

**Comprehensive  
Annual  
Financial Report**

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

*For the Fiscal Year*

*July 1, 2014 to June 30, 2015*

PREPARED BY:

**Department of Finance**

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



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## **Introductory Section**





**LUKE A. BRONIN**  
MAYOR

## CITY OF HARTFORD

DEPARTMENT OF FINANCE  
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**LEIGH ANN RALLS**  
Acting Director of Finance

January 28, 2016

The Honorable Mayor Luke A. Bronin  
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, 2015. 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.

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 baseball 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 plan which would result in the construction of the ballpark, up to 1,000 market rate housing units, 200,000 square feet of retail space and approximately 50,000 square foot microbrewery. Construction of the ballpark began in early 2015 with construction of the first 250 residential units and 90,000 square feet of retail space in the spring of 2016.
- **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 spring of 2016, 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 began in the 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 2016.
- **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 well underway.

## 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 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 has partnered 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 is assisting the community with determining the feasibility of retail in targeted areas of the neighborhood.
- **Coltsville** – 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 project consists of a 1.1 mile arterial street project involving one of the city’s primary commercial thoroughfares. The project includes 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 Industrial Business District Project Area (Block VI)** - Block VI in the North Meadows 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.

**Livable & Sustainable Neighborhoods Initiative** - The Mayor's Livable & Sustainable Neighborhoods Initiative (LSNI) is an interdepartmental effort to improve Hartford's neighborhoods by enforcing the City's 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 low 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 the neighborhoods of litter, overgrown vegetation and other forms of blight conditions. The LSNI sponsored clean-up day events are community-based with the goals of (1) remediating blight (2) raising community awareness (3) inspiring and empowering our citizenry to protect our environment. In collaboration with Keep America Beautiful the City has implemented an **Education & Prevention** pilot program to incorporate litter prevention and 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.

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 5-year capital plan, a 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 five divisions: Administration, Accounting and Control, Revenue Management Unit, Tax Assessment, and Tax Collection. 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. The 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, 2014. 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, RSM US 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

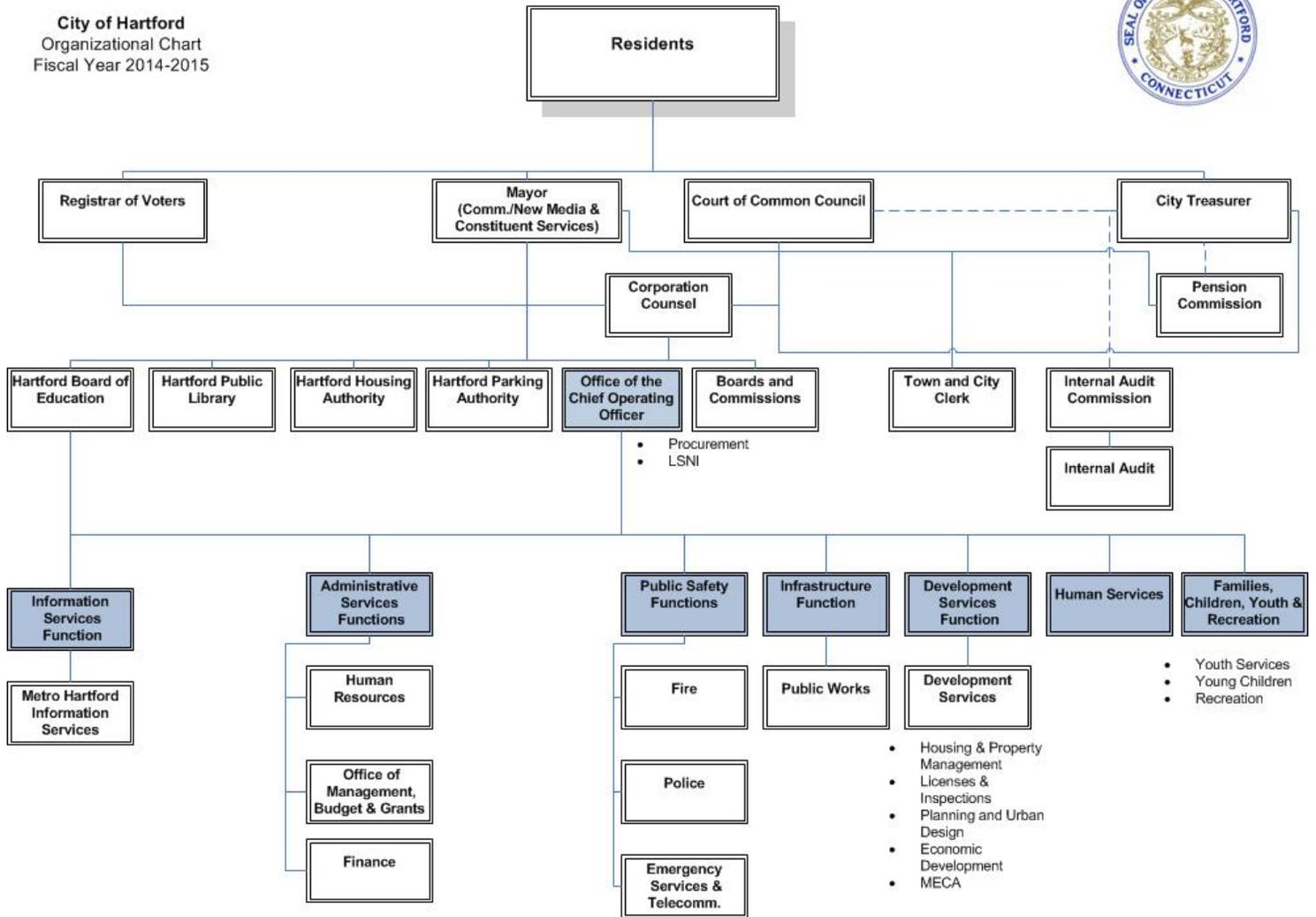
Presented to

**City of Hartford  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



**CITY OF HARTFORD, CONNECTICUT**  
Mayor-Council Form of Government  
List of Elected and Principal Officials - As of June 30, 2015

**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 City Treasurer – Adam Cloud**

**Appointed and Other Municipal Officials**

Chief Operating Officer  
Corporation Counsel  
Town and City Clerk  
Director of Finance, Acting  
Controller, Acting  
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, Acting  
Director of Human Resources  
Director of Public Works, Acting

Darrell V. Hill  
Henri Alexandre, Esq.  
John V. Bazzano  
Leigh Ann Ralls, CPA  
Rajpaul Singh  
John Phillip  
Marc S. Nelson  
Domenic Greco, CPA  
Tara Washington  
Thomas E., Deller, AICP  
Jose L. Sanchez  
James C. Rovella  
Carlos Huertas  
Tung Nguyen  
Henry Burgos  
Keith Chapman

**Hartford Public Schools**

Beth Schiavino-Narvaez 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

Honorable Mayor Pedro E. Segarra

**Registrars of Voters**

Olga Vasquez (D)

Sheila Hal (R)

Shari Williams (WF)

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**Financial Section**





## Independent Auditor's Report

RSM US LLP

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, 2015, 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 did not audit the financial statements of the Hartford Parking Authority, a component unit of the City, which represents 100 percent of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hartford Parking Authority, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, 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, 2015, 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

## Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, which resulted in the City restating net position for recognition of the City's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension and other post-employment schedules 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, which 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 28, 2016, 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 City's internal control over financial reporting and compliance.

*RSM US LLP*

New Haven, Connecticut  
January 28, 2016

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**City of Hartford, Connecticut  
Management's Discussion and Analysis - Unaudited  
June 30, 2015**

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, 2015. 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**

- As of July 1, 2014, the City was required to implement GASB Statement No. 68 related to pensions. This Statement required that the unrestricted net position of the statement of net position as of July 1, 2014 be restated and decreased in the amount of \$269,572. The decrease did not result from a change in benefits offered to employees, only the recognition of the total liability on the statement of net position.
- The City's total net position decreased \$60.3 million as a result of this year's operations. The net position of our governmental activities decreased by \$47.5 million, or nearly 5.8%. The net position of our business-type activities decreased by \$12.8 million.
- The City received \$35.0 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 \$952.5 million with one new program added.
- The General Fund reported a fund balance this year of \$21.9 million including an assignment of \$1.7 million.
- The revenues available for appropriation and other financing sources were \$3.1 million less than budgeted for the General Fund and expenditures and other financing sources were \$11.9 million less than budgeted amount of \$552.4 million. The total fund balance increased \$8.8 million in the current year on a budget basis.
- Major items that contributed to the revenue shortfall are: changes to the accounting treatment of certain benefits, reimbursements and the bond premium. If these changes did not occur, revenues would have been a budget surplus.
- Major items that contributed to the positive expenditure budget variance of \$11.9 are favorable surpluses in City departments of \$2.0 million, benefits and insurance of \$2.2 million, debt service of \$4.5 million, and sundry of \$3.2 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 deferred outflows of resources and liabilities and

deferred inflows of resources 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 deferred outflows of resources and liabilities and deferred inflows of resources, 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, the Hartford Stadium Authority (a blended component unit) and the Golf Course are 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 \$60.3 million (after restatement). 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 467,261	\$ 488,418	\$ 57,216	\$ 1,232	\$ 524,477	\$ 489,650
Capital assets, net of accumulated depreciation	1,472,899	1,427,779	27,444	31,497	1,500,343	1,459,276
<b>Total assets</b>	<b>1,940,160</b>	1,916,197	<b>84,660</b>	32,729	<b>2,024,820</b>	1,948,926
<b>Deferred outflows of resources</b>	<b>70,851</b>	447	-	-	<b>70,851</b>	447
Long-term liabilities outstanding	1,049,475	659,478	66,477	3,970	1,115,952	663,448
Other liabilities	180,354	172,323	3,444	1,207	183,798	173,530
<b>Total liabilities</b>	<b>1,229,829</b>	831,801	<b>69,921</b>	5,177	<b>1,299,750</b>	836,978
<b>Deferred inflows of resources</b>	<b>13,400</b>	-	-	-	<b>13,400</b>	-
Net Position:						
Net investment in capital assets	939,951	983,461	15,316	26,732	955,267	1,010,193
Restricted	75,640	75,720	-	-	75,640	75,720
Unrestricted	(247,809)	25,662	(577)	820	(248,386)	26,482
<b>Total net position</b>	<b>\$ 767,782</b>	\$ 1,084,843	<b>\$ 14,739</b>	\$ 27,552	<b>\$ 782,521</b>	\$ 1,112,395

The City's government-wide net position of \$782.5 million represents a decrease of \$60.3 million over last year's net position of \$1,112.4 million. This decrease was largely due to the implementation of GASB No. 68, as the July 1, 2014 net position was restated and decreased by \$269,572. 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 \$(248.4) million at the end of this year as compared with a \$26.5 million at the end of last year. Government activities unrestricted net position decreased \$273.5 million while the unrestricted net position of the City's business-type activities decreased \$1.4 million in 2015.

TABLE 2

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

	Governmental Activities		Business-Type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charge for services	\$ 28,618	\$ 27,880	\$ 4,181	\$ 5,690	\$ 32,799	\$ 33,570
Operating grants and contributions	503,376	482,748	-	-	503,376	482,748
Capital grants and contributions	35,013	18,553	-	-	35,013	18,553
<b>General Revenues:</b>						
Property taxes	260,063	267,234	-	-	260,063	267,234
Grants and contributions not restricted to specific programs	56,484	55,364	-	-	56,484	55,364
Unrestricted investment earnings	948	5,512	4	3	952	5,515
Other general revenues	128	498	-	-	128	498
Gain of sale of assets	-	-	3,345	-	3,345	-
<b>Total revenues</b>	<b>884,630</b>	<b>857,789</b>	<b>7,530</b>	<b>5,693</b>	<b>892,160</b>	<b>863,482</b>
<b>Expenses</b>						
General government	86,715	69,912	-	-	86,715	69,912
Public safety	114,610	119,995	-	-	114,610	119,995
Public works	62,095	37,310	-	-	62,095	37,310
Development and community affairs	58,001	61,626	-	-	58,001	61,626
Human services	30,652	29,697	-	-	30,652	29,697
Education	563,815	544,398	-	-	563,815	544,398
Recreation and culture	12,135	10,064	-	-	12,135	10,064
Interest on long-term debt	20,850	20,665	-	-	20,850	20,665
Hartford Parking Facilities	-	-	1,850	8,640	1,850	8,640
Hartford Stadium Authority	-	-	846	-	846	-
Golf Course	-	-	893	200	893	200
<b>Total expenses</b>	<b>948,873</b>	<b>893,667</b>	<b>3,589</b>	<b>8,840</b>	<b>952,462</b>	<b>902,507</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(64,243)</b>	<b>(35,878)</b>	<b>3,941</b>	<b>(3,147)</b>	<b>(60,302)</b>	<b>(39,025)</b>
Transfers	16,754	5,010	(16,754)	(5,010)	-	-
<b>Change in net position</b>	<b>(47,489)</b>	<b>(30,868)</b>	<b>(12,813)</b>	<b>(8,157)</b>	<b>(60,302)</b>	<b>(39,025)</b>
<b>Net Position, beginning*</b>	<b>815,271</b>	<b>1,115,711</b>	<b>27,552</b>	<b>35,709</b>	<b>842,823</b>	<b>1,151,420</b>
<b>Net Position, ending</b>	<b>\$ 767,782</b>	<b>\$ 1,084,843</b>	<b>\$ 14,739</b>	<b>\$ 27,552</b>	<b>\$ 782,521</b>	<b>\$ 1,112,395</b>

\* July 1, 2014 restated for GABS No. 68

The City's total revenue in 2015 of \$892.2 million represents an increase of \$28.7 million over last year. Capital grants and contributions increased \$16.5 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program increased compared with the previous year. Operating grants and contributions increased \$20.6 million due to additional grants for various purposes and charges for services decreased \$0.7 million.

The City's total program expenses of \$952.5 million represent an increase of \$50.0 million over last year. The increase in General Government, Public Works and Education is related to the receipt of different grants than prior year and bonded projects, as shown in the decrease in Public Safety and Development and Community Affairs.

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	
	2015	2014	2015	2014
General government	\$ 86,715	\$ 69,912	\$ 57,541	\$ 56,793
Public safety	114,610	119,995	97,594	93,630
Development and community affairs	58,001	61,626	3,875	8,018
Human services	30,652	29,697	3,593	2,469
Education	563,815	544,398	142,174	155,291
All other	95,080	68,039	77,089	48,285
<b>Total</b>	<b>\$ 948,873</b>	<b>\$ 893,667</b>	<b>\$ 381,866</b>	<b>\$ 364,486</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 relatively consistent around \$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 and up to \$16.8 million in 2015 for the transfer of proceeds of the Church Street Garage sale. See Note 6 for more information on the sale of the Church Street Garage. The Golf Course net position of \$0.5 million was a result of operations. The Hartford Stadium Authority had a deficit of \$0.8 million due to bond issuance costs.

## CITY FUNDS FINANCIAL ANALYSIS

### Governmental Funds

The City's combined General Fund reported a fund balance increase of \$5.0 million during 2015 as compared with a decrease of \$13.5 million in 2014. This increase is mainly due to savings in General Fund expenditures. The General Fund's unassigned fund balance at June 30, 2015, is \$20.2 million representing 3.7 percent of the General Fund's 2015 amended budgetary appropriations. Actual revenues were \$3.1 million below the amended budgetary revenue estimate. Expenditures were \$11.9 million below the final budgeted appropriation of \$552.4 million. Refer to RSI-1 and RSI-2 for details on other favorable and unfavorable variances in comparison to budgetary estimates.

The Capital Improvement Fund reported a fund balance decrease of \$1.1 million. The department of public works and development services have made efforts in FY 2015 to complete prior years authorized projects.

The Debt Service Fund had a fund balance as of June 30, 2015, of \$97.2 million which represents a decrease due to scheduled debt service payments. There also is \$96.6 million of restricted cash and investments to pay down the existing restructured debt.

The Education Grant Fund had a decrease in fund balance of \$2.9 million due to an increase in expenditures.

The Community Development Loan and Grant Fund had an increase in fund balance of \$0.3 million due to increased collections and the financing of less loans in fiscal year 2015.

The City's other governmental funds reported a decrease of \$1.1 million in fund balance for the year, mainly due to the Section 8 Fund.

**Internal Service Funds**

The net position of the City's self-insurance programs decreased \$4.4 million, decreasing the total net position of the City's internal service programs from \$23.3 million to an \$18.8 million surplus. The City used \$3.8 million of net position to fund current year claims. However, the City will continue efforts to fund its post-retirement benefits at the actuaries' recommended level.

**General Fund Budgetary Highlights**

There was a supplemental appropriation for the use of FY 2014 assigned fund balance of \$0.4 million, which is reflected in RSI-2.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2015, the City had \$1.5 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 \$91.9 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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 63.2	\$ 63.4	\$ 6.1	\$ 8.8	\$ 69.3	\$ 72.1
Land improvements	15.1	9.8	-	-	15.1	9.8
Buildings	886.4	887.3	0.2	0.2	886.6	887.5
Other structures	21.7	16.9	12.7	22.2	34.4	39.1
Furniture and equipment	4.9	5.2	0.3	0.3	5.2	5.5
Rolling equipment	15.5	15.8	-	-	15.5	15.8
Infrastructure	210.4	216.6	-	-	210.4	216.6
Construction in progress	255.7	212.8	-	-	255.7	212.8
	<b>\$ 1,472.9</b>	<b>\$ 1,427.8</b>	<b>\$ 19.3</b>	<b>\$ 31.5</b>	<b>\$ 1,492.2</b>	<b>\$ 1,459.3</b>

There are 324 active projects in the City's Capital Improvement Fund with appropriations of \$1,632.8 million, cumulative active project expenditures of \$1,207.7 million and outstanding encumbrances of \$11.6 million, resulting in an unencumbered balance of \$413.6 million. Total expenditures for all projects during the fiscal year amounted to \$108.5 million. New and supplemental appropriations are reflected in the FY 2016 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 \$36.4 million of general obligation refunding bonds, \$82 million of general obligation bonds and \$50 million in general obligation bond anticipation notes during 2015.

At June 30, 2015, the City had \$516.9 million in bonds outstanding versus \$459.9 million last year - an increase of 12.4% - as shown in Table 5. The City has approximately \$96.6 million of restricted cash and investments to offset this debt.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
General obligation bonds	\$ 512.9	\$ 455.1	\$ 4.0	\$ 4.8	\$ 516.9	\$ 459.9
Serial notes payable	1.2	1.3	-	-	1.2	1.3
<b>Total</b>	<b>\$ 514.1</b>	<b>\$ 456.4</b>	<b>\$ 4.0</b>	<b>\$ 4.8</b>	<b>\$ 518.1</b>	<b>\$ 461.2</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 5.1% for November 2015 (seasonally adjusted). This is consistent with October 2015 rate, but down a full percentage point from the November 2014 unemployment rate of 6.3%. The unemployment October rate for Hartford, East Hartford and West Hartford was 4.8%.

The CPI rose 0.3 percent in 2015 after a 0.9 percent increase in 2014 from November-November. It is considerably lower than the 2.1 percent average annual increase over the last ten years

The 2016-2017 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 2015-2016 of \$533.8 million is a decrease of \$8 million over the revised 2014-2015 budget due to the slow growth of the City of Hartford's Grand List. In developing the City's 2016-2017 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) 757-9606.

## **Basic Financial Statements**



**Statement of Net Position**  
**June 30, 2015**  
(In Thousands)

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Hartford Parking Authority
<b>Assets</b>				
Cash and cash equivalents	\$ 145,743	\$ 57,860	\$ 203,603	\$ 2,667
Investments	27,817	-	27,817	-
Receivables, net	181,010	23	181,033	1,547
Internal balances	3,053	(3,053)	-	-
Due from component unit	-	2,386	2,386	-
Other assets	458	-	458	-
Restricted cash	26,552	-	26,552	-
Restricted investments	82,628	-	82,628	-
Capital assets:				
Assets not being depreciated	318,884	14,245	333,129	-
Assets being depreciated, net	1,154,015	13,199	1,167,214	-
<b>Total assets</b>	<b>1,940,160</b>	<b>84,660</b>	<b>2,024,820</b>	<b>4,214</b>
<b>Deferred Outflows of Resources</b>				
Deferred pension expense	68,418	-	68,418	-
Deferred amounts on refundings	2,433	-	2,433	-
<b>Total deferred outflows of resources</b>	<b>70,851</b>	<b>-</b>	<b>70,851</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	101,551	2,579	104,130	1,828
Due to fiduciary fund	39	-	39	-
Due to primary government	-	-	-	2,386
Unearned revenue	16,655	-	16,655	-
Noncurrent liabilities:				
Due within one year	62,109	865	62,974	-
Due in more than one year	1,049,475	66,477	1,115,952	-
<b>Total liabilities</b>	<b>1,229,829</b>	<b>69,921</b>	<b>1,299,750</b>	<b>4,214</b>
<b>Deferred Inflows of Resources</b>				
Deferred pension credit	13,400	-	13,400	-
<b>Total deferred inflows of resources</b>	<b>13,400</b>	<b>-</b>	<b>13,400</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	939,951	15,316	955,267	-
Restricted for:				
Housing loans and grants	47,577	-	47,577	-
Trust purposes:				
Expendable	19,704	-	19,704	-
Nonexpendable	8,359	-	8,359	-
Unrestricted (deficit)	(247,809)	(577)	(248,386)	-
<b>Total net position</b>	<b>\$ 767,782</b>	<b>\$ 14,739</b>	<b>\$ 782,521</b>	<b>\$ -</b>

See Notes to Financial Statements.

Statement of Activities  
For the Year Ended June 30, 2015  
(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	\$ (86,715)	\$ 9,464	\$ 19,710	\$ -	\$ (57,541)	\$ -	\$ (57,541)	\$ -
Public Safety	(114,610)	3,761	13,255	-	(97,594)	-	(97,594)	-
Public Works	(62,095)	9,257	1,311	5,469	(46,058)	-	(46,058)	-
Development and Community Affairs	(58,001)	127	53,999	-	(3,875)	-	(3,875)	-
Human Services	(30,652)	3,669	23,390	-	(3,593)	-	(3,593)	-
Education	(563,815)	2,208	389,889	29,544	(142,174)	-	(142,174)	-
Recreation and Culture	(12,135)	132	1,822	-	(10,181)	-	(10,181)	-
Interest on long-term debt	(20,850)	-	-	-	(20,850)	-	(20,850)	-
<b>Total governmental activities</b>	<b>(948,873)</b>	<b>28,618</b>	<b>503,376</b>	<b>35,013</b>	<b>(381,866)</b>	<b>-</b>	<b>(381,866)</b>	<b>-</b>
Business-type activities:								
Hartford Parking Facilities	(1,850)	3,783	-	-	-	1,933	1,933	-
Golf course	(893)	398	-	-	-	(495)	(495)	-
Stadium Authority	(846)	-	-	-	-	(846)	(846)	-
<b>Total business-type activities</b>	<b>(3,589)</b>	<b>4,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>592</b>	<b>592</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ (952,462)</b>	<b>\$ 32,799</b>	<b>\$ 503,376</b>	<b>\$ 35,013</b>	<b>(381,866)</b>	<b>592</b>	<b>(381,274)</b>	<b>-</b>
Component Units:								
Hartford Parking Authority	\$ (9,446)	\$ 9,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General revenues:								
Property taxes					260,063	-	260,063	-
Grants and contributions not restricted to specific programs					56,484	-	56,484	-
Unrestricted investment earnings					948	4	952	-
Miscellaneous					128	-	128	-
Gain of sale of assets					-	3,345	3,345	-
Transfers					16,754	(16,754)	-	-
<b>Total general revenues and transfers</b>					<b>334,377</b>	<b>(13,405)</b>	<b>320,972</b>	<b>-</b>
<b>Change in net position</b>					<b>(47,489)</b>	<b>(12,813)</b>	<b>(60,302)</b>	<b>-</b>
Net Position - Beginning, as restated (Note 1)					815,271	27,552	842,823	-
Net Position - Ending					<b>\$ 767,782</b>	<b>\$ 14,739</b>	<b>\$ 782,521</b>	<b>\$ -</b>

See Notes to Financial Statements.

