

**Comprehensive
Annual
Financial Report**

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

For the Fiscal Year

July 1, 2016 to June 30, 2017

PREPARED BY:

Department of Finance

**Leigh Ann Ralls
Acting Director of Finance**

ACKNOWLEDGEMENTS

This report has been prepared by a team of dedicated City employees that on a daily basis provides support throughout the organization on all financial matters and annually undertakes the significant task of developing a concise presentation of the City's finances in an efficient and effective manner. The Department of Finance with the assistance of our external auditors, RSM US LLP, has accomplished the production of the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The credit belongs with the team whose collective experience allows us to achieve our goals and objectives. The contributions of the entire team at the City of Hartford are sincerely appreciated.

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Marlene Fleeting, Anouphin Hasler, Aleyda Armstrong and
Tina Chokas.

Gratitude is extended to the Mayor, the Court of Common Council, and the Treasurer for their leadership of our great City!

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Introductory Section



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LUKE A. BRONIN
Mayor

LEIGH ANN RALLS
Acting Director of Finance

The Honorable Mayor Luke A. Bronin,
and Court of Common Council
City of Hartford, Connecticut

January 10, 2018

Dear Mayor and Members of Council:

In accordance with Chapter VIII, Section 5. (a)(1)(iv) of the City of Hartford's 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, 2017. This report was prepared in its entirety by the Department of Finance. Responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules and statistical tables rests with the City. To the best of our knowledge and belief, the information provided is accurate in all material respects and is reported to present fairly the financial position of the City as of June 30, 2017. I extend my sincere appreciation and gratitude to our dedicated employees in the Department of Finance and throughout the City for their significant efforts that have resulted in the presentation of this FY2017 CAFR.

The CAFR is designed and prepared 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 and accurately the financial position of the City and the results of its operations during FY2017. This CAFR is consistent with the principles of 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 the MD&A. 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 United States Office of Management & Budget Uniform Guidance, "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 CAFR. 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 was founded by Thomas Hooker and his followers in 1635 and was incorporated in 1784. The City is the Capital of the State of Connecticut and the employment and cultural core of a metropolitan area with a population of over one million people. Hartford has an estimated 125,017 residents in its 18.4 square mile area. The City lies on the west bank of the Connecticut River in the center of the State, midway between New York City 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 to serve a four-year term in odd numbered years on a partisan basis. The Mayor, who is elected directly to serve 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 to serve a four-year term. The BOE operates independently of the Council, although the overall general fund budget for the Hartford public school system must be approved by the Council as part of the annual City budget. The City Treasurer is independently elected to serve a four-year term and serves without vote as the Secretary of the City’s 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. The services the City provides originate from a variety of departments and offices as follows:

<i>Mayor’s Office</i>	<i>Court of Common Council</i>
<i>City Treasurer</i>	<i>Registrar of Voters</i>
<i>Hartford Public Schools</i>	<i>Hartford Public Library</i>
<i>Corporation Counsel</i>	<i>Town and City Clerk</i>
<i>Office of the Chief Operating Officer</i>	<i>Internal Audit</i>
<i>Families, Children, Youth & Recreation</i>	<i>Public Works</i>
<i>Development Services</i>	<i>Health & Human Services</i>
<i>Communication & New Media</i>	<i>Fire</i>
<i>Emergency Services & Telecommunications</i>	<i>Human Resources</i>
<i>Management, Budget & Grants</i>	<i>Finance</i>
<i>Metro Hartford Innovation Services</i>	<i>Police</i>

The services the City provides its residents and businesses also support the seat of State government, several higher education institutions, and the region’s health care hub.

ECONOMIC CONDITION AND OUTLOOK

The City's Department of Development Services (DDS)—which includes the following divisions: Planning & Economic Development; Community & Small Business Development; Housing; Blight Remediation; and Licenses & Inspections—continues to promote efforts to create jobs and improve Hartford’s economy, enhance its cityscape, and expand and diversify its housing stock. In addition to its diverse functional portfolio, DDS acts as a liaison and facilitator for local residents and businesses

in their interactions with the City government at large; the Department's two service counters assist an average of 100 "walk-in" customers per day, who seek guidance on zoning issues, building permits, housing assistance programs, and a range of other issues.

DDS also functions as a single point of contact with the City for commercial and residential development projects. At a time of limited public resources, DDS works closely with federal and state agencies, such as the U.S. Department of Housing and Urban Development ("HUD") and Connecticut's Capital Region Development Authority ("CRDA") and Department of Economic and Community Development ("DECD") to leverage scarce local resources through interagency partnerships on significant development projects ranging from the conversion of downtown office buildings to residential units to the construction of the new Front Street theater and entertainment district.

Mayor Bronin has directed DDS to focus its economic development efforts on four major priorities:

- Expanding and upgrading the City's housing supply at all levels of affordability;
- Continuing the momentum of commercial development Downtown and bringing new emphasis to economic development in the City's neighborhoods and small business community;
- Leveraging new transit options (including CT Fastrak and the "Hartford Line" commuter rail between New Haven, CT and Springfield, MA to be opened in 2018) to increase foot-traffic in the Downtown area, reduce automobile congestion in the City center, and spur transit-oriented real estate development; and
- Maximize the positive economic and community impact of core institutions such as Hartford's colleges and universities, and the City's two major hospital centers.

