted investments	102,259
<b>Total statement of net position</b>	<b>317,370</b>

**Fiduciary Funds:**

Cash and cash equivalents	57,838
Investments	1,011,198
	<u>1,069,036</u>
<b>Total cash, cash equivalents and investments</b>	<b>\$ 1,386,406</b>

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 MERF 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 as of June 30, 2014, is as follows:

	<u>Currency</u>	<u>Fair Value</u>
Fixed Income Securities:	Australian Dollar	\$ 3,332
	Euro Currency Unit	3,328
	Swedish Krona	3,139
	Polish Zloty	2,650
	Mexican Peso	2,385
	Other foreign currencies	4,696
Equities:	Japanese Yen	12,032
	Euro Currency Unit	9,680
	British Pound Sterling	2,103
	Swiss Franc	1,617
	South Korean Won	1,563
	Singapore Dollar	1,462
	Canadian Dollar	1,266
	Other foreign currencies	3,196

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

#### Note 2. Cash, Cash Equivalents and Investments (Continued)

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

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
Foreign Bonds	\$ 19,530	\$ 1,858	\$ 7,811	\$ 5,262	\$ 4,599
U.S. Government Agencies	150,073	-	111,736	11,016	27,321
U.S. Treasury	78,207	1,182	25,010	19,444	32,571
Corporate Bonds	86,774	839	22,501	30,302	33,132
Common Trusts	130,666	16,405	35,358	40,948	37,955
Pooled Fixed Income	18,452	18,452	-	-	-
<b>Total</b>	<b>\$ 483,702</b>	<b>\$ 38,736</b>	<b>\$ 202,416</b>	<b>\$ 106,972</b>	<b>\$ 135,578</b>

**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 Poor's.

Actual Rating	Foreign Bonds	U.S. Gov't Agencies	Common Trusts	Corporate Bonds	Pooled Fixed Income
AAA	\$ 1,245	\$ 1,763	\$ 35,652	\$ 2,505	\$ -
AAAm	-	-	-	-	18,452
AA+	-	73,263	-	5,532	-
AA	-	46,443	2,981	1,305	-
AA-	669	1,988	459	954	-
A+	712	1,988	630	1,865	-
A	5,387	1,386	3,948	7,799	-
A-	525	1,521	1,458	7,416	-
BBB+	625	1,049	5,822	8,772	-
BBB	-	2,398	8,876	8,837	-
BBB-	-	2,966	13,306	6,386	-
BB+	-	2,575	7,034	2,369	-
BB	-	1,723	7,336	5,219	-
BB-	-	2,050	4,627	6,242	-
B+	-	1,046	4,981	5,051	-
B	-	1,086	1,088	5,814	-
B-	-	2,444	7,812	3,038	-
CCC+	-	1,838	1,903	2,585	-
CCC	-	-	1,172	617	-
CCC-	-	-	1,226	-	-
D	-	-	28	418	-
Unrated	10,367	2,546	20,327	4,050	-
	<b>\$ 19,530</b>	<b>\$ 150,073</b>	<b>\$ 130,666</b>	<b>\$ 86,774</b>	<b>\$ 18,452</b>



## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 2. Cash, Cash Equivalents and Investments (Continued)

Concentration of Credit Risk: The City's investment policy does not allow for an investment in securities that are not readily marketable in any one issuer that is in excess of five percent of the City's total portfolio. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. 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.

The Pension Plan does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2014:

Prudential Institutional Emerging Market	\$ 70,701
MSCI All Country World	63,761
Walter Scott & Partners	58,064
Eaton Vance	55,716

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 registered securities held by a counterparty, or by its trust department or agent that are in the City's or Pension Plan'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.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 3. 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
<b>Receivables</b>							
Taxes	\$ 56,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,888
Accrued interest on taxes	22,872	-	-	-	-	-	22,872
Intergovernmental	7,424	41,506	-	7,040	4,157	-	60,127
Accounts	15,416	-	-	-	8,615	397	24,428
Housing loans	-	-	65,468	-	-	-	65,468
Section 108-business loans	-	-	-	-	7,610	-	7,610
Gross receivables	<u>102,600</u>	<u>41,506</u>	<u>65,468</u>	<u>7,040</u>	<u>20,382</u>	<u>397</u>	<u>237,393</u>
Less:							
Allowance for uncollectibles:							
Taxes	(8,224)	-	-	-	-	-	(8,224)
Accrued interest on taxes	(5,718)	-	-	-	-	-	(5,718)
Accounts	(6,394)	(5,590)	-	(82)	(1,865)	-	(13,931)
Housing loans	-	-	(34,071)	-	-	-	(34,071)
Section 108-business loans	-	-	-	-	(3,000)	-	(3,000)
Total allowance	<u>(20,336)</u>	<u>(5,590)</u>	<u>(34,071)</u>	<u>(82)</u>	<u>(4,865)</u>	<u>-</u>	<u>(64,944)</u>
Net total receivables	<u>\$ 82,264</u>	<u>\$ 35,916</u>	<u>\$ 31,397</u>	<u>\$ 6,958</u>	<u>\$ 15,517</u>	<u>\$ 397</u>	<u>\$ 172,449</u>

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 4. Deferred Inflows of Resources/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 inflows of resources were as follows:

Primary Government	Deferred Inflows	Unearned	Total
<b>General Fund:</b>			
Delinquent property taxes	\$ 49,952	\$ -	\$ 49,952
Accrued interest on delinquent property taxes	17,154	-	17,154
School building construction grant receivables	7,424	-	7,424
Other receivables	3,196	-	3,196
<b>Capital Improvement Fund:</b>			
Intergovernmental grants receivable	26,235	670	26,905
<b>Community Development Loan and Grant:</b>			
Housing loans and interest	31,380	-	31,380
<b>Educational Grants:</b>			
Grant drawdowns prior to meeting all eligibility requirements	546	3,775	4,321
<b>Nonmajor and other funds:</b>			
Grant drawdowns prior to meeting all eligibility requirements and other	4,120	9,065	13,185
Total deferred inflows/unearned revenue for governmental funds, and/or governmental activities	\$ 140,007	\$ 13,510	\$ 153,517

**Note 5. Interfund Receivables, Payables and Transfers**

A summary of interfund balances as of June 30, 2014, is presented below:

	Due From Other Funds	Due To Other Funds
Capital Improvement	\$ 1,036	\$ 830
General Fund	4,353	-
Parking Facilities		3,558
Nonmajor Governmental Funds	-	1,001
	\$ 5,389	\$ 5,389

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All of the balance is scheduled to be collected in the subsequent year.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 5. Interfund Receivables, Payables and Transfers (Continued)**

A summary of interfund transfers is presented below:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 10,430	\$ 26,868
Debt Service Fund	25,360	-
Educational Grants	2,074	-
Nonmajor and Other Funds	1,508	7,094
Hartford Parking Facilities	-	5,410
Total	<u>\$ 39,372</u>	<u>\$ 39,372</u>

Transfers from the General Fund to the Debt Service Fund represent the City's payment toward debt service on bonds outstanding. Transfers from the Hartford Parking Facilities enterprise fund to the General Fund represents a portion of net activity derived from the City's parking facilities, as well as the sale of assets. 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 Nonmajor Governmental Funds to the Educational Grants Fund represent monies collected on behalf of the Educational Grants Fund.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 63,535	\$ -	\$ -	\$ (152)	\$ 63,383
Construction in progress	175,957	50,201	-	(13,350)	212,808
Total capital assets, not being depreciated	239,492	50,201	-	(13,502)	276,191
Capital assets, being depreciated:					
Land improvements	27,677	608	-	668	28,953
Buildings	1,212,182	5,398	-	9,113	1,226,693
Other structures	32,114	9	-	372	32,495
Furniture and equipment	39,784	8,989	(633)	-	48,140
Rolling equipment	44,191	5,988	(1,602)	-	48,577
Infrastructure	467,928	2,100	-	2,654	472,682
Total capital assets being depreciated	1,823,876	23,092	(2,235)	12,807	1,857,540
Less accumulated depreciation for					
Land improvements	(18,219)	(917)	-	-	(19,136)
Buildings	(312,363)	(27,346)	-	320	(339,389)
Other structures	(14,880)	(711)	-	-	(15,591)
Furniture and equipment	(37,139)	(6,391)	608	-	(42,922)
Rolling equipment	(30,847)	(3,517)	1,575	-	(32,789)
Infrastructure	(249,190)	(6,935)	-	-	(256,125)
Total accumulated depreciation	(662,638)	(45,817)	2,183	320	(705,952)
Total capital assets, being depreciated, net	1,161,238	(22,725)	(52)	13,127	1,151,588
Governmental activities capital assets, net	\$ 1,400,730	\$ 27,476	\$ (52)	\$ (375)	\$ 1,427,779

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 6. Capital Assets (Continued)**

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 8,428	\$ 173	\$ -	\$ 152	\$ 8,753
Total capital assets, not being depreciated	8,428	173	-	152	\$ 8,753
Capital assets, being depreciated:					
Land improvements	29	-	-	-	29
Buildings and improvements	-	-	-	543	543
Parking garages	69,995	-	(35,709)	-	34,286
Other structures	3,202	-	-	-	3,202
Furniture, fixtures and equipment	272	322	-	-	594
Total capital assets, being depreciated	73,498	322	(35,709)	543	38,654
Less accumulated depreciation for:					
Land improvements	(12)	(1)	-	-	(13)
Buildings and improvements	-	(14)	-	(320)	(334)
Parking garages	(22,354)	(967)	9,821	-	(13,500)
Other structures	(1,502)	(287)	-	-	(1,789)
Furniture, fixtures and equipment	(272)	(2)	-	-	(274)
Total accumulated depreciation	(24,140)	(1,271)	9,821	(320)	(15,910)
Total capital assets, being depreciated, net	49,358	(949)	(25,888)	223	22,744
Business-type activities capital assets, net	\$ 57,786	\$ (776)	\$ (25,888)	\$ 375	\$ 31,497

The City sold the Morgan Street Garage, with a net book value of \$25,888 on August 23, 2013. The garage was sold for \$23,233, which resulted in a loss of \$2,655 to the City. The proceeds of the sale were used to pay off the related debt of \$20,365. See Note 8 for more information.

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

<b>Governmental Activities:</b>	
General government	\$ 6,945
Public safety	3,959
Public works	21,008
Development and community affairs	306
Education	13,333
Recreation and culture	266
Total depreciation expense – governmental activities	<u>\$ 45,817</u>
<b>Business-type activities:</b>	
Hartford Parking Facilities	<u>\$ 1,271</u>

**Construction Commitments:** The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2014. 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 had outstanding commitments of approximately \$40.0 million.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 7. Leases**

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

The total rental income from operating leases during 2014 amounted to \$3.2 million. The cost of the buildings and land associated with these rental income amounts is estimated at \$93.9 million with a carrying value of \$54.8 million. Depreciation expense related to these properties was \$1.9 million during the year.

Lease Agreements as Lessee: 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.

2015 - 2017	\$ 1,115
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In addition to the base rent of \$1,115, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2014, base rent and additional rent amounted to \$1.5.

The City also has various other lease agreements. The table below represents all other future lease obligations:

2015	\$ 4,094
2016	1,664
2017	1,338

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 8. Long-Term Liabilities**

Governmental Activities:

Changes in Long-Term Liabilities: Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 469,685	\$ 10,250	\$ (24,835)	\$ 455,100	\$ 24,785
Bond anticipation notes	-	56,000	-	56,000	-
Premium on bonds	41,344	-	(2,457)	38,887	-
<b>Total bonds payable</b>	<b>511,029</b>	<b>66,250</b>	<b>(27,292)</b>	<b>549,987</b>	<b>24,785</b>
Other long-term liabilities:					
Compensated absences	35,674	8,127	(7,765)	36,036	7,765
HUD Section 108 loans	12,268	-	(4,658)	7,610	190
Capital leases	4,181	4,780	(1,082)	7,879	1,720
CWF Serial Note	1,412	-	(90)	1,322	90
Net OPEB obligation	64,398	8,494	-	72,892	-
Net pension obligation	3,955	-	(112)	3,843	-
Claim and judgments	2,600	-	-	2,600	-
Risk management claims	26,022	94,732	(93,895)	26,859	15,000
<b>Total other long-term liabilities</b>	<b>150,510</b>	<b>116,133</b>	<b>(107,602)</b>	<b>159,041</b>	<b>24,765</b>
<b>Total governmental activities long-term liabilities</b>	<b>\$ 661,539</b>	<b>\$ 182,383</b>	<b>\$ (134,894)</b>	<b>\$ 709,028</b>	<b>\$ 49,550</b>

2013 General Obligation Refunding Bonds: On April 11, 2013, the City issued \$124,605 of general obligation refunding bonds with interest rates ranging from 2.5% to 5.0%. Of the net proceeds of \$140,177 (after payment of \$956 in underwriters fees and other costs), \$139,221 was placed in an irrevocable trust fund under an Escrow Agreement dated April 11, 2013 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") and other Government Agencies. This transaction qualifies as a statutory defeasance of debt, however, it does not meet the generally accepted accounting principal definition of an in-substance defeasement due to the portfolio consisting of mostly Government Agency Securities. As such, the general obligation bonds remain in long-term debt. The bonds were issued with the intent to refund several issuances ranging from 2004-2012. The balance in the escrow fund was approximately \$116,147 at June 30, 2014 and is restricted as it is to be used to pay down the bonds.



**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 8. Long-Term Liabilities (Continued)**

**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 issues:

Date of Issue	Interest Rate (%)	Original Amounts	Maturity Dates	Annual Payment	Balance June 30, 2014
March 2003	4.25-5.25	\$ 30,225	2016	\$1,250-2,340	\$ 5,795
June 2005	4.50-5.00	29,510	2020	1,050-3,600	18,455
June 2005	3.00-5.00	32,300	2024	1,700	18,700
June 2006	4.00-5.00	70,000	2025	3,685	44,220
June 2007	4.00-5.25	70,000	2026	3,680-3,685	47,890
February 2009	2.50-5.00	40,225	2022	2,115-2,120	31,745
September 2009	2.00-5.00	12,150	2018	1,325-1,435	6,625
April 2010	2.00-4.30	14,000	2029	735-740	11,780
April 2011	3.00-5.25	25,000	2024	1300-1325	22,400
April 2012	2.00-5.00	50,000	2032	2,500	45,000
April 2012	2.00-5.00	21,280	2023	100-1,895	19,475
April 2013	4.00-5.00	48,160	2033	1,800-3,825	48,160
March 2013	4.00-5.00	124,605	2032	4,960-10,420	124,605
March 2013	2.66	10,250	2024	1,020-1,265	10,250
					\$ 455,100

The annual requirements to amortize all bonded debt outstanding as of June 30, 2014, are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 24,785	\$ 20,881	\$ 45,666
2016	32,555	19,766	52,321
2017	31,865	18,299	50,164
2018	30,940	16,861	47,801
2019	29,810	15,430	45,240
2020-2024	140,730	57,664	198,394
2025-2029	109,390	26,866	136,256
2030-2034	55,025	5,404	60,429
			\$ 636,271

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 8. Long-Term Liabilities (Continued)**

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 \$85 and interest in the amount of \$29 was paid in the 2013-14 fiscal year. Future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 90	\$ 26	\$ 116
2016	92	24	116
2017	94	24	118
2018	96	20	116
2019	97	18	115
2020-2024	518	60	578
2025-2029	335	10	345
	<u>\$ 1,322</u>	<u>\$ 182</u>	<u>\$ 1,504</u>

The City's indebtedness (\$976.1 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	\$ 579,929	\$ 400,267	\$ 179,662
Schools	1,159,857	381,280	778,577
Sewer	966,548	194,512	772,036
Urban renewal	837,675	-	837,675
Pension deficit	773,238	-	773,238

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$2.1 billion).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued. School building grants totaling \$7.4 million are applicable to outstanding bond issues.

Total bonds authorized and unissued as of June 30, 2014, were:

Description	Authorized/ Unissued
General Purpose	\$ 111,080
Schools	279,732
Sewers	8,578
<b>Total</b>	<u><u>\$ 399,390</u></u>

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 8. Long-Term Liabilities (Continued)**

Housing and Urban Development (HUD) Section 108 Loans and Subsequent Event: The future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 190	\$ 210	\$ 400
2016	555	200	755
2017	565	187	752
2018	350	177	527
2019	350	171	521
2020-2024	1,750	738	2,488
2025-2029	1,750	490	2,240
2030-2034	2,100	94	2,194
	<u>\$ 7,610</u>	<u>\$ 2,267</u>	<u>\$ 9,877</u>

Capital Leases: The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2014 were \$1,082. The following is a summary of capital lease commitments as of June 30, 2014:

Year Ended June 30,	Amount
2015	\$ 1,720
2016	1,720
2017	1,720
2018	1,267
2019	814
Thereafter	<u>1,061</u>
Total lease payments	8,302
Less: amount representing interest	<u>(423)</u>
Present value of minimum lease payments	<u>\$ 7,879</u>

The City issues capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated book value of \$4,282 is less than the principal balance payable of \$7,879 million due to amounts held in escrow at June 30, 2014.

Compensated Absences: Employees can accumulate 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.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 8. Long-Term Liabilities (Continued)**

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

	<u>June 30, 2014</u>
Board of Education:	
Sick	\$ 14,703
Vacation	2,483
City:	
Sick	13,411
Vacation	<u>5,439</u>
<b>Total</b>	<b><u>\$ 36,036</u></b>

**Business-Type Activities:** Changes in Long-Term Liabilities: Long-term liabilities for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
General obligation bonds	\$ 25,130	\$ -	\$ (20,365)	\$ 4,765	\$ 795
<b>Total bonds payable</b>	<b><u>\$ 25,130</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (20,365)</u></b>	<b><u>\$ 4,765</u></b>	<b><u>\$ 795</u></b>

The annual requirements to amortize all general obligation bond debt outstanding as of June 30, 2014 are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 795	\$ 224	\$ 1,019
2016	865	182	1,047
2017	945	135	1,080
2018	1,030	144	1,174
2019	1,130	29	1,159
	<b><u>\$ 4,765</u></b>	<b><u>\$ 714</u></b>	<b><u>\$ 5,479</u></b>

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:

Garage - Refunding bonds issued 2005; final maturity August 1, 2018; interest at 3.0% to 5.5%	<b><u>\$ 4,765</u></b>
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## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 8. Long-Term Liabilities (Continued)

On August 23, 2013 the City sold the Morgan Street Garage to the State of Connecticut. With the proceeds of the sale the City defeased that portion of the Refunding Bonds of 2005 that were issued to construct the garage and the bonds issued subsequent to 2005 for capital improvements to the garage.

Bond Anticipation Notes: Bond Anticipation Notes activity was as follows:

Beginning balance, July 1, 2013	\$	64,650
Issuances		56,000
Retired/Matured		<u>(64,650)</u>
Ending balance, June 30, 2014	\$	<u>56,000</u>
Reported as:		
Long-term debt	\$	<u>56,000</u>

The entire \$56,000 bond anticipation notes outstanding at June 30, 2014 were paid off and permanently financed into General Obligation Bonds on October 16, 2014. See Note 16.

#### Note 9. Deficit Fund Equity

Nonmajor Funds		
Vehicle Equipment & Technology	2,347	
Miscellaneous Grants	2,599	
Health Grants	6	
Capital Lease	3,541	
Library Grants	2	
Internal Service Funds		
Workers' Compensation	13,295	
Liability and Property Damage	4,610	

The City anticipates financing the Vehicle Equipment and Technology and Capital Lease deficits through future operations and lease proceeds. The Internal Service Funds deficit will be covered through future charges for services from the General Fund, with the deficits being eliminated in the next five years. The capital improvement fund and grant fund deficits are a result of revenue recognition in accordance with the modified accrual basis of accounting and will be repaid with future grant revenues.