**Balance Sheet - Governmental Funds**  
**June 30, 2015**  
(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	\$ 60,351	\$ 12,584	\$ 1,103	\$ 874	\$ 20,137	\$ 12,945	\$ 107,994
Restricted cash	-	-	-	13,968	-	-	13,968
Investments	-	-	-	-	-	27,817	27,817
Restricted investments	-	-	-	82,628	-	-	82,628
Receivables, net	80,881	47,255	32,021	-	2,268	18,146	180,571
Due from other funds	9,316	988	-	828	-	-	11,132
Inventories and other assets	-	-	-	-	-	458	458
<b>Total assets</b>	<b>\$ 150,548</b>	<b>\$ 60,827</b>	<b>\$ 33,124</b>	<b>\$ 98,298</b>	<b>\$ 22,405</b>	<b>\$ 59,366</b>	<b>\$ 424,568</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	50,962	20,059	8	-	15,368	5,571	91,968
Due to other funds	43	848	-	1,124	-	6,103	8,118
Unearned revenue	-	5,644	-	-	1,214	9,797	16,655
<b>Total liabilities</b>	<b>51,005</b>	<b>26,551</b>	<b>8</b>	<b>1,124</b>	<b>16,582</b>	<b>21,471</b>	<b>116,741</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	77,617	28,102	32,012	-	600	6,742	145,073
<b>Total deferred inflows of resources</b>	<b>77,617</b>	<b>28,102</b>	<b>32,012</b>	<b>-</b>	<b>600</b>	<b>6,742</b>	<b>145,073</b>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	8,817	8,817
Restricted	-	6,174	1,104	96,596	5,223	27,904	137,001
Committed	-	-	-	578	-	1,857	2,435
Assigned	1,712	-	-	-	-	-	1,712
Unassigned (deficits)	20,214	-	-	-	-	(7,425)	12,789
<b>Total fund balances (deficits)</b>	<b>21,926</b>	<b>6,174</b>	<b>1,104</b>	<b>97,174</b>	<b>5,223</b>	<b>31,153</b>	<b>162,754</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 150,548</b>	<b>\$ 60,827</b>	<b>\$ 33,124</b>	<b>\$ 98,298</b>	<b>\$ 22,405</b>	<b>\$ 59,366</b>	<b>\$ 424,568</b>

**Reconciliation of Fund Balance to Net Position of Governmental Activities  
June 30, 2015  
(In Thousands)**

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)	\$	162,754
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	2,213,273
Less accumulated depreciation		<u>(740,374)</u>
Net capital assets		1,472,899
Assets not available to pay for current-period expenditures and, therefore, are recorded as unavailable revenue in the funds:		
Property tax receivables		45,691
Interest receivable on property taxes		19,114
Receivable from the State for school construction projects		5,645
Housing loans		32,012
Other receivables		42,611
Deferred pension expense - MERF		64,737
Deferred pension expense - MERS		3,681
Deferred pension credit - MERF		(9,342)
Deferred pension credit - MERS		(4,058)
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.		
		18,832
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		(562,885)
Interest payable on bonds and notes		(7,090)
Compensated absences		(38,107)
HUD loans		(7,420)
Capital leases		(9,556)
Clean Water Fund serial note		(1,232)
Net OPEB obligation		(81,025)
Net pension liability - MERF		(310,401)
Net pension liability - MERS		(12,675)
Net pension liability - 415(m)		(273)
Net pension liability - RAF/PBF/FRF		(5,994)
Claims and judgments		(1,600)
Bond premium		(50,970)
Deferred charges on refunding		<u>2,433</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$</u>	<u>767,782</u>

See Notes to Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2015  
(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	\$ 260,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,640
Licenses, permits, and other charges	7,778	-	-	-	-	-	7,778
Intergovernmental revenues	289,332	34,691	-	-	126,156	122,034	572,213
Charges for services	3,813	-	-	-	-	14,013	17,826
Use of property	1,920	-	-	-	-	-	1,920
Investment income	378	-	147	-	-	423	948
Miscellaneous	2,745	322	1,242	-	11,858	2,071	18,238
<b>Total revenues</b>	<b>566,606</b>	<b>35,013</b>	<b>1,389</b>	<b>-</b>	<b>138,014</b>	<b>138,541</b>	<b>879,563</b>
<b>Expenditures</b>							
Current:							
General government	17,067	-	-	-	-	21,810	38,877
Public safety	76,841	-	-	-	-	14,572	91,413
Public works	14,355	16,632	-	-	-	118	31,105
Development and community affairs	4,733	-	1,095	-	-	50,665	56,493
Human services	4,715	-	-	-	-	24,745	29,460
Education	326,647	-	-	-	142,959	18,615	488,221
Recreation and culture	8,570	-	-	-	-	2,391	10,961
Benefits and insurance	85,690	-	-	-	-	-	85,690
Other	32,403	-	-	-	-	-	32,403
Capital outlay	-	91,913	-	-	-	2,056	93,969
Debt service	-	1,069	-	46,114	-	2,119	49,302
<b>Total expenditures</b>	<b>571,021</b>	<b>109,614</b>	<b>1,095</b>	<b>46,114</b>	<b>142,959</b>	<b>137,091</b>	<b>1,007,894</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,415)</b>	<b>(74,601)</b>	<b>294</b>	<b>(46,114)</b>	<b>(4,945)</b>	<b>1,450</b>	<b>(128,331)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	21,150	795	-	9,555	2,083	2,335	35,918
Transfers out	(11,690)	(200)	-	(295)	-	(6,979)	(19,164)
Lease proceeds	-	-	-	-	-	2,090	2,090
Payment to escrow	-	-	-	(40,169)	-	-	(40,169)
Issuance of bonds	-	22,124	-	3,876	-	-	26,000
Issuance of refunding bonds	-	-	-	36,385	-	-	36,385
Issuance of bond anticipation notes	-	50,000	-	-	-	-	50,000
Bond premium	-	769	-	17,210	-	-	17,979
<b>Total other financing sources (uses)</b>	<b>9,460</b>	<b>73,488</b>	<b>-</b>	<b>26,562</b>	<b>2,083</b>	<b>(2,554)</b>	<b>109,039</b>
<b>Net change in fund balances</b>	<b>5,045</b>	<b>(1,113)</b>	<b>294</b>	<b>(19,552)</b>	<b>(2,862)</b>	<b>(1,104)</b>	<b>(19,292)</b>
<b>Fund Balances, beginning 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>
<b>Fund Balances, end of year</b>	<b>\$ 21,926</b>	<b>\$ 6,174</b>	<b>\$ 1,104</b>	<b>\$ 97,174</b>	<b>\$ 5,223</b>	<b>\$ 31,153</b>	<b>\$ 162,754</b>

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2015  
(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)	\$ (19,292)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	91,913
Loss on disposal	(4,986)
Depreciation expense	(41,807)

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	(1,779)
Property tax receivable	(4,261)
Property tax interest and lien revenue	1,960
Housing loans	632
Intergovernmental revenue on school bonds and other	8,516

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	80,700
Refunding of bonds	35,900
Issuance of refunding bonds	(36,385)
Issuance of bonds	(132,000)
Amortization of bond premium	(12,083)
Lease proceeds	(3,272)
Capital lease payments	1,595
Accrued interest on bonds - accrual basis change	(554)
HUD loan principal payments	190
CWF serial note	90
Amortization of deferred charge on refunding	1,986

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.

Deferred pension expense	64,879
Deferred pension credit	(13,400)
Claims and judgments	1,000
Compensated absences	(2,071)
Change in other postemployment benefit liabilities	(8,133)
Change in net pension liabilities	(52,391)

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

(4,436)
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Change in Net Position of Governmental Activities (Exhibit II)	\$ (47,489)
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See Notes to Financial Statements.

## Statement of Net Position (Deficit) - Proprietary Funds

June 30, 2015

(In Thousands)

	Business-Type Activities			Governmental
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 56,748	\$ 1,112	\$ 57,860	\$ 50,333
Receivables, net	-	23	23	439
Due from other funds	-	23	23	-
Due from component unit	-	2,386	2,386	-
<b>Total current assets</b>	<b>56,748</b>	<b>3,544</b>	<b>60,292</b>	<b>50,772</b>
Capital Assets, Net	8,158	19,286	27,444	-
<b>Total assets</b>	<b>64,906</b>	<b>22,830</b>	<b>87,736</b>	<b>50,772</b>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable and other payables	2,376	203	2,579	2,494
Due to other funds	-	3,076	3,076	-
Risk management claims	-	-	-	19,046
Bonds payable	-	865	865	-
<b>Total current liabilities</b>	<b>2,376</b>	<b>4,144</b>	<b>6,520</b>	<b>21,540</b>
Noncurrent Liabilities				
Risk management claims	-	-	-	10,400
Bonds payable	63,372	3,105	66,477	-
<b>Total noncurrent liabilities</b>	<b>63,372</b>	<b>3,105</b>	<b>66,477</b>	<b>10,400</b>
<b>Total liabilities</b>	<b>65,748</b>	<b>7,249</b>	<b>72,997</b>	<b>31,940</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	-	15,316	15,316	-
Unrestricted	(842)	265	(577)	18,832
<b>Total net position (deficit)</b>	<b>\$ (842)</b>	<b>\$ 15,581</b>	<b>\$ 14,739</b>	<b>\$ 18,832</b>

See Notes to Financial Statements.

**Statement of Revenues, Expenses and Changes in  
Net Position - Proprietary Funds  
For the Year Ended June 30, 2015  
(In Thousands)**

	Business-Type Activities			Governmental
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ 83,184
Employee and pensioners charges for insurance	-	-	-	24,277
Hartford Parking Authority fees	-	3,780	3,780	-
Golf Course fees	-	398	398	-
Other	-	3	3	3,130
<b>Total operating revenues</b>	<b>-</b>	<b>4,181</b>	<b>4,181</b>	<b>110,591</b>
Operating Expenses				
Administrative	-	1,000	1,000	12,877
Operations	-	372	372	5,231
Insurance benefits and claims	-	-	-	96,919
Depreciation and amortization	-	1,148	1,148	-
<b>Total operating expenses</b>	<b>-</b>	<b>2,520</b>	<b>2,520</b>	<b>115,027</b>
<b>Operating income</b>	<b>-</b>	<b>1,661</b>	<b>1,661</b>	<b>(4,436)</b>
Nonoperating Income (Expense)				
Interest earnings	4	-	4	-
Interest expense	-	(223)	(223)	-
Gain on sale of capital assets	-	3,345	3,345	-
Debt service	(846)	-	(846)	-
<b>Total nonoperating income (expense)</b>	<b>(842)</b>	<b>3,122</b>	<b>2,280</b>	<b>-</b>
<b>Net income (loss) before transfers</b>	<b>(842)</b>	<b>4,783</b>	<b>3,941</b>	<b>(4,436)</b>
Transfers in	-	38	38	-
Transfers out	-	(16,792)	(16,792)	-
<b>Change in net position</b>	<b>(842)</b>	<b>(11,971)</b>	<b>(12,813)</b>	<b>(4,436)</b>
Fund Net Position, beginning	-	27,552	27,552	23,268
Fund Net Position, ending	<b>\$ (842)</b>	<b>\$ 15,581</b>	<b>\$ 14,739</b>	<b>\$ 18,832</b>

See Notes to Financial Statements.

## City of Hartford, Connecticut

## EXHIBIT VII

**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2015**  
(In Thousands)

	Business-Type Activities			Governmental
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
City's contribution	\$ -	\$ -	\$ -	\$ 83,184
Cash paid by participants	-	-	-	27,407
Cash received from Hartford Parking Authority	-	3,493	3,493	-
Cash from customers and users	-	359	359	-
Cash paid for salaries and benefits	-	(40)	(40)	(12,511)
Cash paid to suppliers	-	(97)	(97)	-
Cash paid for claims and operations	-	-	-	(99,924)
Cash paid to other funds	-	(1,923)	(1,923)	-
<b>Net cash provided by (used in) operating activities</b>	<b>-</b>	<b>1,792</b>	<b>1,792</b>	<b>(1,844)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of capital assets	(5,782)	-	(5,782)	-
Proceeds from the sale of capital assets	-	14,406	14,406	-
Transfer (to) from General Fund	-	(16,754)	(16,754)	-
Issuance of debt	63,372	-	63,372	-
Principal paid on bonds	-	(795)	(795)	-
Interest paid on bonds	(846)	(223)	(1,069)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>56,744</b>	<b>(3,366)</b>	<b>53,378</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>				
Income on investments	4	-	4	-
<b>Net cash provided by investing activities</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>56,748</b>	<b>(1,574)</b>	<b>55,174</b>	<b>(1,844)</b>
Cash and Cash Equivalents, Beginning of Year	-	2,686	2,686	52,177
Cash and Cash Equivalents, End of Year	<b>\$ 56,748</b>	<b>\$ 1,112</b>	<b>\$ 57,860</b>	<b>\$ 50,333</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ -	\$ 1,661	\$ 1,661	\$ (4,436)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	-	1,148	1,148	-
(Increase) in other receivables	-	(15)	(15)	(43)
Increase (decrease) in accounts payable and accrued liabilities	-	(207)	(207)	47
Increase in due from other funds	-	(312)	(312)	-
Increase in due to other funds	-	690	690	-
Increase in insurance claims payable	-	-	-	2,588
(Increase) in due from component unit	-	(1,173)	(1,173)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ -</b>	<b>\$ 1,792</b>	<b>\$ 1,792</b>	<b>\$ (1,844)</b>

See Notes to Financial Statements.

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2015**  
(In Thousands)

	Pension Trust Funds	School Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 47,811	\$ 987
Investments:		
U.S. Government Agencies	46,909	-
U.S. Treasury	75,642	-
Corporate Bonds	84,722	-
Foreign Bonds	18,635	-
Common Trusts	105,343	-
Alternative Investments	212,431	-
Common stock	446,212	-
<b>Total investments</b>	<b>989,894</b>	<b>-</b>
Due from other funds	39	-
Accrued investment earnings	3,162	-
<b>Total assets</b>	<b>1,040,906</b>	<b>987</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	198	-
Net settlement due on investments purchased/sold	2,462	-
Due to student groups and other	-	987
<b>Total liabilities</b>	<b>2,660</b>	<b>987</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 1,038,246</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, 2015  
(In Thousands)**

Additions	
Contributions:	
Employer	\$ 42,877
Plan members	13,036
Other	974
<b>Total contributions</b>	<u>56,887</u>
Investment Income:	
Net appreciation in fair value of investments	8,923
Interest and dividends	17,187
<b>Total investment income</b>	<u>26,110</u>
Less investment expense	5,515
<b>Net investment income</b>	<u>20,595</u>
Deductions	
Benefits	99,409
Administration	2,210
Other	168
<b>Total deductions</b>	<u>101,787</u>
<b>Decrease in net position</b>	(24,305)
Net Position Held in Trust for Pension Benefits	
Beginning of year	<u>1,062,551</u>
End of year	<u>\$ 1,038,246</u>

See Notes to Financial Statements.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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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.

**Blended component unit:** The Hartford Stadium Authority (Authority) serves all the citizens of the government and is governed by a commission, which consists of five members appointed by the Common Council. The Authority does not have any other staff members presently, the operational, administrative and legal services for the Authority will be handled by the City Departments of Finance, Public Work and the Office of Corporation Council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Authority is reported as an enterprise fund and does not issue separate financial statements.

**Discretely presented component unit:** The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. It is financially accountable to the City, or has a relationship with the City such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For the 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 unit included in the City's financial statements, the City, generally acting through the Mayor, appoints a voting majority of the component unit's 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. Separately issued financial statements are available.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

##### Accounting standards adopted in the current year:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71*, was implemented on July 1, 2014. This statement revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their total obligation for pension benefits as a liability for the first time and calls for recognition of more pension expense than is currently required. The effects of the implementation of this statement are as follows: The beginning net position was decreased by \$269,572, a net pension liability of \$276,952 was added, a net pension obligation of \$3,843 was removed and a deferred pension expense of \$3,537 was added. Details can be found in Note 13. The adoption of this GASB standard also provided additional disclosures for the State Teachers' Retirement Plan in which the City has no liability as it is a special funding situation.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. 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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

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.

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, the Hartford Stadium Authority 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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

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 liabilities, other post-employment obligations, and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, charges for services, and interest associated with the current fiscal period are all considered to be 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 funds:

The Hartford Stadium Authority Fund accounts for the operations of the City's Dillon Stadium currently in construction. It is a blended component unit of the City.

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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

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

Proprietary funds are financed and operated in a manner similar to private business enterprises.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund is net revenues from operations of the parking facilities and of the City's internal service funds are charges from participants and premiums from the City. Operating expenses for the enterprise fund include operating expenses, administrative expenses, and depreciation on capital assets. For the internal service funds, expenses represent claims paid. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Accounting estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosures in the financial statements. 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 2014 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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

**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".

**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 \$8,653 million is equal to approximately 11.8% of outstanding property taxes at June 30, 2015.

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.

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 (for which the City develops an allowance for uncollectible amounts on a loan-by-loan basis) 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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

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.

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:

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

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.

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.

**Net pension liability:** The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pension in the government-wide statement of net position. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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. The City reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available, in accordance with the modified accrual basis of accounting.

**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 (net of unspent bond proceeds) 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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

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.

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.

#### 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 (000's)

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

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 \$30.6 million at June 30, 2015.

#### 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, 2015, \$187 of the City's bank balance of \$189.5 was uninsured and uncollateralized.

##### Hartford Parking Authority:

**Custodial credit risk:** Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority follows the City's deposit policies which include policies on the safety of principal, prudence, and financial dealings with institutions to mitigate custodial credit risk. As of June 30, 2015, \$2,195,952 of the Authority's bank balance of \$2,695,952 was uninsured and uncollateralized.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

Cash, cash equivalents and investments of the City consist of the following at June 30, 2015:

Cash and cash equivalents		
Deposits with financial institutions	\$	259,521
State of Connecticut Short-Term Investment Fund		22,099
<b>Total cash and cash equivalents</b>		<u>281,620</u>
Investments		
Debt Service Fund:		
U.S. Government Agencies		82,628 *
<b>Total debt service fund</b>		<u>82,628</u>
Non-Major Funds:		
U.S. Government Agencies		261 *
U.S. Treasury		135 *
Corporate Bonds		1,351 *
Common Stock		2,762 *
Mutual Funds		1,241
Common Trusts		21,833
Index Funds		234
<b>Total non-major funds</b>		<u>27,817</u>
Pension Trust Funds:		
U.S. Government Agencies		46,909 *
U.S. Treasury		75,642 *
Corporate Bonds		84,722 *
Foreign Bonds		18,635 *
Common Trusts		105,343
Alternative Investments		212,431
Common stock		446,212 *
<b>Total pension trust funds</b>		<u>989,894</u>
<b>Total investments</b>		<u>1,100,339</u>
<b>Total cash, cash equivalents and investments</b>	\$	<u>1,381,959</u>

\*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 (000's)**

**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	\$ 206,270
Restricted cash	26,552
Investments	27,817
Restricted investments	82,628
<b>Total statement of net position</b>	<b><u>343,267</u></b>
Fiduciary Funds	
Cash and cash equivalents	48,798
Investments	989,894
	<b><u>1,038,692</u></b>
<b>Total cash, cash equivalents and investments</b>	<b><u>\$ 1,381,959</u></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, 2015, is as follows:

	Currency	Fair Value
Fixed Income Securities:		
	Japanese Yen	\$ 3,161
	Euro Currency Unit	2,772
	British Pound Sterling	2,838
	Polish Zloty	1,179
	Mexican Peso	2,724
	Other foreign currencies	5,961
Equities:		
	Japanese Yen	10,685
	Euro Currency Unit	8,294
	British Pound Sterling	2,537
	Swiss Franc	1,275
	South Korean Won	1,653
	Singapore Dollar	1,074
	Hong Kong Dollar	1,377
	Other foreign currencies	3,289

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

#### 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	\$ 18,635	\$ 285	\$ 5,665	\$ 8,247	\$ 4,438
U.S. Government Agencies	129,798	85,032	5,992	15,289	23,485
U.S. Treasury	75,777	5,523	14,908	26,051	29,295
Corporate Bonds	86,073	4,591	14,649	34,433	32,400
Common Trusts	127,176	26,626	34,245	37,612	28,693
Pooled Fixed Income	22,099	22,099	-	-	-
<b>Total</b>	<b>\$ 459,558</b>	<b>\$ 144,156</b>	<b>\$ 75,459</b>	<b>\$ 121,632</b>	<b>\$ 118,311</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	\$ -	\$ 2,027	\$ 10,916	\$ 2,812	\$ -
AAAm	-	-	-	-	22,099
AA+	2,351	52,986	-	4,897	-
AA	-	1,305	3,933	1,494	-
AA-	281	1,627	1,456	1,230	-
A+	-	1,830	136	2,532	-
A	4,189	44,518	6,593	7,304	-
A-	373	2,395	2,259	7,995	-
BBB+	705	2,304	5,041	10,157	-
BBB	501	2,387	13,938	7,094	-
BBB-	-	2,314	5,923	6,261	-
BB+	-	1,371	17,896	3,584	-
BB	-	2,172	6,427	5,811	-
BB-	-	2,335	4,906	5,980	-
B+	-	2,331	6,455	4,103	-
B	-	1,806	2,281	4,206	-
B-	-	2,476	3,682	2,944	-
CC	-	-	687	-	-
CCC+	-	1,522	82	1,427	-
CCC	-	105	2,552	304	-
CCC-	-	-	431	-	-
D	-	-	61	476	-
Unrated	10,235	1,987	31,521	5,462	-
	<b>\$ 18,635</b>	<b>\$ 129,798</b>	<b>\$ 127,176</b>	<b>\$ 86,073</b>	<b>\$ 22,099</b>

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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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, 2015:

Prudential Institutional Emerging Market Mutual Fund	\$71,540
Walter Scott & Partners Equity Index Fund	\$57,381

**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 (000's)

#### 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	\$ 54,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,237
Accrued interest on taxes	25,485	-	-	-	-	-	25,485
Intergovernmental	5,645	52,897	-	2,382	4,244	-	65,168
Accounts	17,233	-	-	-	11,281	439	28,953
Housing loans	-	-	67,717	-	-	-	67,717
Section 108-business loans	-	-	-	-	7,420	-	7,420
<b>Gross receivables</b>	<b>102,600</b>	<b>52,897</b>	<b>67,717</b>	<b>2,382</b>	<b>22,945</b>	<b>439</b>	<b>248,980</b>
<b>Less:</b>							
Allowance for uncollectibles:							
Taxes	(8,653)	-	-	-	-	-	(8,653)
Accrued interest on taxes	(6,371)	-	-	-	-	-	(6,371)
Accounts	(6,695)	(5,642)	-	(114)	(1,799)	-	(14,250)
Housing loans	-	-	(35,696)	-	-	-	(35,696)
Section 108-business loans	-	-	-	-	(3,000)	-	(3,000)
<b>Total allowance</b>	<b>(21,719)</b>	<b>(5,642)</b>	<b>(35,696)</b>	<b>(114)</b>	<b>(4,799)</b>	<b>-</b>	<b>(67,970)</b>
<b>Net total receivables</b>	<b>\$ 80,881</b>	<b>\$ 47,255</b>	<b>\$ 32,021</b>	<b>\$ 2,268</b>	<b>\$ 18,146</b>	<b>\$ 439</b>	<b>\$ 181,010</b>

#### 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	\$ 45,691	\$ -	\$ 45,691
Accrued interest on delinquent property taxes	19,114	-	19,114
School building construction grant receivables	5,645	-	5,645
Other receivables	7,167	-	7,167
<b>Capital Improvement Fund</b>			
Intergovernmental grants receivable and other	28,102	5,644	33,746
<b>Community Development Loan and Grant</b>			
Housing loans and interest	32,012	-	32,012
<b>Educational Grants</b>			
Grant drawdowns prior to meeting all eligibility requirements	600	1,214	1,814
<b>Nonmajor and other funds</b>			
Grant drawdowns prior to meeting all eligibility requirements and other	6,742	9,797	16,539
<b>Total deferred inflows/unearned revenue for governmental funds and/or governmental activities</b>	<b>\$ 145,073</b>	<b>\$ 16,655</b>	<b>\$ 161,728</b>

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

A summary of interfund balances as of June 30, 2015 is presented below:

	Due From Other Funds	Due To Other Funds
Capital Improvement	\$ 988	\$ 848
General Fund	9,316	43
Debt service fund	828	1,124
Parking facilities	-	2,386
Nonmajor governmental and other funds	62	6,793
	<u>\$ 11,194</u>	<u>\$ 11,194</u>

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 balances are scheduled to be collected in the subsequent year.