Major DDS initiatives in 2017 have included:

ECONOMIC DEVELOPMENT

Broadened Economic Development Focus—At the outset of his administration in January 2016, Mayor Bronin ordered the reorganization of DDS, to align the organization more effectively with its core functions and provide for more efficient and effective management of DDS initiatives. First, a new division—Community & Small Business Development—was created to reflect a new focus on economic development throughout the City, in businesses both large and small. This new team absorbed functions from two predecessor divisions which had focused on neighborhood economic development and community-based cultural events. At the same time, DDS's Planning Division—charged with administering the City's land-use regulations and optimizing its cityscape—assumed responsibility for a formerly separate team overseeing major economic development projects city-wide, ensuring effective oversight of all aspects of such projects as well as a more agile and responsive approach to emerging opportunities.

Front Street District—This project, developed by HB Nitkin under the aegis of the CRDA, includes 60,000 square feet of retail, restaurant, and entertainment space and a 286-space parking garage. Tenants of the new district include The Capital Grille, Ted's Montana Grille, Bear's Smokehouse, Qdoba Mexican Eats, Infinity Music Hall, and the Spotlight Theater & Front St. Bistro. In 2016, 115 new residential units, the "Front Street Lofts," were completed and are now fully-leased. In 2017, Barnes & Nobles and Starbuck's opened locations in the ground-level retail space in the Lofts building to serve the new University of Connecticut campus that now anchors the district (see below). HB Nitkin recently commenced construction on the final phase of its Front Street development, a 54-unit

apartment building with 11,000 square feet of additional commercial space to be constructed at 81 Arch Street.

UConn’s New Downtown Campus and Urban “Quad”—The University of Connecticut’s new Hartford Campus, centered in the historic Hartford Times Building on Prospect Street (across from City Hall) opened in September 2017, bringing 2500 undergraduate and graduate students and 250 faculty members to Hartford’s city center. The new campus will also act as a bridge between the Front Street District and the heart of Downtown. In addition to its new campus center, UConn will also utilize space at the nearby Hartford Public Library, and has decided to retain its Business School location on Constitution Plaza, a short walk from the main campus on Prospect Street. This is positive news for the continuing revitalization of Constitution Plaza, as well as promising increased “foot traffic” for local merchants. The announcement by Trinity College that it will open a new “Liberal Arts Action Lab” on Constitution Plaza in 2018 adds to the growing sense of the Plaza as a kind of urban college “quad,” linking the new UConn Hartford Campus on Front Street to Capitol Community College’s center in the former G. Fox department store building on the northern edge of Downtown.

“Innovation Places”—A series of important developments in 2017 are establishing Hartford as a regional center of innovation and start-up business activity. In June, 2017 Hartford and East Hartford were among the winners of grants under the State of Connecticut’s new “Innovation Places” program. The Hartford/East Hartford consortium will receive up to \$2 million in implementation grant funds this year, the first of up to five years of renewable funding. The first project to be funded by this grant is the Hartford InsurTech Hub, a business accelerator operated by the world-renowned StartUpBootcamp organization, which will partner with local insurers to promote and develop new technologies for the insurance industry. The Hartford Insurtech Hub held a competition and announced its first cohort of 10 startups in November 2017. This year also saw the establishment of a private start-up support center, Upward Hartford, which invests in and provides office space and facilities for start-up companies as well as foreign technology firms seeking to establish businesses in the United States. Literally across the street from Upward Hartford—and co-located with Capital Community College—will be the new location in 2018 of MakerspaceCT, which provides workspace and educational workshops in computer programming, laser cutting and other maker disciplines for start-ups. Finally, in December 2017, New Britain, Connecticut-based Stanley Black & Decker—one of the world’s foremost tool manufacturers—announced that it will open a new advanced manufacturing training center, coupled with its own accelerator for start-up businesses and new technologies in its sector, in Constitution Plaza in Downtown Hartford.

“Capital Gateway” Master Plan—Plans to replace the aging viaduct that conveys Interstate 84 through Hartford are underway, including the needed relocation of a parallel rail line and construction of a new rail station. In this connection, DDS has obtained funding from the State Department of Transportation to conduct a master-planning exercise to guide the redevelopment of the City’s western gateway, including the reconnection of the Asylum Hill and Frog Hollow neighborhoods with Hartford’s Downtown, long-severed by the current I-84. DDS has engaged the world-class engineering and design firms WSP and HOK to complete this masterplan, including a proposed new street grid and suggested locations and design parameters for a new transit center serving the new “Hartford Line” commuter rail from New Haven, CT to Springfield, MA (which will open in May 2018), the “CTFastrak” bus rapid-transit system (whose East-West orientation will complement the North-South service provided by the Hartford Line), as well as local and intercity bus service.

Dunkin’ Donuts Park and Downtown North Development—DDS has also played a significant role in Mayor Bronin’s efforts to address significant challenges with a legacy economic development

project initiated by the prior mayoral administration, namely the construction of a “Double AA” minor league baseball stadium—Dunkin’s Donuts Parks—and planned mixed-use development of adjacent parcels in the Downtown North section of the City. Following Mayor Bronin’s termination of the original developer of the project in June 2016 for non-performance of its contract, DDS staff worked with the project surety, Arch Insurance, to complete the ballpark in time for the Hartford Yard Goats’ 2017 season. By any measure, the Yard Goats inaugural season in Dunkin’ Donuts Park was an enormous success, with 395,000 fans attending the club’s home games and the team selling out more than half of those games. The facility itself was honored as 2017’s “Ballpark of the Year” by Ballparks.com and *USA Today*. The City is now re-igniting efforts to develop the real estate parcels surrounding the stadium, and issued a formal RFP for development proposals in November 2017.