#### Note 10. Risk Management

The City has established a risk management program to account for and finance its uninsured risks of loss for employee benefits (including comprehensive life, hospital and major medical benefits), workers' compensation, and liability and property damage. Under this program, primary coverage is provided by the City up to a maximum of \$500,000 in health insurance claims for each individual per claim year, \$2 million per occurrence for workers' compensation claims for the City (\$1 million for the BOE and Library), \$500,000 per occurrence for auto and general liability claims, \$250,000 per occurrence for property damage claims, and \$250,000 per occurrence for public officials' claims. Each of these self-insurance programs was established by Council Ordinance and accounted for in an Internal Service Fund to account for and report on the City's total costs associated with risk management. The General Fund makes monthly payments to the Internal Service Fund based on amounts budgeted as necessary to meet all current and a portion of future claims and administrative expenses. In addition, the City Treasurer and Pension Commission are covered by fiduciary liability insurance.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 10. Risk Management (Continued)

Additionally, the City's insured general liability limit for fiscal year 2013-14 was \$17.0 million. The City purchases insurance for all legal liabilities in excess of a \$500,000 self-insured retention and public officials' liability in excess of a \$250,000 deductible. All City property is insured for fire and extended coverage with a \$100,000 deductible. Certain settled claims have exceeded the self-insured retention amounts for any year, but no claims have exceeded the commercial coverage in the past three years.

Workers' compensation salary continuation is initially paid from the employee's respective department budget after which Statutory Compensation payment is administered by The Travelers, the City's Workers' Compensation Third Party Administrator.

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, additional estimated losses on current claims, an amount to cover incurred but not reported claims and administrative expenses. The claims liability of \$26,859 million, reported in the fund at June 30, 2014, 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 2014 and 2013 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self-Insurance Fund:				
2012-2013	\$ 30,312	\$ 83,766	\$ 88,056	\$ 26,022
2013-2014	26,022	94,732	93,895	26,859

#### Note 11. Commitments and Contingencies

Contractual Commitments: On November 20, 2012, the City entered into a service agreement with the Connecticut Resources Recovery Authority (CRRA) for which there is an estimated service fee of \$2.1 million per year for five years 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 2017.

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 \$184.6 million or 28.7% 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 10). 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. The City has recorded \$2.6 million in the government-wide financial statements to cover probable claims.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 12. Other Postemployment Benefits

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Benefits are established and amended through negotiations between the City and the various unions representing City employees. The City pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts towards the cost of receiving benefits under the City's self-insured medical benefits program. 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 its 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 June 30, 2009 which remains pay-as-you-go with no amortization of prior service cost. The second group includes actives hired prior to July 1, 2009, 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 July 1, 2009, 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 the same discount rates as provide for by GASB.

The City has not implemented a trust fund, as of June 30, 2014, 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, 2013:

	Life <i>(not rounded)</i>	Medical <i>(not rounded)</i>
Active members	2,946	4,923
Retirees and spouses	2,858	1,742
<b>Total</b>	<b>5,804</b>	<b>6,665</b>

Postemployment retiree benefit payments for the year ended June 30, 2014, net of retiree and other contributions, amounted to \$11,650.

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.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 12. Other Postemployment Benefits (Continued)**

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)	\$ 19,991
Interest on net OPEB obligation	2,898
Adjustment for Net OPEB obligation	<u>(2,745)</u>
Annual OPEB cost	20,144
Contributions made	<u>(11,650)</u>
Increase in net OPEB obligation	8,494
Net OPEB obligation, beginning of year	<u>64,398</u>
Net OPEB obligation, end of year	<u><u>\$ 72,892</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2012, 2013 and 2014 is presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/12	\$ 18,641	\$ 10,728	57.6%	\$ 55,996
6/30/13	19,318	10,916	56.5%	64,398
6/30/14	20,144	11,650	57.8%	72,892

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, 2013
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Percent, Closed
Remaining Amortization Period:	Open 30 Year Period



**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 12. Other Postemployment Benefits (Continued)**

Actuarial Assumptions:

Discount Rate:	4.5% per annum
Projected salary increase:	3.0%
Inflation Rate:	3.5%
Drug and Medical Cost	
Trend Rate:	7.0% graded to 5.0% over 9 years
Administrative Fee Trend Rate:	4.0 %
Dental Trend Rate:	5.0%

The schedule of funding progress is as follows:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/13	\$ -	\$ 262,716	\$ 262,716	0.0%	\$ 356,877	73.6%

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.

**Note 13. Employee Retirement Systems and Pension Plans**

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

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

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

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

**City of Hartford Municipal Employees' Retirement Fund (City MERF) (GASB 27/50)**

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.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

The City MERF was established as part of the City Charter.

As of the actuarial valuation date, July 1, 2013, City MERF membership consisted of:

	<u>(not rounded)</u>
Retirees and beneficiaries currently receiving benefits	2,911
Terminated employees entitled to benefits but not yet receiving them	173
Active plan members	<u>2,324</u>
<b>Total</b>	<u><u>5,408</u></u>

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

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.

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 13. Employee Retirement Systems and Pension Plans (Continued)

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, 2013 valuation	\$	42,710
Interest on net pension obligation		316
Adjustment to annual required contribution		<u>(428)</u>
Annual pension cost		42,598
Contributions made		<u>42,710</u>
Decrease in net pension obligation		(112)
Net pension obligation, beginning of year		<u>3,955</u>
Net pension obligation, end of year	\$	<u><u>3,843</u></u>

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, 2013. The actuarial method and assumptions used in the July 1, 2013, valuation are presented below:

Valuation date	July 1, 2013
Actuarial Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Dollar Amount
Remaining Amortization Method	15 years – open period
Asset Valuation Method	Five-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

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

Trend Information:

<b>Schedule of Contributions</b>						
Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation		
06/30/12	\$ 27,515	\$ 27,600	100.31%	\$ 4,069		
06/30/13	34,224	34,338	100.33%	3,955		
06/30/14	42,598	42,710	100.26%	3,843		

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.

<b>Schedule of Funding Progress</b>							
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll	
07/01/13	\$ 963,269	\$ 1,288,961	\$ 325,692	74.7%	\$ 144,648	225.2%	

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 ninety-four 94 (not rounded) retirees covered by this plan as of the actuarial valuation dated July 1, 2013.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

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 \$837. The Plan did not have a net pension obligation as of June 30, 2014.

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:

<b>Schedule of Contributions</b>				
Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/12	\$ 1,097	\$ 1,097	100.00%	-
06/30/13	992	992	100.00%	-
06/30/14	837	837	100.00%	-

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

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
07/01/13	\$ -	\$ 6,137	\$ 6,137	0.0%	N/A	N/A

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.

**City of Hartford 415 (m) Fund**

Plan Description: This plan currently covers eleven (11) retirees and no active employees as of June 30, 2014, 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 \$87. 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

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

Trend Information:

Schedule of Contributions						
Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation		
06/30/14	\$ 87	\$ 87	100.00%	\$ -		

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	
07/01/13	\$ -	\$ 338	\$ 338	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, 2014, 2013 and 2012 were \$5.2 million, \$5.4 million and, \$5.8 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.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

The Board of Education withholds 7.25% of all teachers' annual salaries, \$11,040 was withheld in fiscal year 2014, and this amount was transmitted 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, 2014 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$37,749 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 position held in trust for pension benefits at June 30, 2014 and the changes in net position for the year then ended.

	Municipal Employees' Retirement Fund	RAF/PBF FRF Plan	Total Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 56,845	\$ -	\$ 56,845
Investments:			
U.S. Treasury	76,902	-	76,902
Alternative Investments	228,655	-	228,655
Common Stock	443,978	-	443,978
Corporate Bonds	85,360	-	85,360
Foreign Bonds	19,530	-	19,530
Common Trust	108,058	-	108,058
U.S. Government Agencies	48,715	-	48,715
Accrued investment earnings	5,783	-	5,783
<b>Total assets</b>	<b>1,073,826</b>	<b>-</b>	<b>1,073,826</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	353	-	353
Net settlement due on investments purchased/sold	10,922	-	10,922
<b>Total liabilities</b>	<b>11,275</b>	<b>-</b>	<b>11,275</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 1,062,551</b>	<b>\$ -</b>	<b>\$ 1,062,551</b>



City of Hartford, Connecticut

Notes to Financial Statements  
(In Thousands)

Note 13. Employee Retirement Systems and Pension Plans (Continued)

	Municipal Employees' Retirement Fund	RAF/PBF/FRF Plan	Total Trust Funds
<b>Additions</b>			
Contributions:			
Employer - ARC	\$ 42,710	\$ -	\$ 42,710
Employer - other	437	837	1,274
Plan members	12,139	-	12,139
<b>Total contributions</b>	<b>55,286</b>	<b>837</b>	<b>56,123</b>
Investment Income:			
Net appreciation in fair value of investments	120,608	-	120,608
Interest and dividends	16,462	-	16,462
<b>Total investment income</b>	<b>137,070</b>	<b>-</b>	<b>137,070</b>
Less investment expense	5,045	-	5,045
<b>Net investment income</b>	<b>132,025</b>	<b>-</b>	<b>132,025</b>
<b>Deductions</b>			
Benefits	93,621	837	94,458
Administration	2,232	-	2,232
Other	145	-	145
<b>Total deductions</b>	<b>95,998</b>	<b>837</b>	<b>96,835</b>
<b>Net increase</b>	<b>91,313</b>	<b>-</b>	<b>91,313</b>
<b>Net Position Restricted for Pension Benefits</b>			
Beginning of year	971,238	-	971,238
End of year	\$ 1,062,551	\$ -	\$ 1,062,551

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

**MERF Pension Plan (GASB 67)**

Investments: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The City pension plan asset allocation parameters for the MERF are as follows:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>
Large Cap Equities	9.00%
Small/Mid Cap Equities	4.00%
Int'l Equities (Unhedged)	10.00%
Emerging Int'l Equities	9.00%
Core Bonds	5.00%
High-Yield Bonds	4.00%
Global Bonds (Unhedged)	3.00%
EMD(External)	3.00%
EMD (Local Currency)	3.00%
Global TIPS	4.00%
Long Govt/Credit	8.50%
Private Equity	5.00%
Private Debt	3.00%
Real Estate (Core)	8.00%
Hedge Funds	10.00%
Global Asset Allocation	7.00%
Commodities	3.00%
Cash	1.50%
	<u>100.00%</u>

Plan Administration: The City's pension plan is separately administered by its own respective pension board. The Mayor and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typically meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The "joint pension board" which comprises of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

Concentrations: The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

The following represents the investments of the pension plans that represent more than 5% of the plan's net position as of June 30, 2014:

Prudential Institutional Emerging Market	\$	70,701
MSCI All Country World		63,761
Walter Scott & Partners		58,064
Eaton Vance		55,716

Net Pension Liability of the City: The components of the net pension liability (GASB 67) of the City at June 30, 2014 were as follows:

<b>Net Pension Liability (GASB 67) as of June 30, 2014</b>	MERF	RAF/PBF/ FRF Plan	415 (m) Plan
Total Pension Liability	\$ 1,315,265	\$ 6,173	\$ 338
Plan Fiduciary Net Position	1,062,551	-	-
Net Pension Liability	<u>\$ 252,714</u>	<u>\$ 6,173</u>	<u>\$ 338</u>
Plan Fiduciary Net Position as a percentage of total pension liability	80.79%	0.00%	0.00%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 14.05%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, the was projected forward to the measurement date of June 30, 2014:

- |                        |  |
|------------------------|--|
| Actuarial Method Used: | Entry Age Normal Cost Method (GASB 67)   |
| Mortality Basis:       | For Police, Fire, Board of Education Corridor Supervisors and Building and Grounds Supervisors: <ul style="list-style-type: none"> <li>• Pre-retirement: RP2000 Employees Table – male and female rates, projected by Scale AA to valuation date with occupational (i.e., non-office worker, blue collar) adjustment.</li> <li>• Post-retirement: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date with occupational (i.e., non-office worker, blue collar) adjustment. No adjustment reflected for assumed future beneficiaries.</li> <li>• Disability: RP2000 Disabled Table – male and female rates.</li> </ul> |

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

For All Other Groups:

- Pre-retirement: RP2000 Employees Table – male and female rates, projected by Scale AA to valuation date with no adjustment.
- Post-retirement: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date with no adjustment.
- Disability: RP2000 Disabled Table – male and female rates.

Mortality Improvement: Pre and Post-retirement: Projected to date of decrement using Scale AA (generational mortality).

Investment Return: 7.75% per year, net of investment expenses. (Prior valuation: 8.00%)

Salary Scale: 3% for inflationary salary increases plus a percentage for promotion or merit increases as follows:

Yearly Rates of Increases for Promotion or Merit

<u>Age</u>	<u>Police</u>	<u>Fire</u>	<u>Bd of Ed</u>	<u>Munic. Svc. &amp; Lib.</u>
25	6.60%	4.5%	4.40%	6.40%
30	4.80%	2.63%	3.70%	4.78%
35	2.65%	1.25%	3.35%	2.75%
40	1.45%	0.85%	2.50%	2.21%
45	1.10%	0.75%	1.40%	2.00%
50	1.00%	0.75%	0.85%	1.55%
55+	1.00%	0.75%	0.75%	1.25%

Salaries are adjusted for groups in negotiations by 3% per year for the period of each open contract, and non-bargaining groups by 3% per year for one full fiscal year from the measurement date. Any wage increases negotiated beyond the valuation date have been reflected in our projections.\*

\* The following groups have future salary increases that have been negotiated and are reflected in this valuation:

- Firefighters
- HMEA
- Building and Grounds Supervisors
- MLA
- HESP
- Paraprofessionals
- HSSA
- School Crossing Guards
- Police

For Police, final average pay is loaded by a percentage for assumed private duty and overtime as follows: Pre-7/1/1999 hires: 43%; Post 7/1/1999 hires: 19% for employees remaining in the pre 2012 plan; 25% for employees moving to the 7/1/2012 plan. Disability: None.

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 15 years from July 1, 2013, as a level percentage of pay.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>	<b>Weighting</b>
Large Cap Equities	9.00%	4.50%	0.41%
Small/Mid Cap Equities	4.00%	4.75%	0.19%
Int'l Equities (Unhedged)	10.00%	5.00%	0.50%
Emerging Int'l Equities	9.00%	6.25%	0.56%
Core Bonds	5.00%	1.21%	0.06%
High-Yield Bonds	4.00%	2.75%	0.11%
Global Bonds (Unhedged)	3.00%	-0.25%	-0.01%
EMD(External)	3.00%	3.75%	0.11%
EMD (Local Currency)	3.00%	4.00%	0.12%
Global TIPS	4.00%	1.25%	0.05%
Long Govt/Credit	8.50%	2.00%	0.17%
Private Equity	5.00%	6.50%	0.33%
Private Debt	3.00%	5.00%	0.15%
Real Estate (Core)	8.00%	3.25%	0.26%
Hedge Funds	10.00%	3.75%	0.38%
Global Asset Allocation	7.00%	3.61%	0.25%
Commodities	3.00%	2.75%	0.08%
Cash	1.50%	0.50%	0.01%
	<b>100.00%</b>		<b>3.73%</b>
Long-Term Inflation Expectation			3.25%
Long-Term Expected Nominal Return			6.98%

\*Long-Term Returns are provided by NEPC, LLC. The returns are geometric means.

City of Hartford, Connecticut

Notes to Financial Statements  
(In Thousands)

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**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

Discount rate: The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contributions amounts are established by statute or contract or (b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members. If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are projected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, a 7.75% interest rate assumption to discount plan liabilities.

Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to some periods of projected benefit payments to determine the total pension liability. The remaining projected future benefit payments were discounted using the 20-year general obligation municipal bond rate.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of Hartford's MERF Plan, calculated using the discount rate of 7.75% as well as what the City of Hartford's MERF Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
MERF			
Net Pension Liability	\$ 392,250	\$ 252,714	\$ 134,979

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

**RAF/PBF/FRF (GASB 67)**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

- Mortality Basis: Police/Fire: RP2000 Healthy Annuitants Table – male and female rates, projected by a Scale AA to valuation date plus 5 years with occupational adjustment.  
 For all other Groups: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date plus 5 years with no adjustment.
- Survivor’s Benefits: The actuarial liability and projected pension payments include provision for these benefit based on actual spouse ages and benefit form elected. It was assumed that all policemen without wives will name beneficiaries for special 10-year annuity benefits.
- Escalation: To adjust for the PBF and FRF escalation provisions, the projected figures include estimated annual increases for pensioners (excluding survivors) based on plan provisions. For RAF, the table of projected annual benefits makes no provision for future escalation.

The City’s funding policy is to make contributions equal to the benefit payments for the year. The Plan is unfunded.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of Hartford, calculated using the discount rate of 3.75% as well as what the City of Harford’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
RAF/PBF/FRF Plan			
Net Pension Liability	\$ 6,644	\$ 6,173	\$ 5,770

**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

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**Note 13. Employee Retirement Systems and Pension Plans (Continued)**

**415 (m) Fund (GASB 67)**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Basis:	RP2000 Healthy Annuitants Table – male and female rates.
Mortality Improvement:	Projected to date of decrement using Scale AA (generational mortality).
Investment Return:	3.75% per year, net of investment expenses.
Assumed Retirement:	Immediate as all are retired.
Escalation:	3% per year.

The City's funding policy is to make contributions equal to the benefit payments for the year. The Plan is unfunded.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of Hartford, calculated using the discount rate of 3.75% as well as what the City of Hartford's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
415 (m) Plan			
Net Pension Liability	\$ 350	\$ 338	\$ 328



**City of Hartford, Connecticut**

**Notes to Financial Statements  
(In Thousands)**

**Note 14. Governmental Funds – Fund Balance (Deficit)**

Below is a table of fund balance categories and classifications at June 30, 2014 for the City governmental funds:

	General Fund	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds
<b>Fund Balances</b>						
Non-spendable:						
Permanent funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,359
Inventory	-	-	-	-	-	353
<b>Total non-spendable</b>	-	-	-	-	-	8,712
Restricted:						
Development and community affairs	-	-	810	-	-	1,973
Debt Service	-	-	-	116,147	-	-
Recreation and Culture	-	-	-	-	-	16,324
Human services	-	-	-	-	-	4,285
Education	-	-	-	-	4,887	3,075
Capital projects	-	7,287	-	-	-	4,610
<b>Total restricted</b>	-	7,287	810	116,147	4,887	30,267
Committed:						
Capital projects	-	-	-	-	-	1,773
Debt service	-	-	-	579	-	-
Education	-	-	-	-	-	-
<b>Total committed</b>	-	-	-	579	-	1,773
Assigned:						
Recreation	355	-	-	-	-	-
Benefits	-	-	-	-	-	-
Education	3,504	-	-	-	3,198	-
<b>Total assigned</b>	3,859	-	-	-	3,198	-
Unassigned (deficit):						
	13,022	-	-	-	-	(8,495)
<b>Total unassigned (deficit)</b>	13,022	-	-	-	-	(8,495)
<b>Total fund balance (deficit)</b>	\$ 16,881	\$ 7,287	\$ 810	\$ 116,726	\$ 8,085	\$ 32,257

## City of Hartford, Connecticut

### Notes to Financial Statements (In Thousands)

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#### Note 15. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB No. 68 which will have a material effect due to the underfunded pension plan (see Note 13):

- *GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014.
- *GASB Statement No. 69, Government Combinations and Disposals of Government Operations*, was issued in January 2013. This Statement provides guidance for:
  - ◆ Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
  - ◆ Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
  - ◆ Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
  - ◆ Reporting the disposal of government operations that have been transferred or sold.

The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

- *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of *Statement No. 68, Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of *Statement 68*.