A summary of interfund transfers is presented below:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 21,150	\$ 11,690
Debt Service Fund	9,555	295
Capital Improvement Fund	795	200
Educational grants	2,083	-
Nonmajor and other funds	2,335	6,979
Hartford Parking Facilities	38	16,792
<b>Total</b>	<u>\$ 35,956</u>	<u>\$ 35,956</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 (000's)**

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 63,383	\$ -	\$ (173)	\$ -	\$ 63,210
Construction in progress	212,808	80,510	(4,739)	(32,905)	255,674
<b>Total capital assets, not being depreciated</b>	<b>276,191</b>	<b>80,510</b>	<b>(4,912)</b>	<b>(32,905)</b>	<b>318,884</b>
Capital assets, being depreciated:					
Land improvements	28,953	1,366	-	4,734	35,053
Buildings	1,226,693	2,482	-	25,451	1,254,626
Other structures	32,495	3,330	-	2,265	38,090
Furniture and equipment	48,140	1,587	(779)	-	48,948
Rolling equipment	48,577	2,608	(6,680)	-	44,505
Infrastructure	472,682	30	-	455	473,167
<b>Total capital assets being depreciated</b>	<b>1,857,540</b>	<b>11,403</b>	<b>(7,459)</b>	<b>32,905</b>	<b>1,894,389</b>
Less accumulated depreciation for					
Land improvements	(19,136)	(838)	-	-	(19,974)
Buildings	(339,389)	(28,818)	-	-	(368,207)
Other structures	(15,591)	(821)	-	-	(16,412)
Furniture and equipment	(42,922)	(1,885)	742	-	(44,065)
Rolling equipment	(32,789)	(2,819)	6,643	-	(28,965)
Infrastructure	(256,125)	(6,626)	-	-	(262,751)
<b>Total accumulated depreciation</b>	<b>(705,952)</b>	<b>(41,807)</b>	<b>7,385</b>	<b>-</b>	<b>(740,374)</b>
<b>Total capital assets, being depreciated, net</b>	<b>1,151,588</b>	<b>(30,404)</b>	<b>(74)</b>	<b>32,905</b>	<b>1,154,015</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,427,779</b>	<b>\$ 50,106</b>	<b>\$ (4,986)</b>	<b>\$ -</b>	<b>\$ 1,472,899</b>

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

Note 6. Capital Assets (Continued)

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 8,753	\$ -	\$ (2,666)	\$ -	\$ 6,087
Construction in progress	-	8,158	-	-	8,158
<b>Total capital assets, not being depreciated</b>	<b>8,753</b>	<b>8,158</b>	<b>(2,666)</b>	<b>-</b>	<b>\$ 14,245</b>
Capital assets, being depreciated:					
Land improvements	29	-	-	-	29
Buildings and improvements	543	-	-	-	543
Parking garages	34,286	-	(13,600)	-	20,686
Other structures	3,202	-	-	-	3,202
Furniture, fixtures and equipment	594	-	(9)	-	585
<b>Total capital assets, being depreciated</b>	<b>38,654</b>	<b>-</b>	<b>(13,609)</b>	<b>-</b>	<b>25,045</b>
Less accumulated depreciation for:					
Land improvements	(13)	(1)	-	-	(14)
Buildings and improvements	(334)	(13)	-	-	(347)
Parking garages	(13,500)	(815)	5,203	-	(9,112)
Other structures	(1,789)	(287)	-	-	(2,076)
Furniture, fixtures and equipment	(274)	(32)	9	-	(297)
<b>Total accumulated depreciation</b>	<b>(15,910)</b>	<b>(1,148)</b>	<b>5,212</b>	<b>-</b>	<b>(11,846)</b>
<b>Total capital assets, being depreciated, net</b>	<b>22,744</b>	<b>(1,148)</b>	<b>(8,397)</b>	<b>-</b>	<b>13,199</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 31,497</b>	<b>\$ 7,010</b>	<b>\$ (11,063)</b>	<b>\$ -</b>	<b>\$ 27,444</b>

The City sold the Church Street Garage, with a net book value of \$11,060 on June 24, 2015. The garage was sold for \$14,406, which resulted in a gain of \$3,346 to the Parking Authority. The proceeds of the sale were transferred to the General Fund.

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

Governmental activities	
General government	\$ 6,337
Public safety	3,612
Public works	19,169
Development and community affairs	280
Education	12,166
Recreation and culture	243
<b>Total depreciation expense – governmental activities</b>	<b>\$ 41,807</b>
Business-type activities	
Hartford Parking Facilities	\$ 1,148

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

**Construction commitments:** The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2015. 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 \$257.6 million. The commitments are being financed with general obligation bonds and state and federal grants.

#### 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 2015 amounted to \$1.9 million. The cost of the buildings and land associated with these rental income amounts is estimated at \$114.2 million with a carrying value of \$94.5 million. Depreciation expense related to these properties was \$1.8 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.

2016	\$ 1,377
2017	1,377

In addition to the base rent of \$1,377, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2015, base rent and additional rent amounted to \$2.3 million.

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

2016	\$ 3,432
2017	3,331
2018	996

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

**Note 8. Long-Term Liabilities**

Governmental Activities:

Changes in Long-Term Liabilities: Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 455,100	\$ 118,385	\$ (60,600)	\$ 512,885	\$ 32,570
Bond anticipation notes	56,000	50,000	(56,000)	50,000	-
Premium on bonds	38,887	17,210	(5,127)	50,970	-
<b>Total bonds payable</b>	<b>549,987</b>	<b>185,595</b>	<b>(121,727)</b>	<b>613,855</b>	<b>32,570</b>
Other long-term liabilities:					
Compensated absences	36,036	9,969	(7,898)	38,107	7,565
HUD Section 108 loans	7,610	-	(190)	7,420	555
Capital leases	7,879	3,272	(1,595)	9,556	2,281
CWF Serial Note	1,322	-	(90)	1,232	92
Net OPEB obligation	72,892	8,133	-	81,025	-
Net pension liability - MERS	17,727	-	(5,052)	12,675	-
Net pension liability - MERF	252,714	57,687	-	310,401	-
Net pension liability - 415(m)	338	-	(65)	273	-
Net pension liability - RAF/PBF/FRF	6,173	-	(179)	5,994	-
Claim and judgments	2,600	-	(1,000)	1,600	-
Risk management claims	26,859	99,506	(96,919)	29,446	16,000
<b>Total other long-term liabilities</b>	<b>432,150</b>	<b>178,567</b>	<b>(112,988)</b>	<b>497,729</b>	<b>26,493</b>
<b>Total governmental activities long-term liabilities</b>	<b>\$ 982,137</b>	<b>\$ 364,162</b>	<b>\$ (234,715)</b>	<b>\$ 1,111,584</b>	<b>\$ 59,063</b>

2014 General Obligation Refunding Bonds: On November 18, 2014, the City issued \$36,385 of general obligation refunding bonds with interest rates ranging from 2.0% to 5.0%. Of the net proceeds of \$40,529 (after payment of \$360 in underwriters fees and other costs), \$40,169 was placed in an irrevocable trust fund under an Escrow Agreement dated November 18, 2014 between the City and the Escrow Holder. These bonds advance refunded all or any portion of the aggregate principal amounts outstanding of certain of the City's outstanding general obligation bonds totaling \$35,900. The bonds mature through 2021, with interest from 1.0% to 5.0%. The transaction produced a present value gain of \$1,334 and a cash savings of \$1,487.

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 \$96,596 at June 30, 2015 and is restricted as it is to be used to pay down the bonds.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

**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, 2015
June 2005	4.50-5.00	29,510	2020	1,050-3,600	\$ 16,030
June 2005	3.00-5.00	32,300	2024	1,700	17,000
June 2006	4.00-5.00	70,000	2025	3,685	40,535
June 2007	4.00-5.25	70,000	2026	3,680-3,685	11,905
February 2009	2.50-5.00	40,225	2022	2,115-2,120	29,625
September 2009	2.00-5.00	12,150	2018	1,325-1,435	5,300
April 2010	2.00-4.30	14,000	2029	735-740	11,040
April 2011	3.00-5.25	25,000	2024	1300-1325	21,100
April 2012	2.00-5.00	50,000	2032	2,500	42,500
April 2012	2.00-5.00	21,280	2023	100-1,895	16,450
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
November 2014	2.00-5.00	36,385	2026	1,230-3,670	36,385
October 2014	3.00-5.00	82,000	2034	2,690-6,355	82,000
					<u>\$ 512,885</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2015 are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 32,570	\$ 24,139	\$ 56,709
2017	34,535	22,941	57,476
2018	33,765	21,673	55,438
2019	32,855	18,662	51,517
2020	32,005	17,224	49,229
2021-2025	156,310	64,055	220,365
2026-2030	124,290	30,256	154,546
2031-2035	66,555	6,398	72,953
	<u>\$ 512,885</u>	<u>\$ 205,348</u>	<u>\$ 718,233</u>

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

**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 \$89,962 and interest in the amount of \$25,622 was paid in the 2014-15 fiscal year. Future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 92	\$ 24	\$ 116
2017	94	22	116
2018	96	20	116
2019	97	18	115
2020	99	16	115
2021-2025	528	50	578
2026-2030	226	5	231
	<u>\$ 1,232</u>	<u>\$ 155</u>	<u>\$ 1,387</u>

The City's indebtedness (\$1,168 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	\$ 588,107	\$ 527,584	\$ 60,523
Schools	1,176,215	470,002	706,213
Sewer	980,179	170,692	809,487
Urban renewal	849,488	-	849,488
Pension deficit	784,143	-	784,143

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$1.8 billion).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued. School building grants totaling \$16.6 million are applicable to outstanding bond issues.

Total bonds authorized and unissued as of June 30, 2015 were:

Description	Authorized/ Unissued
General purpose	\$ 213,581
Schools	322,760
Sewers	8,578
<b>Total</b>	<u><u>\$ 544,919</u></u>

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

**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
2016	\$ 555	\$ 200	\$ 755
2017	565	187	752
2018	350	177	527
2019	350	172	522
2020	350	165	515
2021-2025	1,750	692	2,442
2026-2030	1,750	435	2,185
2031-2035	1,750	29	1,779
	<u>\$ 7,420</u>	<u>\$ 2,057</u>	<u>\$ 9,477</u>

**Capital leases:** The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2015 were \$1,595. The following is a summary of capital lease commitments as of June 30, 2015:

<u>Year Ended June 30,</u>	<u>Amount</u>
2016	\$ 2,281
2017	2,281
2018	1,828
2019	1,375
2020	1,092
Thereafter	1,254
<b>Total lease payments</b>	<u>10,111</u>
Less: amount representing interest	(555)
<b>Present value of minimum lease payments</b>	<u>\$ 9,556</u>

The City issues capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated book value of \$5.9 million is less than the principal balance payable of \$9.5 million due to amounts held in escrow at June 30, 2015.

**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 (000's)**

**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, 2015</u>
<u>Board of Education</u>	
Sick	\$ 14,586
Vacation	2,579
 <u>City</u>	
Sick	14,908
Vacation	6,034
<b>Total</b>	<u><u>\$ 38,107</u></u>

**Business-type activities:**

Changes in long-term liabilities: Long-term liabilities for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities					
General obligation bonds	\$ 4,765	\$ -	\$ (795)	\$ 3,970	\$ 865
Lease revenue bonds	-	62,450	-	62,450	-
Premium on bonds	-	922	-	922	51
<b>Total bonds payable</b>	<u>\$ 4,765</u>	<u>\$ 63,372</u>	<u>\$ (795)</u>	<u>\$ 67,342</u>	<u>\$ 916</u>

The annual requirements to amortize all general obligation and lease revenue bonded debt outstanding as of June 30, 2015 are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 865	\$ 3,019	\$ 3,884
2017	2,175	3,165	5,340
2018	2,320	3,051	5,371
2019	2,485	2,930	5,415
2020	1,425	2,831	4,256
2021-2025	8,295	13,002	21,297
2026-2030	10,420	10,871	21,291
2031-2035	13,395	7,903	21,298
2036-2040	17,065	4,218	21,283
2041-2045	7,975	547	8,522
	<u>\$ 66,420</u>	<u>\$ 51,537</u>	<u>\$ 117,957</u>

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

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%	\$ 3,970
Stadium - Lease revenue bonds issued 2015; final maturity February 1, 2025; interest at 3.0% to 5.0%	39,055
Stadium - Lease revenue bonds issued 2015; final maturity February 1, 2042; interest at 5.625%	23,395
	<u>\$ 66,420</u>

Concurrent with the issuance of the lease revenue bonds, the City signed a lease with the Stadium Authority for the use of the stadium, which was sublet to a third party for a minor league baseball team. The lease payments to the Stadium Authority are due in the amount of and the time of the debt payments for the bonds. The sublease also coincides with the City's lease, payments commencing on April 7, 2016. The lease is cancellable if the City assumes the debt of the Stadium Authority. The leases have no effect on the City's financial statements.

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

Beginning balance, July 1, 2014	\$ 56,000
Issuances	50,000
Retired/Matured	(56,000)
<b>Ending balance, June 30, 2015</b>	<u>\$ 50,000</u>
Reported as:	
Long-term debt	<u>\$ 50,000</u>

The entire \$50 million bond anticipation notes outstanding at June 30, 2015 were issued as General Obligation Bonds on July 8, 2015. See Note 16 for more information.

#### Note 9. Deficit Fund Equity

Nonmajor Funds	
Vehicle equipment & technology	\$ 2,347
Miscellaneous grants	1,931
Health grants	35
Capital lease	3,112
Internal Service Funds	
Workers' compensation	14,556
Liability and property damage	4,770
Enterprise Funds	
Hartford Stadium Authority	842

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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**Note 9. Deficit Fund Equity (Continued)**

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, a \$2 million self-insurance retention for workers' compensation claims for the City (\$1 million for the BOE and Library), \$500,000 self-insurance retention for auto and general liability claims, \$250,000 self-insurance retention for property damage claims, and \$250,000 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.

Additionally, the City's insured general liability limit for fiscal year 2014-15 was \$4.7 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 in any one 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 \$29,446 million, reported in the fund at June 30, 2015, 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 2015 and 2014 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self-Insurance Fund:				
2013-2014	\$ 26,022	\$ 94,732	\$ 93,895	\$ 26,859
2014-2015	26,859	99,506	96,919	29,446

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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#### 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 \$165.0 million or 28% of the debt of the District. There were no amounts to be paid at year end.

**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 \$1.6 million in the government-wide financial statements to cover probable claims.

#### 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 comprised of new hires since July 1, 2009, for which both current and future benefits are paid and actuarially funded. 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 established a trust fund, as of June 30, 2015, 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.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

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, 2015, net of retiree and other contributions, amounted to \$12,995.

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

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

	Other Post- Employment Benefits (OPEB)
Annual required contribution (ARC)	\$ 20,955
Interest on net OPEB obligation	3,280
Adjustment for Net OPEB obligation	<u>(3,107)</u>
<b>Annual OPEB cost</b>	21,128
Contributions made	<u>(12,995)</u>
<b>Increase in net OPEB obligation</b>	8,133
Net OPEB obligation, beginning of year	<u>72,892</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$ 81,025</u></b>

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2013, 2014 and 2015 is presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/13	\$ 19,318	\$ 10,916	56.5%	\$ 64,398
6/30/14	20,144	11,650	57.8%	81,025
6/30/15	21,128	12,995	61.5%	81,025

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
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
7/1/2013	\$ -	\$ 276,059	\$ 276,059	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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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#### **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. Administrative fees are paid through the plans.

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).

#### **Connecticut Municipal Employees' Retirement System:**

**Plan description:** Certain employees of the City participate in a cost-sharing multiple-employer defined benefit pension plan administered by the State of Connecticut Municipal Employees' Retirement System (MERS). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit provisions:** Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

*Average final compensation:* Average of the three highest paid years of service.

*Normal form of benefit:* Life annuity.

*Year's breakpoint:* With respect to the calendar year in which a member terminates service, \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. For 2014, the breakpoint is \$69,200.

*Service retirement allowance:*

**Condition for allowance:** Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

**Amount of allowance:** For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include Workers Compensation and Social Security benefits. If any member covered by Social Security retires before age 62, his/her benefit until he/she reaches age 62 or receives a Social Security disability award is computed as if he/she were not under Social Security.

Disability retirement allowance:

**Condition for allowance:** 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the Municipality.

**Amount of allowance:** Calculated as a service retirement allowance based on compensation and service to the date of the disability.

Service connected disability:

**Condition for allowance:** Totally and permanently disabled from engaging in any gainful employment in the service of the Municipality provided such disability has arisen out of and in the course of his/her employment with the Municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

**Amount of allowance:** Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including Worker's Compensation benefits) of 50% of compensation at the time of the disability.

Vesting retirement allowance:

**Condition for allowance:** 5 years of continuous or 15 years of active aggregate service.

**Amount of allowance:** Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Death benefit:

**Condition for benefit:** Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

**Amount of benefit:** Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Return of deductions: Upon the withdrawal of a member the amount of their accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

**Optional benefits:** Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of his retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

**Cost-of-living adjustment:** For those retired prior to January 1, 2002: (i) the benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1.

The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

**Contributions - by members:** For members not covered by Social Security: 5% of compensation. For members covered by the Social Security: 2-1/4% of compensation up to the Social Security taxable wage base plus 5% of compensation, if any, in excess of such base.

**Contributions - by municipalities:** Participating Municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

**Assumptions:** The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	7/1/2014
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Social Security Wage Base	3.50%

\* Includes inflation at 3.25%

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

Mortality

The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females). For disabled retirees, the same table is used, adjusted with the male table set forward five years and the female table set forward one year

**Summary of significant accounting policies:** The schedules of employer allocations, schedules of pension amounts by employer and schedules of sensitivity analysis and deferred inflow amounts by employer (the Schedules") are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Contributions from employers are recognized when legally due, based upon statutory requirements.

**The long-term expected rate of return:** the long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis 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. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan. The annual money weighted rate of return net of investment expenses measured on monthly inputs was 7.32%.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large cap U.S. equities	16.00%	5.80%
Developed non- U.S. equities	14.00%	6.60%
Emerging markets (non- U.S.)	7.00%	8.30%
Core fixed income	8.00%	1.30%
Inflation linked bond fund	5.00%	1.00%
Emerging market bond	8.00%	3.70%
High yield bonds	14.00%	3.90%
Real estate	7.00%	5.10%
Private equity	10.00%	7.60%
Alternative investments	8.00%	4.10%
Liquidity fund	3.00%	0.40%
	100.00%	

**Discount rate:** The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the System, calculated using the discount rate of 8.00 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate (\$ thousands):

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net pension liability	\$ 25,739	\$ 12,675	\$ 1,615

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources:** At June 30, 2015, the City reported a liability of \$12,675 for its proportionate share of the net pension liability related to its participation in MERS. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on its share of contributions to the MERS for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014, the City's proportion was 12.321445%.

For the year ended June 30, 2015, the City recognized pension expense of \$2,289. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to MERS pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ -	\$ (4,058)
City contributions made subsequent to the measurement date	3,681	-
<b>Total</b>	<b>\$ 3,681</b>	<b>\$ (4,058)</b>

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

\$3,681 reported as deferred outflows of resources related to pensions resulting from the City's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Year Ended June 30,

2016	\$	1,015
2017		1,015
2018		1,015
2019		1,013
2020		-
Thereafter		-

#### Connecticut State Teachers' Retirement System:

All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. These employees are eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are serviced in the public schools of Connecticut.

**Description of system:** Eligible employees within the City's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the City does not have a liability.

The System is considered 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 at [www.ct.gov](http://www.ct.gov).

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$39,434,000 as payments made by the State of Connecticut on-behalf of the City. The City does not have any liability for teacher pensions.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

**Benefits provided:** The benefits provided to participants by the System are as follows:

*Normal benefit:* A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

*Prorated benefit:* A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

*Minimum benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

**Contribution requirements:** The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Employees are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$11,332,656 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$156,312.

Employers are not required to make contributions to the Plan.

**Actuarial assumptions:** The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	7.3%
Developed non- U.S. equities	18.0%	7.5%
Emerging markets (non- U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
	<u>100.0%</u>	

**Discount rate:** The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate:** The following presents the State's proportionate share of the net pension liability associated with the City, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's proportionate share of the NPL associated with the City	\$ 513,270	\$ 402,205	\$ 307,796

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the State net pension liability that was associated with the City was \$402,205 and 100% of the collective net pension liability is allocated to the State. The City has no proportionate share of the liability.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based.

The City recognized the total pension expense associated with the City as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the City. For the fiscal year ended June 30, 2015, the City recognized \$30,177 as the amount expended by the State on behalf of the City to meet the State's funding requirements in the Statement of Activities.

**Other information:** Additional information is included in the required supplementary section of the financial statements.

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

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

The City MERF was established as part of the City Charter. The City provides retirement benefits, for employees hired since May 1, 1947, through the City MERF, a single employer, contributory defined benefit plan.

As of the actuarial valuation date, July 1, 2014, City MERF membership consisted of:

	<u>(not rounded)</u>
Retirees and beneficiaries currently receiving benefits	2,924
Terminated employees entitled to benefits but not yet receiving them	168
Active plan members	<u>2,319</u>
<b>Total</b>	<u><u>5,411</u></u>

**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.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

**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. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Retirement Plans and additions to/deductions from the Retirement Plans' fiduciary net position have been determined on the same basis as they are reported by the Retirement Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**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.

**Benefits provided:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2015:

Actuarial method used	Entry age normal cost method
Mortality basis	For Police, Fire, Board of Education Corridor Supervisors and Building and Grounds Supervisors: <ul style="list-style-type: none"><li>• <b>Pre-retirement:</b> RP2000 Employees Table – male and female rates, projected by Scale MP to valuation date with occupational (i.e., non-office worker, blue collar) adjustment.</li><li>• <b>Post-retirement:</b> RP2000 Healthy Annuitants Table – male and female rates, projected by Scale MP to valuation date with occupational (i.e., non-office worker, blue collar) adjustment. No adjustment reflected for assumed future beneficiaries.</li><li>• <b>Disability:</b> RP2000 Disabled Table – male and female rates.</li></ul> For All Other Groups: <ul style="list-style-type: none"><li>• <b>Pre-retirement:</b> RP2000 Employees Table – male and female rates, set forward one year, projected by Scale MP to valuation date with no adjustment.</li><li>• <b>Post-retirement:</b> RP2000 Healthy Annuitants Table – male and female rates, set forward one year, projected by Scale MP to valuation date with no adjustment.</li><li>• <b>Disability:</b> RP2000 Disabled Table – male and female rates.</li></ul>
Mortality improvement	Pre and Post-retirement: Projected to date of decrement using Scale MP (generational mortality).

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

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

Salary scale 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.

Retirement Rates Police: 100% retire at age 65, regardless of service, must be age 40 to retire.

Fire: 100% retire at 30 years of service for all ages.

Board of Education: 100% retire at age 70.

Disability Benefits were explicitly valued using the DP85 Class 1 male and female disability incidence rate table increased 150% for the police, 250% for fire, 10% for board of education and 10% for municipal services and library groups.

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

Social Security Future tax wage bases are developed by projecting the 2014 base of \$117,000 forward at 4% per year.

**Funding policy:** The obligations of the plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rate of the employer and the members varies depending on the applicable agreement. 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, 2014, as a level percentage of pay.