Homestead Avenue Revitalization—In November 2017, the City received a \$1.9 million grant from the State of Connecticut’s Brownfields Office to complete the remediation and demolition of three derelict factory buildings on Homestead Avenue, a former industrial corridor that continues to act as a gateway for tens of thousands of suburban commuters each day.

TIGER Grant/Intermodal Triangle—This federally-funded, \$35 million project was completed in 2017. The goal of this project was 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, and Wells Streets 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.

In addition to these improvements, the newly-configured Gold Street, and its adjacent green space, known as “Bushnell Gardens,” together with the recent improvement and reopening of Atheneum Square to the east, are major steps toward completing a pedestrian-friendly corridor from Riverfront Park on the Connecticut River to Bushnell Park in the City center.

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. Ongoing efforts range from the expansion of residential conversions in the City’s Downtown and adjacent neighborhoods, new home ownership opportunities in the Neighborhoods, and the replacement of the City’s two largest public housing projects.

Notable initiatives include:

Expansion of Residential Conversions—DDS continues to work with the Capital Region Development Authority (CRDA) to expand on a successful program of providing “gap funding” for the conversion of former office buildings to residential use. The CRDA’s program has brought more than 750 new apartment units online over the past five years, which have performed extremely well in terms of both initial lease-up and lease renewal stability. In 2017, two notable projects were completed

and at capacity: the Capewell Lofts (72 units) in a former horse nail factory on Charter Oak Avenue and the Capitol Lofts (112 units) in the former Hartford Office Supply factory on Capital Avenue. An additional 600 units are currently in the pipeline with funding in place including 255 new units in long-abandoned buildings at 101 and 111 Pearl Street, 66 units in a series of Allyn Street buildings to the west of the XL Center arena, 60 units at 390 Asylum Avenue near Union Station, and 48 units in the “North Armory” building in historic Coltsville on the City’s south side.

Bowles Park & Westbrook Village Redevelopments—DDS is working with the Hartford Housing Authority, CRDA, and a number of state agencies to replace two obsolete public housing units in the City’s Blue Hills neighborhood with new communities combining affordable rentals and home-ownership opportunities, replacing hundreds of blighted post-World War II units. The first of these, Bowles Park—recently renamed “Willow Creek”—completed demolition and commenced construction in 2017. The developers of the Westbrook Village project, whose plan also features 10 acres of retail space fronting the busy Albany Avenue corridor, are awaiting confirmation of a tax credit award that will partially fund the project’s first phase.

Bracket Knoll--Phase II of this home-ownership project in the North End Promise Zone will add 14 affordable two-family homes designed to provide owner-occupants with a rentable second unit to the six such homes built in Phase I. Funding for this project has been provided by both the state Department of Housing and the CRDA. There is strong interest in these home ownership opportunities throughout the City and the project is helping revive a formerly blighted area of the City. Pre-construction work is underway and construction is expected to commence in Spring 2018.

NEIGHBORHOOD

Coltsville—In July 2010, Colt Gateway LLC took over site control as developer of this effort to reclaim the historic Colt firearms factory and adjacent buildings on the City’s south side. 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. All completed residential lofts in the complex are now leased and gap funding has been awarded by CRDA to create additional units in the North Armory building. In addition, the complex is home to a growing number of businesses, including JCH Architecture, Insurity, and a new Thomas Hooker Brewery location. In 2017, the City entered into an agreement with the U.S. National Park Service creating the Coltsville National Historical Park, pursuant to an authorization from the U.S. Congress.

Swift Factory in the North End Promise Zone — Revitalization of the former Swift Factory gold leafing complex in the Northeast neighborhood will begin in earnest in 2018 with full funding for the venture assembled in late 2017. The property consists of a 65,000 square foot manufacturing factory, two houses and vacant land. The project, sponsored by local not-for-profit Community Solutions, will offer affordable workspaces for occupancy by small manufacturing enterprises that will employ North End residents and an urban farm employing and teaching local adults and youth farming skills. Tenants will include a prep-kitchen for the popular Bear’s Smokehouse restaurant chain and a hydroponic farm operated by Crop One Holdings.

Albany Avenue Streetscape and Safety Improvement Project in Upper Albany—This \$30 million project by the State Department of Transportation consists of the improvement of a 1.1-mile length of one of Hartford’s primary commercial and commuting corridors. 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. Construction commenced in mid-2017. DDS is working with the Upper Albany Main Street organization to administer a parallel, state-funded \$2 million façade improvement project for businesses on this stretch of Albany Avenue.

Requests for Proposals on Key City Properties—DDS instituted Requests for Proposal (RFP) in 2017 for two key assemblages of City properties: one at the intersection of Albany Avenue and Woodland Street on the City’s north side and one at the intersection of Park and Main Streets on the south side. No firm proposals were received with respect to the Albany/Woodland properties although DDS continues to work with local community leaders to pursue an appropriate developer. However, two creditable proposals were received in response to the Park/Main RFP and are currently under review by a selection panel. The City also plans an RFP in early 2018 for its six-acre parcel on Wawarme Avenue in the South Meadows industrial area.

Expanded Blight-Remediation Program—Upon taking office, Mayor Bronin introduced an initiative to upgrade the City’s efforts to combat blight. This effort culminated the reorganization of the City’s resources and resulted in a new, interdepartmental Blight Remediation Team including the City’s first executive-level Director of Blight Remediation. The City has recruited an experienced specialist in this area with a record of success fighting blight in post-Hurricane Katrina New Orleans and more recently in the challenging environments of Detroit and Flint Michigan. This Director will now oversee all City employees engaged in Blight Remediation efforts. In addition, in 2017, the City established an anti-blight “land bank” with \$5 million in state funding to assist our community in remediating and selling blighted properties. The Land Bank has already received a commitment for \$1 million in additional private funding for its efforts from a local bank.