#### Note 16. Subsequent Events

On October 16, 2014, the City issued \$82,000 of general obligation bonds with an interest rate of 5% maturing on October 31, 2034 and \$50,000 of general obligation bond anticipation notes with an interest rate of 2% maturing on October 27, 2015. The \$56,000 of general obligation bond anticipation notes outstanding at June 30, 2014 were paid off with the issue of the \$82,000. The City also issued \$36,385 of general obligation refunding bonds with interest rates varying from 2% to 5% maturing on August 15, 2026.

**Required Supplementary  
Information**

**Required Supplementary Information - Unaudited**  
**Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual**  
**(Non-GAAP Basis) - General Fund**  
**For the Year Ended June 30, 2014**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>General Property Tax</b>				
Current year's levy	\$ 237,391	\$ 237,391	\$ 235,908	\$ (1,483)
Levy of prior years	8,750	8,750	8,545	(205)
Interest and liens	3,650	3,650	4,574	924
Proceeds from lien sales	6,750	6,750	6,754	4
<b>Total general property tax</b>	<b>256,541</b>	<b>256,541</b>	<b>255,781</b>	<b>(760)</b>
<b>Other Local Taxes</b>				
Business taxes	1,000	1,000	984	(16)
<b>Licenses, Permits, Fees and Other</b>				
Street use	22	22	30	8
Business Licenses:				
Health licenses	354	354	372	18
Police and protection licenses	43	43	58	15
Professional and occupational licenses	6	6	6	-
<b>Total business licenses</b>	<b>403</b>	<b>403</b>	<b>436</b>	<b>33</b>
Non-Business Licenses and Permits:				
Building structure and equipment permits	5,417	5,417	5,838	421
Other non-business licenses and permits	83	83	97	14
<b>Total non-business licenses and permits</b>	<b>5,500</b>	<b>5,500</b>	<b>5,935</b>	<b>435</b>
<b>Total licenses and permits</b>	<b>5,925</b>	<b>5,925</b>	<b>6,401</b>	<b>476</b>
<b>Fines, Forfeits and Penalties</b>	<b>221</b>	<b>221</b>	<b>154</b>	<b>(67)</b>
<b>Revenue From Use of Money and Property</b>				
Income from investments	606	606	672	66
Income from use of property	660	660	706	46
Income from development properties	3,543	3,543	2,522	(1,021)
<b>Total revenue from use of money and property</b>	<b>4,809</b>	<b>4,809</b>	<b>3,900</b>	<b>(909)</b>

(Continued)

**Required Supplementary Information - Unaudited**  
**Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual**  
**(Non-GAAP Basis) - General Fund (Continued)**  
**For the Year Ended June 30, 2014**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Intergovernmental Revenue</b>				
Federal Government	\$ 60	\$ 60	\$ 70	\$ 10
State of Connecticut:				
Education	192,897	192,897	191,164	(1,733)
Housing	5	5	421	416
Public Works	1,205	1,205	1,205	-
Elderly Services	251	251	262	11
Mashantucket Pequot Fund	-	-	6,665	6,665
Payment in Lieu of Taxes	43,496	43,496	44,353	857
Shared Taxes	275	275	248	(27)
Other	4,478	4,478	4,098	(380)
<b>Total State of Connecticut</b>	<b>242,607</b>	<b>242,607</b>	<b>248,416</b>	<b>5,809</b>
<b>Total intergovernmental revenue</b>	<b>242,667</b>	<b>242,667</b>	<b>248,486</b>	<b>5,819</b>
<b>Charges for Services</b>				
General Government:				
Recording legal instruments	267	267	332	65
All other	1,178	1,178	1,111	(67)
<b>Total general government</b>	<b>1,445</b>	<b>1,445</b>	<b>1,443</b>	<b>(2)</b>
Public Safety:				
Police charges	12	12	15	3
Fire protection services	183	183	150	(33)
<b>Total public safety</b>	<b>195</b>	<b>195</b>	<b>165</b>	<b>(30)</b>
Public Works:				
Highways and streets	1	1	1	-
Sanitation	46	46	91	45
<b>Total public works</b>	<b>47</b>	<b>47</b>	<b>92</b>	<b>45</b>

(Continued)

**Required Supplementary Information - Unaudited**  
**Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual**  
**(Non-GAAP Basis) - General Fund (Continued)**  
**For the Year Ended June 30, 2014**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Charges for Services (Continued)</b>				
Other:				
Health	\$ 21	\$ 21	\$ 48	\$ 27
Recreation	9	9	6	(3)
Miscellaneous	28	28	43	15
<b>Total other</b>	<u>58</u>	<u>58</u>	<u>97</u>	<u>39</u>
<b>Total charges for services</b>	<u>1,745</u>	<u>1,745</u>	<u>1,797</u>	<u>52</u>
<b>Reimbursements</b>				
Other	1,094	1,094	52	(1,042)
Reimbursements from other funds	2,985	2,985	3,218	233
<b>Total reimbursements</b>	<u>4,079</u>	<u>4,079</u>	<u>3,270</u>	<u>(809)</u>
<b>Other Revenues</b>				
Settlements	5	5	167	162
Miscellaneous	4,849	4,849	1,627	(3,222)
<b>Total other revenues</b>	<u>4,854</u>	<u>4,854</u>	<u>1,794</u>	<u>(3,060)</u>
<b>Other Financing Sources</b>				
Use of fund balance	8,347	9,447	9,447	-
Premium from Bond Sale	2,555	2,555	-	(2,555)
Transfers in from other funds:				
Hartford Parking Facilities Fund	3,454	3,454	3,240	(214)
Operating Transfers In	-	-	2,168	2,168
Special Police Services	2,594	2,594	5,021	2,427
<b>Total other financing sources</b>	<u>16,950</u>	<u>18,050</u>	<u>19,876</u>	<u>1,826</u>
<b>Total</b>	<u>\$ 538,791</u>	<u>\$ 539,891</u>	<u>542,443</u>	<u>\$ 2,552</u>

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	37,749
Use of fund balance	(9,447)
Effect of GASB No. 54.	262
Budgetary revenues derived from reimbursements for expenditures allocated to other funds are excluded for GAAP financial statement reporting purposes	<u>(3,218)</u>

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

\$ 567,789

See Note to Required Supplementary Information.

**Required Supplementary Information - Unaudited**  
**Schedule of General Fund Expenditures, Encumbrances and Other Financing Uses**  
**(Non-GAAP Budgetary Basis) - Budget and Actual**  
**For the Year Ended June 30, 2014**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>General Government</b>				
Mayor	\$ 568	\$ 542	\$ 541	\$ 1
Court of Common Council	602	631	631	-
City Treasurer	359	344	343	1
Registrars of Voters	519	512	512	-
Corporation Counsel	1,964	1,751	1,737	14
Town and City Clerk	802	800	795	5
Internal Audit	480	480	479	1
Chief Operating Officer	1,152	994	959	35
Communications and New Media	821	751	746	5
Metro Hartford Information	2,895	2,895	2,895	-
Finance	2,901	2,839	2,771	68
Human Resources	912	904	903	1
Office of Management and Budget	835	751	719	32
Office of Young Children	5,400	5,380	5,357	23
<b>Total general government</b>	<b>20,210</b>	<b>19,574</b>	<b>19,388</b>	<b>186</b>
<b>Public Safety</b>				
Fire	30,728	31,571	31,548	23
Police	38,553	38,877	38,712	165
Emergency Services and Telecommunications	4,739	4,648	4,518	130
<b>Total public safety</b>	<b>74,020</b>	<b>75,096</b>	<b>74,778</b>	<b>318</b>
<b>Infrastructure and Leisure Services</b>				
Public Works	12,713	14,212	14,161	51
<b>Development and Community Affairs</b>				
Development Services	4,703	4,755	4,739	16
<b>Human Services</b>				
Health and Human Services	5,236	4,902	4,440	462
<b>Education</b>				
Board of Education	283,008	283,008	283,006	2
<b>Benefits and Insurance</b>				
Benefits and insurance	72,818	88,223	86,898	1,325

(Continued)

**Required Supplementary Information - Unaudited**  
**Schedule of General Fund Expenditures, Encumbrances and Other Financing Uses**  
**(Non-GAAP Budgetary Basis) - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2014**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Sundry</b>				
Debt service	\$ 26,095	\$ 20,775	\$ 20,157	\$ 618
Hartford public library	8,215	8,215	8,215	-
Other sundry items	31,773	32,685	31,715	970
<b>Total sundry</b>	<u>66,083</u>	<u>61,675</u>	<u>60,087</u>	<u>1,588</u>
<b>Total</b>	<u>\$ 538,791</u>	<u>\$ 551,445</u>	547,497	<u>\$ 3,948</u>

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. 37,749

Reimbursements from other funds are credited against budgetary expenditures for GAAP financial statement reporting purposes (3,218)

Effect of GASB No. 54. 428

Encumbrances

June 30, 2013	62
June 30, 2014	<u>(1,232)</u>

Total Expenditures and Other Financing Sources as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 581,286

See Note to Required Supplementary Information.



**Required Supplementary Information - Unaudited**  
**Pensions and Other Post Retirement Benefits**  
**Schedule of Funding Progress**  
**June 30, 2014**  
(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
07/01/08	\$ 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%
07/01/10	1,041,572	1,175,040	133,468	88.6%	132,529	100.7%
07/01/11	1,017,602	1,218,900	201,298	83.5%	136,555	147.4%
07/01/12	977,146	1,237,136	259,990	79.0%	137,919	188.5%
07/01/13	963,269	1,288,961	325,692	74.7%	144,648	225.2%

*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
07/01/08	-	\$ 7,700	\$ 7,700	0.0%	N/A	N/A
07/01/09	-	7,249	7,249	0.0%	N/A	N/A
07/01/10	-	6,155	6,155	0.0%	N/A	N/A
07/01/11	-	6,653	6,653	0.0%	N/A	N/A
07/01/12	-	6,030	6,030	0.0%	N/A	N/A
07/01/13	-	6,137	6,137	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
07/01/08	-	\$ 213	\$ 213	0.0%	N/A	N/A
07/01/09	-	143	143	0.0%	N/A	N/A
07/01/10	-	180	180	0.0%	N/A	N/A
07/01/11	-	521	521	0.0%	N/A	N/A
07/01/12	-	431	431	0.0%	N/A	N/A
07/01/13	-	338	338	0.0%	N/A	N/A

**Required Supplementary Information - Unaudited  
Pensions and Other Post Retirement Benefits  
Schedule of Funding Progress (Continued)  
June 30, 2014  
(In Thousands)**

**Schedules of Funding Progress (Continued)**

<i>OPEB</i>							UAAL as a
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	of Covered Payroll	
07/01/08	-	\$ 302,988	\$ 302,988	0.0%	N/A	N/A	
07/01/09	-	241,511	241,511	0.0%	307,857	78.4%	
07/01/10	-	247,852	247,852	0.0%	307,857	81.0%	
07/01/11	-	261,782	261,782	0.0%	326,820	80.1%	
07/01/12	-	273,326	273,326	0.0%	338,608	80.7%	
07/01/13	-	262,716	262,716	0.0%	356,877	73.6%	

**Required Supplementary Information - Unaudited**  
**Pensions and Other Post Retirement Benefits**  
**Schedule of Contributions**  
**June 30, 2014**  
**(In Thousands)**

<i>City of Hartford Municipal Employees'</i>						<i>RAF/PBF/FRF Plan</i>					
<i>Retirement Fund (City MERF)</i>											
Year	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll	Year	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
Emded						Emded					
06/30/05	\$ 14,239	\$ 9,207	\$ 5,032	\$ 107,808	8.54%	06/30/05	\$ 2,519	\$ 2,519	-	N/A	N/A
06/30/06	16,196	11,948	4,248	117,261	10.19%	06/30/06	1,926	1,926	-	N/A	N/A
06/30/07	15,463	16,481	(1,018)	124,837	13.20%	06/30/07	1,757	1,757	-	N/A	N/A
06/30/08	13,253	16,584	(3,331)	133,280	12.44%	06/30/08	1,967	1,967	-	N/A	N/A
06/30/09	11,797	12,829	(1,032)	139,243	9.21%	06/30/09	1,700	1,700	-	N/A	N/A
06/30/10	9,602	10,840	(1,238)	134,143	8.08%	06/30/10	1,521	1,521	-	N/A	N/A
06/30/11	18,846	18,846	-	132,529	14.22%	06/30/11	1,354	1,354	-	N/A	N/A
06/30/12	27,600	27,600	-	136,555	20.21%	06/30/12	1,097	1,097	-	N/A	N/A
06/30/13	34,338	34,338	-	137,919	24.90%	06/30/13	992	992	-	N/A	N/A
06/30/14	42,710	42,710	-	144,648	29.53%	06/30/14	837	837	-	N/A	N/A

<i>City of Hartford</i>						<i>OPEB</i>		
<i>415(M) Fund</i>								
Year	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll	Year	Annual Required Contribution	Percentage Contributed
Emded						Emded		
06/30/05	\$ 48	\$ 48	-	N/A	N/A	06/30/2009	\$ 24,500	52.8%
06/30/06	39	39	-	N/A	N/A	06/30/2010	24,744	41.8%
06/30/07	53	53	-	N/A	N/A	06/30/2011	15,759	70.3%
06/30/08	61	61	-	N/A	N/A	06/30/2012	18,322	58.6%
06/30/09	50	50	-	N/A	N/A	06/30/2013	10,916	54.6%
06/30/10	43	43	-	N/A	N/A	06/30/2014	11,650	74.7%
06/30/11	84	84	-	N/A	N/A			
06/30/12	121	121	-	N/A	N/A			
06/30/13	102	102	-	N/A	N/A			
06/30/14	87	87	-	N/A	N/A			

**Required Supplementary Information - Unaudited  
Schedule of Changes in the City's Net Pension Liability and Related Ratios  
Last Fiscal Year  
June 30, 2014**

	MERF	RAF/PBF/ FRF Plan	415 (m) Plan
<b>Changes in Net Pension Liability</b>			
<b>Total Pension Liability</b>			
Service cost	\$ 21,953	\$ -	\$ -
Interest on total pension liability	98,034	238	14
Benefit payments	(93,683)	(837)	(87)
<b>Net change in total pension liability</b>	<b>26,304</b>	<b>(599)</b>	<b>(73)</b>
Total Pension Liability, beginning	1,288,961	6,772	411
<b>Total pension liability, ending (a)</b>	<b>1,315,265</b>	<b>6,173</b>	<b>338</b>
<b>Fiduciary Net Position</b>			
Employer contributions	42,710	837	87
Member contributions	12,816	-	-
Investment income net of investment expenses	133,646	-	-
Benefit payments	(93,683)	(837)	(87)
Administrative expenses	(2,774)	-	-
<b>Net change in plan fiduciary net position</b>	<b>92,715</b>	<b>-</b>	<b>-</b>
Fiduciary Net Position, beginning	969,836	-	-
<b>Fiduciary net position, ending (b)</b>	<b>1,062,551</b>	<b>-</b>	<b>-</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 252,714</b>	<b>\$ 6,173</b>	<b>\$ 338</b>
Fiduciary net position as a % of total pension liability	80.79%	0.00%	0.00%
Covered payroll	\$ 144,648	N/A	N/A
Net pension liability as a % of covered payroll	174.71%	N/A	N/A

**NOTE: As 2014 is the implementation year, only 2014 information is available.**

## City of Hartford, Connecticut

### Required Supplementary Information - Unaudited Note to Required Supplementary Information (In Thousands)

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#### Note 1. Stewardship, Compliance and Accountability

Budgetary Information: The City adopted the legal budget for the 2013-2014 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, transfers in are shown as revenues, State of Connecticut on-behalf contributions are shown as revenues and expenses, and reimbursements to and from other funds are shown as reductions of revenues and expenses.

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.

**Required Supplementary Information - Unaudited  
Note to Required Supplementary Information  
(In Thousands)**

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**Note 1. Stewardship, Compliance and Accountability (Continued)**

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, 2014 there was a supplemental budget appropriation of \$1.1 million for the use of fund balance. 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 assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**Combining and Individual Fund  
Financial Statements and Other 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.

**Balance Sheet - By Account - General Fund**  
**June 30, 2014**

	General Fund	Hartford Public Library	Special Activities	General Fund Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 54,547	\$ 506	\$ 2,226	\$ 57,279
Receivables, net	82,154	-	110	82,264
Due from other funds	4,387	-	-	4,387
<b>Total assets</b>	<b>\$ 141,088</b>	<b>\$ 506</b>	<b>\$ 2,336</b>	<b>\$ 143,930</b>
<b>Liabilities</b>				
Accounts and other payables	\$ 49,172	\$ 151	\$ -	\$ 49,323
<b>Total liabilities</b>	<b>49,172</b>	<b>151</b>	<b>-</b>	<b>49,323</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	77,662	-	64	77,726
<b>Total deferred inflows of resources</b>	<b>77,662</b>	<b>-</b>	<b>64</b>	<b>77,726</b>
<b>Fund Balances</b>				
Assigned	1,232	355	2,272	3,859
Unassigned	13,022	-	-	13,022
<b>Total fund balances</b>	<b>14,254</b>	<b>355</b>	<b>2,272</b>	<b>16,881</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 141,088</b>	<b>\$ 506</b>	<b>\$ 2,336</b>	<b>\$ 143,930</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund  
For the Year Ended June 30, 2014**

	General Fund	Hartford Public Library	Special Activities	Eliminate Interfund Transfers	Totals
<b>Revenues</b>					
Property taxes	\$ 256,765	\$ -	\$ -	\$ -	\$ 256,765
Licenses and permits	6,555	-	-	-	6,555
Intergovernmental	286,236	-	-	-	286,236
Charges for services	3,327	-	262	-	3,589
Use of property	3,227	-	-	-	3,227
Investment income	489	-	-	-	489
Miscellaneous	498	-	-	-	498
<b>Total revenues</b>	<b>557,097</b>	<b>-</b>	<b>262</b>	<b>-</b>	<b>557,359</b>
<b>Expenditures</b>					
Current:					
General government	19,384	-	-	-	19,384
Public safety	74,778	-	-	-	74,778
Public works	13,761	-	-	-	13,761
Development and community affairs	4,739	-	-	-	4,739
Human services	4,441	-	-	-	4,441
Education	320,755	-	780	-	321,535
Recreation and culture	-	7,863	-	-	7,863
Benefits and insurance	86,898	-	-	-	86,898
Other	21,019	-	-	-	21,019
<b>Total expenditures</b>	<b>545,775</b>	<b>7,863</b>	<b>780</b>	<b>-</b>	<b>554,418</b>
<b>Revenues over (under) expenditures</b>	<b>11,322</b>	<b>(7,863)</b>	<b>(518)</b>	<b>-</b>	<b>2,941</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	10,430	8,215	-	(8,215)	10,430
Transfers out	(35,083)	-	-	8,215	(26,868)
<b>Net other financing sources (uses)</b>	<b>(24,653)</b>	<b>8,215</b>	<b>-</b>	<b>-</b>	<b>(16,438)</b>
<b>Net change in fund balances</b>	<b>(13,331)</b>	<b>352</b>	<b>(518)</b>	<b>-</b>	<b>(13,497)</b>
<b>FUND BALANCES, beginning of year</b>	<b>27,585</b>	<b>3</b>	<b>2,790</b>	<b>-</b>	<b>30,378</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 14,254</b>	<b>\$ 355</b>	<b>\$ 2,272</b>	<b>\$ -</b>	<b>\$ 16,881</b>

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City of Hartford, Connecticut

Report of Tax Collector  
 General Fund  
 For the Year Ended June 30, 2014  
 (In Thousands)