**Net pension liability:** The components of the net pension liability of the City at June 30, 2015 were as follows:

MERF	2015	2014
Net Pension Liability		
Total pension liability	\$ 1,348,595	\$ 1,315,265
Plan fiduciary net position	1,038,194	1,062,551
Net pension liability	<u>\$ 310,401</u>	<u>\$ 252,714</u>
Plan fiduciary net position as a percentage of total pension liability	76.98%	80.79%

**Money-weighted rate of return:** For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Investments:** The pension plan's policy in regard to the allocation is established and may be amended by the City Retirement Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan, see allocation below.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

**Assumed rate of return:** 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 are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected		
	Pension Funds Allocation %	Real Return - Portfolio	Weighted
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%
Unconstrained Fixed Income	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%
Private Real Assets	3.00%	2.75%	0.08%
Cash	1.50%	0.50%	0.01%
<b>Total weighted average real return</b>			<b>3.73%</b>
Long-term inflation expectation			3.25%
<b>Long-term expected normal return</b>			<b>6.98%</b>

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

**Actuarial assumption:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, that was projected forward to the measurement date of June 30, 2015:

Actuarial Method Used:	Entry Age Normal Cost Method
Mortality Basis:	For Police, Fire, Board of Education Corridor Supervisors and Building and Grounds Supervisors:  Pre-retirement: RP2000 Employees Table – male and female rates, set forward one year, projected by Scale MP to valuation date with occupational (i.e., non-office worker, blue collar) adjustment.  Post-retirement: RP2000 Healthy Annuitants Table – male and female rates, set forward one year, projected by Scale MP to valuation date with occupational (i.e., non-office worker, blue collar) adjustment.  No adjustment reflected for assumed future beneficiaries. Disability: RP2000 Disabled Table – male and female rates.
Investment rate of return, (includes inflation)	7.75%
Inflation	3.25%

**Changes from prior valuation:** The mortality table was changed from Scale AA to Scale MP-2014. The change in mortality assumption resulted in a 1.5% increase in liability.

**Discount rate:** The discount rate used to measure the total pension liability was 7.75%. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity analysis:** The following table presents the net pension liability of the City, calculated using the discount rate of 7.75%, as well as what the City's 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%
Net pension liability	\$ 455,853	\$ 310,401	\$ 188,018

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 1,315,265	\$ 1,062,551	\$ 252,714
Changes for the year:			
Service cost	22,612	-	22,612
Interest	99,934	-	99,934
Differences between expected and actual experience	(11,738)	-	(11,738)
Contributions - employer	-	42,874	(42,874)
Contributions - member	-	13,360	(13,360)
Net investment income (including investment expenses)	-	20,778	(20,778)
Changes of assumptions	21,176	-	21,176
Benefit payments, including refunds of employee contributions	(98,654)	(98,654)	-
Administrative expense	-	(2,715)	2,715
<b>Net changes</b>	<b>33,330</b>	<b>(24,357)</b>	<b>57,687</b>
<b>Balances at June 30, 2015</b>	<b>\$ 1,348,595</b>	<b>\$ 1,038,194</b>	<b>\$ 310,401</b>

For the year ended June 30, 2015, the City recognized pension expense of \$45,166. As of June 30, 2015, the City's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (9,342)
Changes of assumptions	16,855	-
Net difference between projected and actual earnings on pension plan investments	47,882	-
<b>Total</b>	<b>\$ 64,737</b>	<b>\$ (9,342)</b>

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

2016	\$	13,897
2017		13,897
2018		13,897
2019		13,704
2020		-
Thereafter		-

#### 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 eighty-seven 87 (not rounded) retirees covered by this plan as of the actuarial valuation dated July 1, 2014.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, that was projected forward to the measurement date of June 30, 2015:

Investment rate of return:	3.80%
Inflation:	3.0%
Mortality basis:	<b>Police/Fire:</b> RP2000 Healthy Annuitants Table – male and female rates, projected by a Scale MP to valuation date with occupational adjustment. <b>For all other groups:</b> RP2000 Healthy Annuitants Table – male and female rates, projected by Scale MP to valuation date 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.

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

**Net pension liability of the city:** The components of the net pension liability of the City at June 30, 2015 were as follows:

RAF/PBF/FRF Net Pension Liability	2015	2014
Total pension liability	\$ 5,994	\$ 6,174
Plan fiduciary net position	-	-
Net pension liability	<u>\$ 5,994</u>	<u>\$ 6,174</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%	0.00%

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 6,174	\$ -	\$ 6,174
Changes for the year:			
Service cost	-	-	-
Interest	218	-	218
Differences between expected and actual experience	(230)	-	(230)
Contributions - employer	-	755	(755)
Contributions - member	-	-	-
Net investment income (including investment expenses)	-	-	-
Changes of assumptions	587	-	587
Benefit payments, including refunds of employee contributions	(755)	(755)	-
Administrative expense	-	-	-
<b>Net changes</b>	<u>(180)</u>	<u>-</u>	<u>(180)</u>
<b>Balances at June 30, 2015</b>	<u>\$ 5,994</u>	<u>\$ -</u>	<u>\$ 5,994</u>

**City of Hartford, Connecticut**

**Notes to Financial Statements, in thousands (000's)**

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

**Sensitivity analysis:** The following table presents the net pension liability of the City, calculated using the discount rate of 3.80%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.80%) or 1 percentage point higher (4.80%) than the current rate.

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
Net pension liability	\$ 6,461	\$ 5,994	\$ 5,594

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

**Plan description:** This plan currently covers nine (9) retirees and no active employees as of June 30, 2015, 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).

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2015:

Investment rate of return:	3.80%
Inflation:	3.0%
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.

**Net pension liability of the city:** The components of the net pension liability of the City at June 30, 2015 were as follows:

415(m)		
Net Pension Liability	2015	2014
Total pension liability	\$ 273	\$ 339
Plan fiduciary net position	-	-
Net pension liability	\$ 273	\$ 339
Plan fiduciary net position as a percentage of total pension liability	0.00%	0.00%

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 338	\$ -	\$ 338
Changes for the year:			
Service cost	-	-	-
Interest	11	-	11
Differences between expected and actual experience	4	-	4
Contributions - employer	-	79	(79)
Contributions - member	-	-	-
Net investment income (including investment expenses)	-	-	-
Changes of assumptions	(1)	-	(1)
Benefit payments, including refunds of employee contributions	(79)	(79)	-
Administrative expense	-	-	-
<b>Net changes</b>	<b>(65)</b>	<b>-</b>	<b>(65)</b>
<b>Balances at June 30, 2015</b>	<b>\$ 273</b>	<b>\$ -</b>	<b>\$ 273</b>

**Sensitivity analysis:** The following table presents the net pension liability of the City, calculated using the discount rate of 3.80%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.80%) or 1 percentage point higher (4.80%) than the current rate.

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
Net pension liability	\$ 282	\$ 273	\$ 265

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

	Municipal Employees' Retirement Fund	RAF/PBF FRF Plan	Total Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 47,811	\$ -	\$ 47,811
Investments:			
U.S. Treasury	75,642	-	75,642
Alternative Investments	212,431	-	212,431
Common Stock	446,212	-	446,212
Corporate Bonds	84,722	-	84,722
Foreign Bonds	18,635	-	18,635
Common Trust	105,343	-	105,343
U.S. Government Agencies	46,909	-	46,909
Due from other funds	39	-	39
Accrued investment earnings	3,162	-	3,162
<b>Total assets</b>	<b>1,040,906</b>	<b>-</b>	<b>1,040,906</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	198	-	198
Net settlement due on investments purchased/sold	2,462	-	2,462
<b>Total liabilities</b>	<b>2,660</b>	<b>-</b>	<b>2,660</b>
<b>Net position restricted for     pension benefits</b>	<b>\$ 1,038,246</b>	<b>\$ -</b>	<b>\$ 1,038,246</b>

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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	\$ 42,877	\$ -	\$ 42,877
Employer - other	219	755	974
Plan members	13,036	-	13,036
<b>Total contributions</b>	<b>56,132</b>	<b>755</b>	<b>56,887</b>
Investment Income:			
Net appreciation in fair value of investments	8,923	-	8,923
Interest and dividends	17,187	-	17,187
<b>Total investment income</b>	<b>26,110</b>	<b>-</b>	<b>26,110</b>
Less investment expense	5,515	-	5,515
<b>Net investment income</b>	<b>20,595</b>	<b>-</b>	<b>20,595</b>
<b>Deductions</b>			
Benefits	98,654	755	99,409
Administration	2,210	-	2,210
Other	168	-	168
<b>Total deductions</b>	<b>101,032</b>	<b>755</b>	<b>101,787</b>
<b>Net decrease</b>	<b>(24,305)</b>	<b>-</b>	<b>(24,305)</b>
<b>Net Position Restricted for Pension Benefits</b>			
Beginning of year	1,062,551	-	1,062,551
End of year	\$ 1,038,246	\$ -	\$ 1,038,246

City of Hartford, Connecticut

Notes to Financial Statements, in thousands (000's)

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

Below is a table of fund balance categories and classifications at June 30, 2015 for the City governmental funds:

	General Fund	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds
Fund Balances						
Non-spendable:						
Permanent funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,359
Inventory	-	-	-	-	-	458
<b>Total non-spendable</b>	-	-	-	-	-	8,817
Restricted:						
Development and community affairs	-	-	1,104	-	-	507
Debt service	-	-	-	96,596	-	-
Recreation and Culture	-	-	-	-	-	15,607
Human Services	-	-	-	-	-	4,315
Education	-	-	-	-	5,223	3,055
Capital projects	-	6,174	-	-	-	4,420
<b>Total restricted</b>	-	6,174	1,104	96,596	5,223	27,904
Committed:						
Capital projects	-	-	-	-	-	1,857
Debt service	-	-	-	578	-	-
<b>Total committed</b>	-	-	-	578	-	1,857
Assigned:						
Other	313	-	-	-	-	-
Public safety	497	-	-	-	-	-
Recreation	500	-	-	-	-	-
Education	402	-	-	-	-	-
<b>Total assigned</b>	1,712	-	-	-	-	-
Unassigned (deficit):						
	20,214	-	-	-	-	(7,425)
<b>Total unassigned (deficit)</b>	20,214	-	-	-	-	(7,425)
<b>Total fund balance (deficit)</b>	\$ 21,926	\$ 6,174	\$ 1,104	\$ 97,174	\$ 5,223	\$ 31,153

**Notes to Financial Statements, in thousands (000's)**

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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. 75, which will most likely have a material impact, even though the amount has not yet been determined:

- **GASB Statement No. 72, Fair Value Measurement and Application.** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- **GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.** This Statement completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- **GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,** addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- **GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,** addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
  - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.

Notes to Financial Statements, in thousands (000's)

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- **Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)**
  - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
  - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- **GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.** The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- **GASB Statement No. 77, Tax Abatement Disclosures.** Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
  - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
  - The gross dollar amount of taxes abated during the period
  - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

## City of Hartford, Connecticut

### Notes to Financial Statements, in thousands (000's)

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

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- **GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.** This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- **GASB Statement No. 79, Certain External Investment Pools and Pool Participants.** This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this Statement are effective for financial statements for periods beginning after beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. Earlier application is encouraged.

#### Note 16. Subsequent Events

On July 8, 2015, the City issued \$57,215 of general obligation refunding bonds with interest rates varying from 4% to 5% maturing on July 1, 2034 and \$20,845 of general obligation refunding bonds with interest rates varying from 3.117% to 4.830% maturing on July 1, 2030. The \$50,000 of general obligation bond anticipation notes outstanding at June 30, 2015 were paid off with the issue of the \$57,215.

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**Required Supplementary  
Information - Unaudited**



**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, 2015**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>General Property Tax</b>				
Current year's levy	\$ 242,359	\$ 242,359	\$ 245,585	\$ 3,226
Levy of prior years	6,725	6,725	5,485	(1,240)
Interest and liens	4,000	4,000	4,456	456
Proceeds from lien sales	6,000	6,000	5,114	(886)
<b>Total general property tax</b>	<b>259,084</b>	<b>259,084</b>	<b>260,640</b>	<b>1,556</b>
<b>Other Local Taxes</b>				
Business taxes	935	935	1,724	789
<b>Licenses, Permits, Fees and Other</b>				
Street use	27	27	24	(3)
Business Licenses:				
Health licenses	354	354	312	(42)
Police and protection licenses	68	68	76	8
Professional and occupational licenses	6	6	5	(1)
<b>Total business licenses</b>	<b>428</b>	<b>428</b>	<b>393</b>	<b>(35)</b>
Non-Business Licenses and Permits:				
Building structure and equipment permits	5,415	5,415	7,063	1,648
Other non-business licenses and permits	89	89	117	28
<b>Total non-business licenses and permits</b>	<b>5,504</b>	<b>5,504</b>	<b>7,180</b>	<b>1,676</b>
<b>Total licenses and permits</b>	<b>5,959</b>	<b>5,959</b>	<b>7,597</b>	<b>1,638</b>
<b>Fines, Forfeits and Penalties</b>	<b>209</b>	<b>209</b>	<b>181</b>	<b>(28)</b>
<b>Revenue From Use of Money and Property</b>				
Income from investments	597	597	506	(91)
Income from use of property	488	488	578	90
Income from development properties	4,304	4,304	1,342	(2,962)
<b>Total revenue from use of money and property</b>	<b>5,389</b>	<b>5,389</b>	<b>2,426</b>	<b>(2,963)</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, 2015**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Intergovernmental Revenue</b>				
Federal government	\$ 60	\$ 60	\$ 58	\$ (2)
State of Connecticut:				
Education	191,905	191,905	191,567	(338)
Housing	439	439	300	(139)
Public Works	1,205	1,205	1,202	(3)
Elderly services	258	258	287	29
Mashantucket Pequot Fund	6,686	6,686	6,653	(33)
Payment in Lieu of Taxes	45,729	45,729	45,825	96
Shared taxes	255	255	254	(1)
Other	2,642	2,642	3,752	1,110
<b>Total State of Connecticut</b>	<b>249,119</b>	<b>249,119</b>	<b>249,840</b>	<b>721</b>
<b>Total intergovernmental revenue</b>	<b>249,179</b>	<b>249,179</b>	<b>249,898</b>	<b>719</b>
<b>Charges for Services</b>				
General government:				
Recording legal instruments	325	325	320	(5)
All other	1,220	1,220	1,153	(67)
<b>Total general government</b>	<b>1,545</b>	<b>1,545</b>	<b>1,473</b>	<b>(72)</b>
Public Safety:				
Police charges	15	15	15	-
Fire protection services	167	167	204	37
<b>Total public safety</b>	<b>182</b>	<b>182</b>	<b>219</b>	<b>37</b>
Public Works:				
Highways and streets	1	1	1	-
Sanitation	67	67	115	48
<b>Total public works</b>	<b>68</b>	<b>68</b>	<b>116</b>	<b>48</b>
Other:				
Health	23	23	8	(15)
Recreation	8	8	5	(3)
Miscellaneous	41	41	51	10
<b>Total other</b>	<b>72</b>	<b>72</b>	<b>64</b>	<b>(8)</b>
<b>Total charges for services</b>	<b>1,867</b>	<b>1,867</b>	<b>1,872</b>	<b>5</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, 2015**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Reimbursements</b>				
Other	\$ 58	\$ 58	\$ 82	\$ 24
Reimbursements from other funds	3,442	3,442	765	(2,677)
<b>Total reimbursements</b>	<b>3,500</b>	<b>3,500</b>	<b>847</b>	<b>(2,653)</b>
<b>Other Revenues</b>				
Settlements	5	5	1	(4)
Miscellaneous	3,468	3,468	2,533	(935)
<b>Total other revenues</b>	<b>3,473</b>	<b>3,473</b>	<b>2,534</b>	<b>(939)</b>
<b>Other Financing Sources</b>				
Proceeds from garage sale	14,406	14,406	14,406	-
Premium from bond Sale	3,055	3,055	-	(3,055)
Transfers in from other funds:				
Hartford Parking Facilities Fund	695	695	2,348	1,653
Special Police services	4,260	4,260	4,396	136
<b>Total other financing sources</b>	<b>22,416</b>	<b>22,416</b>	<b>21,150</b>	<b>(1,266)</b>
<b>Total</b>	<b>\$ 552,011</b>	<b>\$ 552,011</b>	<b>548,869</b>	<b>\$ (3,142)</b>

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

39,434

Effect of GASB No. 54.

218

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

(765)

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

\$ 587,756

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, 2015  
 (In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>General Government</b>				
Mayor	\$ 682	\$ 682	\$ 678	\$ 4
Court of Common Council	748	748	732	16
City Treasurer	359	359	330	29
Registrars of Voters	518	754	626	128
Corporation Counsel	1,827	1,827	1,773	54
Town and City Clerk	818	818	810	8
Internal audit	487	487	464	23
Chief Operating Officer	1,028	1,028	975	53
Communications and new media	689	689	626	63
Metro Hartford information	2,677	2,677	2,677	-
Finance	3,151	3,151	2,919	232
Human Resources	1,531	1,531	1,187	344
Office of Management and Budget	788	788	697	91
Office of Young Children	5,277	5,277	5,253	24
<b>Total general government</b>	<b>20,580</b>	<b>20,816</b>	<b>19,747</b>	<b>1,069</b>
<b>Public Safety</b>				
Fire	31,558	33,858	33,330	528
Police	37,579	39,779	39,703	76
Emergency services and telecommunications	3,908	3,908	3,808	100
<b>Total public safety</b>	<b>73,045</b>	<b>77,545</b>	<b>76,841</b>	<b>704</b>
<b>Infrastructure and Leisure Services</b>				
Public Works	12,959	14,359	14,355	4
<b>Development and Community Affairs</b>				
Development services	4,368	4,766	4,733	33
<b>Human Services</b>				
Health and Human Services	4,756	4,856	4,715	141
<b>Education</b>				
Board of Education	284,008	284,008	283,995	13
<b>Benefits and Insurance</b>				
Benefits and insurance	87,929	87,929	85,692	2,237

(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, 2015**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Sundry</b>				
Debt service	\$ 20,144	\$ 14,244	\$ 9,728	\$ 4,516
Hartford Public Library	8,215	8,215	8,215	-
Other sundry items	36,007	35,671	32,463	3,208
<b>Total sundry</b>	<u>64,366</u>	<u>58,130</u>	<u>50,406</u>	<u>7,724</u>
<b>Total</b>	<u>\$ 552,011</u>	<u>\$ 552,409</u>	<u>540,484</u>	<u>\$ 11,925</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.	39,434
Reimbursements from other funds are credited against budgetary expenditures for GAAP financial statement reporting purposes	(765)
Effect of GASB No. 54.	2,443
Encumbrances	
June 30, 2014	1,128
June 30, 2015	<u>(13)</u>

Total Expenditures and Other Financing Sources as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 582,711</u>
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See Note to Required Supplementary Information.

**Required Supplementary Information - Unaudited  
Other Post Retirement Benefits  
Schedule of Funding Progress and Employer Contributions  
June 30, 2015  
(In Thousands)**

<b>OPEB</b>							UAAL as a
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	Percentage 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%	

<b>OPEB</b>		
Year Ended	Annual Required Contribution	Percentage Contributed
06/30/2009	\$ 24,500	52.8%
06/30/2010	24,744	41.8%
06/30/2011	15,759	70.3%
06/30/2012	18,322	58.6%
06/30/2013	10,916	54.6%
06/30/2014	11,650	74.7%
06/30/2015	12,995	0.0%

**Required Supplementary Information - Unaudited**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Last Two Fiscal Years**  
**June 30, 2015**  
**(In Thousands)**

Changes in Net Pension - MERF	2015	2014
Total Pension Liability		
Service cost	\$ 22,612	\$ 21,954
Interest on total pension liability	99,934	98,033
Differences between expected and actual experience	(11,737)	-
Changes of assumptions	21,176	-
Benefit payments	(98,654)	(93,683)
<b>Net change in total pension liability</b>	<b>33,331</b>	<b>26,304</b>
Total Pension Liability, Beginning	1,315,265	1,288,961
<b>Total pension liability, ending (a)</b>	<b>1,348,596</b>	<b>1,315,265</b>
Fiduciary Net Position		
Employer contributions	42,874	42,710
Member contributions	13,360	12,816
Investment income net of investment expenses	20,779	133,645
Benefit payments	(98,654)	(93,683)
Administrative expenses	(2,715)	(2,774)
<b>Net change in plan fiduciary net position</b>	<b>(24,356)</b>	<b>92,714</b>
Fiduciary Net Position, Beginning	1,062,551	969,837
<b>Fiduciary net position, ending (b)</b>	<b>1,038,195</b>	<b>1,062,551</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 310,401</b>	<b>\$ 252,714</b>
Fiduciary Net Position as a % of Total Pension Liability	76.98%	80.79%
Covered Payroll	\$ 144,227	\$ 144,648
Net Pension Liability as a % of Covered Payroll	215.22%	174.71%

**Required Supplementary Information - Unaudited**  
**Schedule of Investment Returns**  
**Last Fiscal Year**  
**June 30, 2015**

	2015	2014
Annual money-weighted rate of return, net of investment expense	2.00%	14.05%

**Required Supplementary Information - Unaudited**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Last Two Fiscal Years**  
**June 30, 2015**  
**(In Thousands)**

Changes in Net Pension - RAF/PBF/FRF Plan	2015	2014
Total Pension Liability		
Service cost	\$ -	\$ -
Interest on total pension liability	218	238
Differences between expected and actual experience	(229)	-
Changes of assumptions	587	-
Benefit payments	(755)	(837)
<b>Net change in total pension liability</b>	<b>(179)</b>	<b>(599)</b>
Total Pension Liability, Beginning	6,173	6,772
<b>Total pension liability, ending (a)</b>	<b>5,994</b>	<b>6,173</b>
Fiduciary Net Position		
Employer contributions	755	837
Member contributions	-	-
Investment income net of investment expenses	-	-
Benefit payments	(755)	(837)
Administrative expenses	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>
Fiduciary Net Position, Beginning	-	-
<b>Fiduciary net position, ending (b)</b>	<b>-</b>	<b>-</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 5,994</b>	<b>\$ 6,173</b>
Fiduciary Net Position as a % of Total Pension Liability	0.00%	0.00%
Covered Payroll	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A

**Required Supplementary Information - Unaudited**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Last Two Fiscal Years**  
**June 30, 2015**  
**(In Thousands)**

Changes in Net Pension - 415(m)	2015	2014
Total Pension Liability		
Service cost	\$ -	\$ -
Interest on total pension liability	11	14
Differences between expected and actual experience	4	-
Changes of assumptions	(1)	-
Benefit payments	(79)	(87)
<b>Net change in total pension liability</b>	<b>(65)</b>	<b>(73)</b>
Total Pension Liability, Beginning	338	411
<b>Total pension liability, ending (a)</b>	<b>273</b>	<b>338</b>
Fiduciary Net Position		
Employer contributions	79	87
Member contributions	-	-
Investment income net of investment expenses	-	-
Benefit payments	(79)	(87)
Administrative expenses	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>
Fiduciary Net Position, Beginning	-	-
<b>Fiduciary net position, ending (b)</b>	<b>-</b>	<b>-</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 273</b>	<b>\$ 338</b>
Fiduciary Net Position as a % of Total Pension Liability	0.00%	0.00%
Covered Payroll	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A

Required Supplementary Information - Unaudited  
Pension Plans  
Schedule of Contributions  
June 30, 2015  
(In Thousands)

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

Year Emded	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/06	\$ 16,196	\$ 11,948	\$ 4,248	\$ 117,261	10.19%
06/30/07	15,463	16,481	(1,018)	124,837	13.20%
06/30/08	13,253	16,584	(3,331)	133,280	12.44%
06/30/09	11,797	12,829	(1,032)	139,243	9.21%
06/30/10	9,602	10,840	(1,238)	134,143	8.08%
06/30/11	18,846	18,846	-	132,529	14.22%
06/30/12	27,600	27,600	-	136,555	20.21%
06/30/13	34,338	34,338	-	137,919	24.90%
06/30/14	42,710	42,710	-	144,648	29.53%
06/30/15	42,874	42,874	-	144,227	29.73%

RAF/PBF/FRF Plan

Year Emded	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
06/30/06	\$ 1,926	\$ 1,926	-	N/A	N/A
06/30/07	1,757	1,757	-	N/A	N/A
06/30/08	1,967	1,967	-	N/A	N/A
06/30/09	1,700	1,700	-	N/A	N/A
06/30/10	1,521	1,521	-	N/A	N/A
06/30/11	1,354	1,354	-	N/A	N/A
06/30/12	1,097	1,097	-	N/A	N/A
06/30/13	992	992	-	N/A	N/A
06/30/14	837	837	-	N/A	N/A
06/30/15	755	755	-	N/A	N/A

City of Hartford  
415(M) Fund

Year Emded	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
06/30/06	\$ 39	\$ 39	-	N/A	N/A
06/30/07	53	53	-	N/A	N/A
06/30/08	61	61	-	N/A	N/A
06/30/09	50	50	-	N/A	N/A
06/30/10	43	43	-	N/A	N/A
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
06/30/15	79	79	-	N/A	N/A

Notes to schedule:

Valuation date	July 1, 2014
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-year smoothed
Inflation	3%
Salary increases	3%
Investment rate of return	7.75%
Retirement age	Police: 100% retire at age 65, regardless of service, must be age 40 to retire. Fire: 100% retire at 30 years of service for all ages.
Mortality	Pre-Retirement: RP-2000 Employees Table projected by Scale MP Post-Retirement: RP-2000 Healthy Annuitant projected by Scale MP

**Required Supplementary Information - unaudited**  
**Schedule of Contributions - Municipal Employees' Retirement System (MERS)**  
**Last Two Fiscal Years**  
**(In Thousands)**

	2015	2014
Actuarially Determined Contribution	\$ 3,681	\$ 3,539
Contribution in Relation to the Actuarially Determined Contribution	<u>3,681</u>	<u>3,539</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	<u>\$ 27,342</u>	<u>\$ 27,342</u>
Contributions as a Percentage of Covered-employee Payroll	13.46%	12.94%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

**Required Supplementary Information - unaudited  
 Schedule of the City's Proportionate Share of the Net Pension Liability -  
 Municipal Employees' Retirement System (MERS)  
 Last Fiscal Year  
 (In Thousands)**

	2015
City's proportion of the net pension liability	12.32145%
City's proportionate share of the net pension liability	\$ 12,675
City's covered-employee payroll	<u>\$ 27,342</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>46.36%</u>
System fiduciary net position as a percentage of the total pension liability	<u>90.48%</u>

**Notes to Schedule**

Valuation Date	June 30, 2014
Actuarial cost method	Entry age
Investment rate of return	8.00%
Salary Increases	4.25% - 11.00%, including inflation
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market (20% write up)
Assumption changes	None
Benefit changes	None

**Required Supplementary Information - unaudited  
 Schedule of the City's Proportionate Share of the Net Pension Liability -  
 Teachers' Retirement System  
 Last Fiscal Year  
 (In Thousands)**

	2015
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>\$ 401,684</u>
<b>Total</b>	<u><u>\$ 401,684</u></u>
City's covered-employee payroll	<u><u>\$ 156,312</u></u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u><u>0.00%</u></u>
System fiduciary net position as a percentage of the total pension liability	<u><u>61.51%</u></u>

**Notes to Schedule**

Change in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which 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 2014-2015 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.