LONG TERM FINANCIAL PLANNING

The City's long-term financial planning is conducted in six primary areas during the annual budget process. The six primary areas are:

<i>General Fund</i>	<i>Capital</i>
<i>Internal Service Funds</i>	<i>Vehicles and Equipment</i>
<i>Pension</i>	<i>Debt</i>

Capital planning and debt planning are naturally coordinated with the timing of future infrastructure maintenance and enhancements and ongoing construction providing the most significant inputs for the debt planning process. Bricks and mortar and longer lived projects are identified and tracked using a five-year Capital Improvement Plan. Project requests are received and reviewed by a capital planning committee led by the Chief Financial Officer and comprised of the Director of Planning & Economic Development and various department heads or their designees. The five-year Capital Improvement Plan, including each individual project, is adopted annually upon the recommendation of the Mayor and approval by Council. The first year of the five-year Capital Improvement Plan is adopted and authorized annually as the “Capital Budget.” The second through the fifth year of the five-year Capital Improvement Plan is adopted as “planned” without authorization to spend.

In addition to the selection of individual capital projects included in the five-year Capital Improvement Plan, sources of funding are identified including state and federal grants as well as bonding and cash contributions. Based upon the cumulative capital expenditure projections including previously

authorized projects and new authorization, bond issuances are planned and debt service requirements quantified.

Simultaneous with the five-year capital plan, a vehicle and equipment replacement plan is formulated and reviewed annually. The requested items are reviewed and approved by the capital planning committee and the appropriate funding sources are identified: cash contributions, capital leases and/or bonding.

These discrete planning areas provide inputs for the General Fund long-term planning process. General Fund revenues and expenditures are forecast for five years by both function and category. The long-term planning process is driven by the City's core goals and objectives to maintain its infrastructure, provide essential services that support a safe and healthy community for residents, business and visitors. In addition, the City continuously strives to enhance its fiscal administration by reviewing existing policies and procedures, revising as necessary, and creating new policies and/or procedures that support our evolving environment. The City is working closely with its advisors and consultants on a plan to improve its bond rating over the near-term and long-term horizons and has contracted with actuarial firms to assist in benefits and pension planning.

RELEVANT FINANCIAL POLICIES

The Department of Finance encompasses eight divisions: Administration, Accounting & Control, Human Relations, Procurement, Revenue Management, Risk Management, 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, the procurement of goods and services, contract compliance, administrative support for City boards and commissions, and payroll and revenue budget preparation in conjunction with the Office of Management, Budget & Grants. The Director of Finance is an appointee of the Mayor, subject to confirmation by the Council.

Internal Controls

All financial transactions are subject to pre-audit before processing as well as an annual audit by an independent auditing firm selected by the Council. The independent auditor and staff from the Finance Department's Accounting & Control Division monitor financial policies and procedures prescribed by the Director of Finance for the City's 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 encumbrances and disbursements against appropriations is maintained by department, by major program or activity and by principal object of expenditure. The 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 by the City Treasurer as the fiduciary for all City funds. 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 certificates of deposit are a component of the City's short-term investment portfolio. However, money market fund investments in

a portfolio of United States Treasury securities, and the Short Term Investment Fund (STIF) administered by the Office of the State Treasurer represent 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 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 CAFR for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that this CAFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another Certificate of Achievement for Excellence in Financial Reporting.

The preparation of this CAFR would not have been possible without the significant efforts of staff in the Finance Department. I express my sincere appreciation to all the members of the Finance Department, especially the entire Accounting & Control Division who once again have successfully accounted for and reported the financial activities of our City. I also acknowledge the considerable contributions of the Office of the City Treasurer; Hartford Public Schools; Hartford Public Library; Hartford Parking Authority; Office of Management, Budget, & Grants; and the Department of Development Services.