Grand List Year	Taxes Collectible July 1, 2013	Lawful Corrections		Suspense Transfers
		Additions	Deletions	
1996	\$ -	\$ -	\$ -	\$ -
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	26	2	-
2004	1,489	1	108	-
2005	1,882	84	9	-
2006	3,497	64	223	1,026
2007	3,550	609	50	-
2008	4,502	2	341	-
2009	5,680	142	97	-
2010	7,725	773	428	-
2011	13,304	1,582	4,319	-
Prior Years	41,629	3,283	5,577	1,026
2012	262,101	1,134	14,384	-
Total Grand List	\$ 303,730	\$ 4,417	\$ 19,961	\$ 1,026

Lien Sales  
 Suspense

Total Tax Collections

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

Adjusted Tax Levy	Collections				Total	Overpayments/ Refunds	Taxes Receivable June 30, 2014
	Taxes	Interest	Liens				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24	-	2	-	2	-	24	
1,382	33	48	-	81	-	1,349	
1,957	125	112	-	237	12	1,820	
2,312	177	121	-	298	-	2,135	
4,109	214	169	-	383	(2)	3,897	
4,163	345	219	1	565	(13)	3,831	
5,725	926	419	4	1,349	22	4,777	
8,070	2,122	749	5	2,876	19	5,929	
10,567	3,591	1,054	15	4,660	(648)	7,624	
38,309	7,533	2,893	25	10,451	(610)	31,386	
248,851	238,582	1,348	16	239,946	(2,085)	12,354	
<u>\$ 287,160</u>	246,115	4,241	41	250,397		<u>\$ 43,740</u>	
	-	-	6,754	6,754			
	103	230	-	333			
	<u>\$ 246,218</u>	<u>\$ 4,471</u>	<u>\$ 6,795</u>	<u>\$ 257,484</u>			

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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 sales of food	School lunch and breakfast programs
Health Grants	State and federal grants	Health and human services
Library Grants	Grants & contributions	Public library system
Community Development	Federal block grants	Housing and development
Home Program	Federal grants	Affordable housing
Parks & Recreation Trusts	Donation & trust income	Park and recreation
Human Services Trust	Donation & trust income	Human services
Education Trusts	Donation & trust income	Education and scholarships
ARRA Stimulus Grants	Federal grants	Public safety
ARRA Capital Grants	Federal grants	Public works
Great Path Academy	Grants and fees	Education

### 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 four nonmajor capital projects funds include the Vehicle Equipment and Technology Fund, Redevelopment Fund, Capital Leases and HUD Special Projects Fund. The Vehicle Equipment and Technology Fund accounts for the acquisition and financing of public safety and public works vehicles and heavy equipment as well as technology purchases. The Redevelopment Fund accounts for the acquisition and improvement of properties for future development. The Capital Leases Fund accounts for the financing and acquisition of city vehicles and heavy equipment. 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, 2014  
 (In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
<b>Assets</b>					
Cash and cash equivalents	\$ 1,489	\$ 6,414	\$ 2,381	\$ 22	\$ 220
Investments	-	-	-	-	-
Receivables:					
Intergovernmental receivable	86	6,587	1,943	799	891
Other receivables	-	-	-	-	-
Inventories and other assets	-	1	353	-	-
<b>Total assets</b>	<b>\$ 1,575</b>	<b>\$ 13,002</b>	<b>\$ 4,677</b>	<b>\$ 821</b>	<b>\$ 1,111</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 184	\$ 4,420	\$ 1,383	\$ 579	529
Due to other funds	-	-	-	-	-
Unearned revenue	-	7,079	-	242	-
<b>Total liabilities</b>	<b>184</b>	<b>11,499</b>	<b>1,383</b>	<b>821</b>	<b>529</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	4,102	-	6	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>4,102</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	353	-	-
Restricted	1,391	-	2,941	-	582
Committed	-	-	-	-	-
Unassigned	-	(2,599)	-	(6)	-
<b>Total fund balances (deficits)</b>	<b>1,391</b>	<b>(2,599)</b>	<b>3,294</b>	<b>(6)</b>	<b>582</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 1,575</b>	<b>\$ 13,002</b>	<b>\$ 4,677</b>	<b>\$ 821</b>	<b>\$ 1,111</b>

Special Revenue Funds						Capital Projects Funds	
HOME Program	Library Grants	Parks and Recreation Trusts	ARRA Capital Grants	Great Path Academy	Total	Capital Lease	Vehicle Equipment & Technology
\$ -	\$ 248	\$ 70	\$ 10	\$ 179	\$ 11,033	\$ -	\$ -
-	-	257	-	-	257	-	-
1	147	-	-	-	10,454	-	-
-	-	-	-	-	-	453	-
-	-	-	-	-	354	-	-
<u>\$ 1</u>	<u>\$ 395</u>	<u>\$ 327</u>	<u>\$ 10</u>	<u>\$ 179</u>	<u>\$ 22,098</u>	<u>\$ 453</u>	<u>\$ -</u>
\$ 1	\$ 78	\$ -	\$ -	\$ 165	7,339	\$ 3,994	\$ 2,347
-	-	-	-	-	-	-	-
-	317	-	-	-	7,638	-	-
<u>1</u>	<u>395</u>	<u>-</u>	<u>-</u>	<u>165</u>	<u>14,977</u>	<u>3,994</u>	<u>2,347</u>
-	2	-	10	-	4,120	-	-
-	2	-	10	-	4,120	-	-
-	-	-	-	-	353	-	-
-	-	327	-	14	5,255	-	-
-	-	-	-	-	-	-	-
-	(2)	-	-	-	(2,607)	(3,541)	(2,347)
-	(2)	327	-	14	3,001	(3,541)	(2,347)
<u>\$ 1</u>	<u>\$ 395</u>	<u>\$ 327</u>	<u>\$ 10</u>	<u>\$ 179</u>	<u>\$ 22,098</u>	<u>\$ 453</u>	<u>\$ -</u>

(Continued)

City of Hartford, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2014  
 (In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 3,205	\$ 233	\$ 3,438
Investments	-	-	-
Receivables:			
Intergovernmental receivable	-	4,610	4,610
Other receivables	-	-	453
Inventories and other assets	-	-	-
<b>Total assets</b>	<b>\$ 3,205</b>	<b>\$ 4,843</b>	<b>\$ 8,501</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5	233	6,579
Due to other funds	-	-	-
Unearned revenue	1,427	-	1,427
<b>Total liabilities</b>	<b>1,432</b>	<b>233</b>	<b>8,006</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	-	4,610	4,610
Committed	1,773	-	1,773
Unassigned	-	-	(5,888)
<b>Total fund balances (deficits)</b>	<b>1,773</b>	<b>4,610</b>	<b>495</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 3,205</b>	<b>\$ 4,843</b>	<b>\$ 8,501</b>

Permanent Funds							
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Total		
\$ -	\$ 1,337	\$ 173	\$ -	\$ 1,510	\$ 15,981		
1	23,811	4,309	131	28,252	28,509		
-	-	-	-	-	15,064		
-	-	-	-	-	453		
-	-	-	-	-	354		
<u>\$ 1</u>	<u>\$ 25,148</u>	<u>\$ 4,482</u>	<u>\$ 131</u>	<u>\$ 29,762</u>	<u>\$ 60,361</u>		
-	-	-	-	-	\$ 13,918		
-	1,001	-	-	1,001	1,001		
-	-	-	-	-	9,065		
-	1,001	-	-	1,001	23,984		
-	-	-	-	-	4,120		
-	-	-	-	-	4,120		
1	8,150	197	11	8,359	8,712		
-	15,997	4,285	120	20,402	30,267		
-	-	-	-	-	1,773		
-	-	-	-	-	(8,495)		
<u>1</u>	<u>24,147</u>	<u>4,482</u>	<u>131</u>	<u>28,761</u>	<u>32,257</u>		
<u>\$ 1</u>	<u>\$ 25,148</u>	<u>\$ 4,482</u>	<u>\$ 131</u>	<u>\$ 29,762</u>	<u>\$ 60,361</u>		

City of Hartford, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) - Nonmajor Governmental Funds  
For the Year Ended June 30, 2014  
(In Thousands)**

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
<b>Revenues</b>					
Intergovernmental revenues	\$ 47,421	\$ 42,593	\$ 11,994	\$ 8,952	\$ 4,617
Charges for services	-	12,391	865	-	-
Investment income (loss)	2	-	-	-	1
Other revenues	-	55	614	348	10
<b>Total revenues</b>	<b>47,423</b>	<b>55,039</b>	<b>13,473</b>	<b>9,300</b>	<b>4,628</b>
<b>Expenditures</b>					
General government	-	7,768	-	-	693
Public safety	-	21,905	-	-	12
Public works	-	13	-	-	106
Development and community affairs	47,582	2,984	-	-	1,777
Human services	-	13,075	-	9,296	1,668
Education	-	-	13,455	-	218
Recreation and culture	-	394	-	-	223
Capital outlay	-	383	-	-	-
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>47,582</b>	<b>46,522</b>	<b>13,455</b>	<b>9,296</b>	<b>4,697</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(159)</b>	<b>8,517</b>	<b>18</b>	<b>4</b>	<b>(69)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(7,094)	-	-	-
Lease proceeds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(7,094)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in fund balance (deficits)</b>	<b>(159)</b>	<b>1,423</b>	<b>18</b>	<b>4</b>	<b>(69)</b>
<b>Fund Balance (Deficits), beginning</b>	<b>1,550</b>	<b>(4,022)</b>	<b>3,276</b>	<b>(10)</b>	<b>651</b>
<b>Fund Balance (Deficits), ending</b>	<b>\$ 1,391</b>	<b>\$ (2,599)</b>	<b>\$ 3,294</b>	<b>\$ (6)</b>	<b>\$ 582</b>



Special Revenue Funds							Capital Projects Funds	
HOME Program	Library Grants	Parks and Recreation Trusts	ARRA Capital Grants	Great Path Academy	Total	Capital Lease	Vehicle Equipment & Technology	
\$ 661	\$ 442	\$ -	\$ 152	\$ 2,698	\$ 119,530	\$ -	\$ -	
-	133	-	-	793	14,182	-	-	
-	-	30	-	-	33	-	-	
-	927	-	-	-	1,954	-	-	
<u>661</u>	<u>1,502</u>	<u>30</u>	<u>152</u>	<u>3,491</u>	<u>135,699</u>	<u>-</u>	<u>-</u>	
-	-	-	-	-	8,461	-	-	
-	-	-	-	-	21,917	-	-	
-	-	-	8	-	127	-	-	
661	-	-	-	-	53,004	-	-	
-	-	-	-	-	24,039	-	-	
-	-	-	-	3,623	17,296	-	-	
-	1,496	3	-	-	2,116	-	-	
-	-	-	-	-	383	4,039	127	
-	-	-	-	-	-	1,104	-	
<u>661</u>	<u>1,496</u>	<u>3</u>	<u>8</u>	<u>3,623</u>	<u>127,343</u>	<u>5,143</u>	<u>127</u>	
-	6	27	144	(132)	8,356	(5,143)	(127)	
-	-	-	-	-	-	1,108	-	
-	-	-	-	-	(7,094)	-	-	
-	-	-	-	-	-	2,758	-	
-	-	-	-	-	(7,094)	3,866	-	
-	6	27	144	(132)	1,262	(1,277)	(127)	
-	(8)	300	(144)	146	1,739	(2,264)	(2,220)	
<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 3,001</u>	<u>\$ (3,541)</u>	<u>\$ (2,347)</u>	

(Continued)

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, 2014  
(In Thousands)**

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
<b>Revenues</b>			
Intergovernmental revenues	\$ 3	\$ -	\$ 3
Charges for services	56	-	56
Investment income (loss)	2	226	228
Other revenues	-	-	-
<b>Total revenues</b>	<b>61</b>	<b>226</b>	<b>287</b>
<b>Expenditures</b>			
General government	-	-	-
Public safety	-	-	-
Public works	-	1	1
Development and community affairs	6	-	6
Human services	-	-	-
Education	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	4,166
Debt service	-	4,883	5,987
<b>Total expenditures</b>	<b>6</b>	<b>4,884</b>	<b>10,160</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>55</b>	<b>(4,658)</b>	<b>(9,873)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	1,108
Transfers out	-	-	-
Lease proceeds	-	-	2,758
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,866</b>
<b>Changes in fund balance (deficits)</b>	<b>55</b>	<b>(4,658)</b>	<b>(6,007)</b>
<b>Fund Balance (Deficits), beginning</b>	<b>1,718</b>	<b>9,268</b>	<b>6,502</b>
<b>Fund Balance (Deficits), ending</b>	<b>\$ 1,773</b>	<b>\$ 4,610</b>	<b>\$ 495</b>

Permanent Funds							
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total		Total	
\$ -	\$ -	\$ -	\$ -	\$ -		\$ 119,533	
-	-	-	-	-		14,238	
-	4,101	485	17	4,603		4,864	
-	-	-	-	-		1,954	
-	4,101	485	17	4,603		140,589	
-	-	-	1	1		8,462	
-	-	-	-	-		21,917	
-	-	-	-	-		128	
-	-	-	-	-		53,010	
-	-	89	-	89		24,128	
-	-	-	-	-		17,296	
-	148	-	-	148		2,264	
-	-	-	-	-		4,549	
-	-	-	-	-		5,987	
-	148	89	1	238		137,741	
-	3,953	396	16	4,365		2,848	
-	-	-	-	-		1,108	
-	-	-	-	-		(7,094)	
-	-	-	-	-		2,758	
-	-	-	-	-		(3,228)	
-	3,953	396	16	4,365		(380)	
1	20,194	4,086	115	24,396		32,637	
\$ 1	\$ 24,147	\$ 4,482	\$ 131	\$ 28,761		\$ 32,257	

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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, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
<u>Facility Services</u>										
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
W6263	City Buildings Environmental Compliance	11/12/2005	600	-	600	600	-	600	-	-
W6264	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	600	-	600	599	-	599	-	1
W6269	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,800	-	1,800	1,744	51	1,795	-	5
W6565	Rising Star Block, Pride Block, Infrastructure Structural Repairs	01/12/2005	3,000	-	3,000	2,988	-	2,988	-	12
A6501	Church Street Façade Restoration	01/12/2005	1,810	-	1,810	1,416	12	1,428	-	382
A6502	MAT Street Garage Façade Restoration	01/12/2005	2,300	-	2,300	1,267	32	1,299	29	972
A6503	Remainder of Construction Contract at Morgan St Garage	01/12/2005	1,590	-	1,590	1,524	-	1,524	-	66
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	853	2	855	5	140
A6506	Streetscape Improvements at MAT Garage	01/12/2005	125	-	125	-	-	-	-	125
A6507	Streetscape Improvements at Church St Garage	01/12/2005	280	-	280	213	35	248	10	22
A6508	Landscaping/Lighting Improvements opposite Morgan St Garage	01/12/2005	432	-	432	234	28	262	9	161
W7268	Long Term Document Archive and Storage	07/1/2006	200	-	200	208	(13)	195	-	5
D6576	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325	-	1,325	1,317	2	1,319	-	6
D7576	Economic Development Site Acquisition	07/1/2006	1,450	-	1,450	617	75	692	2	756

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W8262	City Buildings ADA Modifications FYE 2008 Appropriation	08/14/2007	950	-	950	947	2	949	-	1
W8264	City Buildings Energy Conservation Security Technology and Communication FYE 2008 Appropriation	08/14/2007	600	-	600	596	-	596	-	4
W8270	Salt, Sand & Truck Wash at 40 Jennings Road	08/14/2007	500	-	500	140	166	306	-	194
W8279	525 Main St. Building Renovations	08/14/2007	550	-	550	257	44	301	-	249
W8281	City Hall Entrance Plaza Improvements	08/14/2007	950	-	950	919	-	919	-	31
W8282	Burgdorf Environmental Clean-up & Campus Planning	08/14/2007	250	-	250	76	100	176	-	74
W8202	Energy Projects	11/27/2007	2,000	-	2,000	1,139	396	1,535	-	465
D8576	Economic Development Site Acquisition, FYE 2008 Appropriation	08/14/2007	750	-	750	750	-	750	-	-
D9514	Acquisition of Property for Development	5/29/2008	1,000	-	1,000	999	-	999	1	-
D9515	Downtown North/West Redevelopment	5/29/2008	4,250	-	4,250	3,227	(368)	2,859	21	1,370
D9584	Neighborhood Development Fund	5/29/2008	4,000	-	4,000	1,682	1,150	2,832	253	915
M9011	Early Learning Centers		1,000	-	1,000	-	-	-	-	1,000
W9201	Public Works Equipment	5/29/2008	500	-	500	500	-	500	-	-
W9262	City Buildings ADA Modifications FYE 2009 Appropriation	5/29/2008	950	500	1,450	233	263	496	-	954
W9263	City Buildings Environmental Compliance FYE 2009 Appropriation	5/29/2008	500	-	500	219	154	373	-	127
W9264	City Buildings Energy Conservation, Security Technology and Communication FYE 2009 Appropriation	5/29/2008	300	-	300	283	-	283	-	17
W9269	Municipal Facility Renovations	5/29/2008	750	-	750	733	1	734	-	16
W9276	Albany Avenue Library	5/29/2008	3,000	(835)	2,165	2,159	-	2,159	-	6
W9282	Burgdorf Environmental Clean-up & Campus Planning FYE 2009 Appropriation	5/29/2008	2,400	-	2,400	-	-	-	-	2,400
W9285	New Alternate Feed Generators	5/29/2008	500	(500)	-	-	-	-	-	-
W9288	North End Senior Center Renovations	5/29/2008	750	-	750	119	632	751	-	(1)



**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W9587	Bulky Waste Recycling Center		1,100	-	1,100	1,083	-	1,083	-	17
A9510	Parking Authority									
	Capital Improvements	6/23/2008	2,000	-	2,000	16	171	187	82	1,731
W0592	South End Senior Center Improvements	09/22/2009	683	-	683	682	-	682	-	1
D1616	Enhance Founder Bridge Gateway	06/01/2010	2,700	-	2,700	263	29	292	76	2,332
D1617	Federal/State Matching Fund	06/01/2010	250	-	250	205	16	221	28	1
W2617	DOJ ADA Improv Municipal Facility	06/01/2011	500	-	500	146	352	498	-	2
W2618	Energy	06/01/2011	750	-	750	721	29	750	-	-
W2619	Renovations	06/01/2011	200	-	200	34	143	177	-	23
W2620	Central Library - auditorium	06/01/2011	1,200	835	2,035	1,161	873	2,034	-	1
D2637	Former Lyric Theater Building	06/01/2011	750	-	750	-	33	33	73	644
D2638	Proj. Initiation & Development	06/01/2011	150	-	150	26	122	148	2	-
D2639	Federal/State Matching Fund	06/01/2011	200	-	200	40	47	87	-	113
D2640	Facility Planning & Decommission	06/01/2011	250	-	250	2	125	127	45	78
W1302	DOJ ADA Improvements	04/16/2012	500	-	500	2	24	26	3	471
W1303	Municipal Facility Renovations	04/16/2012	900	-	900	780	120	900	-	-
W1304	North End Senior Center	04/16/2012	1,517	-	1,517	-	1,377	1,377	40	100
W1306	Keney Clock Tower	04/16/2012	100	-	100	5	34	39	-	61
W1307	Library Renovations and Improvement	04/16/2012	381	224	605	133	456	589	3	13
W1308	Dillon Stadium	04/16/2012	1,000	-	1,000	-	233	233	-	767
W1305	Energy Projects	04/16/2012	-	100	100	-	97	97	-	3
W1322	Citywide Streetscapes	04/16/2012	-	1,000	1,000	-	-	-	-	1,000
W1324	Sidewalk Repair	04/16/2012	-	500	500	-	52	52	-	448
W1327	Bridge Repairs	04/16/2012	-	250	250	-	6	6	-	244
W1331	Parkville Parking Lot	04/16/2012	-	250	250	-	250	250	-	-
D1372	Proj. Initiation & Development	04/16/2012	250	-	250	95	116	211	-	39
D1373	Facility Planning & Decommission	04/16/2012	900	-	900	31	86	117	6	777
D1378	Economic Site Acquisition	04/16/2012	450	-	450	36	252	288	123	39
D1379	State/Federal Matching Fund	04/16/2012	900	-	900	52	62	114	-	786
D1380	iQuilt	04/16/2012	5,000	-	5,000	681	1,149	1,830	2,970	200
D1381	Document Conversion	04/16/2012	300	-	300	54	167	221	79	-
D1382	Homestead Ave Redevelopment	04/16/2012	-	500	500	-	-	-	3	497
D1370	Citywide Streetscapes	04/16/2012	-	250	250	-	7	7	-	243
D1371	Project Initiation & Development	04/16/2012	-	500	500	-	-	-	-	500
D1374	Parkville Municipal Development	04/16/2012	-	500	500	-	-	-	-	500
D1375	Redevelopment	04/16/2012	-	500	500	-	-	-	-	500
D1376	Neighborhood Development	04/16/2012	-	500	500	-	8	8	-	492
D1377	Pedstrian and Traffic Circulation	04/16/2012	-	1,959	1,959	-	-	-	-	1,959
D1470	Lyric Theater-Library and Cultural Center	07/01/2013	-	990	990	-	-	-	-	990
D1471	Project Initiation for Commerical Revitalization	07/01/2013	-	350	350	-	-	-	-	350
D1472	Redevelopment Plan Implementation	07/01/2013	-	2,970	2,970	-	103	103	74	2,793