**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 (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, 2015, there were no supplemental budget appropriations or 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.

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**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, 2015**  
(In Thousands)

	General Fund	Hartford Public Library	Special Activities	General Fund Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 59,847	\$ 102	\$ 402	\$ 60,351
Receivables, net	80,830	-	51	80,881
Due from other funds	9,316	-	-	9,316
<b>Total assets</b>	<b>\$ 149,993</b>	<b>\$ 102</b>	<b>\$ 453</b>	<b>\$ 150,548</b>
<b>Liabilities</b>				
Accounts and other payables	\$ 50,865	\$ 97	\$ -	\$ 50,962
Due to other funds	38	5	-	43
<b>Total liabilities</b>	<b>50,903</b>	<b>102</b>	<b>-</b>	<b>51,005</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	77,566	-	51	77,617
<b>Total deferred inflows of resources</b>	<b>77,566</b>	<b>-</b>	<b>51</b>	<b>77,617</b>
<b>Fund Balances</b>				
Assigned	1,310	-	402	1,712
Unassigned	20,214	-	-	20,214
<b>Total fund balances</b>	<b>21,524</b>	<b>-</b>	<b>402</b>	<b>21,926</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 149,993</b>	<b>\$ 102</b>	<b>\$ 453</b>	<b>\$ 150,548</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund**  
**For the Year Ended June 30, 2015**  
(In Thousands)

	General Fund	Hartford Public Library	Special Activities	Eliminate Interfund Transfers	Totals
<b>Revenues</b>					
Property taxes	\$ 260,640	\$ -	\$ -	\$ -	\$ 260,640
Licenses and permits	7,778	-	-	-	7,778
Intergovernmental	289,332	-	-	-	289,332
Charges for services	3,595	-	218	-	3,813
Use of property	1,920	-	-	-	1,920
Investment income	378	-	-	-	378
Miscellaneous	2,745	-	-	-	2,745
<b>Total revenues</b>	<b>566,388</b>	<b>-</b>	<b>218</b>	<b>-</b>	<b>566,606</b>
<b>Expenditures</b>					
Current:					
General government	17,067	-	-	-	17,067
Public Safety	76,841	-	-	-	76,841
Public Works	14,355	-	-	-	14,355
Development and community affairs	4,733	-	-	-	4,733
Human Services	4,715	-	-	-	4,715
Education	324,559	-	2,088	-	326,647
Recreation and Culture	-	8,570	-	-	8,570
Benefits and insurance	85,690	-	-	-	85,690
Other	32,403	-	-	-	32,403
<b>Total expenditures</b>	<b>560,363</b>	<b>8,570</b>	<b>2,088</b>	<b>-</b>	<b>571,021</b>
<b>Revenues over (under) expenditures</b>	<b>6,025</b>	<b>(8,570)</b>	<b>(1,870)</b>	<b>-</b>	<b>(4,415)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	21,150	8,215	-	(8,215)	21,150
Transfers out	(19,905)	-	-	8,215	(11,690)
<b>Net other financing sources (uses)</b>	<b>1,245</b>	<b>8,215</b>	<b>-</b>	<b>-</b>	<b>9,460</b>
<b>Net change in fund balances</b>	<b>7,270</b>	<b>(355)</b>	<b>(1,870)</b>	<b>-</b>	<b>5,045</b>
Fund Balances, Beginning of Year	14,254	355	2,272	-	16,881
Fund Balances, End of Year	\$ 21,524	\$ -	\$ 402	\$ -	\$ 21,926

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City of Hartford, Connecticut

Report of Tax Collector  
 General Fund  
 For the Year Ended June 30, 2015  
 (In Thousands)

Grand List Year	Taxes Collectible July 1, 2014	Lawful Corrections		Suspense Transfers
		Additions	Deletions	
1999	\$ -	\$ 51	\$ 51	\$ -
2000	-	75	75	-
2001	-	92	92	-
2002	-	9	7	-
2003	24	3	12	-
2004	1,349	-	22	1,269
2005	1,820	74	122	-
2006	2,135	6	29	-
2007	3,897	7	63	-
2008	3,831	6	68	-
2009	4,777	16	145	-
2010	5,929	3	245	-
2011	7,624	71	562	-
2012	12,354	527	1,952	-
Prior Years	43,740	940	3,445	1,269
2013	264,924	1,131	12,509	-
<b>Total grand list</b>	<b>\$ 308,664</b>	<b>\$ 2,071</b>	<b>\$ 15,954</b>	<b>\$ 1,269</b>

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.

EXHIBIT A-3

Adjusted Tax Levy	Collections				Total	Overpayments/ Refunds	Taxes Receivable June 30, 2015
	Taxes	Interest	Liens				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2	7	11	-	18	(8)	(5)	
15	3	3	1	7	3	9	
58	33	82	8	123	-	25	
1,772	62	106	10	178	3	1,707	
2,112	63	76	12	151	1	2,048	
3,841	95	110	15	220	10	3,736	
3,769	188	184	36	408	13	3,568	
4,648	349	268	50	667	17	4,282	
5,687	688	435	76	1,199	7	4,992	
7,133	1,231	648	113	1,992	343	5,559	
10,929	2,059	855	351	3,265	1,019	7,851	
39,966	4,778	2,778	672	8,228	1,408	33,780	
253,546	245,520	1,399	495	247,414	(1,999)	10,025	
<u>\$ 293,512</u>	250,298	4,177	1,167	255,642		<u>\$ 43,805</u>	
	-	-	-	5,114			
	103	207	28	338			
	<u>\$ 250,401</u>	<u>\$ 4,384</u>	<u>\$ 1,195</u>	<u>\$ 261,094</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	Parks and recreation
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, 2015  
 (In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
<b>Assets</b>					
Cash and cash equivalents	\$ 1,022	\$ 3,518	\$ 2,556	\$ 103	\$ 537
Investments	-	-	-	-	-
Receivables:					
Intergovernmental receivable	-	9,454	2,335	847	742
Inventories and other assets	-	-	458	-	-
<b>Total assets</b>	<b>\$ 1,022</b>	<b>\$ 12,972</b>	<b>\$ 5,349</b>	<b>\$ 950</b>	<b>\$ 1,279</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 1	\$ 1,360	\$ 2,040	\$ 670	\$ 772
Due to other funds	-	-	-	-	-
Unearned revenue	1,021	6,836	-	280	-
<b>Total liabilities</b>	<b>1,022</b>	<b>8,196</b>	<b>2,040</b>	<b>950</b>	<b>772</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	6,707	-	35	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>6,707</b>	<b>-</b>	<b>35</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	458	-	-
Restricted	-	-	2,851	-	507
Committed	-	-	-	-	-
Unassigned	-	(1,931)	-	(35)	-
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>(1,931)</b>	<b>3,309</b>	<b>(35)</b>	<b>507</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 1,022</b>	<b>\$ 12,972</b>	<b>\$ 5,349</b>	<b>\$ 950</b>	<b>\$ 1,279</b>

EXHIBIT B-1

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	
\$ -	\$ -	\$ 34	\$ 9	\$ 404	\$ 8,183	\$ -	\$ -	
-	-	312	-	-	312	-	-	
49	299	-	-	-	13,726	-	-	
-	-	-	-	-	458	-	-	
<u>\$ 49</u>	<u>\$ 299</u>	<u>\$ 346</u>	<u>\$ 9</u>	<u>\$ 404</u>	<u>\$ 22,679</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 49	\$ 75	\$ -	\$ -	\$ 324	5,291	\$ 48	\$ -	
-	-	-	-	-	-	3,064	2,347	
-	224	-	9	-	8,370	-	-	
<u>49</u>	<u>299</u>	<u>-</u>	<u>9</u>	<u>324</u>	<u>13,661</u>	<u>3,112</u>	<u>2,347</u>	
-	-	-	-	-	6,742	-	-	
-	-	-	-	-	6,742	-	-	
-	-	-	-	-	458	-	-	
-	-	346	-	80	3,784	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	(1,966)	(3,112)	(2,347)	
-	-	346	-	80	2,276	(3,112)	(2,347)	
<u>\$ 49</u>	<u>\$ 299</u>	<u>\$ 346</u>	<u>\$ 9</u>	<u>\$ 404</u>	<u>\$ 22,679</u>	<u>\$ -</u>	<u>\$ -</u>	

(Continued)

City of Hartford, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2015  
 (In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 3,290	\$ 226	\$ 3,516
Investments	-	-	-
Receivables:			
Intergovernmental receivable	-	4,420	4,420
Inventories and other assets	-	-	-
	-	-	-
<b>Total assets</b>	<b>\$ 3,290</b>	<b>\$ 4,646</b>	<b>\$ 7,936</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 6	\$ 226	280
Due to other funds	-	-	5,411
Unearned revenue	1,427	-	1,427
<b>Total liabilities</b>	<b>1,433</b>	<b>226</b>	<b>7,118</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	-	4,420	4,420
Committed	1,857	-	1,857
Unassigned	-	-	(5,459)
<b>Total fund balances (deficits)</b>	<b>1,857</b>	<b>4,420</b>	<b>818</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 3,290</b>	<b>\$ 4,646</b>	<b>\$ 7,936</b>

EXHIBIT B-1

Permanent Funds							
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total		Total	
\$ -	\$ 1,053	\$ 193	\$ -	\$ 1,246		\$ 12,945	
1	23,050	4,319	135	27,505		27,817	
-	-	-	-	-		18,146	
-	-	-	-	-		458	
<u>\$ 1</u>	<u>\$ 24,103</u>	<u>\$ 4,512</u>	<u>\$ 135</u>	<u>\$ 28,751</u>		<u>\$ 59,366</u>	
-	\$ -	-	-	-		\$ 5,571	
-	692	-	-	692		6,103	
-	-	-	-	-		9,797	
-	692	-	-	692		21,471	
-	-	-	-	-		6,742	
-	-	-	-	-		6,742	
1	8,150	197	11	8,359		8,817	
-	15,261	4,315	124	19,700		27,904	
-	-	-	-	-		1,857	
-	-	-	-	-		(7,425)	
<u>1</u>	<u>23,411</u>	<u>4,512</u>	<u>135</u>	<u>28,059</u>		<u>31,153</u>	
<u>\$ 1</u>	<u>\$ 24,103</u>	<u>\$ 4,512</u>	<u>\$ 135</u>	<u>\$ 28,751</u>		<u>\$ 59,366</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, 2015  
(In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
<b>Revenues</b>					
Intergovernmental revenues	\$ 44,545	\$ 43,882	\$ 13,462	\$ 8,745	\$ 4,831
Charges for services	-	11,970	789	-	-
Investment income (loss)	3	4	-	-	-
Other revenues	-	297	582	408	9
<b>Total revenues</b>	<b>44,548</b>	<b>56,153</b>	<b>14,833</b>	<b>9,153</b>	<b>4,840</b>
<b>Expenditures</b>					
General government	-	20,926	-	-	738
Public Safety	-	14,101	-	-	471
Public Works	-	71	-	-	45
Development and community affairs	45,939	-	-	-	1,483
Human Services	-	13,604	-	9,506	1,635
Education	-	-	14,818	-	204
Recreation and Culture	-	-	-	-	339
Capital outlay	-	395	-	-	-
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>45,939</b>	<b>49,097</b>	<b>14,818</b>	<b>9,506</b>	<b>4,915</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,391)</b>	<b>7,056</b>	<b>15</b>	<b>(353)</b>	<b>(75)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	91	-	324	-
Transfers out	-	(6,479)	-	-	-
Lease proceeds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(6,388)</b>	<b>-</b>	<b>324</b>	<b>-</b>
<b>Changes in fund balance (deficits)</b>	<b>(1,391)</b>	<b>668</b>	<b>15</b>	<b>(29)</b>	<b>(75)</b>
Fund Balance (Deficits), Beginning	1,391	(2,599)	3,294	(6)	582
Fund Balance (Deficits), Ending	\$ -	\$ (1,931)	\$ 3,309	\$ (35)	\$ 507

EXHIBIT B-2

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	
\$ 3,197	\$ 713	\$ -	\$ -	\$ 2,659	\$ 122,034	\$ -	\$ -	
-	127	-	-	1,000	13,886	-	-	
-	-	22	-	-	29	-	-	
-	775	-	-	-	2,071	-	-	
3,197	1,615	22	-	3,659	138,020	-	-	
-	-	-	-	-	21,664	-	-	
-	-	-	-	-	14,572	-	-	
-	-	-	-	-	116	-	-	
3,197	-	-	-	-	50,619	-	-	
-	-	-	-	-	24,745	-	-	
-	-	-	-	3,593	18,615	-	-	
-	1,613	3	-	-	1,955	-	-	
-	-	-	-	-	395	1,661	-	
-	-	-	-	-	-	1,720	-	
3,197	1,613	3	-	3,593	132,681	3,381	-	
-	2	19	-	66	5,339	(3,381)	-	
-	-	-	-	-	415	1,720	-	
-	-	-	-	-	(6,479)	-	-	
-	-	-	-	-	-	2,090	-	
-	-	-	-	-	(6,064)	3,810	-	
-	2	19	-	66	(725)	429	-	
-	(2)	327	-	14	3,001	(3,541)	(2,347)	
\$ -	\$ -	\$ 346	\$ -	\$ 80	\$ 2,276	\$ (3,112)	\$ (2,347)	

(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, 2015  
(In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
<b>Revenues</b>			
Intergovernmental revenues	\$ -	\$ -	\$ -
Charges for services	127	-	127
Investment income (loss)	3	211	214
Other revenues	-	-	-
<b>Total revenues</b>	<b>130</b>	<b>211</b>	<b>341</b>
<b>Expenditures</b>			
General government	-	-	-
Public Safety	-	-	-
Public Works	-	2	2
Development and community affairs	46	-	46
Human Services	-	-	-
Education	-	-	-
Recreation and Culture	-	-	-
Capital outlay	-	-	1,661
Debt service	-	399	2,119
<b>Total expenditures</b>	<b>46</b>	<b>401</b>	<b>3,828</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>84</b>	<b>(190)</b>	<b>(3,487)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	1,720
Transfers out	-	-	-
Lease proceeds	-	-	2,090
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,810</b>
<b>Changes in fund balance (deficits)</b>	<b>84</b>	<b>(190)</b>	<b>323</b>
Fund Balance (Deficits), Beginning	1,773	4,610	495
Fund Balance (Deficits), Ending	\$ 1,857	\$ 4,420	\$ 818

EXHIBIT B-2

Permanent Funds							
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total		Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$	122,034	
-	-	-	-	-	-	14,013	
-	-	176	4	180	-	423	
-	-	-	-	-	-	2,071	
-	-	176	4	180	-	138,541	
-	-	146	-	146	-	21,810	
-	-	-	-	-	-	14,572	
-	-	-	-	-	-	118	
-	-	-	-	-	-	50,665	
-	-	-	-	-	-	24,745	
-	-	-	-	-	-	18,615	
-	436	-	-	436	-	2,391	
-	-	-	-	-	-	2,056	
-	-	-	-	-	-	2,119	
-	436	146	-	582	-	137,091	
-	(436)	30	4	(402)	-	1,450	
-	200	-	-	200	-	2,335	
-	(500)	-	-	(500)	-	(6,979)	
-	-	-	-	-	-	2,090	
-	(300)	-	-	(300)	-	(2,554)	
-	(736)	30	4	(702)	-	(1,104)	
1	24,147	4,482	131	28,761	-	32,257	
\$ 1	\$ 23,411	\$ 4,512	\$ 135	\$ 28,059	\$	31,153	

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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, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
<u>Facility Services</u>										
<u>Public Works Projects:</u>										
W6264	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	600	-	600	600	-	600	-	-
W6269	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,800	-	1,800	1,795	5	1,800	-	-
A6500	Church Street Garage Structural Repairs	1/12/2005	3,000	-	3,000	2,989	-	2,989	-	11
A6501	Church Street Façade Restoration	1/12/2005	1,810	-	1,810	1,429	-	1,429	-	381
A6502	MAT Street Garage Façade Restoration	1/12/2005	2,300	-	2,300	1,299	521	1,820	29	451
A6503	Remainder of Construction Contract at Morgan St Garage	1/12/2005	1,590	-	1,590	1,524	-	1,524	-	66
A6504	Remainder of Repair Contracts at MAT Garage	1/12/2005	500	-	500	104	200	304	-	196
A6505	Remainder of Repairs Contracts at Church St Garage	1/12/2005	1,000	-	1,000	855	1	856	4	140
A6507	Streetscape Improvements at Church St Garage	1/12/2005	280	-	280	248	10	258	10	12
A6508	Landscaping/Lighting Improve- ments opposite Morgan St Garage	1/12/2005	432	-	432	263	-	263	9	160
W7268	Long Term Document Archive and Storage	7/1/2006	200	-	200	196	2	198	-	2
D6576	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325	-	1,325	1,320	-	1,320	-	5
D7576	Economic Development Site Acquisition	7/1/2006	1,450	-	1,450	692	6	698	2	750
W8262	City Buildings ADA Modifications FYE 2008 Appropriation	8/14/2007	950	-	950	948	-	948	-	2
W8270	Salt, Sand & Truck Wash at 40 Jennings Road	8/14/2007	500	-	500	305	-	305	-	195
W8279	525 Main St. Building Renovations	8/14/2007	550	-	550	-	-	302	-	248
W8281	City Hall Entrance Plaza Improvements	8/14/2007	950	-	950	919	-	919	-	31
W8282	Burgdorf Environmental Clean-up & Campus Planning	8/14/2007	250	-	250	175	5	180	-	70
W8202	Energy Projects	11/27/2007	2,000	-	2,000	1,536	404	1,940	-	60

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
D8576	Economic Development Site Acquisition, FYE 2008									
	Appropriation	8/14/2007	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	2,860	1,263	4,123	21	106
D9584	Neighborhood Development Fund	5/29/2008	4,000	-	4,000	2,833	1,032	3,865	253	(118)
W9262	City Buildings ADA Modifications FYE 2009 Appropriation	5/29/2008	1,450	-	1,450	496	41	537	-	913
W9263	City Buildings Environmental Compliance FYE 2009 Appropriation	5/29/2008	500	-	500	372	42	414	-	86
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	734	-	734	-	16
W9276	Albany Avenue Library	5/29/2008	2,165	-	2,165	2,160	-	2,160	-	5
W9282	Burgdorf Environmental Clean-up & Campus Planning FYE 2009 Appropriation	5/29/2008	2,400	-	2,400	-	523	523	-	1,877
W9587	Bulky Waste Recycling Center	5/29/2008	1,100	-	1,100	1,082	-	1,082	-	18
A9510	Parking Authority Capital Improvements	6/23/2008	2,000	-	2,000	187	176	363	81	1,556
W0592	South End Senior Center Improvements	9/22/2009	683	-	683	682	-	682	-	1
D1616	Enhance Founder Bridge Gateway	6/1/2010	2,700	-	2,700	292	101	393	76	2,231
D1617	Federal/State Matching Fund	6/1/2010	250	-	250	222	28	250	28	(28)
W2617	DOJ ADA Improv Municipal Facility	6/1/2011	500	-	500	498	-	498	-	2
W2618	Municipal Facility Renovations & Energy	6/1/2011	750	-	750	750	-	750	-	-
W2619	Northend Senior Center Renovations	6/1/2011	200	-	200	176	24	200	-	-
W2620	Central Library - Auditorium	6/1/2011	2,035	-	2,035	2,034	-	2,034	-	1
D2637	Former Lyric Theater Building	6/1/2011	750	-	750	33	199	232	73	445
D2638	Proj. Initiation & Development	6/1/2011	150	-	150	148	-	148	2	-
D2639	Federal/State Matching Fund	6/1/2011	200	-	200	88	50	138	-	62
D2640	Facility Planning & Decommission	6/1/2011	250	-	250	127	47	174	45	31
W1302	DOJ ADA Improvements	4/16/2012	500	-	500	26	5	31	3	466
W1303	Municipal Facility Renovations	4/16/2012	900	-	900	900	-	900	-	-
W1304	North End Senior Center	4/16/2012	1,517	-	1,517	1,377	83	1,460	40	17
W1306	Keney Clock Tower	4/16/2012	100	-	100	39	1	40	-	60
W1307	Library Renovations and Improvement	4/16/2012	605	-	605	589	15	604	3	(2)

Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W1308	Dillon Stadium	4/16/2012	1,000	-	1,000	234	101	335	-	665
W1305	Energy Projects	4/16/2012	100	-	100	97	3	100	-	-
W1322	Citywide Streetscapes	4/16/2012	1,000	-	1,000	-	25	25	-	975
W1324	Sidewalk Repair	4/16/2012	500	-	500	52	373	425	-	75
W1327	Bridge Repairs	4/16/2012	250	-	250	6	-	6	-	244
W1331	Parkville Parking Lot	4/16/2012	250	-	250	250	-	250	-	-
D1372	Proj. Initiation & Development	4/16/2012	250	-	250	210	1	211	-	39
D1373	Facility Planning & Decommission	4/16/2012	900	-	900	116	708	824	6	70
D1378	Economic Site Acquisition	4/16/2012	450	-	450	287	28	315	122	13
D1379	State/Federal Matching Fund	4/16/2012	900	-	900	114	190	304	-	596
D1380	iQuilt	4/16/2012	5,000	-	5,000	1,830	506	2,336	2,970	(306)
D1381	Document Conversion	4/16/2012	300	-	300	220	61	281	80	(61)
D1382	Homestead Ave Redevelopment	4/16/2012	500	-	500	-	-	-	3	497
D1370	Citywide Streetscapes	4/16/2012	250	-	250	7	43	50	-	200
D1371	Project Initiation & Development	4/16/2012	500	-	500	-	-	-	-	500
D1374	Parkville Municipal Development	4/16/2012	500	-	500	-	-	-	-	500
D1375	Redevelopment	4/16/2012	500	-	500	-	355	355	-	145
D1376	Neighborhood Development	4/16/2012	500	-	500	8	-	8	-	492
D1377	Pedestrian and Traffic Circulation	4/16/2012	1,959	-	1,959	-	-	-	-	1,959
D1470	Lytic Theater-Library and Cultural Center	7/1/2013	990	-	990	-	-	-	-	990
D1471	Project Initiation for Commercial Revitalization	7/1/2013	350	-	350	-	29	29	-	321
D1472	Redevelopment Plan Implementation	7/1/2013	2,970	-	2,970	103	1,745	1,848	74	1,048
D1473	Economic Incentive Fund	7/1/2013	1,980	-	1,980	-	-	-	-	1,980
D1474	Economic Site Acquisition	7/1/2013	4,750	-	4,750	-	4,374	4,374	-	376
D1475	Economic Development Site Analysis	7/1/2013	500	-	500	70	304	374	219	(93)
D1476	Neighborhood Development & Housing	7/1/2013	2,970	-	2,970	73	260	333	-	2,637
D1477	NRZ Improvements	7/1/2013	2,723	-	2,723	-	47	47	-	2,676
D1478	State/Federal Matching Fund	7/1/2013	500	-	500	-	-	-	-	500
D1479	iQuilt Improvement Fund	7/1/2013	990	-	990	-	53	53	-	937
D1480	Small Business Loan Fund	7/1/2013	500	-	500	-	-	-	-	500
D1481	Façade Program	7/1/2013	495	-	495	-	-	-	-	495
D1482	Bowles & Westbrook Village Site Preparation	7/1/2013	990	-	990	-	-	-	-	990
D1483	1% for the Arts - CIP FY14	7/1/2013	664	-	664	-	-	-	-	664
D1514	Streetscape - Various St	7/1/2014	-	2,475	2,475	-	1,398	1,398	-	1,077
D1515	Neighborhood Devel. & Ho	7/1/2014	-	2,970	2,970	-	348	348	-	2,622
D1516	Redevelopment - Various	7/1/2014	-	2,970	2,970	-	2,326	2,326	-	644
W1405	DOJ ADA Improvements	7/1/2013	495	-	495	-	1	1	-	494
W1406	Municipal Facilities Renovations	7/1/2013	3,218	-	3,218	698	1,572	2,270	-	948
W1407	Facility Planning & Design	7/1/2013	1,485	-	1,485	505	46	551	-	934
W1408	Energy Projects	7/1/2013	594	-	594	60	226	286	-	308
W1409	Library Renovations and Improvements	7/1/2013	792	-	792	262	443	705	-	87
W1410	Citywide Security Improvements	7/1/2013	495	-	495	207	193	400	-	95
W1411	Parkville Senior Center Improvements	7/1/2013	248	-	248	2	178	180	-	68

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W1412	Roof Replacement	7/1/2013	495	-	495	164	229	393	-	102
W1413	Electronic Documentation Preservation	7/1/2013	1,500	-	1,500	550	268	818	-	682
W1414	Quirk West	7/1/2013	7,920	-	7,920	140	236	376	-	7,544
W1415	Match Funds -Cal Ripken @ A.	7/1/2013	1,700	-	1,700	3	1,697	1,700	-	-
W1507	Citywide Fencing	7/1/2014	-	500	500	-	93	93	-	407
W1512	City Hall & Municipal Fa	7/1/2014	-	990	990	-	7	7	-	983
W1513	40 Jennings Fuel Deliver	7/1/2014	-	200	200	-	-	-	-	200
<b>Total Public Works Projects</b>			<b>110,165</b>	<b>10,105</b>	<b>120,270</b>	<b>44,202</b>	<b>23,251</b>	<b>67,755</b>	<b>4,154</b>	<b>48,361</b>
<u>Public Safety Projects:</u>										
W1115	Construction of a Public Safety Complex	11/7/2000	77,000	-	77,000	75,213	494	75,707	557	736
W7101	Firearms, Equipment Leasing and Transmitter Equipment	6/26/2007	650	-	650	527	-	527	-	123
W9120	50 Jennings Rd Interior Mechanical Renovations	5/29/2008	200	-	200	187	-	187	-	13
W1401	Public Safety Complex Parking Garage	7/1/2013	2,475	-	2,475	2	-	2	-	2,473
W1402	Renovation of Fire Station #11	7/1/2013	500	-	500	14	27	41	-	459
W1403	Fire Training Facility	7/1/2013	800	-	800	1	92	93	-	707
W1404	Veeder Building Improvements	7/1/2013	150	-	150	78	-	78	-	72
W1433	Vehicles, Computers and Other Equipment	7/2/2013	2,138	-	2,138	395	-	395	-	1,743
W1501	Coventry Street Police S	7/1/2014	-	1,485	1,485	-	1	1	-	1,484
W1502	Public Safety Complex Ga	7/1/2014	-	1,485	1,485	-	-	-	-	1,485
<b>Total Public Safety Projects</b>			<b>83,913</b>	<b>2,970</b>	<b>86,883</b>	<b>76,417</b>	<b>614</b>	<b>77,031</b>	<b>557</b>	<b>9,295</b>
<u>Recreation and Culture Projects:</u>										
W7243	Central (Main)Library Renovations/Improvements	8/12/1996	38,849	-	38,849	38,849	-	38,849	-	-
W3010	Pope Park Pool Replacement	5/26/2000	1,581	-	1,581	1,475	18	1,493	-	88
W2302	Batterson Park Infrastructure - Hartford Parks Trust Fund	5/24/2002	450	-	450	450	-	450	-	-
W2341	Park Ponds Restoration - Hartford Parks Trust Fund	5/24/2002	800	-	800	492	30	522	-	278
W6306	Pope Park Indoor Pool Repairs	11/12/2005	250	-	250	249	-	249	-	1
W7307	Colt Park and Coltsville Park Planning	7/1/2006	1,500	-	1,500	1,006	-	1,006	-	494

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W7306	Pope Park Pool/ Master Plan Work	10/11/2006	400	-	400	381	-	381	-	19
W7399	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	16,200	-	16,200	16,141	8	16,149	-	51
W7305	Blue Hills Recreation Center	1/9/2007	150	-	150	75	-	75	-	75
W8383	City Wide Pool Enhancements	8/14/2007	800	-	800	798	-	798	-	2
W8272	Central and Branch Library Dwight	8/14/2007	2,000	-	2,000	2,031	-	2,031	-	(31)
W8351	Park Monuments, Pond House & Spray Pools Renovation & Improvements	8/14/2007	500	-	500	496	-	496	-	4
W8201	Citywide Day Care and Park Enhancements	11/15/2007	600	-	600	591	1	592	-	8
W9398	Playground & Building Improvements	6/23/2008	1,000	-	1,000	975	2	977	-	23
W9589	Levee System Improvements	5/12/2009	5,000	-	5,000	5,000	-	5,000	-	-
W0591	Hyland Park Improvements & Renovations	9/11/2009	500	-	500	489	-	489	11	-
W0593	Improvements to Pope Park West	6/2/2009	139	-	139	139	-	139	-	-
W0594	North Cemetery	6/2/2009	1,000	-	1,000	997	3	1,000	9	(9)
W0595	Keney Park Pavilion	6/2/2009	50	-	50	44	-	44	-	6
W0596	Goodwin Park Pond House Improvement	6/2/2009	450	-	450	426	-	426	-	24
W1604	Batterson Park Infrastructure Improvements	6/2/2009 6/1/2010	1,000	-	1,000	727	97	824	-	176
W1605	I-Quilt/Bushnell Park	6/1/2010	100	-	100	81	-	81	-	19
W1610	Connect Regional, Nat'l Trails	6/1/2010	200	-	200	-	-	-	-	200
W2621	DOJ ADA Park Improvements	6/1/2011	500	-	500	520	(33)	487	-	13
W2622	Park Improvements & Playground	6/1/2011	2,250	-	2,250	2,247	-	2,247	-	3
W2623	Urban Forestry Mgmt & Planning	6/1/2011	900	-	900	876	16	892	-	8
W2627	Pulaski Mall Improvements	6/1/2011	250	-	250	246	-	246	-	4
W1309	DOJ ADA Park Improvements	4/16/2012	500	-	500	305	118	423	-	77
W1310	Cemetery Beautification/Improvements	4/16/2012	750	-	750	465	15	480	-	270
W1311	Pulaski Mall Improvements	4/16/2012	600	-	600	579	-	579	-	21
W1313	Greening America's Capital	4/16/2012	500	-	500	-	212	212	-	288
W1332	Cronin Park Improvements	4/16/2012	700	-	700	100	78	178	-	522
W1333	Day Park Improvements	4/16/2012	800	-	800	707	92	799	-	1
W1334	Bushnell Park Carousel Study	4/16/2012	150	-	150	40	78	118	-	32
W1335	Goodwin Park Spray Pool	4/16/2012	150	-	150	49	91	140	-	10
W1336	Park Projects Design	4/16/2012	200	-	200	185	11	196	-	4
W1338	Cal Ripken Playing Fields	4/16/2012	2,750	-	2,750	1,079	1,632	2,711	-	39
W2636	Batterson Park Improvements	4/11/2011	139	-	139	82	-	82	-	57

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W2638	Cronin Park (Ruby Long Park)	4/11/2011	400	-	400	400	-	400	-	-
W2624	Park Master Plan Update	6/1/2011	350	-	350	342	6	348	-	2
W1416	ADA Park Improvements	7/1/2013	495	-	495	1	74	75	-	420
W1417	Park Improvements and Playground Enhancements	7/1/2013	2,100	-	2,100	197	1,462	1,659	-	441
W1418	Cemetery Beautification and Improvements	7/1/2013	200	-	200	17	(2)	15	-	185
W1419	Urban Forestry Management and Planning	7/1/2013	990	-	990	807	81	888	-	102
W1420	Greenways, and Connections to Regional, National and N	7/1/2013	495	-	495	-	-	-	-	495
W1421	Dillon Stadium Improvements	7/1/2013	1,980	-	1,980	1	260	261	-	1,719
W1422	Monument Study	7/1/2013	50	-	50	-	-	-	-	50
W1423	Keney & Goodwin Golf Course Improvements	7/1/2013	4,950	-	4,950	1,045	3,846	4,891	-	59
W1434	Bushnell Park Carousel Improvements	5/12/2014	1,000	-	1,000	-	666	666	-	334
W1503	Park Improvements & Play	7/1/2014	-	2,475	2,475	-	1,130	1,130	-	1,345
W1504	Keney & Goodwin Golf Cou	7/1/2014	-	2,970	2,970	-	2,456	2,456	-	514
W1506	Dillon Stadium Improvement	7/1/2014	-	8,910	8,910	-	1,169	1,169	-	7,741
<b>Total Recreation and Culture Projects</b>			<b>97,668</b>	<b>14,355</b>	<b>112,023</b>	<b>82,202</b>	<b>13,617</b>	<b>95,819</b>	<b>20</b>	<b>16,184</b>
<u>Education Projects:</u>										
QB534	Renovation of Hartford High School Project	9/23/1997	114,500	-	114,500	114,329	-	114,329	-	171
QB537	Renovations of Various Hartford Schools	8/11/1998	27,000	-	27,000	26,831	-	26,831	-	169
QB546	Renovations and Construction Improvements to Hartford Public Schools	11/7/2000	129,590	-	129,590	131,605	-	131,605	-	(2,015)
QB548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	30,500	-	30,500	32,186	-	32,186	-	(1,686)
QB549	Sports Science Academy Magnet High School	5/12/2003	67,649	-	67,649	64,656	-	64,656	-	2,993
QB550	Greater Hartford Classical Magnet School	11/13/2003	37,950	-	37,950	38,015	-	38,015	-	(65)
QB551	Pathways to Technology Magnet School	11/13/2003	36,950	-	36,950	6,821	-	6,821	-	30,129
QB553	University High School for Science	8/11/2004	43,000	-	43,000	42,001	-	42,001	-	999
QB554	Capital College Preparatory Magnet	8/11/2004	45,650	-	45,650	41,001	-	41,001	-	4,649
QB556	Annie Fisher Magnet School	7/12/2005	45,500	-	45,500	44,396	-	44,396	-	1,104
QB557	Richard B. Kinsella, Magnet School of Arts	7/12/2005	38,015	-	38,015	37,924	-	37,924	-	91

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
QB559	Mary M. Hooker Environment Studies Magnet School	7/11/2006	43,500	-	43,500	39,066	156	39,222	-	4,278
Q8416	Weaver High School Renovations	8/14/2007	940	-	940	-	-	-	-	940
Q8417	Bulkeley High School Improvements to Air Handling System	8/14/2007	240	-	240	-	-	-	-	240
Q8418	Betances Elementary School Replacement of Five Rear Staircases	8/14/2007	45	-	45	-	-	-	-	45
Q1564	Journalism & New Media High School	6/9/2008	37,450	-	37,450	30,778	427	31,205	-	6,245
Q1565	Dwight Bellizzi Middle School	6/9/2008	13,000	-	13,000	11,993	306	12,299	-	701
Q1566	International Baccalaureate School	6/9/2008	55,050	-	55,050	49,901	524	50,425	-	4,625
Q9553	Transitional Classroom University of Science 064-0297	1/12/2009	1,650	-	1,650	1,295	-	1,295	-	355
QB901	MD Fox Elementary School comb w/@9430	1/12/2009	56,400	-	56,400	46,329	139	46,468	-	9,932
Q9902	Student Bathrooms - Bulkeley	10/27/2008	700	-	700	518	-	518	-	182
Q9912	Opportunity High School	5/28/2009	700	-	700	468	177	645	-	55
Q0903	Burns Roof & Asbestos Abatement	6/2/2009	865	-	865	865	-	865	-	-
Q0904	Roofs/Masonry, Intrusion Alarms	6/2/2009	4,069	-	4,069	3,345	566	3,911	-	158
Q0905	M.L.King (Gifted & Talented)	6/2/2009	100	-	100	100	-	100	-	-
Q0906	Burns (Language Lab)	6/2/2009	700	-	700	394	221	615	-	85
Q2907	West Middle School	7/1/2011	54,600	-	54,600	7,680	14,262	21,942	-	32,658
Q2908	Hartford Middle Magnet School	7/1/2011	29,440	-	29,440	2,368	14,243	16,611	-	12,829
Q2909	Parkville School HVAC Units	7/1/2011	1,425	-	1,425	819	-	819	-	606
Q2910	Fox Middle School Cooling Tower Unit	7/1/2011	271	-	271	162	-	162	-	109
Q2911	Kinsella High School	7/1/2011	70	-	70	43	2	45	-	25
Q1301	Quirk Renovation	4/16/2012	2,500	-	2,500	-	-	-	-	2,500
Q1302	Burns Masonry	4/16/2012	300	-	300	300	-	300	-	-
Q1303	Bellizzi Air Conditioning	4/16/2012	1,500	-	1,500	141	-	141	-	1,359
Q1307	Milner School Renovations	4/16/2012	2,000	-	2,000	439	1,471	1,910	-	90
Q1304	Sprinklers at Clark	4/16/2012	1,000	-	1,000	26	184	210	-	790
Q1305	Sprinklers at S. Waverly	4/16/2012	1,000	-	1,000	25	15	40	-	960
Q1309	Kinsella Magnet School FY13	4/16/2012	33,000	3,952	36,952	9	1,020	1,029	-	35,923
Q1401	Public Safety Academy	7/1/2013	-	5,000	5,000	-	-	-	-	5,000
Q1402/Q1308	Weaver High School Renovations FY14	7/1/2013	100,000	6,564	106,564	54	2,753	2,807	-	103,757
Q1403	School Facilities Capital Improvement	7/1/2013	4,300	-	4,300	167	2,125	2,292	-	2,008
Q1404	Vehicles, Computers, & Other	7/1/2013	1,000	-	1,000	734	203	937	-	63
Q1405	Mark Twain School Sprinklers	7/1/2013	1,000	-	1,000	3	1	4	-	996
Q1501	Replac. & Upgrades Various School	7/1/2014	-	220	220	-	220	220	-	-
<b>Total Education Projects</b>			<b>1,065,119</b>	<b>15,736</b>	<b>1,080,855</b>	<b>777,787</b>	<b>39,015</b>	<b>816,802</b>	<b>-</b>	<b>264,053</b>

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
Other	Q2905 (QB904) Milner Academy Roof project		1,480	-	1,480	1,493	-	1,493	4	(17)
	Q2906 (QB904) Batchelder School Roof project		1,820	-	1,820	1,709	-	1,709	3	108
	Q1300 Public Safety	4/16/2012	3,000	-	3,000	60	-	60	-	2,940
	Q1306 Parking Lot	4/16/2012	200	-	200	197	-	197	-	3
<b>Total Other</b>			<b>6,500</b>	<b>-</b>	<b>6,500</b>	<b>3,459</b>	<b>-</b>	<b>3,459</b>	<b>7</b>	<b>3,034</b>
<b>Total Facility Services</b>			<b>1,363,365</b>	<b>43,166</b>	<b>1,406,531</b>	<b>984,067</b>	<b>76,497</b>	<b>1,060,866</b>	<b>4,738</b>	<b>340,927</b>
<u>Engineering Services</u>										
Public Works Projects:										
W9519	Road Improvement Program	8/11/1998	12,955	-	12,955	11,696	112	11,808	-	1,147
W1519	Streetscape Improvements	11/7/2000	16,700	-	16,700	12,458	634	13,092	-	3,608
W1534	Reconstruction of Woodland St.	6/11/2001	1,525	-	1,525	1,392	-	1,392	-	133
W3560	Demolition of Mixmaster Temple Street	5/12/03	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	11/9/2004	4,686	-	4,686	4,686	-	4,686	-	-
W1520	Flood Control System Improvements	11/7/2000	13,000	-	13,000	12,951	6	12,957	-	43
W5547	Streetscape Improvements on Huyshope Avenue	3/14/2006	948	-	948	914	-	914	-	34
W6522	Trumbull Street Streetscapes	7/1/2006	5,000	-	5,000	4,587	-	4,587	-	413
W7574	School Area Pedestrian Routes Safety Enhancements	7/1/2006	300	-	300	221	-	221	-	79
W8562	Match Funds for State/Federal Infrastructure Grants FYE 2008 Appropriation	8/14/2007	1,190	-	1,190	971	22	993	-	197
W8510	Reconstruction of Asylum St. from Main St to Trumbull St CFDA20.205 - State 63-570	7/10/2007	1,266	-	1,266	1,067	-	1,067	-	199
W8556	Street Rehabilitation FYE 2008 Appropriation	8/14/2007	4,000	-	4,000	3,917	-	3,917	-	83
W8519	Streetscapes FYE 2008 Appropriation	8/14/2007	2,000	-	2,000	1,987	-	1,987	-	13
W8577	Main Street Streetscapes	8/14/2007	475	-	475	413	-	413	-	62
W8518	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.	10/11/2007	2,900	-	2,900	2,819	-	2,819	-	81
W8523	Extension of Mark Twain Dr.	4/28/2008	2,728	-	2,728	2,651	-	2,651	-	77

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W9510	Street Rehabilitation & Road Improvements	5/29/2008	4,000	-	4,000	3,999	-	3,999	-	1
W9511	Streetscape Projects - North & South	6/23/2008	2,000	-	2,000	1,097	91	1,188	-	812
W9512	Flood Control Infrastructure Improvements	5/29/2008	1,600	-	1,600	1,595	-	1,595	-	5
W9562	Match Funds for State/Federal Infrastructure Grants FYE 2009	5/29/2008	1,500	-	1,500	161	42	203	-	1,297
W9586	Clean Water Related Infrastructure Supplemental Funding	5/29/2008	1,500	-	1,500	349	-	349	-	1,151
W0598	Citywide Decorative Light Replacement	6/2/2009	350	-	350	304	-	304	45	1
W0599	Citywide Guide Rail & Traffic Island	6/2/2009	700	-	700	150	4	154	18	528
W1600	Park St./Pope Commons Streetscape Improvements	7/1/2010	95	-	95	95	-	95	-	-
W1606	Repair of 12 City Bridges	6/1/2010	900	-	900	53	42	95	-	805
W1609	Street Paving	6/1/2010	3,000	-	3,000	2,876	121	2,997	-	3
W1613	Farmington/Broad/Asylum Intersection	6/1/2010	3,500	-	3,500	7	103	110	-	3,390
W1614	South Green Ornamental Fence	6/1/2010	200	-	200	79	-	79	-	121
W1615	Traffic Calming	6/1/2010	500	-	500	310	45	355	-	145
W1616	Coltsville Streetscape	1/13/2011	850	-	850	748	33	781	-	69
W2629	Flood Control Design & Improvements	6/1/2011	3,000	-	3,000	2,450	46	2,496	-	504
W2630	Traffic Calming	6/1/2011	250	-	250	104	115	219	-	31
W2632	Streetlight Replacement Program	6/1/2011	500	-	500	455	30	485	-	15
D2649	Coit Gateway Project	6/1/2011	5,300	-	5,300	2,165	2,908	5,073	-	227
D1583	1% for the Arts - CIP FY15	7/1/2014	-	280	280	-	-	-	-	280
W1316	Flood Control Design and Improvements	4/16/2012	2,500	-	2,500	907	369	1,276	-	1,224
W1317	Albany Ave Road Safety Improvements	4/16/2012	1,000	-	1,000	355	292	647	-	353
W1318	Traffic Calming	4/16/2012	250	-	250	134	57	191	-	59
W1320	Coit Gateway Streetscape Phase 1	4/16/2012	13,900	-	13,900	345	3,864	4,209	-	9,691
W1321	Pedestrian Wayfinding Signage Program	4/16/2012	300	-	300	70	-	70	-	230
W1326	City Records - Document Conversion	4/16/2012	300	-	300	220	-	220	-	80
W1329	Roof Replacement	4/16/2012	500	-	500	231	186	417	-	83
W1330	Street Light Replacement Program	4/16/2012	250	-	250	171	-	171	-	79
W1315	Traffic Calming	4/16/2012	250	-	250	4	-	4	-	246
W1425	Flood Control Design and Improvements	7/1/2013	4,200	-	4,200	82	649	731	-	3,469
W1432	Citywide Fencing	7/1/2013	495	-	495	128	209	337	-	158
W1301	Radio Communications Enhancements	4/16/2012	200	-	200	117	-	117	-	83
<b>Total Engineering Services</b>			<b>129,045</b>	<b>280</b>	<b>129,325</b>	<b>87,827</b>	<b>9,980</b>	<b>97,807</b>	<b>63</b>	<b>31,455</b>

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
<u>Transportation Services</u>										
Public Works Projects:										
D2636	Citywide Streetscapes - Planning	6/1/2011	250	-	250	-	51	51	247	(48)
W0511	Upgrade of Hartford Traffic Signals	11/23/1999	1,861	-	1,861	1,820	(22)	1,798	-	63
W6550	Safety Improvements to Franklin and Benton	8/16/2005	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 St.	10/10/2007	87	-	87	25	-	25	-	62
W8564	City-wide Sidewalk Replacements FYE 2008 Appropriation	8/14/2007	100	-	100	48	-	48	-	52
A8509	On-Street Parking Meters	2/13/2008	3,300	-	3,300	3,287	-	3,287	9	4
W1319	Citywide Bike Lanes	7/1/2013	300	-	300	-	2	2	-	298
W1323	Street Design and Recons	7/1/2013	1,000	-	1,000	-	54	54	-	946
W1339	CMAQ-TRAFFIC CONTROL SYSTEM	7/3/2013	3,000	-	3,000	-	-	-	-	3,000
W1424	Traffic Signalization	7/1/2013	1,485	-	1,485	-	-	-	-	1,485
W1426	Bridge Repairs	7/1/2013	495	-	495	-	-	-	-	495
W1427	Complete Streets	7/1/2013	990	-	990	254	418	672	-	318
W1428	Complete Streets - repave and repair	7/1/2013	8,637	-	8,637	2,805	1,198	4,003	-	4,634
W1429	Complete Streets - Streetscape	7/1/2013	14,900	-	14,900	1,106	7,419	8,525	-	6,375
W1430	Brookfield Street Reconstruction	7/1/2013	250	-	250	-	-	-	-	250
W1431	Street Light Replacement Program	7/1/2013	250	-	250	-	139	139	-	111
W1509	Sidewalks	7/1/2014	-	990	990	-	8	8	-	982
W1511	Street Light Repair and	7/1/2014	-	250	250	-	4	4	-	246
<b>Total Transportation Services</b>			<b>37,297</b>	<b>1,240</b>	<b>38,537</b>	<b>9,734</b>	<b>9,271</b>	<b>19,005</b>	<b>256</b>	<b>19,276</b>