Respectfully submitted,

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

Leigh Ann Ralls



Government Finance Officers Association

**Certificate of
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Reporting**

Presented to

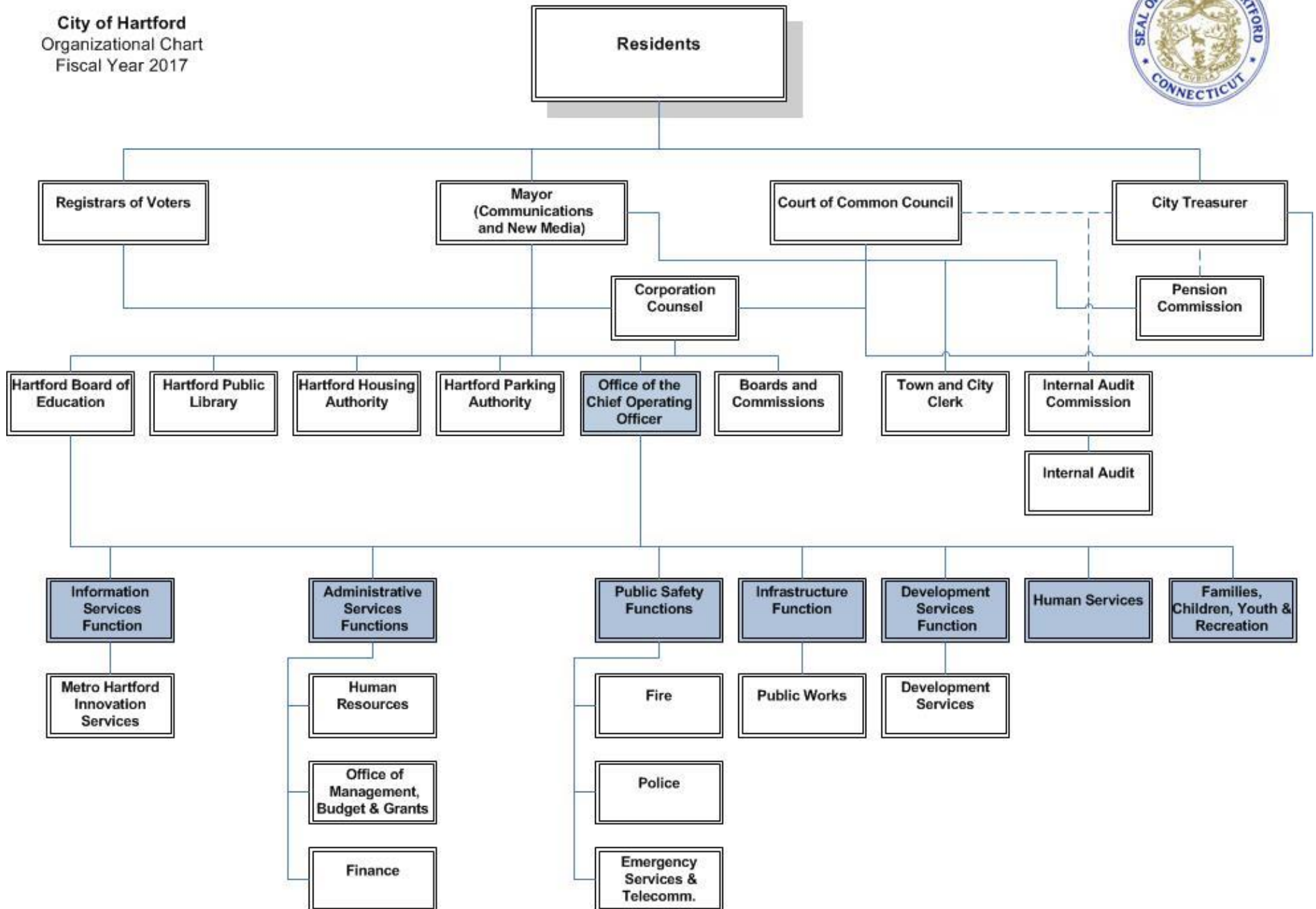
**City of Hartford
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

City of Hartford
Organizational Chart
Fiscal Year 2017



CITY OF HARTFORD, CONNECTICUT
Mayor - Council Form of Government
List of Elected and Principal Officials - As of June 30, 2017

THE HONORABLE LUKE A. BRONIN, MAYOR

The Honorable Court of Common Council

Council President – Thomas J. Clarke II

Julio A. Concepción, Majority Leader
John Q. Gale, Assistant Majority Leader
Wildaliz Bermudez, Minority Leader
Larry Deutsch, M.D., M.P.H.

Cynthia R. Jennings, Esq.
Glendowlyn L. H. Thames
James B. Sánchez
Rosezina J. Winch

THE HONORABLE ADAM M. CLOUD, TREASURER

The Honorable Registrars of Voters

Giselle Feliciano (D)

Sheila N. Hall (R)

Appointed and Other Municipal Officials

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

Bonnie J. Malley
Howard G. Rifkin, Esq.
John V. Bazzano
Darrell V. Hill
Leigh Ann Ralls, CPA
John A. Phillip, CCMA
Nancy S. Raich, Esq., CCMC
Domenico E. Greco, CPA
Darrell V. Hill
Tara C. Washington
Sean M. Fitzpatrick
Melissa N. McCaw
James C. Rovella
Reginald D. Freeman
Gary A. Rhule, M.D.
Debra C. Carabillo
Reginald D. Freeman

Board of Education

Craig Stallings, Chairman

Tiffany Glanville, Vice Chair
Karen Taylor, Second Vice Chair
Julio Flores, Secretary
Michael Brescia

Robert Cotto, Jr
Juan Hernandez
Kimberly Oliver
Richard F. Wareing

Hartford Public Schools

Leslie Torres-Rodriguez, Ed.D., Superintendent of Schools

Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut (the City) as of and for the fiscal year ended June 30, 2017, 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 from 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 entity'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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension and other post-employment schedules, as listed in the table of contents, 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 10, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 10, 2018

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City of Hartford, Connecticut
Management's Discussion and Analysis - Unaudited
June 30, 2017

Financial Highlights

- The City's total net position decreased \$52.0 million as a result of this year's operations. The net position of our governmental activities decreased by \$52.5 million, or nearly 8%. The net position of our business-type activities increased by \$0.5 million.
- The City received \$19.5 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 \$938.4 million.
- The General Fund reported a fund balance this year of \$5.1 million.
- The revenues available for appropriation and other financing sources were \$.5 million less than budgeted for the General Fund and expenditures and other financing uses were \$5.5 million less than budgeted amount of \$558.9 million. The total fund balance decreased \$9.4 million in the current year on a budget basis.
- Major factor that contributed to the \$.5 million revenue shortfall is lower than anticipated lien sale revenues due to a reduced pool of eligible tax liens. If this shortfall did not occur, revenues would have been a budget surplus.
- Major items that contributed to the favorable expenditure budget variance of \$5.5 million are; citywide attrition savings, health claims experience and an increase in fringe chargebacks from grant sources.