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
D1473	Economic Incentive Fund	07/01/2013	-	1,980	1,980	-	-	-	-	1,980
D1474	Economic Site Acquisition	07/01/2013	-	4,750	4,750	-	-	-	-	4,750
D1475	Economic Development Site Analysis	07/01/2013	-	500	500	-	70	70	220	210
D1476	Neighborhood Development & Housing	07/01/2013	-	2,970	2,970	-	73	73	-	2,897
D1477	NRZ Improvements	07/01/2013	-	2,723	2,723	-	-	-	-	2,723
D1478	State/Federal Matching Fund	07/01/2013	-	500	500	-	-	-	-	500
D1479	iQuilt Improvement Fund	07/01/2013	-	990	990	-	-	-	-	990
D1480	Small Business Loan Fund	07/01/2013	-	500	500	-	-	-	-	500
D1481	Façade Program	07/01/2013	-	495	495	-	-	-	-	495
D1482	Bowles & Westbrook Village Site Preparation	07/01/2013	-	990	990	-	-	-	-	990
D1483	1% for the Arts - CIP FY14	07/01/2013	-	664	664	-	-	-	-	664
W1405	DOJ ADA Improvements	07/01/2013	-	495	495	-	-	-	-	495
W1406	Municipal Facilities Renovations	07/01/2013	-	3,217	3,217	-	698	698	-	2,519
W1407	Facility Planning & Design	07/01/2013	-	1,485	1,485	-	505	505	-	980
W1408	Energy Projects	07/01/2013	-	594	594	-	60	60	-	534
W1409	Library Renovations and Improvements	07/01/2013	-	792	792	-	262	262	-	530
W1410	Citywide Security Improvements	07/01/2013	-	495	495	-	207	207	-	288
W1411	Parkville Senior Center Improvements	07/01/2013	-	247	247	-	2	2	-	245
W1412	Roof Replacement	07/01/2013	-	495	495	-	164	164	-	331
W1413	Electronic Documentation Preservation	07/01/2013	-	1,500	1,500	-	550	550	-	950
W1414	Quirk West	07/01/2013	-	7,920	7,920	-	140	140	-	7,780
W1415	Match Funds -Cal Ripken @ A.	07/01/2013	-	1,700	1,700	-	2	2	-	1,698
Total Public Works Projects			67,718	47,345	115,063	36,025	12,036	48,061	4,157	62,845
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	6,200	-	6,200	-	-
W1115	Construction of a Public Safety Complex	11/07/2000	77,000	-	77,000	74,603	611	75,214	557	1,229
W7101	Firearms, Equipment Leasing and Transmitter Equipment	06/26/2007	650	-	650	487	40	527	-	123
W8117	Police Headquarters HVAC Improvements & Roof Replacement	08/14/2007	1,800	-	1,800	1,517	-	1,517	-	283
W9109	Fire Houses Citywide - Improvements & Renovations	6/23/2008	1,250	-	1,250	1,249	-	1,249	-	1

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W9120	50 Jennings Rd Interior Mechanical Renovations	5/29/2008	200	-	200	-	187	187	-	13
W1401	Public Safety Complex Parking Garage	07/01/2013	-	2,475	2,475	-	2	2	-	2,473
W1402	Renovation of Fire Station #11	07/01/2013	-	500	500	-	14	14	-	486
W1403	Fire Training Facility	07/01/2013	-	800	800	-	1	1	-	799
W1404	Veeder Building Improvements	07/01/2013	-	150	150	-	78	78	-	72
W1433	Vehicles, Computers and Other Equipment	07/02/2013	-	2,138	2,138	-	395	395	-	1,743
<b>Total Public Safety Projects</b>			<b>87,100</b>	<b>6,063</b>	<b>93,163</b>	<b>84,056</b>	<b>1,328</b>	<b>85,384</b>	<b>557</b>	<b>7,222</b>
Recreation and Culture Projects:										
W5303	Elizabeth Park Pathway, Traffic and Parking Improvements	05/22/1995	957	-	957	957	-	957	-	-
W7243	Central (Main) Library Renovations/Improvements	08/12/1996	38,849	-	38,849	38,624	225	38,849	-	-
W7239	Library Branch Renovations	08/12/1996	5,500	-	5,500	5,438	62	5,500	-	-
W3010	Pope Park Pool Replacement	05/26/2000	1,581	-	1,581	1,475	-	1,475	-	106
W1383	Pool Enclosures for Certain Swimming Pools	11/07/2000	3,900	-	3,900	1,102	-	1,102	-	2,798
W2302	Batterson Park Infrastructure - Hartford Parks Trust Fund	05/24/2002	450	-	450	450	-	450	-	-
W2341	Park Ponds Restoration - Hartford Parks Trust Fund	05/24/2002	800	-	800	413	78	491	-	309
W5313	Colt, Goodwin & Keney Parks Restoration of Playing Fields Hartford Parks Trust Fund	05/24/2005	700	-	700	700	-	700	-	-
W6306	Pope Park Indoor Pool Repairs	11/12/2005	250	-	250	249	-	249	-	1
W6342	Lozada Park Preconstruction Planning, State DEP	02/28/2006	20	-	20	19	-	19	-	1
W7307	Colts Park and Coltsville Park Planning	07/1/2006	1,500	-	1,500	1,004	2	1,006	-	494
W7306	Pope Park Pool/Master Plan Work	10/11/2006	400	-	400	373	8	381	-	19
W7399	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	16,200	-	16,200	16,128	13	16,141	-	59
W7305	Blue Hills Recreation Center	01/9/2007	150	-	150	75	-	75	-	75
W8383	City Wide Pool Enhancements	08/14/2007	800	-	800	798	-	798	-	2

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W8272	Central and Branch Library, Dwight	08/14/2007	2,000	-	2,000	2,030	1	2,031	-	(31)
W8351	Park Monuments, Pond House & Spray Pools Renovations & Improvements	08/14/2007	500	-	500	496	-	496	-	4
W8201	Citywide Day Care and Park Enhancements	11/15/2007	600	-	600	590	-	590	-	10
W9398	Playground & Building Improvements	6/23/2008	1,000	-	1,000	718	258	976	-	24
W9588	Lozada Park Improvements	03/09/2009	390	-	390	390	-	390	-	-
W9589	Levee System Improvements	05/12/2009	5,000	-	5,000	5,065	(65)	5,000	-	-
W0591	Hyland Park Improvements and Renovations	09/11/2009	500	-	500	489	-	489	11	-
W0593	Improvements to Pope Park West	06/02/2009	139	-	139	139	-	139	-	-
W0594	North Cemetery	06/02/2009	1,000	-	1,000	955	41	996	9	(5)
W0595	Keney Park Pavilion	06/02/2009	50	-	50	7	37	44	-	6
W0596	Goodwin Park Pond House Improvement	06/02/2009	450	-	450	364	63	427	-	23
W0597	Keney/Waverly Expansion Athletic Fields	06/02/2009	500	-	500	343	156	499	-	1
W1604	Batterson Park Infrastructure Improvements	06/01/2010	1,000	-	1,000	616	111	727	-	273
W1605	I-Quilt/Bushnell Park	06/01/2010	100	-	100	81	-	81	-	19
W2621	DOJ ADA Park Improvement	06/01/2011	500	-	500	264	257	521	-	(21)
W2622	Park Improvement & Playground	06/01/2011	2,250	-	2,250	1,984	262	2,246	-	4
W2623	Urban Forestry Mgmt & Planning	06/01/2011	900	-	900	837	39	876	-	24
W2625	Beautification/Improvements	06/01/2011	250	-	250	256	(6)	250	-	-
W2627	Pulaski Mall Improvements	06/01/2011	250	-	250	246	-	246	-	4
W2637	Goodwin Park Fencing CSAP 201	06/01/2011	125	-	125	124	1	125	-	-
W1309	DOJ ADA Park Improvements	04/16/2012	500	-	500	36	269	305	-	195
W1310	Cemetery Beautification/Improvements	04/16/2012	750	-	750	-	465	465	-	285
W1311	Pulaski Mall Improvements	04/16/2012	600	-	600	323	256	579	-	21
W1332	Cronin Park Improvements	04/16/2012	700	-	700	515	(416)	99	-	601
W1333	Day Park Improvements	04/16/2012	800	-	800	-	706	706	-	94
W1334	Bushnell Park Carousel Study	04/16/2012	150	-	150	4	36	40	-	110
W1335	Goodwin Park Spray Pool	04/16/2012	-	150	150	-	49	49	-	-
W1336	Park Projects Design	04/16/2012	200	-	200	114	71	185	-	15
W1338	Cal Ripken Playing Fields	04/16/2012	2,750	-	2,750	-	1,079	1,079	-	1,671
W2636	Batterson Park Improvements	04/25/2011	139	-	139	82	-	82	-	57
W2638	Cronin Park (Ruby Long Park)	04/25/2011	400	-	400	377	23	400	-	-
W2624	Park Master Plan Update	06/01/2011	350	-	350	-	342	342	-	8
W1416	ADA Park Improvements	07/01/2013	-	495	495	-	2	-	-	495
W1417	Park Improvements and Playground Enhancements	07/01/2013	-	2,100	2,100	-	197	-	-	2,100

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W1418	Cemetery Beautification and Improvements	07/01/2013	-	200	200	-	17	-	200	
W1419	Urban Forestry Management and Planning	07/01/2013	-	990	990	-	808	-	990	
W1420	Greenways, and Connections to Regional, National and Multiuse Trails	07/01/2013	-	495	495	-	-	-	495	
W1421	Dillon Stadium Improvements	07/01/2013	-	1,980	1,980	-	1	-	1,980	
W1422	Monument Study	07/01/2013	-	50	50	-	-	-	50	
W1423	Keney & Goodwin Golf Course Improvements	07/01/2013	-	4,950	4,950	-	1,045	-	4,950	
W1434	Bushnell Park Carousel Improvements	05/12/2014	-	1,000	1,000	-	-	-	1,000	
<b>Total Recreation and Culture Projects</b>			<b>96,900</b>	<b>12,410</b>	<b>109,310</b>	<b>85,250</b>	<b>6,493</b>	<b>91,743</b>	<b>20</b>	<b>17,547</b>
<b>Education Projects</b>										
QB534	Renovation of Hartford High School Project	09/23/1997	114,500	-	114,500	114,328	-	114,328	81	91
QB537	Renovations of Various Hartford Schools	08/11/1998	27,000	-	27,000	26,687	144	26,831	-	169
QB546	Renovations and Construction Improvements to Hartford Public Schools	11/07/2000	129,590	-	129,590	131,269	336	131,605	166	(2,181)
QB548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	30,500	-	30,500	30,356	1,829	32,185	5	(1,690)
QB549	Sports Science Academy Magnet High School	05/12/2003	67,649	-	67,649	64,655	-	64,655	903	2,091
QB550	Greater Hartford Classical Magnet School	11/13/2003	37,950	-	37,950	37,812	203	38,015	40	(105)
QB551	Pathways to Technology Magnet School	11/13/2003	36,950	-	36,950	6,822	-	6,822	1,155	28,973
QB553	University High School for Science	08/11/2004	43,000	-	43,000	41,995	7	42,002	323	675
QB554	Capital College Preparatory Magnet	08/11/2004	45,650	-	45,650	40,990	12	41,002	1,892	2,756
QB556	Annie Fisher Magnet School	07/12/2005	45,500	-	45,500	44,199	197	44,396	68	1,036
QB557	Richard B. Kinsella, Magnet School of Arts	07/12/2005	38,015	-	38,015	37,923	-	37,923	8	84
QB559	Mary Hooker Environment Studies Magnet School	07/11/2006	43,500	-	43,500	38,622	444	39,066	1,496	2,938
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	26,098	4,680	30,778	692	5,980
Q1565	Dwight Bellizzi Middle School	06/09/2008	13,000	-	13,000	10,507	1,487	11,994	516	490
Q1566	International Baccalaureate School	06/09/2008	55,050	-	55,050	41,215	8,686	49,901	722	4,427
Q9553	Transitional Classroom University of Science	01/12/2009	1,650	-	1,650	1,295	-	1,295	-	355
Q9901/Q9430	MD Fox Elementary School	01/12/2008	54,400	2,000	56,400	42,085	4,145	46,230	1,886	8,284
Q9902	Student Bathrooms - Bulkeley	10/27/2008	700	-	700	518	-	518	-	182
Q9912	Opportunity High School	01/01/2012	700	-	700	406	62	468	215	17
Q0903	Burns Roof & Asbestos Abate	06/02/2009	865	-	865	865	-	865	-	-
Q0904	Roofs/Masonry Intrusion Alan	06/02/2009	4,069	-	4,069	1,499	1,847	3,346	130	593
Q0905	M.L. King (Gifted and Talented)	06/02/2009	100	-	100	100	-	100	-	-
Q0906	Burns (Language Lab)	06/02/2009	700	-	700	12	381	393	211	96
Q2907	West Middle School	07/01/2012	54,600	-	54,600	1,306	6,375	7,681	5,269	41,650
Q2908	Hartford Middle Magnet School	07/01/2012	29,440	-	29,440	584	1,783	2,367	5,302	21,771

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
Q2909	Parkville School HVAC Units	07/01/2012	1,425	-	1,425	818	-	818	-	607
Q2910	Fox Middle School Cooling Tower Unit	07/01/2012	271	-	271	162	-	162	-	109
Q2911	Kinsella High School	07/01/2012	70	-	70	5	39	44	-	26
Q1301	Quirk Renovation	04/16/2012	2,500	-	2,500	32	(32)	-	-	2,500
Q1302	Burns Masonry	04/16/2012	300	-	300	-	300	300	-	-
Q1303	Bellizzi Air Conditioning	04/16/2012	1,500	-	1,500	-	141	141	44	1,315
Q1307	Milner School Renovations	04/16/2012	2,000	-	2,000	64	375	439	1,330	231
Q1304	Sprinklers at Clark	04/16/2012	-	1,000	1,000	-	26	26	59	915
Q1305	Sprinklers at S. Waverly	04/16/2012	-	1,000	1,000	-	25	25	60	915
Q1308	Weaver High School Renovations FY13	04/16/2012	-	67,000	67,000	-	53	53	387	66,560
Q1309	Kinsella Magnet School FY13	04/16/2012	-	33,000	33,000	-	9	9	-	32,991
Q1402	Weaver High School Renovations FY14	7/12/2013	-	33,000	33,000	-	1	1	-	32,999
Q1403	School Facilities Capital Improvement	7/12/2013	-	4,300	4,300	-	166	166	429	3,705
Q1404	Vehicles, Computers, & Other	7/12/2013	-	1,000	1,000	-	734	734	86	180
Q1405	Mark Twain School Sprinklers	7/12/2013	-	1,000	1,000	-	3	3	53	944
<b>Total Education Projects</b>			<b>921,819</b>	<b>143,300</b>	<b>1,065,119</b>	<b>743,229</b>	<b>34,458</b>	<b>777,687</b>	<b>23,528</b>	<b>263,904</b>
Other	Q2905 (QB904) Milner Academy Roof Project	04/16/2012	1,480	-	1,480	1,492	-	1,492	4	(16)
	Q2906 (QB904) Batchelder School Roof Project	04/16/2012	1,820	-	1,820	1,710	-	1,710	3	107
	Q1300 Public Safety	04/16/2012	3,000	-	3,000	60	-	60	-	2,940
	Q1306 Parking Lot	04/16/2012	200	-	200	1	196	197	-	3
			<b>6,500</b>	<b>-</b>	<b>6,500</b>	<b>3,263</b>	<b>196</b>	<b>3,459</b>	<b>7</b>	<b>3,034</b>
<b>Total Facility Services</b>			<b>1,180,037</b>	<b>209,118</b>	<b>1,389,155</b>	<b>951,823</b>	<b>54,511</b>	<b>1,006,334</b>	<b>28,269</b>	<b>354,552</b>
<u>Engineering Services</u>										
W9519	Road Improvement Program	08/11/1998	12,955	-	12,955	10,808	888	11,696	-	1,259
W1519	Streetscape Improvements	11/07/2000	16,700	-	16,700	11,556	902	12,458	-	4,242
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	-	123
W3570	Trinity College Area									
	Improvements	11/13/2003	4,565	-	4,565	4,542	-	4,542	-	23
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	12,950	-	12,950	-	50
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	4,587	-	4,587	-	413
W7574	School Area Pedestrian Routes									
	Safety Enhancements	07/01/2006	300	-	300	220	-	220	-	80