Local Capital Improvement Program

Public Works Projects:										
W7244	Library Renovations	9/11/1996	1,000	-	1,000	988	-	988	-	12
W0521	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400	-	400	388	-	388	12	-
W4270	Truck Wash Facility - LOCIP Project #247 - 064-03-010	9/15/2003	75	-	75	75	-	75	-	-
W4271	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	9/15/2003	750	-	750	678	-	678	-	72

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W4563	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	9/15/2003	125	-	125	77	-	77	-	48
W4556	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	9/15/2003	3,850	-	3,850	3,848	-	3,848	-	2
W4203	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	9/15/2003	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	-	-
W6572	Plan of Conservation and Development LOCIP Project #572 - 064-05-050	11/29/2005	500	-	500	496	-	496	-	4
W7568	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	2/16/2006	250	-	250	136	5	141	-	109
W7265	Roof Replacement at various City Buildings Project #265, 064-06-010	1/30/2007	750	-	750	701	33	734	-	16
W7266	Boiler Replacement at various City Buildings Project #266, 064-06-020	1/30/2007	250	-	250	250	-	250	-	-
W6568	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	1/30/2007	250	-	250	248	-	248	-	2
W7575	Citywide Decorative Light Replacement Project #575, 064-06-050	1/30/2007	225	-	225	146	-	146	-	79
W1601	Pope Park Recreation Center Building Shell	6/1/2010	1,200	-	1,200	1,218	(18)	1,200	-	-

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total		
W1607	Sidewalk Replacement	6/1/2010	200	-	200	128	-	128	-	72
W1608	Traffic Signals & Cameras	6/1/2010	1,500	-	1,500	138	135	273	-	1,227
W1612	Streetlight Replacement	6/1/2010	300	-	300	17	251	268	-	32
W2626	Ancient Burial Ground Improvements	6/1/2011	250	-	250	138	-	138	-	112
W2628	Traffic Signalization	6/1/2011	750	-	750	121	37	158	-	592
W2634	Sidewalk Replacement	6/1/2011	500	-	500	424	29	453	-	47
W1325	Street Repaving & Repair	4/16/2012	2,000	-	2,000	1,622	346	1,968	-	32
<b>Total Local Capital Improvement Program</b>			<b>16,175</b>	<b>-</b>	<b>16,175</b>	<b>12,844</b>	<b>818</b>	<b>13,662</b>	<b>12</b>	<b>2,501</b>
<b>Non Bonded Projects</b>										
D1363	TIGER GRANT - PROJ MGMT/A&E	07/01/13	1,209	(641)	568	423	88	511	7	50
D1364	TIGER GRANT - UNION STATION HUB	07/01/13	897	-	897	-	698	698	198	1
D1365	TIGER GRANT - BUSHNELL PARK NORTH	07/01/13	5,321	124	5,445	124	2,031	2,155	3,170	120
D1366	TIGER GRANT - ASYLUM/PEARL TRANSIT	07/01/13	2,437	-	2,437	81	726	807	1,602	28
D1368	BUS LIVABILITY GRANT (GHTD)	07/01/13	4	1,908	1,912	317	1,201	1,518	231	163
D1390	JOHN E ROGERS - STATE URBAN ACT GRA	07/01/13	1,000	-	1,000	2	677	679	248	73
D1584	STP - ASYLUM ST/SOLDIERS	08/05/14	-	4,004	4,004	-	1,853	1,853	-	2,151
W1310	Cemetery Beautification and Improve	04/16/12	250	-	250	250	-	250	-	-
W1318	Traffic Calming	04/16/12	56	-	56	56	-	56	-	-
W1332	Cronin Park Improvements	04/16/12	500	-	500	500	-	500	-	-
W1337	Citywide Bike Racks	04/16/12	18	-	18	18	-	18	-	-
W1417	Park Improv. & Playground Enhanc.	07/01/13	300	-	300	-	20	20	332	(52)
W1418	Cemetery Beautification and Improv.	07/01/13	-	-	-	-	123	123	-	(123)
W1433	Vehicles, Computers and Other Equip	07/01/13	3,930	-	3,930	3,584	321	3,905	8	17
W1440	MICROGRID PILOT PROGRAM-PARKVILLE	07/01/13	2,123	-	2,123	60	97	157	164	1,802
W1441	MICROGRID-JENNINGS RD PROPOSAL	07/01/13	58	-	58	58	-	58	-	-
W1615	W1615 Traffic Calming	10/17/25	76	-	76	76	-	76	-	-
W9900	TOWN CLERK'S LOCIP ACCOUNT	07/01/13	79	-	79	-	-	-	-	79
W1505	Urban Forestry	07/01/14	-	500	500	-	394	394	106	-
W1508	Paving	07/01/14	-	3,000	3,000	-	2,165	2,165	423	412
W1510	Albany Avenue Reconstruc	07/01/14	-	14,000	14,000	-	-	-	-	14,000
W1522	CL&P Incentive Program	07/01/14	-	315	315	-	207	207	-	108

**Schedule of Expenditures and Encumbrances Compared  
With Appropriations, Etc. – Capital Improvement Fund (Continued)  
For the Year Ended June 30, 2015  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance	
			Prior to July 1, 2014	Current Period	Cumulative Total	Prior to July 1, 2014	Current Period	Cumulative Total			
W1540	ELIZABETH PARK EAST LAWN	10/01/14	-	100	100	-	17	17	3	80	
W1541	CRONIN PARK IMPROVEMENTS	10/30/14	-	500	500	-	30	30	8	462	
W1542	PARKS BUILD COMMUNITY GR	03/17/15	-	20	20	-	-	-	20	-	
W1557	Repairs at 275 Pearl Str	04/04/15	-	162	162	-	123	123	-	39	
<b>Total Non Bonded Projects</b>			<b>18,258</b>	<b>23,992</b>	<b>42,250</b>	<b>5,549</b>	<b>10,771</b>	<b>16,320</b>	<b>6,520</b>	<b>19,410</b>	
TOTAL CAPITAL IMPROVEMENT FUND			\$ 1,564,140	\$ 68,678	\$ 1,632,818	\$ 1,100,021	\$ 107,337	\$ 1,207,660	\$ 11,589	\$ 413,569	
Conversion to GAAP based financial statement reporting:											
Previous year retainage and off system accrued payables								(2,186)		(2,186)	
Current year retainage and off system accrued payables								3,334		3,334	
<b>TOTAL</b>								<b>\$ 108,485</b>		<b>\$ 12,737</b>	

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## **Nonmajor Enterprise Funds**

## **Nonmajor Enterprise Funds**

Nonmajor Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

**Hartford Parking Facilities** – is used to account for revenues and expenditures related to the Parking Fund.

**Golf Course** – is used to account for revenues and expenditures related to the City Golf Course.

**Statement of Net Position (Deficit) - Nonmajor Enterprise Funds**  
**June 30, 2015**  
(In Thousands)

	Hartford Parking Facilities	Golf Course	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 587	\$ 525	\$ 1,112
Receivables, net	-	23	23
Due from other funds	-	23	23
Due from component unit	2,386	-	2,386
<b>Total current assets</b>	<b>2,973</b>	<b>571</b>	<b>3,544</b>
Capital Assets, Net	18,650	636	19,286
<b>Total assets</b>	<b>21,623</b>	<b>1,207</b>	<b>22,830</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable and other payables	149	54	203
Due to other funds	2,386	690	3,076
Bonds payable	865	-	865
<b>Total current liabilities</b>	<b>3,400</b>	<b>744</b>	<b>4,144</b>
Noncurrent Liabilities			
Bonds payable	3,105	-	3,105
<b>Total noncurrent liabilities</b>	<b>3,105</b>	<b>-</b>	<b>3,105</b>
<b>Total liabilities</b>	<b>6,505</b>	<b>744</b>	<b>7,249</b>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	14,680	636	15,316
Unrestricted	438	(173)	265
<b>Total net position (deficit)</b>	<b>\$ 15,118</b>	<b>\$ 463</b>	<b>\$ 15,581</b>

See Notes to Financial Statements.

**Statement of Revenues, Expenses and Changes in  
Net Position - Nonmajor Enterprise Funds  
For the Year Ended June 30, 2015  
(In Thousands)**

	Hartford Parking Facilities	Golf Course	Total
<b>Operating Revenues</b>			
Hartford Parking Authority fees	\$ 3,780	\$ -	\$ 3,780
Golf Course fees	-	398	398
Other	3	-	3
<b>Total operating revenues</b>	<b>3,783</b>	<b>398</b>	<b>4,181</b>
<b>Operating Expenses</b>			
Administrative	524	476	1,000
Operations	-	372	372
Depreciation and amortization	1,103	45	1,148
<b>Total operating expenses</b>	<b>1,627</b>	<b>893</b>	<b>2,520</b>
<b>Operating income</b>	<b>2,156</b>	<b>(495)</b>	<b>1,661</b>
<b>Nonoperating Income (Expense)</b>			
Interest expense	(223)	-	(223)
Gain on sale of capital assets	3,345	-	3,345
<b>Total nonoperating income (expense)</b>	<b>3,122</b>	<b>-</b>	<b>3,122</b>
<b>Net income (loss) before transfers</b>	<b>5,278</b>	<b>(495)</b>	<b>4,783</b>
Transfers in	38	-	38
Transfers out	(16,792)	-	(16,792)
<b>Change in net position</b>	<b>(11,476)</b>	<b>(495)</b>	<b>(11,971)</b>
Fund Net Position, beginning	26,594	958	27,552
Fund Net Position, ending	\$ 15,118	\$ 463	\$ 15,581

See Notes to Financial Statements.

**Statement of Cash Flows - Nonmajor Enterprise Funds  
For the Year Ended June 30, 2015  
(In Thousands)**

	Hartford Parking Facilities	Golf Course	Total
<b>Cash Flows From Operating Activities</b>			
Cash received from Hartford Parking Authority	\$ 3,493	\$ -	\$ 3,493
Cash from customers and users	-	359	359
Cash paid for salaries and benefits	-	(40)	(40)
Cash paid to suppliers	-	(97)	(97)
Cash paid to other funds	(1,923)	-	(1,923)
<b>Net cash provided by (used in) operating activities</b>	<b>1,570</b>	<b>222</b>	<b>1,792</b>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Proceeds from the sale of capital assets	14,406	-	14,406
Transfer (to) from General Fund	(16,754)	-	(16,754)
Principal paid on bonds	(795)	-	(795)
Interest paid on bonds	(223)	-	(223)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(3,366)</b>	<b>-</b>	<b>(3,366)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,796)</b>	<b>222</b>	<b>(1,574)</b>
Cash and Cash Equivalents, Beginning of Year	2,383	303	2,686
Cash and Cash Equivalents, End of Year	\$ 587	\$ 525	\$ 1,112
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
Provided by (used in) Operating Activities:			
Operating income (loss)	\$ 2,156	\$ (495)	\$ 1,661
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,103	45	1,148
(Increase) in other receivables	-	(15)	(15)
Increase (decrease) in accounts payable and accrued liabilities	(226)	19	(207)
Increase in due from other funds	(290)	(22)	(312)
Increase in due to other funds	-	690	690
(Increase) in due from component unit	(1,173)	-	(1,173)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,570</b>	<b>\$ 222</b>	<b>\$ 1,792</b>

See Notes to Financial Statements.

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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, 2015

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Assets</b>			
Cash and cash equivalents	\$ 4,196	\$ 17	\$ 1,310
Other receivables	-	-	-
<b>Total assets</b>	<u>4,196</u>	<u>17</u>	<u>1,310</u>
<b>Liabilities</b>			
Current:			
Accounts payable and accrued liabilities	152	87	270
Insurance claims payable	11,200	1,700	-
Claims incurred and not reported	-	-	-
<b>Total current liabilities</b>	<u>11,352</u>	<u>1,787</u>	<u>270</u>
Noncurrent:			
Claims incurred and not reported	7,400	3,000	-
<b>Total noncurrent liabilities</b>	<u>7,400</u>	<u>3,000</u>	<u>-</u>
<b>Net Position (Deficit)</b>			
Unrestricted	<u>(14,556)</u>	<u>(4,770)</u>	<u>1,040</u>
<b>Total net position (deficit)</b>	<u>\$ (14,556)</u>	<u>\$ (4,770)</u>	<u>\$ 1,040</u>

EXHIBIT E-1

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 1,203	\$ 1,910	\$ 35,613	\$ 5,910	\$ 174	\$ 50,333
257	-	182	-	-	439
1,460	1,910	35,795	5,910	174	50,772
492	449	922	122	-	2,494
-	-	-	-	-	12,900
968	1,461	2,615	1,102	-	6,146
1,460	1,910	3,537	1,224	-	21,540
-	-	-	-	-	10,400
-	-	-	-	-	10,400
-	-	32,258	4,686	174	18,832
\$ -	\$ -	\$ 32,258	\$ 4,686	\$ 174	\$ 18,832

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, 2015**  
**(In Thousands)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Operating Revenues</b>			
City's contribution	\$ 8,578	\$ 2,172	\$ 4,817
Pensioners contribution	-	-	-
Other	-	146	41
<b>Total operating revenues</b>	<b>8,578</b>	<b>2,318</b>	<b>4,858</b>
<b>Operating Expenses</b>			
Administrative	16	350	663
Operations	-	-	5,231
Insurance benefits and claims paid	9,823	2,128	-
<b>Total operating expenses</b>	<b>9,839</b>	<b>2,478</b>	<b>5,894</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in net position</b>	<b>(1,261)</b>	<b>(160)</b>	<b>(1,036)</b>
Net Position (Deficit), Beginning of Year	(13,295)	(4,610)	2,076
Net Position (Deficit), End of Year	<b>\$ (14,556)</b>	<b>\$ (4,770)</b>	<b>\$ 1,040</b>

EXHIBIT E-2

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 8,147	\$ 14,315	\$ 31,291	\$ 13,864	\$ -	\$ 83,184
9,127	3,427	7,190	4,533	-	24,277
1,147	532	987	277	-	3,130
18,421	18,274	39,468	18,674	-	110,591
1,449	4,340	2,195	3,864	-	12,877
-	-	-	-	-	5,231
16,972	17,824	37,267	12,905	-	96,919
18,421	22,164	39,462	16,769	-	115,027
-	3,815	-	-	-	3,815
-	-	(3,815)	-	-	(3,815)
-	3,815	(3,815)	-	-	-
-	(75)	(3,809)	1,905	-	(4,436)
-	75	36,067	2,781	174	23,268
\$ -	\$ -	\$ 32,258	\$ 4,686	\$ 174	\$ 18,832

City of Hartford, Connecticut

Combining Statement of Cash Flows - Internal Service Funds  
 For the Year Ended June 30, 2015  
 (In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Cash Flows From Operating Activities</b>			
City's contribution	\$ 8,578	\$ 2,172	\$ 4,817
Cash received from other	-	146	41
Cash received from users	-	-	-
Cash paid for salaries and benefits	-	-	(663)
Cash paid for claims and operations	(8,118)	(2,350)	(5,199)
<b>Net cash provided by (used in) operating activities</b>	<b>460</b>	<b>(32)</b>	<b>(1,004)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>460</b>	<b>(32)</b>	<b>(1,004)</b>
Cash and Cash Equivalents, Beginning of Year	3,736	49	2,314
Cash and Cash Equivalents, End of Year	<u>\$ 4,196</u>	<u>\$ 17</u>	<u>\$ 1,310</u>
<b>Reconciliation of Operating Income</b>			
(Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ (1,261)	\$ (160)	\$ (1,036)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in other receivables	-	-	-
(Decrease) increase in accounts payable	(279)	28	32
(Decrease) increase in insurance claims payable	1,300	(1,800)	-
(Decrease) increase in claims incurred but not reported	700	1,900	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 460</b>	<b>\$ (32)</b>	<b>\$ (1,004)</b>

EXHIBIT E-3

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 8,147	\$ 14,315	\$ 31,291	\$ 13,864	\$ -	\$ 83,184
1,147	532	987	277	-	3,130
9,127	3,427	7,190	4,533	-	24,277
(1,449)	(4,340)	(2,195)	(3,864)	-	(12,511)
(17,109)	(13,981)	(41,486)	(11,681)	-	(99,924)
(137)	(47)	(4,213)	3,129	-	(1,844)
(137)	(47)	(4,213)	3,129	-	(1,844)
1,340	1,957	39,826	2,781	174	52,177
\$ 1,203	\$ 1,910	\$ 35,613	\$ 5,910	\$ 174	\$ 50,333
\$ -	\$ (75)	\$ (3,809)	\$ 1,905	\$ -	\$ (4,436)
(69)	-	26	-	-	(43)
20	85	39	122	-	47
-	-	-	-	-	(500)
(88)	(57)	(469)	1,102	-	3,088
\$ (137)	\$ (47)	\$ (4,213)	\$ 3,129	\$ -	\$ (1,844)

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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, 2015**  
(In Thousands)

	Student Activity Funds	Adult Education Book Fund	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 978	\$ 9	\$ 987
<b>Liabilities</b>			
Due to student groups and other	\$ 978	\$ 9	\$ 987

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds  
For the Year Ended June 30, 2015  
(In Thousands)**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Student Activity Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 984	\$ 1,243	\$ 1,249	\$ 978
<b>Liabilities</b>				
Due to student groups	\$ 984	\$ 1,243	\$ 1,249	\$ 978
<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	\$ 993	\$ 1,243	\$ 1,249	\$ 987
<b>Liabilities</b>				
Due to student groups	\$ 984	\$ 1,243	\$ 1,249	\$ 978
Due to other	9	-	-	9
<b>Total</b>	<b>\$ 993</b>	<b>\$ 1,243</b>	<b>\$ 1,249</b>	<b>\$ 987</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, 2015  
(In Thousands)**

<hr/>	
Governmental Funds Capital Assets	
Land and land improvements	\$ 98,263
Buildings	1,254,626
Other structures	38,090
Furniture and equipment	48,948
Rolling equipment	44,505
Infrastructure	473,167
Construction in progress	<u>255,674</u>
<b>Total</b>	<b><u><u>\$ 2,213,273</u></u></b>
Investments in Governmental Funds Capital Assets	
<b>Total governmental funds capital assets</b>	<b><u><u>\$ 2,213,273</u></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				
	2015	2014	2013	2012	2011
Governmental activities					
Net investment in capital assets	\$ 939,951	\$ 983,461	\$ 1,006,633	\$ 966,580	\$ 954,780
Restricted	75,640	75,720	73,049	70,155	62,466
Unrestricted	(247,809)	25,662	36,029	50,814	47,155
<b>Total governmental activities   net position</b>	<b>767,782</b>	<b>1,084,843</b>	<b>1,115,711</b>	<b>1,087,549</b>	<b>1,064,401</b>
Business-type activities					
Net investment in capital assets	15,316	26,732	33,910	34,623	35,417
Restricted	-	-	-	-	-
Unrestricted	(577)	820	1,799	2,400	1,678
<b>Total business-type activities   net position</b>	<b>14,739</b>	<b>27,552</b>	<b>35,709</b>	<b>37,023</b>	<b>37,095</b>
Primary Government					
Net investment in capital assets	955,267	1,010,193	1,040,543	1,001,203	990,197
Restricted	75,640	75,720	73,049	70,155	62,466
Unrestricted	(248,386)	26,482	37,828	53,214	48,833
<b>Total primary government   net position</b>	<b>\$ 782,521</b>	<b>\$ 1,112,395</b>	<b>\$ 1,151,420</b>	<b>\$ 1,124,572</b>	<b>\$ 1,101,496</b>

Notes:

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

**TABLE 1**

		Fiscal Year							
		2010	2009	2008	2007	2006			
\$	956,310	\$	910,440	\$	877,583	\$	815,601	\$	737,253
	63,564		63,642		64,098		65,320		55,509
	36,231		12,324		(5,966)		43,920		53,952
	<u>1,056,105</u>		<u>986,406</u>		<u>935,715</u>		<u>924,841</u>		<u>846,714</u>
	36,256		37,683		35,974		36,969		36,641
	-		-		-		-		-
	684		-		-		1,562		1,033
	<u>36,940</u>		<u>37,683</u>		<u>35,974</u>		<u>38,531</u>		<u>37,674</u>
	992,566		948,123		913,557		852,570		773,894
	63,564		63,642		64,098		65,320		55,509
	36,915		12,324		(5,966)		45,482		54,985
\$	<u>1,093,045</u>	\$	<u>1,024,089</u>	\$	<u>971,689</u>	\$	<u>963,372</u>	\$	<u>884,388</u>

City of Hartford, Connecticut

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

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 86,715	\$ 69,912	\$ 72,050	\$ 72,165	\$ 58,302
Public Safety	114,610	119,995	106,619	101,603	99,448
Public Works	62,095	37,310	44,280	42,428	37,698
Development and community affairs	58,001	61,626	61,652	63,779	61,408
Human Services	30,652	29,697	27,561	30,146	28,574
Education	563,815	544,398	503,475	487,717	472,210
Recreation and Culture	12,135	10,064	10,106	9,728	9,332
Benefits and insurance	-	-	-	-	-
Sundry	-	-	-	-	-
Interest on long-term debt	20,850	20,665	21,358	14,743	15,322
<b>Total governmental activities expenses</b>	<b>948,873</b>	<b>893,667</b>	<b>847,101</b>	<b>822,309</b>	<b>782,294</b>
Business-type activities:					
Hartford Parking Facilities	1,850	8,640	3,669	3,729	4,096
Golf course	893	200	-	-	-
Stadium Authority	846	-	-	-	-
<b>Total business-type activities net position</b>	<b>3,589</b>	<b>8,840</b>	<b>3,669</b>	<b>3,729</b>	<b>4,096</b>
<b>Total primary government expenses</b>	<b>952,462</b>	<b>902,507</b>	<b>850,770</b>	<b>826,038</b>	<b>786,390</b>
<b>Program Revenues</b>					
Governmental activities					
Charges for services:					
General government	9,464	5,265	2,150	3,108	2,152
Public Safety	3,761	6,132	9,119	1,772	2,472
Public Works	9,257	9,289	7,464	10,378	10,770
Recreation and Culture	132	139	92	194	95
Other	6,004	7,055	3,849	5,011	6,689
Operating grants and contributions	503,376	482,748	465,918	445,168	408,617
Capital grants and contributions	35,013	18,553	65,774	25,912	15,797
<b>Total governmental activities program revenues</b>	<b>567,007</b>	<b>529,181</b>	<b>554,366</b>	<b>491,543</b>	<b>446,592</b>

TABLE 2

		Fiscal Year							
		2010	2009	2008	2007	2006			
\$	61,687	\$	58,575	\$	115,504	\$	97,524	\$	94,466
	98,563		95,466		83,414		77,513		74,179
	38,215		30,290		29,127		23,821		24,730
	63,475		56,269		51,777		47,702		45,570
	31,799		34,601		30,042		30,755		24,022
	477,009		450,428		496,857		397,355		375,615
	9,632		10,227		10,338		10,231		9,991
	-		-		-		-		-
	-		-		-		-		-
	19,125		17,169		13,723		11,045		6,941
	799,505		753,025		830,782		695,946		655,514
	4,185		3,760		3,897		3,768		3,701
	-		-		-		-		-
	4,185		3,760		3,897		3,768		3,701
	803,690		756,785		834,679		699,714		659,215
	2,241		2,374		2,907		4,324		4,227
	1,739		2,053		4,696		5,439		7,843
	10,089		14,715		14,224		12,155		12,278
	537		458		2,514		2,383		2,063
	4,808		5,398		1,340		1,434		1,674
	420,882		391,919		466,397		382,080		364,191
	96,958		71,908		58,545		73,070		122,823
	537,254		488,825		550,623		480,885		515,099