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 detail 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. 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 should consider other non-financial factors such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall financial health of the City.

In the statement of net position and the statement of activities, the City is divided into three types of activities for accounting purposes:

- *Governmental activities:* This is where most of the City's basic services are reported, 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 Courses 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. In addition to the Charter required funds, the Court of Common Council establishes other funds to organize, control and manage financial activities for specific purposes (e.g., Capital Improvement Fund) or to demonstrate that the City is meeting legal responsibilities for using grants, and other money (e.g., Educational Grants, Health Grants and Miscellaneous Grants Funds). The City's funds are divided into three categories for accounting purposes:

- *Governmental funds (Exhibits III and IV):* Most of the City's basic services are reported in governmental funds, which focus on how resources flow into and out of those funds and the remaining balances 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 the reader determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's operations and programs. The relationship 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 a fee to customers for the services it provides, whether to other units of the City or non-City individuals or entities, 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 Innovation 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 \$52.0 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

TABLE 1
SUMMARY SCHEDULE OF NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 380,726	\$ 482,803	\$ 2,571	\$ 8,432	\$ 383,297	\$ 491,235
Capital assets, net of accumulated depreciation	1,502,289	1,512,808	84,843	80,216	1,587,132	1,593,024
Total assets	1,883,015	1,995,611	87,414	88,648	1,970,429	2,084,259
Deferred outflows of resources	99,414	128,053	-	-	99,414	128,053
Long-term liabilities outstanding	1,214,729	1,263,307	68,637	70,973	1,283,366	1,334,280
Other liabilities	160,056	197,245	3,938	3,304	163,994	200,549
Total liabilities	1,374,785	1,460,552	72,575	74,277	1,447,360	1,534,829
Deferred inflows of resources	5,205	8,227	-	-	5,205	8,227
Net Position:						
Net investment in capital assets	903,318	898,847	15,792	15,923	919,110	914,770
Restricted	79,842	73,285	-	-	79,842	73,285
Unrestricted	(380,721)	(317,247)	(953)	(1,552)	(381,674)	(318,799)
Total net position	\$ 602,439	\$ 654,885	\$ 14,839	\$ 14,371	\$ 617,278	\$ 669,256

The City's government-wide net position of \$617.2 million represents a decrease of \$52.0 million over last year's net position of \$669.3 million. This decrease was largely due to an decrease in long-term liabilities outstanding that are related to normal recurring expenses of the City. 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 \$(381.7) million at the end of this year as compared with a \$(318.8) million at the end of last year. Government activities unrestricted net position decreased \$63.5 million while the unrestricted net position of the City's business-type activities increased \$0.599 million in 2017.

TABLE 2

SUMMARY STATEMENT OF ACTIVITIES
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charge for services	\$ 21,660	\$ 27,262	\$ 4,964	\$ 4,014	\$ 26,624	\$ 31,276
Operating grants and contributions	489,503	505,894	-	-	489,503	505,894
Capital grants and contributions	19,501	36,508	-	-	19,501	36,508
General Revenues:						
Property taxes	267,921	269,989	-	-	267,921	269,989
Grants and contributions not restricted to specific programs	75,852	50,758	-	-	75,852	50,758
Unrestricted investment earnings	6,854	847	61	66	6,915	913
Other general revenues	115	109	16	-	131	109
Total revenues	881,406	891,367	5,041	4,080	886,447	895,447
Expenses						
General government	106,179	101,834	-	-	106,179	101,834
Public safety	110,468	118,433	-	-	110,468	118,433
Public works	42,650	70,219	-	-	42,650	70,219
Development and community affairs	56,504	58,474	-	-	56,504	58,474
Human services	30,581	31,142	-	-	30,581	31,142
Education	558,270	571,999	-	-	558,270	571,999
Recreation and culture	10,113	11,858	-	-	10,113	11,858
Interest on long-term debt	18,733	41,613	-	-	18,733	41,613
Hartford Parking Facilities	-	-	933	998	933	998
Hartford Stadium Authority	-	-	2,153	332	2,153	332
Golf Course	-	-	1,841	1,810	1,841	1,810
Total expenses	933,498	1,005,572	4,927	3,140	938,425	1,008,712
Excess (deficiency) of revenues over expenditures	(52,092)	(114,205)	114	940	(51,978)	(113,265)
Transfers	(354)	1,308	354	(1,308)	-	-
Change in net position	(52,446)	(112,897)	468	(368)	(51,978)	(113,265)
Net Position, beginning	654,885	767,782	14,371	14,739	669,256	782,521
Net Position, ending	\$ 602,439	\$ 654,885	\$ 14,839	\$ 14,371	\$ 617,278	\$ 669,256

The City's total revenue in 2017 of \$886.4 million represents a decrease of \$9.0 million over last year. Capital grants and contributions decreased \$17 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program decreased compared with the previous year. Operating grants and contributions decreased \$16.4 million due to a change in legislation regarding State charter school grants, which required the State to distribute the grants to the towns who would then pass through to the schools. In FY17, the legislation changed so that the State sent the grant directly to the charter schools. Charges for services decreased \$4.7 million due to slower operations in FY2017.

The City's total program expenses of \$938.4 million represent a decrease of \$70.3 million over last year. The decrease in Public Works, Public Safety, Development and Community Affairs, Education, and Interest on long-term debt is related to the receipt of different grants than prior year, overtime and bonded projects.