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W8562	Match Funds for State/Federal Infrastructure Grants FYE 2008 Appropriation	08/14/2007	1,190	-	1,190	953	18	971	-	219
W8510	Reconstruction of Asylum St. from Main St. to Trumbull St. CFDA 20.205-State 63-570	07/10/2007	1,266	-	1,266	1,067	-	1,067	-	199
W8556	Street Rehabilitation FYE 2008 Appropriation	08/14/2007	4,000	-	4,000	3,909	7	3,916	-	84
W8519	Streetscapes FYE 2008 Appropriation	08/14/2007	2,000	-	2,000	407	1,580	1,987	-	13
W8577	Main Street, Streetscapes	08/14/2007	475	-	475	329	84	413	-	62
W8518	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.	10/11/2007	2,900	-	2,900	2,818	-	2,818	-	82
W8523	Extension of Mark Twain Dr.	04/28/2008	2,728	-	2,728	2,651	-	2,651	-	77
W9510	Street Rehabilitation & Road Improvements	5/29/2008	4,000	-	4,000	3,931	68	3,999	-	1
W9511	Streetscape Projects - North & South	6/23/2008	2,000	-	2,000	893	204	1,097	-	903
W9512	Flood Control Infrastructure Improvements	5/29/2008	1,600	-	1,600	1,589	6	1,595	-	5
W9549	Central Business District Streetlight Replacement	5/29/2008	250	-	250	250	-	250	-	-
W9562	Match Funds for State/Federal Infrastructure Grants FYE 2009	5/29/2008	1,500	-	1,500	161	1	162	-	1,338
W9586	Clean Water Related Infrastructure Supplemental Funding	5/29/2008	1,500	-	1,500	283	65	348	-	1,152
W0598	Citywide Decorative Light Replacement	06/02/2009	350	-	350	305	-	305	45	-
W0599	Citywide Guide Rail & Traffic Island	06/02/2009	700	-	700	150	-	150	18	532
W1600	Park St./Pope Commons Streetscape Improvements	07/01/2010	95	-	95	95	-	95	-	-
W1606	Repair of 12 City Bridges	06/01/2010	900	-	900	-	53	53	-	847
W1609	Street Paving	06/01/2010	3,000	-	3,000	2,869	7	2,876	-	124
W1610	Connect Regional, Nat'l Trails	06/01/2010	200	-	200	-	-	-	-	200
W1613	Farmington/Broad/Asylum Intersection	06/01/2010	3,500	-	3,500	-	7	7	-	3,493
W1614	South Green Ornamental Fence	06/01/2010	200	-	200	79	-	79	-	121
W1615	Traffic Calming	06/01/2010	500	-	500	365	(55)	310	-	190
W1616	Coltsville Streetscape Flood Control Design	06/01/2011	850	-	850	566	182	748	-	102
W2629	Improvements	06/01/2011	3,000	-	3,000	1,317	1,132	2,449	-	551
W2630	Traffic calming	06/01/2011	250	-	250	66	38	104	-	146
W2632	Streetlight Replacement Program	06/01/2011	500	-	500	207	249	456	-	44
D2649	Colt Gateway Project	06/01/2011	5,300	-	5,300	24	2,141	2,165	3,389	(254)
W1316	Flood Control Design and Improvements	04/16/2012	2,500	-	2,500	334	573	907	-	1,593
W1317	Albany Ave Road Safety Improvements	04/16/2012	1,000	-	1,000	343	13	356	-	644

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			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W1318	Traffic Calming	04/16/2012	250	-	250	157	(23)	134	-	116
W1320	Colt Gateway Streetscape Phase 1	04/16/2012	13,900	-	13,900	71	274	345	-	13,555
W1321	Pedestrian Wayfinding Signage Program	04/16/2012	300	-	300	70	-	70	-	230
W1326	City Records - Document Conversion	04/16/2012	300	-	300	117	103	220	-	80
W1329	Roof Replacement	04/16/2012	500	-	500	32	199	231	-	269
W1330	Street Light Replacement Program	04/16/2012	250	-	250	171	-	171	-	79
W1315	Traffic Calming	04/16/2012	-	250	250	-	4	4	-	246
W1425	Flood Control Design and Improvements	07/01/2013	-	4,200	4,200	-	84	84	-	4,116
W1432	Citywide Fencing	07/01/2013	-	495	495	-	128	128	-	367
W1301	Radio Communications	04/16/2012	-	200	200	-	117	117	-	83
<b>Total Engineering Services</b>			<b>124,350</b>	<b>5,145</b>	<b>129,495</b>	<b>79,028</b>	<b>9,049</b>	<b>88,077</b>	<b>3,452</b>	<b>37,966</b>
<u>Transportation Services</u>										
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	92	-	92	-	-
W7564	City Sidewalk Replacements	10/11/2006	300	-	300	297	-	297	-	3
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	3,225	61	3,286	9	5
W1424	Traffic Signalization	07/1/2013	-	1,485	1,485	-	-	-	-	1,485
W1426	Bridge Repairs	07/1/2013	-	500	500	-	-	-	-	500
W1427	Complete Streets	07/1/2013	-	1,000	1,000	-	254	254	-	746
W1428	Complete Streets - repav and repair	07/1/2013	-	8,637	8,637	-	2,805	2,805	-	5,832
W1429	Complete Streets - Streetscape	07/1/2013	-	15,000	15,000	-	1,106	1,106	-	13,894
W1430	Brookfield Street Reconstruction	07/1/2013	-	250	250	-	-	-	-	250
W1431	Street Light Replacement Program	07/1/2013	-	250	250	-	-	-	-	250
<b>Total Transportation Services</b>			<b>5,732</b>	<b>27,122</b>	<b>32,854</b>	<b>5,551</b>	<b>4,226</b>	<b>9,777</b>	<b>9</b>	<b>23,068</b>
<u>Local Capital Improvement Program</u>										
Public Works Projects:										
W5534	LOCIP - Woodland Street Bridge Rehabilitation Match	10/10/1995	250	-	250	236	-	236	-	14
W7244	Library Renovations	09/11/1996	1,000	-	1,000	988	-	988	-	12



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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W0521	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400	-	400	388	-	388	12	-
W1263	Municipal Building Improvements – 064-00-030; 064-01-060	10/11/2000	716	-	716	693	-	693	-	23
W2552	Signalization of Franklin Avenue/Ward Street and Washington/Ward Street - LOCIP project #242 – 064-01-010	09/12/2001	20	-	20	20	-	20	-	-
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	75	-	75	-	-
W4271	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	09/15/2003	750	-	750	571	108	679	-	71
W4563	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	09/15/2003	125	-	125	72	4	76	-	49
W4556	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	09/15/2003	3,850	-	3,850	3,849	-	3,849	-	1
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	-	64
W4268	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	09/15/2003	100	-	100	4	(4)	-	-	100

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W4203	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	09/15/2003	150	-	150	132	-	132	-	18
W5268	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	400	-	400	375	-	375	-	25
W5269	Central Business District Streetlight Replacement - LOCIP Project #549 064-04-050	10/13/2004	500	-	500	500	-	500	-	-
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	500	-	500	491	5	496	-	4
W7568	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	02/16/2006	250	-	250	136	-	136	-	114
W7265	Roof Replacements at Various City Buildings Project #265, 064-06-010	01/30/2007	750	-	750	685	16	701	-	49
W7266	Boiler Replacement at Various City Buildings Project #266, 064-06-020	01/30/2007	250	-	250	250	-	250	-	-
W6568	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	01/30/2007	250	-	250	248	-	248	-	2
W7575	Citywide Decorative Light Replacements Project #575, 064-06-050	01/30/2007	225	-	225	147	-	147	-	78
W9590	LOCIP Project #581 - Handicap Ramps	06/09/2009	250	-	250	5	(5)	-	-	250
W1601	Pope Park Recreation Center Building Shell	06/01/2010	1,200	-	1,200	1,218	-	1,218	-	(18)
W1603	525 Main St. Roof Top Unit Replacement	06/01/2010	500	-	500	79	-	79	-	421
W1607	Sidewalk Replacement	06/01/2010	200	-	200	128	-	128	-	72

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2014  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W1608	Traffic Signals and Cameras	06/01/2010	1,500	-	1,500	34	106	140	-	1,360
W1612	Streetlight Replacement	06/01/2010	300	-	300	17	-	17	-	283
W2626	Improvements	06/01/2011	250	-	250	132	6	138	-	112
W2628	Traffic signalization	06/01/2011	750	-	750	98	23	121	-	629
W2631	Citywide Bike Lanes	06/01/2011	50	-	50	-	-	-	-	50
W2633	Street Design & Reconstruction	06/01/2011	900	-	900	-	-	-	-	900
W2634	Sidewalk Replacement	06/01/2011	500	-	500	213	211	424	-	76
W2635	Street Repaving & Repair	06/01/2011	300	-	300	300	-	300	-	-
D2636	Citywide Streetscapes - Planning	06/01/2011	250	-	250	-	-	-	247	3
W1325	Street Repaving & Repair	04/16/2012	2,000	-	2,000	548	1,074	1,622	-	378
<b>Total Local Capital Improvement Program</b>			<b>22,127</b>	<b>-</b>	<b>22,127</b>	<b>15,024</b>	<b>1,544</b>	<b>16,568</b>	<b>259</b>	<b>5,300</b>
<b>Non Bonded Projects</b>										
D1363	TIGER GRANT - PROJ MGMT/A&E	07/01/2013	-	1,209	1,209	-	423	423	52.00	734
D1364	TIGER GRANT - UNION STATION HUB	07/01/2013	-	897	897	-	-	-	897.00	-
D1365	TIGER GRANT - BUSHNELL PARK NORTH	07/01/2013	-	5,321	5,321	-	124	124	5,236.00	(39)
D1366	TIGER GRANT - ASYLUM/PEARL TRANSIT	07/01/2013	-	2,437	2,437	-	81	81	2,437.00	(81)
D1368	BUS LIVABILITY GRANT (GHTD)	07/01/2013	-	1,692	1,692	-	317	317	1,325.00	50
D1390	JOHN E ROGERS - STATE URBAN ACT GRA	07/01/2013	-	1,000	1,000	-	2	2	907.00	91
W1310	Cemetery Beautification and Improve	04/16/2012	-	250	250	-	250	250	-	-
W1318	Traffic Calming	04/16/2012	-	56	56	-	56	56	-	-
W1332	Cronin Park Improvements	04/16/2012	-	500	500	-	500	500	-	-
W1337	Citywide Bike Racks	04/16/2012	-	18	18	-	18	18	-	-
W1417	Park Improv. & Playground Enhanc.	07/01/2013	-	300	300	-	-	-	-	300
W1418	Cemetery Beautification and Improv.	07/01/2013	-	200	200	-	-	-	-	200
W1433	Vehicles, Computers and Other Equip	07/01/2013	-	3,930	3,930	-	3,585	3,585	296.00	49
W1440	MICROGRID PILOT PROGRAM-PARKVILLE	07/01/2013	-	2,123	2,123	-	60	60	-	2,063
W1441	MICROGRID-JENNINGS RD PROPOSAL	07/01/2013	-	57	57	-	58	58	-	(1)
W1615	W1615 Traffic Calming	06/01/2010	-	76	76	-	76	76	-	-
W9900	TOWN CLERK'S LOCIP ACCOUNT	07/01/2013	-	79	79	-	-	-	-	79
<b>Total Non Bonded Projects</b>			<b>-</b>	<b>20,145</b>	<b>20,145</b>	<b>-</b>	<b>5,550</b>	<b>5,550</b>	<b>11,150</b>	<b>3,445</b>
<b>TOTAL CAPITAL IMPROVEMENT FUND</b>			<b>\$ 1,332,246</b>	<b>\$ 261,530</b>	<b>\$ 1,593,776</b>	<b>\$ 1,051,426</b>	<b>74,880</b>	<b>\$ 1,126,306</b>	<b>\$ 43,139</b>	<b>\$ 424,331</b>
Conversion to GAAP based financial statement reporting:										
Previous year retainage and off system accrued payables								(5,336)		(5,336)
Current year retainage and off system accrued payables								2,186		2,186
<b>TOTAL</b>								<b>\$ 71,730</b>		<b>\$ 39,989</b>

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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 seven (7) internal service funds to account for the risk management program for employee benefits including retirees, municipal actives, BOE actives, new hires, 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 Position (Deficit) - Internal Service Funds

June 30, 2014

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Assets</b>			
Cash and cash equivalents	\$ 3,736	\$ 49	\$ 2,314
Other receivables	-	-	-
<b>Total assets</b>	<u>3,736</u>	<u>49</u>	<u>2,314</u>
<b>Liabilities</b>			
Current:			
Accounts payable and accrued liabilities	431	59	238
Insurance claims payable	9,900	2,100	-
Claims incurred and not reported	-	-	-
<b>Total current liabilities</b>	<u>10,331</u>	<u>2,159</u>	<u>238</u>
Noncurrent:			
Insurance claims payable	-	1,400	-
Claims incurred and not reported	6,700	1,100	-
<b>Total noncurrent liabilities</b>	<u>6,700</u>	<u>2,500</u>	<u>-</u>
<b>Net Position (Deficit)</b>			
Unrestricted	<u>(13,295)</u>	<u>(4,610)</u>	<u>2,076</u>
<b>Total net position (deficit)</b>	<u>\$ (13,295)</u>	<u>\$ (4,610)</u>	<u>\$ 2,076</u>



Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 1,340	\$ 1,957	\$ 39,826	\$ 2,781	\$ 174	\$ 52,177
188	-	209	-	-	397
1,528	1,957	40,035	2,781	174	52,574
471	364	884	-	-	2,447
-	-	-	-	-	12,000
1,057	1,518	3,084	-	-	5,659
1,528	1,882	3,968	-	-	20,106
-	-	-	-	-	1,400
-	-	-	-	-	7,800
-	-	-	-	-	9,200
-	75	36,067	2,781	174	23,268
\$ -	\$ 75	\$ 36,067	\$ 2,781	\$ 174	\$ 23,268

City of Hartford, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)

Internal Service Funds

For the Year Ended June 30, 2014

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Operating Revenues</b>			
City's contribution	\$ 7,641	\$ 2,637	\$ 5,273
Pensioners contribution	-	-	-
Other	-	3	375
<b>Total operating revenues</b>	<b>7,641</b>	<b>2,640</b>	<b>5,648</b>
<b>Operating Expenses</b>			
Administrative	15	369	671
Operations	-	-	4,253
Insurance benefits and claims paid	8,715	1,929	-
<b>Total operating expenses</b>	<b>8,730</b>	<b>2,298</b>	<b>4,924</b>
<b>Changes in net position</b>	<b>(1,089)</b>	<b>342</b>	<b>724</b>
<b>Net Position (Deficit), beginning of year</b>	<b>(12,206)</b>	<b>(4,952)</b>	<b>1,352</b>
<b>Net Position (Deficit), end of year</b>	<b>\$ (13,295)</b>	<b>\$ (4,610)</b>	<b>\$ 2,076</b>

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 8,236	\$ 14,495	\$ 32,878	\$ 9,962	\$ -	\$ 81,122
10,164	3,324	7,041	4,298	-	24,827
738	386	708	188	-	2,398
19,138	18,205	40,627	14,448	-	108,347
1,369	3,386	1,582	1,153	-	8,545
-	-	-	-	-	4,253
17,769	16,304	37,089	12,089	-	93,895
19,138	19,690	38,671	13,242	-	106,693
-	(1,485)	1,956	1,206	-	1,654
-	1,560	34,111	1,575	174	21,614
\$ -	\$ 75	\$ 36,067	\$ 2,781	\$ 174	\$ 23,268

City of Hartford, Connecticut

**Combining Statement of Cash Flows - Internal Service Funds  
For the Year Ended June 30, 2014  
(In Thousands)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Cash Flows From Operating Activities</b>			
City's contribution	\$ 7,641	\$ 2,646	\$ 5,273
Cash received from other	-	-	375
Cash received from users	-	-	-
Cash paid for salaries and benefits	-	-	(671)
Cash paid for claims	(7,092)	(2,797)	(4,352)
<b>Net cash provided by (used in) operating activities</b>	<b>549</b>	<b>(151)</b>	<b>625</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>549</b>	<b>(151)</b>	<b>625</b>
<b>Cash and Cash Equivalents</b> , beginning of year	<b>3,187</b>	<b>200</b>	<b>1,689</b>
<b>Cash and Cash Equivalents</b> , end of year	<b>\$ 3,736</b>	<b>\$ 49</b>	<b>\$ 2,314</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>			
Operating income (loss)	\$ (1,089)	\$ 342	\$ 724
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in other receivables	-	6	-
(Decrease) increase in accounts payable	338	1	(99)
(Decrease) increase in insurance claims payable	700	(400)	-
(Decrease) increase in claims incurred but not reported	600	(100)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 549</b>	<b>\$ (151)</b>	<b>\$ 625</b>

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 8,529	\$ 14,495	\$ 32,833	\$ 9,962	\$ -	\$ 81,379
738	386	708	188	-	2,395
10,164	3,324	7,041	4,298	-	24,827
(1,369)	(942)	(1,582)	(1,153)	-	(5,717)
(17,856)	(18,627)	(36,660)	(12,462)	-	(99,846)
206	(1,364)	2,340	833	-	3,038
206	(1,364)	2,340	833	-	3,038
1,134	3,321	37,486	1,948	174	49,139
\$ 1,340	\$ 1,957	\$ 39,826	\$ 2,781	\$ 174	\$ 52,177
\$ -	\$ (1,485)	\$ 1,956	\$ 1,206	\$ -	\$ 1,654
293	-	(45)	-	-	254
79	(10)	(16)	-	-	293
-	-	-	-	-	300
(166)	131	445	(373)	-	537
\$ 206	\$ (1,364)	\$ 2,340	\$ 833	\$ -	\$ 3,038

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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.



**Combining Balance Sheet - Agency Funds**  
**June 30, 2014**  
**(In Thousands)**

	Student Activity Funds	Adult Education Book Fund	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 984	\$ 9	\$ 993
<b>Liabilities</b>			
Due to student groups and other	\$ 984	\$ 9	\$ 993

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds  
For the Year Ended June 30, 2014  
(In Thousands)**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>Student Activity Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 935	\$ 1,182	\$ 1,134	\$ 984
<b>Liabilities</b>				
Due to student groups	\$ 935	\$ 1,182	\$ 1,134	\$ 984
<b>Adult Education Book Fund</b>				
<b>Assets</b>				
Cash	\$ 9	\$ -	\$ -	\$ 9
<b>Liabilities</b>				
Due to other	\$ 9	\$ -	\$ -	\$ 9
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 944	\$ 1,182	\$ 1,134	\$ 993
<b>Liabilities</b>				
Due to student groups	\$ 935	\$ 1,182	\$ 1,134	\$ 984
Due to other	9	-	-	9
<b>Total</b>	<b>\$ 944</b>	<b>\$ 1,182</b>	<b>\$ 1,134</b>	<b>\$ 993</b>

**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.

**Capital Assets Used in the Operation of Governmental Funds,  
Comparative Schedule by Source  
June 30, 2014 and 2013  
(In Thousands)**

	<b>2014</b>
<hr/>	
Governmental funds capital assets:	
Land and land improvements	\$ 92,336
Buildings	1,226,693
Other structures	32,495
Furniture and equipment	48,140
Rolling equipment	48,577
Infrastructure	472,682
Construction in progress	<u>212,808</u>
<b>Total</b>	<b><u>\$ 2,133,731</u></b>
Investments in governmental funds capital assets:	
<b>Total governmental funds capital assets</b>	<b><u>\$ 2,133,731</u></b>

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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 Position by Component - Unaudited  
Last Ten Fiscal Years  
(In Thousands)**

	Fiscal Year				
	2014	2013	2012	2011	2010
Governmental activities					
Net investment in capital assets	\$ 983,461	\$ 1,006,633	\$ 966,580	\$ 954,780	\$ 956,310
Restricted	75,720	73,049	70,155	62,466	63,564
Unrestricted	25,662	36,029	50,814	47,155	36,231
<b>Total governmental activities net position</b>	<b>1,084,843</b>	<b>1,115,711</b>	<b>1,087,549</b>	<b>1,064,401</b>	<b>1,056,105</b>
Business-type activities					
Net investment in capital assets	26,732	33,910	34,623	35,417	36,256
Restricted	-	-	-	-	-
Unrestricted	820	1,799	2,400	1,678	684
<b>Total business-type activities net position</b>	<b>27,552</b>	<b>35,709</b>	<b>37,023</b>	<b>37,095</b>	<b>36,940</b>
Primary Government					
Net investment in capital assets	1,010,193	1,040,543	1,001,203	990,197	992,566
Restricted	75,720	73,049	70,155	62,466	63,564
Unrestricted	26,482	37,828	53,214	48,833	36,915
<b>Total primary government net position</b>	<b>\$ 1,112,395</b>	<b>\$ 1,151,420</b>	<b>\$ 1,124,572</b>	<b>\$ 1,101,496</b>	<b>\$ 1,093,045</b>

Notes:

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

TABLE 1

		Fiscal Year							
		2009	2008	2007	2006	2005			
\$	910,440	\$	877,583	\$	815,601	\$	737,253	\$	425,801
	63,642		64,098		65,320		55,509		53,375
	12,324		(5,966)		43,920		53,952		58,531
	986,406		935,715		924,841		846,714		537,707
	37,683		35,974		36,969		36,641		33,145
	-		-		-		-		-
	-		-		1,562		1,033		4,604
	37,683		35,974		38,531		37,674		37,749
	948,123		913,557		852,570		773,894		458,946
	63,642		64,098		65,320		55,509		53,375
	12,324		(5,966)		45,482		54,985		63,135
\$	1,024,089	\$	971,689	\$	963,372	\$	884,388	\$	575,456

City of Hartford, Connecticut

**Changes in Net Position - Unaudited**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Expenses</b>					
Governmental activities:					
General government	\$ 69,912	\$ 72,050	\$ 72,165	\$ 58,302	\$ 61,687
Public safety	119,995	106,619	101,603	99,448	98,563
Public works	37,310	44,280	42,428	37,698	38,215
Development and community affairs	61,626	61,652	63,779	61,408	63,475
Human services	29,697	27,561	30,146	28,574	31,799
Education	544,398	503,475	487,717	472,210	477,009
Recreation and culture	10,064	10,106	9,728	9,332	9,632
Benefits and insurance	-	-	-	-	-
Sundry	-	-	-	-	-
Interest on long-term debt	20,665	21,358	14,743	15,322	19,125
<b>Total governmental activities expenses</b>	<b>893,667</b>	<b>847,101</b>	<b>822,309</b>	<b>782,294</b>	<b>799,505</b>
Business-type activities:					
Hartford Parking Facilities	8,640	3,669	3,729	4,096	4,185
Golf Course	200	-	-	-	-
<b>Total business-type activities net position</b>	<b>8,840</b>	<b>3,669</b>	<b>3,729</b>	<b>4,096</b>	<b>4,185</b>
<b>Total primary government expenses</b>	<b>902,507</b>	<b>850,770</b>	<b>826,038</b>	<b>786,390</b>	<b>803,690</b>
<b>Program Revenues</b>					
Governmental activities					
Charges for services:					
General government	5,265	2,150	3,108	2,152	2,241
Public safety	6,132	9,119	1,772	2,472	1,739
Public works	9,289	7,464	10,378	10,770	10,089
Recreation and culture	139	92	194	95	537
Other	7,055	3,849	5,011	6,689	4,808
Operating grants and contributions	482,748	465,918	445,168	408,617	420,882
Capital grants and contributions	18,553	65,774	25,912	15,797	96,958
<b>Total governmental activities program revenues</b>	<b>529,181</b>	<b>554,366</b>	<b>491,543</b>	<b>446,592</b>	<b>537,254</b>

TABLE 2

Fiscal Year				
2009	2008	2007	2006	2005
\$ 58,575	\$ 115,504	\$ 97,524	\$ 94,466	\$ 22,080
95,466	83,414	77,513	74,179	71,142
30,290	29,127	23,821	24,730	16,881
56,269	51,777	47,702	45,570	54,484
34,601	30,042	30,755	24,022	18,853
450,428	496,857	397,355	375,615	295,963
10,227	10,338	10,231	9,991	7,446
-	-	-	-	102,396
-	-	-	-	22,589
17,169	13,723	11,045	6,941	9,409
753,025	830,782	695,946	655,514	621,243
3,760	3,897	3,768	3,701	5,876
-	-	-	-	-
3,760	3,897	3,768	3,701	5,876
756,785	834,679	699,714	659,215	627,119
2,374	2,907	4,324	4,227	4,109
2,053	4,696	5,439	7,843	6,226
14,715	14,224	12,155	12,278	11,142
458	2,514	2,383	2,063	2,077
5,398	1,340	1,434	1,674	1,970
391,919	466,397	382,080	364,191	330,611
71,908	58,545	73,070	122,823	98,134
488,825	550,623	480,885	515,099	454,269

City of Hartford, Connecticut

**Changes in Net Position - Unaudited (Continued)**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Business-type activities:</b>					
Charges for services:					
Parking facilities*	\$ 4,932	\$ 4,511	\$ 4,054	\$ 4,732	\$ 4,791
Other enterprise funds	758	-	-	-	-
Capital grants and contributions	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>5,690</b>	<b>4,511</b>	<b>4,054</b>	<b>4,732</b>	<b>4,791</b>
<b>Total primary government program revenues</b>	<b>534,871</b>	<b>558,877</b>	<b>495,597</b>	<b>451,324</b>	<b>542,045</b>
Net (expense)/revenue					
Governmental activities	(364,486)	(292,735)	(330,766)	(335,702)	(262,251)
Business-type activities	(3,150)	842	325	636	606
<b>Total primary government net expense</b>	<b>(367,636)</b>	<b>(291,893)</b>	<b>(330,441)</b>	<b>(335,066)</b>	<b>(261,645)</b>
General revenues and other changes in net expenses					
Governmental activities:					
Property taxes	267,234	256,943	290,165	283,835	272,939
Unrestricted grants and contributions	55,364	56,696	58,767	55,207	51,975
Investment earnings	5,512	2,781	2,205	3,079	3,319
Other general revenues	498	2,317	2,377	1,389	2,367
Transfers and other	5,010	2,160	400	488	1,350
Special item - net loss on sale of property	-	-	-	-	-
<b>Total governmental activities</b>	<b>333,618</b>	<b>320,897</b>	<b>353,914</b>	<b>343,998</b>	<b>331,950</b>
Business-type activities: (2)					
Investment earnings	3	4	3	7	1
Other general revenues	-	-	-	-	-
Special item - net loss on sale of property	-	-	-	-	-
Transfers and other	(5,010)	(2,160)	(400)	(488)	(1,350)
<b>Total business-type activities</b>	<b>(5,007)</b>	<b>(2,156)</b>	<b>(397)</b>	<b>(481)</b>	<b>(1,349)</b>
<b>Total primary government</b>	<b>328,611</b>	<b>318,741</b>	<b>353,517</b>	<b>343,517</b>	<b>330,601</b>
Changes in net position					
Governmental activities	(30,868)	28,162	23,148	8,296	69,699
Business-type activities	(8,157)	(1,314)	(72)	155	(743)
<b>Total primary government</b>	<b>\$ (39,025)</b>	<b>\$ 26,848</b>	<b>\$ 23,076</b>	<b>\$ 8,451</b>	<b>\$ 68,956</b>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The City began the cost allocation of benefits, insurance and other indirect expenses within its governmental functions in 2006.

TABLE 2

Fiscal Year				
2009	2008	2007	2006	2005
\$ 5,309	\$ 6,724	\$ 6,337	\$ 4,840	\$ 3,698
-	-	-	-	-
3,214	167	-	37	43
8,523	6,891	6,337	4,877	3,741
497,348	557,514	487,222	519,976	458,010
(264,200)	(280,159)	(215,061)	(140,415)	(166,974)
4,763	2,994	2,569	1,176	(2,135)
(259,437)	(277,165)	(212,492)	(139,239)	(169,109)
256,520	229,500	229,734	215,285	196,846
53,234	47,698	49,262	41,861	39,907
(416)	3,692	8,519	5,490	3,949
2,492	4,581	3,920	4,779	3,829
3,061	5,562	1,753	1,381	9,815
-	-	-	-	-
314,891	291,033	293,188	268,796	254,346
7	11	41	130	500
-	-	-	-	300
-	-	-	-	-
(3,061)	(5,562)	(1,753)	(1,381)	(9,815)
(3,054)	(5,551)	(1,712)	(1,251)	(9,015)
311,837	285,482	291,476	267,545	245,331
50,691	10,874	78,127	128,381	87,372
1,709	(2,557)	857	(75)	(11,150)
\$ 52,400	\$ 8,317	\$ 78,984	\$ 128,306	\$ 76,222

City of Hartford, Connecticut

**Fund Balances of Governmental Funds - Unaudited**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>General fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	3,859	2,850	4,332	2,525	-
Unassigned	13,022	27,528	25,781	22,561	-
Reserved	-	-	-	-	148
Unreserved	-	-	-	-	18,500
<b>Total general fund</b>	<b>\$ 16,881</b>	<b>\$ 30,378</b>	<b>\$ 30,113</b>	<b>\$ 25,086</b>	<b>\$ 18,648</b>
<b>All other governmental funds</b>					
Nonspendable	\$ 8,712	\$ 8,772	\$ 8,706	\$ 18,583	\$ -
Restricted	159,398	171,251	31,782	22,004	-
Committed	2,352	2,620	7,663	31,020	-
Assigned	3,198	9,467	9,585	-	-
Unassigned	(8,495)	(14,379)	(7,522)	(202)	-
Reserved	-	-	-	-	89,367
Unreserved, reported in:					
Debt service funds	-	-	-	-	146
Special revenue funds	-	-	-	-	12,258
Capital project funds	-	-	-	-	(9,057)
<b>Total all other governmental funds</b>	<b>\$ 165,165</b>	<b>\$ 177,731</b>	<b>\$ 50,214</b>	<b>\$ 71,405</b>	<b>\$ 92,714</b>

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) 2011 first year of fund balance presentation under GASB Statement No. 54.



TABLE 3

Fiscal Year				
2009	2008	2007	2006	2005
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
95	-	-	246	143
16,218	27,900	34,467	32,969	30,776
<u>\$ 16,313</u>	<u>\$ 27,900</u>	<u>\$ 34,467</u>	<u>\$ 33,215</u>	<u>\$ 30,919</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
99,213	95,227	81,122	62,397	115,549
146	146	3,238	2,747	1,834
8,748	9,176	17,151	17,771	3,187
(4,404)	8,229	60,226	38,593	(36,609)
<u>\$ 103,703</u>	<u>\$ 112,778</u>	<u>\$ 161,737</u>	<u>\$ 121,508</u>	<u>\$ 83,961</u>

City of Hartford, Connecticut

Changes in Fund Balances of Governmental Funds - Unaudited  
Last Ten Fiscal Years  
(In Thousands)

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Revenues:</b>					
Property taxes	\$ 256,765	\$ 255,546	\$ 277,245	\$ 274,013	\$ 266,990
Licenses, permits, and other charges	6,555	5,661	6,299	4,891	5,608
Intergovernmental revenues	539,420	571,249	509,770	475,622	556,756
Charges for services	17,827	14,538	9,427	10,742	8,777
Use of property	3,227	2,283	4,574	6,354	4,368
Investment income	5,512	2,781	2,204	3,079	3,319
Miscellaneous	15,293	15,927	15,867	13,860	17,449
<b>Total revenues</b>	<b>844,599</b>	<b>867,985</b>	<b>825,386</b>	<b>788,561</b>	<b>863,267</b>
<b>Expenditures:</b>					
General government	27,846	40,237	30,021	21,547	21,642
Public safety	96,695	85,448	83,308	84,283	79,799
Public works	12,329	15,882	21,804	15,282	20,119
Development and community affairs	60,155	60,544	62,798	60,501	61,857
Human services	28,569	26,702	29,315	27,878	31,256
Education	470,445	447,244	435,301	419,099	421,032
Recreation and culture	10,127	9,852	9,483	9,477	9,145
Benefits and insurance	86,898	66,941	64,501	65,160	55,791
Other	21,019	17,858	29,445	26,637	31,042
Capital outlay	76,279	125,790	92,879	68,018	119,275
Debt Service:					
Principal	27,775	27,775	25,100	22,723	20,536
Interest	26,543	17,470	14,547	15,471	16,627
<b>Total expenditures</b>	<b>944,680</b>	<b>941,743</b>	<b>898,502</b>	<b>836,076</b>	<b>888,121</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(100,081)</b>	<b>(73,758)</b>	<b>(73,116)</b>	<b>(47,515)</b>	<b>(24,854)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	38,972	48,277	44,203	43,780	52,233
Transfers out	(33,962)	(46,117)	(43,803)	(43,292)	(50,883)
Bonds issued	10,250	48,160	71,280	25,000	14,000
Capital leases	2,758	3,990	-	-	-
Bond premium	-	22,625	7,765	304	1,796
Refunding bonds issued	-	124,605	-	-	12,150
Payment to refunding bond escrow agent	-	-	(22,493)	-	(13,244)
Section 108 loans and CWF serial notes	-	-	-	7,000	-
BANS	56,000	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>74,018</b>	<b>201,540</b>	<b>56,952</b>	<b>32,792</b>	<b>16,052</b>
<b>Net change in fund balances</b>	<b>(26,063)</b>	<b>127,782</b>	<b>(16,164)</b>	<b>(14,723)</b>	<b>(8,802)</b>
<b>Fund Balances</b> , beginning of year	<b>208,109</b>	<b>80,327</b>	<b>96,491</b>	<b>111,214</b>	<b>120,016</b>
<b>Fund Balances</b> , end of year	<b>\$ 182,046</b>	<b>\$ 208,109</b>	<b>\$ 80,327</b>	<b>\$ 96,491</b>	<b>\$ 111,214</b>
Debt Service as a Percentage of Noncapital Expenditures	6.10%	5.83%	4.94%	5.40%	5.40%

Notes:

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

TABLE 4

Fiscal Year					
2009	2008	2007	2006	2005	
\$ 250,668	\$ 232,955	\$ 231,638	\$ 208,241	\$ 197,028	
8,155	9,850	8,594	10,058	9,681	
505,062	567,464	503,669	523,276	454,432	
9,353	7,531	8,184	9,734	8,322	
4,196	4,294	4,314	4,085	3,925	
(416)	3,653	8,452	5,413	3,889	
16,733	18,347	15,120	18,805	19,224	
793,751	844,094	779,971	779,612	696,501	
23,739	25,776	20,487	16,266	14,737	
80,388	79,424	77,898	74,519	69,671	
17,712	14,998	15,820	15,362	16,729	
54,857	52,876	53,441	52,020	63,369	
33,786	29,879	30,581	23,867	18,824	
400,535	479,031	391,131	368,936	286,985	
9,234	9,636	9,401	8,014	6,832	
57,985	57,012	54,754	47,348	100,797	
28,955	28,122	28,755	26,709	22,589	
113,021	101,332	106,647	163,076	136,903	
24,590	19,838	16,810	15,901	14,150	
15,954	13,063	9,965	9,020	6,037	
860,756	910,987	815,690	821,038	757,623	
(67,005)	(66,893)	(35,719)	(41,426)	(61,122)	
56,633	55,761	53,222	40,069	54,881	
(53,572)	(50,199)	(51,469)	(36,239)	(45,066)	
40,225	-	70,000	70,000	66,300	
1,700	3,883	3,164	4,526	2,822	
1,357	-	2,283	2,913	3,093	
-	-	-	-	29,510	
-	-	-	-	(32,866)	
-	1,922	-	-	1,468	
-	-	-	-	-	
46,343	11,367	77,200	81,269	80,142	
(20,662)	(55,526)	41,481	39,843	19,020	
140,678	196,204	154,723	114,880	95,860	
\$ 120,016	\$ 140,678	\$ 196,204	\$ 154,723	\$ 114,880	
5.40%	4.06%	3.79%	3.79%	3.25%	

**Assessed Value and Estimated Actual Value of Taxable Property - Unaudited  
Last Ten Fiscal Years  
(thousands)**

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable	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
2014	2012	\$ 6,252,718	\$ 666,455	\$ 284,621	\$7,203,794	\$ 3,716,013	\$ 3,487,781	74.29%	\$ 6,605,457	(3)
2013	2011	6,180,974	636,333	276,070	7,093,377	3,675,437	3,417,940	74.29%	6,550,210	(3)
2012	2010	6,454,818	663,558	264,267	7,382,643	3,644,266	3,738,377	71.79%	7,739,104	(3)
2011	2009	5,990,870	639,547	257,817	6,888,234	3,302,820	3,585,414	71.79%	7,088,777	(3)
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%	(2)	(2)
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	60.82%	5,013,691	70.00%
2005	2003	4,482,273	731,144	282,932	5,496,349	1,950,749	3,545,600	56.32%	5,065,143	70.00%

Source: City of Hartford, Assessor's Office

Notes:

- (1) 2006 real property grand list is adjusted to reflect statutory revaluation
- (2) Assessed Value is 70% of Estimated Actual Value from 2001 to 2005
- (3) Beginning in 2006 Assessed Value-not all property at 70%

Principal Taxpayers - Unaudited  
Current Year and Nine Years Ago  
(In Thousands)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power	\$ 135,274	1	3.88%	\$ 89,744	3	2.56%
Hartford Fire Ins. & Twin City Ins.	126,508	2	3.63%	115,841	1	3.31%
Travelers Indemnity Co. Affiliate	120,238	3	3.45%	103,584	2	2.96%
Aetna Life Ins. Co.	105,919	4	3.04%	75,595	4	2.16%
Mac-State Square LLC	49,967	5	1.43%	-	-	-
HUB Properties Trust	48,978	6	1.40%	-	-	-
Talcott II Gold, LLC	45,354	7	1.30%	-	-	-
FGA 280 Trumbull LLC	35,948	8	1.03%	-	-	-
Conn Natural Gas Corp.	35,769	9	1.03%	-	-	-
Hartford Hospital & HHMOB Corp.	35,126	10	1.02%	-	-	-
New Boston Trust & Pearl	-	-	-	58,448	5	1.67%
City Place I LTD Ptshp	-	-	-	58,189	6	1.66%
Fleet Bank NA	-	-	-	54,788	7	1.56%
State House Financial	-	-	-	45,985	8	1.31%
Bank of Boston, CT	-	-	-	42,942	9	1.23%
Hartford Steam Boiler	-	-	-	41,338	10	1.18%
	<u>\$ 739,081</u>		<u>21.21%</u>	<u>\$ 686,454</u>		<u>19.61%</u>

Source: City of Hartford Assessor's Office

**Property Tax Levies and Collections - Unaudited  
Last Ten Fiscal Years  
(In Thousands)**

<b>Fiscal Year Ended June 30,</b>	<b>Grand List Year</b>	<b>Net Taxable Grand List</b>	<b>Mill Rate</b>	<b>Original Tax Levy</b>	<b>Adjusted Tax Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Tax Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2014	2012	\$ 3,484,647	74.29	\$ 262,101	\$ 250,935	\$ 238,582	91.03%	\$ 7,533	\$ 246,115	93.90%
2013	2011	3,395,085	74.29	256,455	247,519	234,215	91.33%	11,103	245,318	95.66%
2012	2010	3,743,726	71.79	285,281	278,481	261,285	91.59%	7,680	268,965	94.28%
2011	2009	3,604,167	72.79	277,997	268,745	256,253	92.18%	7,104	263,357	94.73%
2010	2008	3,578,546	72.79	252,509	262,987	241,828	95.77%	7,358	249,186	98.68%
2009	2007	3,465,777	68.34	244,858	242,777	233,628	95.41%	5,184	238,812	97.53%
2008	2006	3,704,353	63.39	233,705	221,445	213,260	91.25%	6,154	219,414	93.89%
2007	2005	3,596,490	64.82	233,373	229,963	219,241	93.94%	3,395	222,636	95.40%
2006	2004	3,510,147	60.82	210,146	209,283	198,964	94.68%	5,679	204,643	97.38%
2005	2003	3,545,600	56.32	196,887	185,277	185,277	94.10%	5,846	191,123	97.07%

Source: City of Hartford Tax Collector's Office.

**Ratios of Outstanding Debt by Type - Unaudited  
Last Ten Fiscal Years  
(In Thousands)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>(1) Hartford Parking Facilities</b>	<b>Total Net Primary Government General Obligation Debt</b>	<b>Ratio of Total Net General Bonded Debt to Taxable Grand List</b>	<b>Ratio of Total Net General Bonded Debt Per Capita</b>	<b>Percentage of Personal Income</b>
2014	\$ 549,987	\$ 4,765	\$ 554,752	15.92%	\$ 4,437	18.85%
2013	510,399	23,876	534,275	15.74%	4,278	18.47%
2012	337,607	25,161	362,768	9.69%	2,905	12.46%
2011	303,116	26,376	329,492	9.14%	2,641	11.29%
2010	298,901	27,521	326,422	9.12%	2,631	11.17%
2009	303,988	28,598	332,586	9.60%	2,671	13.40%
2008	275,910	29,617	305,527	8.25%	2,453	9.92%
2007	293,550	30,583	324,133	9.01%	2,603	11.07%
2006	291,085	34,340	325,425	9.27%	2,616	11.23%
2005	232,428	34,340	266,768	7.52%	2,137	9.41%

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.