City of Hartford, Connecticut

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Business-type activities:					
Charges for services:					
Parking facilities*	\$ 3,783	\$ 4,932	\$ 4,511	\$ 4,054	\$ 4,732
Other enterprise funds	398	758	-	-	-
Capital grants and contributions	-	-	-	-	-
<b>Total business-type activities</b>					
<b>program revenues</b>	<u>4,181</u>	<u>5,690</u>	<u>4,511</u>	<u>4,054</u>	<u>4,732</u>
<b>Total primary government</b>					
<b>program revenues</b>	<u>571,188</u>	<u>534,871</u>	<u>558,877</u>	<u>495,597</u>	<u>451,324</u>
Net (expense)/revenue					
Governmental activities	(381,866)	(364,486)	(292,735)	(330,766)	(335,702)
Business-type activities	592	(3,150)	842	325	636
<b>Total primary government net expense</b>	<u>(381,274)</u>	<u>(367,636)</u>	<u>(291,893)</u>	<u>(330,441)</u>	<u>(335,066)</u>
General revenues and other changes in net expenses					
Governmental activities:					
Property taxes	260,063	267,234	256,943	290,165	283,835
Unrestricted grants and contributions	56,484	55,364	56,696	58,767	55,207
Investment earnings	948	5,512	2,781	2,205	3,079
Other general revenues	128	498	2,317	2,377	1,389
Transfers and other	16,754	5,010	2,160	400	488
Special item - net loss on sale of property	-	-	-	-	-
<b>Total governmental activities</b>	<u>334,377</u>	<u>333,618</u>	<u>320,897</u>	<u>353,914</u>	<u>343,998</u>
Business-type activities: (2)					
Investment earnings	4	3	4	3	7
Other general revenues	-	-	-	-	-
Special item - net loss on sale of property	3,345	-	-	-	-
Transfers and other	(16,754)	(5,010)	(2,160)	(400)	(488)
<b>Total business-type activities</b>	<u>(13,405)</u>	<u>(5,007)</u>	<u>(2,156)</u>	<u>(397)</u>	<u>(481)</u>
<b>Total primary government</b>	<u>320,972</u>	<u>328,611</u>	<u>318,741</u>	<u>353,517</u>	<u>343,517</u>
Changes in net position					
Governmental activities	(47,489)	(30,868)	28,162	23,148	8,296
Business-type activities	(12,813)	(8,157)	(1,314)	(72)	155
<b>Total primary government</b>	<u>\$ (60,302)</u>	<u>\$ (39,025)</u>	<u>\$ 26,848</u>	<u>\$ 23,076</u>	<u>\$ 8,451</u>

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							
		2010	2009	2008	2007	2006			
\$	4,791	\$	5,309	\$	6,724	\$	6,337	\$	4,840
	-		-		-		-		-
	-		3,214		167		-		37
	4,791		8,523		6,891		6,337		4,877
	542,045		497,348		557,514		487,222		519,976
	(262,251)		(264,200)		(280,159)		(215,061)		(140,415)
	606		4,763		2,994		2,569		1,176
	(261,645)		(259,437)		(277,165)		(212,492)		(139,239)
	272,939		256,520		229,500		229,734		215,285
	51,975		53,234		47,698		49,262		41,861
	3,319		(416)		3,692		8,519		5,490
	2,367		2,492		4,581		3,920		4,779
	1,350		3,061		5,562		1,753		1,381
	-		-		-		-		-
	331,950		314,891		291,033		293,188		268,796
	1		7		11		41		130
	-		-		-		-		-
	-		-		-		-		-
	(1,350)		(3,061)		(5,562)		(1,753)		(1,381)
	(1,349)		(3,054)		(5,551)		(1,712)		(1,251)
	330,601		311,837		285,482		291,476		267,545
	69,699		50,691		10,874		78,127		128,381
	(743)		1,709		(2,557)		857		(75)
\$	68,956	\$	52,400	\$	8,317	\$	78,984	\$	128,306

City of Hartford, Connecticut

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

	Fiscal Year				
	2015	2014	2013	2012	2011
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,712	3,859	2,850	4,332	2,525
Unassigned	20,214	13,022	27,528	25,781	22,561
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 21,926</b>	<b>\$ 16,881</b>	<b>\$ 30,378</b>	<b>\$ 30,113</b>	<b>\$ 25,086</b>
All other governmental funds					
Nonspendable	\$ 8,817	\$ 8,712	\$ 8,772	\$ 8,706	\$ 18,583
Restricted	137,001	159,398	171,251	31,782	22,004
Committed	2,435	2,352	2,620	7,663	31,020
Assigned	-	3,198	9,467	9,585	-
Unassigned	(7,425)	(8,495)	(14,379)	(7,522)	(202)
Reserved	-	-	-	-	-
Unreserved, reported in:					
Debt Service Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 140,828</b>	<b>\$ 165,165</b>	<b>\$ 177,731</b>	<b>\$ 50,214</b>	<b>\$ 71,405</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				
2010	2009	2008	2007	2006
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
148	95	-	-	246
18,500	16,218	27,900	34,467	32,969
<u>\$ 18,648</u>	<u>\$ 16,313</u>	<u>\$ 27,900</u>	<u>\$ 34,467</u>	<u>\$ 33,215</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
89,367	99,213	95,227	81,122	62,397
146	146	146	3,238	2,747
12,258	8,748	9,176	17,151	17,771
(9,057)	(4,404)	8,229	60,226	38,593
<u>\$ 92,714</u>	<u>\$ 103,703</u>	<u>\$ 112,778</u>	<u>\$ 161,737</u>	<u>\$ 121,508</u>

City of Hartford, Connecticut

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

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>Revenues</b>					
Property taxes	\$ 260,640	\$ 256,765	\$ 255,546	\$ 277,245	\$ 274,013
Licenses, permits, and other charges	7,778	6,555	5,661	6,299	4,891
Intergovernmental revenues	572,213	539,420	571,249	509,770	475,622
Charges for services	17,826	17,827	14,538	9,427	10,742
Use of property	1,920	3,227	2,283	4,574	6,354
Investment income	948	5,512	2,781	2,204	3,079
Miscellaneous	18,238	15,293	15,927	15,867	13,860
<b>Total revenues</b>	<b>879,563</b>	<b>844,599</b>	<b>867,985</b>	<b>825,386</b>	<b>788,561</b>
<b>Expenditures</b>					
General government	38,877	27,846	40,237	30,021	21,547
Public Safety	91,413	96,695	85,448	83,308	84,283
Public Works	31,105	12,329	15,882	21,804	15,282
Development and community affairs	56,493	60,155	60,544	62,798	60,501
Human Services	29,460	28,569	26,702	29,315	27,878
Education	488,221	470,445	447,244	435,301	419,099
Recreation and Culture	10,961	10,127	9,852	9,483	9,477
Benefits and insurance	85,690	86,898	66,941	64,501	65,160
Other	32,403	21,019	17,858	29,445	26,637
Capital outlay	93,969	76,279	125,790	92,879	68,018
Debt Service:					
Principal	26,575	27,775	27,775	25,100	22,723
Interest	22,727	26,543	17,470	14,547	15,471
<b>Total expenditures</b>	<b>1,007,894</b>	<b>944,680</b>	<b>941,743</b>	<b>898,502</b>	<b>836,076</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(128,331)</b>	<b>(100,081)</b>	<b>(73,758)</b>	<b>(73,116)</b>	<b>(47,515)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	35,918	38,972	48,277	44,203	43,780
Transfers out	(19,164)	(33,962)	(46,117)	(43,803)	(43,292)
Capital leases	2,090	2,758	3,990	-	-
Payment to refunding bond escrow agent	(40,169)	-	-	(22,493)	-
Bonds issued	26,000	10,250	48,160	71,280	25,000
Refunding bonds issued	36,385	-	124,605	-	-
Sale of assets	-	-	-	-	-
Bond premium	17,979	-	22,625	7,765	304
Section 108 loans and CWF serial notes	-	-	-	-	7,000
BANS	50,000	56,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>109,039</b>	<b>74,018</b>	<b>201,540</b>	<b>56,952</b>	<b>32,792</b>
<b>Net change in fund balances</b>	<b>(19,292)</b>	<b>(26,063)</b>	<b>127,782</b>	<b>(16,164)</b>	<b>(14,723)</b>
Fund Balances, Beginning of Year	182,046	208,109	80,327	96,491	111,214
Fund Balances, End of Year	\$ 162,754	\$ 182,046	\$ 208,109	\$ 80,327	\$ 96,491
Debt Service as a Percentage of Noncapital Expenditures	5.38%	6.10%	5.83%	4.94%	5.40%

Notes:

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

**TABLE 4**

		Fiscal Year							
		2010	2009	2008	2007	2006			
\$	266,990	\$	250,668	\$	232,955	\$	231,638	\$	208,241
	5,608		8,155		9,850		8,594		10,058
	556,756		505,062		567,464		503,669		523,276
	8,777		9,353		7,531		8,184		9,734
	4,368		4,196		4,294		4,314		4,085
	3,319		(416)		3,653		8,452		5,413
	17,449		16,733		18,347		15,120		18,805
	<u>863,267</u>		<u>793,751</u>		<u>844,094</u>		<u>779,971</u>		<u>779,612</u>
	21,642		23,739		25,776		20,487		16,266
	79,799		80,388		79,424		77,898		74,519
	20,119		17,712		14,998		15,820		15,362
	61,857		54,857		52,876		53,441		52,020
	31,256		33,786		29,879		30,581		23,867
	421,032		400,535		479,031		391,131		368,936
	9,145		9,234		9,636		9,401		8,014
	55,791		57,985		57,012		54,754		47,348
	31,042		28,955		28,122		28,755		26,709
	119,275		113,021		101,332		106,647		163,076
	20,536		24,590		19,838		16,810		15,901
	16,627		15,954		13,063		9,965		9,020
	<u>888,121</u>		<u>860,756</u>		<u>910,987</u>		<u>815,690</u>		<u>821,038</u>
	(24,854)		(67,005)		(66,893)		(35,719)		(41,426)
	52,233		56,633		55,761		53,222		40,069
	(50,883)		(53,572)		(50,199)		(51,469)		(36,239)
	-		1,700		3,883		3,164		4,526
	(13,244)		-		-		-		-
	14,000		40,225		-		70,000		70,000
	12,150		-		-		-		-
	-		-		-		-		-
	1,796		1,357		-		2,283		2,913
	-		-		1,922		-		-
	-		-		-		-		-
	<u>16,052</u>		<u>46,343</u>		<u>11,367</u>		<u>77,200</u>		<u>81,269</u>
	(8,802)		(20,662)		(55,526)		41,481		39,843
	<u>120,016</u>		<u>140,678</u>		<u>196,204</u>		<u>154,723</u>		<u>114,880</u>
\$	<u>111,214</u>	\$	<u>120,016</u>	\$	<u>140,678</u>	\$	<u>196,204</u>	\$	<u>154,723</u>
	5.40%		5.40%		4.06%		3.79%		3.79%

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

Fiscal Year	Year	Buildings	Property	Motor Vehicle	Gross Taxable	Exempt	Grand List	Tax Rate	Actual Taxable	Assessed
2015	2013	6,309,174	697,908	292,686	7,299,767	3,764,364	3,535,403	74.29%	6,640,460	(3)
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%

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	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power	\$ 139,443	1	3.94%	\$ 97,727	3	2.79%
Travelers Indemnity Co. Affiliate	130,706	2	3.70%	103,766	2	2.96%
Hartford Fire Ins. & Twin City Ins.	118,704	3	3.36%	122,642	1	3.50%
Aetna Life Ins. Co.	105,487	4	2.98%	89,623	4	2.56%
HUB Properties Trust	48,978	5	1.39%	-		0.00%
Talcott II Gold, LLC	45,401	6	1.28%	38,139	9	1.09%
Mac-State Square LLC	44,450	7	1.26%	-		0.00%
Hartford Hospital & HHMOB Corp.	35,653	8	1.01%	-		0.00%
Conn Natural Gas Corp.	33,444	9	0.95%	-		0.00%
FGA 280 Trumbull LLC	31,360	10	0.89%	-		0.00%
City Place I LTD Ptshp	-		-	65,100	5	1.86%
Fleet Bank NA	-		-	37,507	10	1.07%
State House Financial	-		-	53,266	6	1.52%
Bank of Boston, CT	-		-	41,073	8	1.17%
Hartford Steam Boiler	-		-	43,751	7	1.25%
	<u>\$ 733,626</u>		<u>20.76%</u>	<u>\$ 692,594</u>		<u>19.77%</u>

Source: City of Hartford Assessor's Office

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

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Tax Levy	Amount	Percentage of Levy	Tax Collections in Subsequent Years	Amount	Percentage of Levy
2015	2013	\$ 3,520,695	74.29	\$ 264,923	\$ 253,545	\$ 247,414	93.39%	\$ 8,568	\$ 255,982	96.63% *
2014	2012	3,484,647	74.29	262,101	250,935	245,520	93.67%	7,533	253,053	96.55% *
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%

Source: City of Hartford Tax Collector's Office.

\* Net Taxable Grand list is per State of CT Assessor's M-13

\*\*Both Percentage of Levy figures for 2013 were updated due to how lien sales were treated

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

Fiscal Year	General Obligation Bonds	(1) Hartford Parking Facilities	(1) Debt Payable from Enterprise Revenues	Total Net Primary Government General Obligation Debt	Ratio of Total Net General Bonded Debt to Taxable Grand List	Ratio of Total Net General Bonded Debt Per Capita	Percentage of Personal Income
2015	\$ 512,885	\$ 3,970	\$ 63,372	\$ 580,227	16.48%	4,653	19.79%
2014	613,855	67,342	-	681,197	19.55%	5,449	23.15%
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%

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, 2015  
(In Thousands)**

Total Fiscal Year 2015 Tax Collections (Taxes, Interest and Fees)						\$ 261,094
Tax Relief for the Elderly						287
Base for Establishing Debt Limit						<u>\$ 261,381</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
<b>Debt Limitation</b>						
2 1/4 times base	\$ 588,107	\$ -	\$ -	\$ -	\$ -	\$ 588,107
4 1/2 times base	-	1,176,215	-	-	-	1,176,215
3 3/4 times base	-	-	980,179	-	-	980,179
3 1/4 times base	-	-	-	849,488	-	849,488
3 times base	-	-	-	-	784,143	784,143
<b>Total debt limitation</b>	<u>588,107</u>	<u>1,176,215</u>	<u>980,179</u>	<u>849,488</u>	<u>784,143</u>	<u>4,378,132</u>
<b>Debt, as Defined by Statute:</b>						
Bonds payable	287,103	140,782	-	-	-	427,885
Bonds authorized - unissued	213,581	322,760	8,578	-	-	544,919
Bond anticipation notes	26,900	23,100	-	-	-	50,000
Overlapping debt	-	-	160,882	-	-	160,882
Serial notes payable	-	-	1,232	-	-	1,232
School building grants receivable	-	(16,640)	-	-	-	(16,640)
<b>Total indebtedness</b>	<u>527,584</u>	<u>470,002</u>	<u>170,692</u>	<u>-</u>	<u>-</u>	<u>1,168,278</u>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<u>\$ 60,523</u>	<u>\$ 706,213</u>	<u>\$ 809,487</u>	<u>\$ 849,488</u>	<u>\$ 784,143</u>	<u>\$ 3,209,854</u>

Note: Total indebtedness above amounts to \$1,253.2 billion but in no event shall total indebtedness exceed \$1,829.7 billion (seven times the base for debt limitation computation).

School building grants totaling \$16.6 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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 1,829,667	\$ 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
Total Net Debt Applicable to Limit	1,168,278	976,059	800,206	722,204	605,267	588,156	503,253	416,180	396,682	352,585
Legal Debt Margin	<u>\$ 661,389</u>	<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>
Total Net Debt Applicable to the Limit as Percentage of Debt Limit	63.85%	54.10%	44.61%	37.72%	32.38%	31.26%	28.53%	26.70%	24.43%	24.25%

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

Fiscal Year	Governmental Activities Total		MDC		MDC	City's Percentage 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
	Debt Outstanding	Bonded Debt	MDC Self Funded Debt	Participating Governments	Overlapping Debt All							
2015	\$ 613,855	\$ 799,951	\$ 453,352	\$ 601,753	28%	\$ 165,482	\$ 613,855	\$ 165,482	\$ 779,337	22.0%	6.25	
2014	681,197	493,066	309,625	650,055	29%	186,501	681,197	186,501	867,698	24.9%	6.94	
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	

## 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)	Enrollment (2)	(1)	Family	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	(3)	Hartford	Labor Market	Connecticut	United States
2015	124,705	21,435	30.1	\$ 29,313	2014	47,895	6,649	12.2%	6.6%	6.5%	6.1%
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%

(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	250 - 499
Phoenix Co Inc.	Life Insurance (Underwriters)	Hartford	250 - 499
Tata Consultancy Svc Ltd	Services NEC	Hartford	250 - 499
Rexel	Electric Equipment & Supplies-Wholesale	Hartford	250 - 499
Congregational Church Home Inc.	Skilled Nursing Care Facilities	Hartford	250 - 499

Source: Connecticut Department of Labor, 2015

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>City Department</b>										
Mayor's office	9	10	10	10	20	23	25	26	28	22
Court of Common Council	10	9	8	7	9	9	10	10	10	10
Treasurer	10	9	9	10	10	10	7	7	7	13
Registrars of Voters	6	5	8	8	8	8	8	10	9	9
Corporation Counsel	20	23	23	22	17	17	17	16	15	13
Town & City Clerk	13	13	15	15	14	15	18	19	16	11
Internal audit	5	5	5	5	5	5	5	5	5	4
Office of Chief Operating Officer*	13	17	16	17	-	-	-	-	-	-
Communications & new media*	6	7	8	8	-	-	-	-	-	-
Metro Hartford information system	21	16	16	17	17	18	22	25	23	20
Finance	45	42	47	46	53	54	57	66	58	61
Human Resources	16	14	15	15	13	13	15	14	13	12
Office of Human Relations	-	-	-	-	8	9	11	9	9	9
Office of Management & Budget	8	10	11	12	12	11	13	15	12	11
Fire	389	373	393	377	407	391	399	361	369	366
Police	494	523	485	526	525	522	559	511	517	533
Emergency services & telecommunications	54	72	77	78	69	69	67	60	68	70
Public Works	209	238	234	232	196	198	233	232	245	261
Development services	57	63	65	60	54	56	59	69	67	81
Health & Human Services	37	40	43	43	50	52	61	65	63	68
Office for Young Children *	-	-	-	-	3	3	3	-	-	-
Office for Youth Services	-	-	-	-	5	5	4	6	3	-
Families, children, youth and recreation*	17	18	20	18	-	-	-	-	-	-
<b>Total</b>	<b>1,439</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>Board of Education</b>										
Teachers	1,786	1,709	1,633	1,680	1,658	1,639	1,790	2,058	1,987	1,953
Administrators	196	154	105	163	156	110	173	146	160	127
Paraprofessionals	473	471	525	380	370	384	213	484	453	488
Clerical	124	123	96	123	129	125	142	175	202	200
Nurses	60	60	48	54	50	49	40	41	52	53
Security	97	92	84	87	89	87	75	85	99	93
Custodial	209	184	156	195	197	202	207	225	218	212
Guidance counselors	35	36	32	26	29	31	39		47	43
Social workers	62	54	50	45	50	52	54	62	69	69
Psychologists	23	20	15	21	23	21	25	25	23	23
Support staff	297	367	348	349	321	282	91	188	271	251
Others	129	210	163	1	1	11	156	163	99	119
<b>Total</b>	<b>3,491</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>3,652</b>	<b>3,680</b>	<b>3,631</b>
<b>Grand Total***</b>	<b>4,930</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>5,178</b>	<b>5,217</b>	<b>5,205</b>

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

Operating Indicators by Function - Unaudited  
Last Nine Fiscal Years

	Fiscal Year								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>									
Finance									
Number of bills mailed	\$ 115,872	*	\$ 66,926	\$ 82,241	\$ 80,020	\$ 80,020	\$ 75,710	\$ 75,710	\$ 72,395
Number of invoices approved for payment	68,673	68,728	68,683	79,236	68,649	81,611	74,865	74,865	123,587
Number of internal control reviews performed	20	20	19	18	17	14	14	15	16
Assessor									
Number of deeds processed	2,373	2,166	1,827	1,746	1,668	1,501	1,829	2,710	3,365
Number of veterans exemptions	1,137	1,124	1,180	1,316	2,270	787	1,374	1,670	1,913
Board of assessment appeals adjustments	(4,078,657)	(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	1,650	1,771	2,054	1,276	2,779	1,458	1,701	1,974	2,350
Vacancies filled through promotion	102	64	81	97	72	57	58	67	218
Vacancies filled through new hires	110	39	138	154	225	85	54	153	166
City Clerk									
Land records recorded	12,791	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	3,723	6,066	7,117	8,065	9,687	12,179	15,861	-	20,784
Non-emergency calls	98,976	96,555	94,035	115,361	117,522	115,310	106,316	106,699	108,625
DWI arrests	376	397	274	404	336	-	249	168	156
Fire									
Fire	635	583	621	824	1,005	1,056	1,053	1,228	1,240
No Fire	10	16	15	20	26	24	24	26	28
Rescue & emergency medical services									
Hazardous conditions	611	611	715	1,233	827	714	766	819	794
Service calls	2,236	2,268	2,203	2,133	2,376	2,361	2,013	2,413	2,523
Good intent calls	1,371	1,276	1,133	1,174	1,255	1,216	1,046	1,254	3,007
False alarm & false calls	1,833	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	60	59	62	89	180	201	138	92	112
Other	-	-	-	-	-	-	-	-	21

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

	Fiscal Year								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public Works</b>									
Engineering & administration									
Lane miles paved	38	38	38	47	49	37	37	37	37
<b>Development and Community Affairs</b>									
Development services									
Housing vouchers, residential assistance (families)	5,541	5,189	4,698	5,057	4,917	4,720	4,784	4,614	4,619
Zoning Board appeals	17	16	10	14	11	22	53	60	57
Code violations	6,264	4,478	1,879	1,972	1,909	1,931	1,493	6,002	10,415
Citations issued	1,985	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	N/A	45
<b>Education</b>									
Average class size - kindergarten	20	*	17.7	19.8	19.0	18.3	18.9	19.1	18.6
Average class size - grade 2	18.6	*	17.9	18.4	18.7	17.5	18.2	18.2	18.3
Average class size - grade 5	19.5	*	19.0	20.5	20.5	18.6	20.3	20.9	18.9
Average class size - grade 7	19.4	*	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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Public Safety</b>										
Police										
Stations	6	6	5	3	3	3	3	3	3	3
Vehicles	295	312	275	280	283	257	235	235	231	225
Fire										
Firefighting/rescue vehicles	26	25	27	27	27	26	28	29	26	30
Other vehicles	57	62	61	61	62	55	56	50	48	40
Fire stations	12	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	63
Asphalt road miles	151	151	151	151	150	148	148	148	148	148
Bridges	9	9	9	9	9	8	8	8	8	8
Traffic lights	245	245	245	245	245	241	241	241	241	238
Conduit system (miles)	8	8	8	8	8	8	8	8	8	8
Street maintenance										
Dump trucks	33	46	50	47	46	31	31	31	31	42
Sweepers	7	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	9
Medium size	10	10	10	10	10	10	10	10	10	10
Smaller/playgrounds	10	10	10	10	10	10	10	10	10	10
Cemeteries	5	5	5	5	5	5	5	5	5	5
Building maintenance										
Parking lots	3	3	3	3	3	1	1	1	1	1
Parking garages	2	2	2	3	3	3	3	3	3	3
<b>Education</b>										
School buildings	44	44	44	44	45	44	45	45	44	40
Administrative buildings	3	3	3	3	3	3	3	3	3	3
<b>Recreation and Culture</b>										
Recreation										
Number of basketball courts	29	29	30	32	29	32	33	32	32	32
Number of football fields	4	4	4	5	4	6	6	6	6	6
Number of multi-use fields	3	3	3	3	3	4	4	4	4	1
Number of playscapes/grounds	22	22	29	28	27	27	28	27	27	27
Number of soccer fields	7	6	9	9	3	6	6	6	6	6
Number of softball fields	6	6	9	9	9	16	16	16	16	16
Number of tennis courts	24	24	24	25	25	24	27	27	27	27
Mowers	45	45	45	46	42	42	35	35	35	35
Other vehicles	32	30	30	31	33	33	47	47	47	47
Libraries										
Central	1	1	1	1	1	1	1	1	1	1
Number of branches	9	9	9	9	9	9	9	9	9	9
Library on wheels	-	-	-	-	-	-	1	1	1	1