The 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 six largest programs - general government, public safety, development and community affairs, human services, education and debt service - 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	
	2017	2016	2017	2016
General government	\$ 106,179	\$ 101,834	\$ 93,017	\$ 75,648
Public safety	110,468	118,433	101,241	102,636
Development and community affairs	56,504	58,474	6,101	3,150
Human services	30,581	31,142	3,152	6,655
Education	558,270	571,999	149,565	144,941
All other	71,496	123,690	49,758	102,878
Total	\$ 933,498	\$ 1,005,572	\$ 402,834	\$ 435,908

Business-Type Activities

Revenues from the Hartford Parking Authority provided to the Hartford Parking Facilities Fund to finance debt service and capital improvement, as well as revenues to the City's General Fund increased by \$0.4 million in FY17 and expenses (including debt service and depreciation) for the City's dedicated parking facilities decreased from FY 2016 by \$0.1 million. The Golf Courses deficit net position of (\$0.3) million was a result of operations. The Hartford Stadium Authority had an increase to net position of \$1.0 million with the start of the 2017 baseball season.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

The City's combined General Fund reported a fund balance decrease of \$9.0 million during 2017 as compared with a decrease of \$7.8 million in 2016. This decrease is mainly due to a planned use of fund balance built into the City's FY2017 Adopted Budget. The combined General Fund's unassigned fund balance at June 30, 2017, is \$5.1 million representing 0.91 percent of the General Fund's 2017 amended budgetary appropriations. Actual revenues were \$460 thousand below the amended budgetary revenue estimate. Expenditures were \$5,461 above the final budgeted appropriation of \$558.9 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 \$16.1 million. The City closely managed capital project spending throughout the fiscal year and the departments of public works and development services continued efforts in FY 2017 to complete and close prior years authorized projects.

The Debt Service Fund had a fund balance as of June 30, 2017, of \$66.4 million, which represents a decrease due to pay down of the existing restructured debt.

The Education Grant Fund had an increase in fund balance of \$1.8 million due to an overall decrease in expenditures.

The Community Development Loan and Grant Fund had an increase in fund balance of \$1.1 million due to multiple home loans that were repaid in full in advance of maturity date.

The City's governmental funds reported a decrease of \$75.2 million in fund balance for the year, mainly due to debt service.

Internal Service Funds

The net position of the City's self-insurance programs decreased \$2.9 million, decreasing the total net position (deficit) of the City's internal service programs from \$(18.0) million to an \$(20.9) million deficit. The City will continue its efforts to develop a funding plan for its post-retirement benefits liabilities based on the actuaries' estimates.

General Fund Budgetary Highlights

There was a supplemental appropriation for the use of FY2016 unassigned fund balance of \$5.9 million, which is reflected in RSI-2.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2017, 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 \$35.0 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 and infrastructure. Refer to current period expenditures reported in Exhibit C for a detail of capital expenditures by project in the City's Capital Improvement Fund. The majority of active projects as reported in Exhibit C qualify for capitalization under the City's asset capitalization policy.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 63.1	\$ 62.4	\$ 6.1	\$ 6.1	\$ 69.2	\$ 68.5
Land improvements	21.2	22.3	-	-	21.2	22.3
Buildings	959.8	864.8	65.3	(0.3)	1,025.1	864.6
Other structures	20.8	22.2	12.4	12.8	33.2	35.1
Furniture and equipment	3.5	4.5	0.3	0.3	3.8	4.8
Rolling equipment	15.1	17.4	-	-	15.1	17.4
Infrastructure	204.3	210.7	-	-	204.3	210.7
Construction in progress	214.5	308.5	-	-	214.5	308.5
	\$ 1,502.3	\$ 1,512.8	\$ 84.2	\$ 19.0	\$ 1,586.4	\$ 1,531.8

There are 336 active projects in the City's Capital Improvement Fund with appropriations of \$1,777.2 million, cumulative active project expenditures of \$1,306.6 million and outstanding encumbrances of \$18.2 million, resulting in an unencumbered balance of \$389.1 million. Total expenditures for all projects during the fiscal year amounted to \$106.2 million. Total expenditures for all projects during the fiscal year amounted to \$106.2 million. New and supplemental appropriations are reflected in the FY2018 adopted budget.

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

Long-term debt

The City did not issue any long term debt in fiscal year 2017 however, on April 13, 2017 in anticipation of a projected FY2017 deficit, the City issued \$20.165 million of Tax Anticipation Notes (TAN) to ensure its ability to fund operations and obligations city-wide through the end of the Fiscal Year. The City was able to successfully reduce the projected use of TAN proceeds by continuing to manage expenditures and collect revenues.

At June 30, 2017, the City had \$605.2 million in bonds outstanding versus \$681.3 million last year – a decrease of 11.2% - as shown in Table 5. This decrease is attributable to amortization of general obligation bonds and bonds called with the 2013 and 2015 statutory refunding paid directly from escrow. The City has approximately \$67 million of restricted cash and investments to offset this debt.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 601.4	\$ 677.1	\$ 2.7	\$ 3.1	\$ 604.1	\$ 680.2
Serial notes payable	1.0	1.1	-	-	1.0	1.1
Total	\$ 602.5	\$ 678.2	\$ 2.7	\$ 3.1	\$ 605.2	\$ 681.3

The State limits the amount of general obligation debt that cities can issue based on a formula detailed in State Statutes based on type of debt and tax base. The City's outstanding general obligation debt is significantly below the formulaic \$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 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Connecticut's unemployment rate was estimated by the Connecticut Department of Labor to be 4.6% for November 2017 (seasonally adjusted). This is 0.1% higher than October 2016 and 0.9% lower than the November 2016 rate, which was 5.5%. The October unemployment rate for Hartford, East Hartford and West Hartford was 4.3%, which is 0.1% higher than the 4.2% reported by the U.S. Bureau of Labor Statistics for October of 2016. The Consumer Price Index rose 2.2 percent (unadjusted – all items) for the 12-months ended November 2017.