(1) These amounts are the general obligation bonds that are being repaid by the Parking Fund.

**Statement of Debt Limitation - Unaudited**  
**June 30, 2014**  
(In Thousands)

Total Fiscal Year 2014 tax collections (taxes, interest and fees)						\$ 257,484
Tax Relief for the elderly						262
Base for establishing debt limit						<u>\$ 257,746</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
<b>Debt Limitation</b>						
2 1/4 times base	\$ 579,929	\$ -	\$ -	\$ -	\$ -	\$ 579,929
4 1/2 times base	-	1,159,857	-	-	-	1,159,857
3 3/4 times base	-	-	966,548	-	-	966,548
3 1/4 times base	-	-	-	837,675	-	837,675
3 times base	-	-	-	-	773,238	773,238
<b>Total debt limitation</b>	<b>579,929</b>	<b>1,159,857</b>	<b>966,548</b>	<b>837,675</b>	<b>773,238</b>	<b>4,317,247</b>
<b>Debt, as defined by Statute:</b>						
Bonds payable	244,562	107,278	-	-	-	351,840
Bonds authorized - unissued	111,080	279,732	8,578	-	-	399,390
Bond anticipation notes	44,625	11,375	-	-	-	56,000
Overlapping debt	-	-	184,612	-	-	184,612
Serial notes payable	-	-	1,322	-	-	1,322
School building grants receivable	-	(17,105)	-	-	-	(17,105)
<b>Total indebtedness</b>	<b>400,267</b>	<b>381,280</b>	<b>194,512</b>	<b>-</b>	<b>-</b>	<b>976,059</b>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<b>\$ 179,662</b>	<b>\$ 778,577</b>	<b>\$ 772,036</b>	<b>\$ 837,675</b>	<b>\$ 773,238</b>	<b>\$ 3,341,188</b>

Note: Total indebtedness above amounts to \$976.1 million but in no event shall total indebtedness exceed \$2.1 billion (seven times the base for debt limitation computation).

School building grants totaling \$17.1 million are applicable to outstanding bond issues. It is estimated that an additional \$127.4 million of authorized education project costs will be funded through State of Connecticut progress payments.

Bonds of approximately \$124,000,000 are excluded from the above table as they are considered defeased in accordance with State statutes.



**Legal Debt Margin Information - Unaudited**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 1,804,222	\$ 1,793,687	\$ 1,914,423	\$ 1,869,469	\$ 1,881,467	\$ 1,764,168	\$ 1,558,669	\$ 1,623,692	\$ 1,454,201	\$ 1,376,389
Total net debt applicable to limit	976,059	800,206	722,204	605,267	588,156	503,253	416,180	396,682	352,585	354,831
Legal Debt Margin	<u>\$ 828,163</u>	<u>\$ 993,481</u>	<u>\$ 1,192,219</u>	<u>\$ 1,264,202</u>	<u>\$ 1,293,311</u>	<u>\$ 1,260,915</u>	<u>\$ 1,142,489</u>	<u>\$ 1,227,010</u>	<u>\$ 1,101,616</u>	<u>\$ 1,021,558</u>
Total net debt applicable to the limit as percentage of debt limit	54.10%	44.61%	37.72%	32.38%	31.26%	28.53%	26.70%	24.43%	24.25%	25.78%

**Statement of Direct and Overlapping Debt - Unaudited**  
**Last Ten Fiscal Years**  
**(In Thousands)**

Fiscal Year	Governmental Activities Total Debt Outstanding	MDC Bonded Debt	MDC Self Funded Debt	MDC		City's Share of MDC Debt	City's Share of MDC Debt	City's Total Direct Debt	City's Total Overlapping Debt	City's Total Direct and Overlapping Debt	Ratio of Debt to Taxable Assessed Value	Debt per Capita
				Overlapping Debt All Participating Governments	City's Percentage							
2014	\$ 554,752	\$ 493,066	\$ 309,625	\$ 650,055	29%	\$ 186,501	\$ 554,752	\$ 186,501	\$ 741,253	21.3%	5.93	
2013	534,275	518,340	273,076	559,041	29%	159,942	534,275	159,942	694,217	16.0%	4.38	
2012	362,768	320,803	121,821	419,411	28%	118,609	362,768	118,609	440,419	11.8%	3.53	
2011	329,492	301,973	122,780	327,393	28%	91,539	329,492	91,539	385,284	10.8%	3.09	
2010	326,422	299,391	92,930	206,461	28%	57,437	326,422	57,437	347,457	10.1%	2.79	
2009	332,586	218,195	79,888	138,308	28%	38,187	332,586	38,187	325,520	9.4%	2.61	
2008	305,527	181,340	74,267	107,073	27%	29,434	305,527	29,434	303,199	9.1%	2.43	
2007	324,133	102,162	26,977	75,185	27%	20,353	324,133	20,353	313,063	8.7%	2.51	
2006	325,425	112,301	30,053	82,248	27%	22,026	325,425	22,026	261,236	7.4%	2.10	
2005	266,768	122,819	33,267	89,552	27%	24,510	266,768	24,510	208,590	5.9%	1.67	

## 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 - Unaudited  
Last Ten Calendar Years**

Fiscal Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Market Area(LMA)	State of Connecticut	United States
2014	125,017	21,390	29.8	\$ 29,430	2013	42,396	7,281	14.7%	7.8%	7.8%	7.4%
2013	124,893	20,879	29.7	28,931	2012	45,452	7,748	15.4%	8.2%	8.1%	7.4%
2012	124,867	20,899	29.7	29,107	2011	43,712	8,031	15.5%	8.5%	8.4%	8.2%
2011	124,775	20,953	29.8	29,190	2010	43,054	8,331	16.4%	9.2%	9.1%	9.2%
2010	124,060	22,069	30.1	29,224	2009	43,627	7,192	14.2%	8.3%	8.2%	9.3%
2009	124,512	22,360	30.4	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%

(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 - Unaudited  
Hartford's Major Employers**

Business Name	Nature of Business	Area	Employees
State of Connecticut - Various Departments	State Government-Environmental Programs	Hartford	1,000 - 4,999
Hartford Financial Svc Group	Insurance	Hartford	5,000 - 9,999
Connecticut Children's Med Ctr	Hospitals	Hartford	1,000 - 4,999
St Francis Hospital & Med Ctr	Hospitals	Hartford	1,000 - 4,999
Travelers	Insurance	Hartford	1,000 - 4,999
Aetna Inc	Insurance	Hartford	1,000 - 4,999
City of Hartford Connecticut	Government Offices-City, Village & Twp	Hartford	1,000 - 4,999
Institute of Living	Mental Health Services	Hartford	1,000 - 4,999
Lincoln Waste Solutions	Waste Reduction & Disposal Equip-Ind	Hartford	1,000 - 4,999
Mt Sinai Rehabilitation Hosp	Hospitals	Hartford	1,000 - 4,999
Community Renewal Team Inc	Full-Service Restaurant	Hartford	500 - 999
Lincoln National Life Ins Co	Insurance	Hartford	500 - 999
Regional Market	Government Offices-State	Hartford	500 - 999
Trinity College	Schools-Universities & Colleges Academic	Hartford	500 - 999
United Technologies Corp	Aerospace Industries (Mfrs)	Hartford	500 - 999
Wcct	Television Stations & Broadcasting Co	Hartford	500 - 999
XI Center	Ticket Service	Hartford	500 - 999
Comcast Theatre	Concert Venues	Hartford	500 - 999
Capital Community College	Schools-Universities & Colleges Academic	Hartford	500 - 999
Shipman & Goodwin Llp	Attorneys	Hartford	500 - 999
Kuza Products Co	Distribution Services	Hartford	500 - 999
Phoenix Co Inc	Life Insurance (Underwriters)	Hartford	500 - 999
Tata Consultancy Svc Ltd	Services NEC	Hartford	500 - 999
Rexel	Electric Equipment & Supplies-Wholesale	Hartford	500 - 999
Congregational Church Home Inc	Skilled Nursing Care Facilities	Hartford	500 - 999

Source: Connecticut Department of Labor, 2014

**Budgeted Full-Time Equivalent Employees - Unaudited  
Last Ten Fiscal Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>City Department</b>										
Mayor's Office	10	10	10	20	23	25	26	28	22	22
Court of Common Council	9	8	7	9	9	10	10	10	10	10
Treasurer	9	9	10	10	10	7	7	7	13	11
Registrars of Voters	5	8	8	8	8	8	10	9	9	9
Corporation Counsel	23	23	22	17	17	17	16	15	13	14
Town & City Clerk	13	15	15	14	15	18	19	16	11	11
Internal Audit	5	5	5	5	5	5	5	5	4	4
Office of Chief Operating Officer*	17	16	17	-	-	-	-	-	-	-
Communications & New Media*	7	8	8	-	-	-	-	-	-	11
Metro Hartford Information System	16	16	17	17	18	22	25	23	20	50
Finance	42	47	46	53	54	57	66	58	61	12
Human Resources	14	15	15	13	13	15	14	13	12	10
Office of Human Relations	-	-	-	8	9	11	9	9	9	14
Office of Management & Budget	10	11	12	12	11	13	15	12	11	-
Fire	373	393	377	407	391	399	361	369	366	404
Police	523	485	526	525	522	559	511	517	533	519
Emergency Services & Telecommunications	72	77	78	69	69	67	60	68	70	60
Public Works	238	234	232	196	198	233	232	245	261	263
Development Services	63	65	60	54	56	59	69	67	81	56
Health & Human Services	40	43	43	50	52	61	65	63	68	76
Office for Young Children *	-	-	-	3	3	3	-	-	-	-
Office for Youth Services	-	-	-	5	5	4	6	3	-	-
Families, Children, Youth and Recreation*	18	20	18	-	-	-	-	-	-	-
<b>Total</b>	<b>1,507</b>	<b>1,508</b>	<b>1,526</b>	<b>1,495</b>	<b>1,488</b>	<b>1,593</b>	<b>1,526</b>	<b>1,537</b>	<b>1,574</b>	<b>1,556</b>
<b>Board of Education</b>										
Teachers	1,709	1,633	1,680	1,658	1,639	1,790	2,058	1,987	1,953	1,869
Administrators	154	105	163	156	110	173	146	160	127	120
Paraprofessionals	471	525	380	370	384	213	484	453	488	540
Clerical	123	96	123	129	125	142	175	202	200	176
Nurses	60	48	54	50	49	40	41	52	53	51
Security	92	84	87	89	87	75	85	99	93	81
Custodial	184	156	195	197	202	207	225	218	212	199
Guidance Counselors	36	32	26	29	31	39	44	47	43	41
Social Workers	54	50	45	50	52	54	62	69	69	66
Psychologists	20	15	21	23	21	25	25	23	23	24
Support Staff	367	348	349	321	282	91	188	271	251	190
Others	210	163	1	1	11	156	163	99	119	87
<b>Total</b>	<b>3,480</b>	<b>3,255</b>	<b>3,124</b>	<b>3,073</b>	<b>2,993</b>	<b>3,005</b>	<b>3,696</b>	<b>3,680</b>	<b>3,631</b>	<b>3,444</b>
<b>Grand Total***</b>	<b>4,987</b>	<b>4,763</b>	<b>4,650</b>	<b>4,568</b>	<b>4,481</b>	<b>4,598</b>	<b>5,222</b>	<b>5,217</b>	<b>5,205</b>	<b>5,000</b>

\* Office was established in First Year with reported #'s

Operating Indicators by Function - Unaudited  
Last Eight Fiscal Years

	FISCAL YEAR							
	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>								
Finance								
Number of bills mailed	*	\$ 66,926	\$ 82,241	\$ 80,020	\$ 80,020	\$ 75,710	\$ 75,710	\$ 72,395
Number of invoices approved for payment	68,728	68,683	79,236	68,649	81,611	74,865	74,865	123,587
Number of internal control reviews performed	20	19	18	17	14	14	15	16
Assessor								
Number of deeds processed	2,166	1,827	1,746	1,668	1,501	1,829	2,710	3,365
Number of veterans exemptions	1,124	1,180	1,316	2,270	787	1,374	1,670	1,913
Board of assessment appeals adjustments	(998,831)	(13,893,512)	(1,332,497)	(1,491,791)	(2,094,060)	(1,479,909)	(5,859,236)	(5,962,926)
Personnel								
Number of applications processed	1,771	2,054	1,276	2,779	1,458	1,701	1,974	2,350
Vacancies filled through promotion	64	81	97	72	57	58	67	218
Vacancies filled through new hires	39	138	154	225	85	54	153	166
City Clerk								
Land records recorded	15,033	16,407	11,614	11,602	12,985	13,287	16,500	21,000
Marriage licenses issued	*	1,931	2,451	1,462	1,462	1,680	1,284	910
Death certificates issued	*	13,607	10,634	11,126	11,126	10,992	12,600	2,690
Birth certificates issued	*	21,546	19,889	22,951	22,951	24,568	21,200	7,150
Management Information Systems								
Help desk calls:								
City	3,375	3,298	3,250	3,309	3,034	3,664	3,664	3,356
Schools	11,249	12	11,665	11,494	8,282	10,976	10,976	11,645
Unassigned					-	-	-	-
Availability, all systems	99.7%	99.8%	99.7%	99.9%	99.0%	99.7%	99.0%	99.9%
Federal E-Rate Funds received	998,624	1,429,573	2,626,928	3,463,810	3,553,112	3,381,433	4,070,487	2,504,945
Website hits (www.hartford.gov)	**	**	**	13,386,564	13,386,564	30,639,065	30,639,065	22,187,131
Elections								
Voters added	3,375	11,052	6,756	3,559	5,576	6,801	5,075	3,533
Voters removed	3,828	5,039	5,675	4,280	5,876	6,984	4,455	4,397
Voter changes	7,084	15,489	8,621	7,797	11,263	11,715	11,950	10,836
Total voters	58,285	55,888	45,859	44,368	45,492	46,612	41,026	40,209
<b>Public Safety</b>								
Police								
911 calls	6,066	7,117	8,065	9,687	12,179	15,861	19,030	20,784
Non-emergency calls	96,555	94,035	115,361	117,522	115,310	106,316	106,699	108,625
DWI arrests	397	274	404	336	-	249	168	156
Fire								
Fire	583	621	824	1,005	1,056	1,053	1,228	1,240
No Fire	16	15	20	26	24	24	26	28
Rescue & Emergency Medical Services	16,153	16,086	15,289	14,583	15,460	14,818	14,350	11,465
Hazardous Conditions	611	715	1,233	827	714	766	819	794
Service Calls	2,268	2,203	2,133	2,376	2,361	2,013	2,413	2,523
Good Intent Calls	1,276	1,133	1,174	1,255	1,216	1,046	1,254	3,007
False Alarm & False Calls	1,873	1,613	1,678	1,719	1,988	1,947	1,904	2,143
Severe Weather & Natural Disaster	-	3	8	2	2	2	-	1
Special Incident Type	59	62	89	180	201	138	92	112
Other	-	-	-	-	-	-	-	21

**Operating Indicators by Function - Unaudited (Continued)**  
**Last Eight Fiscal Years**

	FISCAL YEAR							
	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public Works</b>								
Engineering & Administration								
Lane miles paved	38	38	47	49	37	37	37	37
<b>Development and Community Affairs</b>								
Development Services								
Housing vouchers, residential assistance (families)	5,189	4,698	5,057	4,917	4,720	4,784	4,614	4,619
Zoning Board appeals	16	10	14	11	22	53	60	57
Code violations	4,478	1,879	1,972	1,909	1,931	1,493	6,002	10,415
Citations issued	2,152	1,629	484	372	10	41	1,799	2,786
<b>Human Services</b>								
General Human Services								
Job placements (out of 240 referrals)	**	**	*	-	-	50	52	72
Senior Center								
Preventative health clinic services	**	**	*	3,635	1,216	297		
Outreach services (duplicated units)	**	**	*	2,686	15,679	16,480	63,981	76,820
Youth & Family Services								
Counseling cases	**	**	*	1,223	1,395	1,387	1,387	85
Young parent cases (FYE 2008 No longer done)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45
<b>Education</b>								
Average Class Size - Kindergarten	*	17.7	19.8	19.0	18.3	18.9	19.1	18.6
Average Class Size - Grade 2	*	17.9	18.4	18.7	17.5	18.2	18.2	18.3
Average Class Size - Grade 5	*	19	20.5	20.5	18.6	20.3	20.9	18.9
Average Class Size - Grade 7	*	22.9	20.9	18.2	19.3	22.0	22.0	20.6
<b>Recreation and culture</b>								
Number of youth registrations	3,121	2,565	*	2,319	2,319	2,100	2,549	2,300
Number of youth program hours	48,260	54,213	*	53,550	53,550	26,654	30,995	23,924
Number of hours provided by volunteers	976	1,003	*	1,983	1,983	1,600	1,450	1,302

\* Information not available

\*\* Statistic no longer reported.

**Capital Asset Statistics by Function / Program - Unaudited  
Last Nine Fiscal Years**

Function/Program	FISCAL YEAR								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Public Safety</b>									
Police									
Stations	6	5	3	3	3	3	3	3	3
Vehicles	312	275	280	283	257	235	235	231	225
Fire									
Firefighting/rescue vehicles	25	27	27	27	26	28	29	26	30
Other vehicles	62	61	61	62	55	56	50	48	40
Fire stations	12	12	12	12	12	12	12	12	12
<b>Public Works</b>									
Infrastructure									
Concrete road miles	63	63	63	63	63	63	63	63	63
Asphalt road miles	151	151	151	150	148	148	148	148	148
Bridges	9	9	9	9	8	8	8	8	8
Traffic lights	245	245	245	245	241	241	241	241	238
Conduit system (miles)	8	8	8	8	8	8	8	8	8
Street Maintenance									
Dump trucks	46	50	47	46	31	31	31	31	42
Sweepers	7	16	9	9	7	7	7	7	16
Parks and Cemeteries									
Parks									
Large multi-use	9	9	9	9	9	9	9	9	9
Medium size	10	10	10	10	10	10	10	10	10
Smaller/playgrounds	10	10	10	10	10	10	10	10	10
Cemeteries	5	5	5	5	5	5	5	5	5
Building Maintenance									
Parking lots	3	3	3	3	1	1	1	1	1
Parking garages	2	2	3	3	3	3	3	3	3
<b>Education</b>									
School buildings	44	44	44	45	44	45	45	44	40
Administrative buildings	3	3	3	3	3	3	3	3	3
<b>Recreation and Culture</b>									
Recreation									
Number of basketball courts	29	30	32	29	32	33	32	32	32
Number of football fields	4	4	5	4	6	6	6	6	6
Number of multi-use fields	3	3	3	3	4	4	4	4	1
Number of playscapes/grounds	22	29	28	27	27	28	27	27	27
Number of soccer fields	6	9	9	3	6	6	6	6	6
Number of softball fields	6	9	9	9	16	16	16	16	16
Number of tennis courts	24	24	25	25	24	27	27	27	27
Mowers	45	45	46	42	42	35	35	35	35
Other vehicles	30	30	31	33	33	47	47	47	47
Libraries									
Central	1	1	1	1	1	1	1	1	1
Number of Branches	9	9	9	9	9	9	9	9	9
Library on Wheels	-	-	-	-	-	1	1	1	1