PA 17-2, An Act Concerning the State Budget for the Biennium Ending June 30, 2019, establishes a Municipal Accountability Review Board to support financially distressed municipalities in achieving fiscal sustainability. The State Budget provides a \$28 million Municipal Restructuring appropriation for each year of the biennium to be allocated by the Municipal Accountability Review Board. In addition, the enacting legislation authorizes the Secretary of the Office of Policy and Management and the State Treasurer to support Tier III and Tier IV municipalities by entering into a contract assistance agreement, constituting the full faith and credit obligation of the state, to provide funding limited to the annual debt service on the municipality's refunding bonds plus the costs of issuance that result from the refunding of debt. The State Budget appropriates \$20 million annually in the State Debt Service appropriation for such contract assistance. The City of Hartford has requested and received approval from the Court of Common Council to submit an application to the Secretary of the Office of Policy and Management to request designation as a Tier III municipality. Such request was made by Mayor Luke Bronin in December of 2017.

Over the past two years, in the face of unprecedented fiscal crisis and longstanding structural deficits, the City has worked to achieve long-term sustainability for our Capital City, making dramatic reductions in the size and cost of City government. The City continues to make progress in achieving landmark labor contracts that provide material long term savings, including the Fire Union in December of 2016 and most recently the Hartford Police Union and the City of Hartford Professional Employees Association in December of 2017. The new labor contracts include several years of wage freezes and structural changes in pension, active employee health and retiree health insurance contributions for current employees and future hires. The significant expenditure reductions, savings and structural changes achieved in union contracts, new tools available in the State Budget, coupled with disciplined management and fiscal prudence, represent significant progress and opportunities to strengthen the City's finances and achieve long term fiscal health.

Contacting the City's Financial Management

This financial report is designed to provide residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the monies 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) 757-9665.

Basic Financial Statements

Statement of Net Position
June 30, 2017
(In Thousands)

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Type Activities	Activities		Hartford Parking Authority
Assets				
Cash and cash equivalents	\$ 104,823	\$ 1,196	\$ 106,019	\$ 1,133
Investments	29,521	-	29,521	-
Receivables, net	177,569	156	177,725	2,404
Internal balances	2,109	(2,109)	-	-
Due from component unit	-	607	607	(607)
Other assets	524	-	524	-
Restricted cash	11,589	2,721	14,310	-
Restricted investments	54,591	-	54,591	-
Capital assets:				
Assets not being depreciated	277,599	6,766	284,365	-
Assets being depreciated, net	1,224,690	78,077	1,302,767	-
Total assets	1,883,015	87,414	1,970,429	2,930
Deferred outflows of resources:				
Deferred pension expense	94,960	-	94,960	-
Deferred amounts on refundings	4,454	-	4,454	-
Total deferred outflows of resources	99,414	-	99,414	-
Liabilities				
Accounts payable and accrued expenses	68,991	1,655	70,646	2,930
Due to fiduciary fund	-	-	-	-
Tax anticipation note payable	20,165	-	20,165	-
Unearned revenue	19,283	-	19,283	-
Noncurrent liabilities:				
Due within one year	51,617	2,283	53,900	-
Due in more than one year	1,214,729	68,637	1,283,366	-
Total liabilities	1,374,785	72,575	1,447,360	2,930
Deferred inflows of resources:				
Deferred pension credit	5,205	-	5,205	-
Total deferred inflows of resources	5,205	-	5,205	-
Net position:				
Net investment in capital assets	903,318	15,792	919,110	-
Restricted for:				
Housing loans and grants	50,096	-	50,096	-
Trust purposes:				
Expendable	20,864	-	20,864	-
Nonexpendable	8,882	-	8,882	-
Unrestricted (deficit)	(380,721)	(953)	(381,674)	-
Total net position	\$ 602,439	\$ 14,839	\$ 617,278	\$ -

See notes to financial statements.

Statement of Activities
For the Year Ended June 30, 2017
(In Thousands)

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						
		Program Revenues			Primary Government			Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Unit Hartford Parking Authority
Primary government:								
Governmental activities:								
General government	\$ (106,179)	\$ 5,567	\$ 7,595	\$ -	\$ (93,017)	\$ -	\$ (93,017)	\$ -
Public safety	(110,468)	2,601	6,626	-	(101,241)	-	(101,241)	-
Public works	(42,650)	7,157	1,212	11,452	(22,829)	-	(22,829)	-
Development and community affairs	(56,504)	-	50,403	-	(6,101)	-	(6,101)	-
Human services	(30,581)	4,435	22,994	-	(3,152)	-	(3,152)	-
Education	(558,270)	1,844	398,812	8,049	(149,565)	-	(149,565)	-
Recreation and culture	(10,113)	56	1,861	-	(8,196)	-	(8,196)	-
Interest on long-term debt	(18,733)	-	-	-	(18,733)	-	(18,733)	-
Total governmental activities	(933,498)	21,660	489,503	19,501	(402,834)	-	(402,834)	-
Business-type activities:								
Hartford parking facilities	(933)	2,744	-	-	-	1,811	1,811	-
Golf course	(1,841)	1,467	-	-	-	(374)	(374)	-
Stadium authority	(2,153)	753	-	-	-	(1,400)	(1,400)	-
Total business-type activities	(4,927)	4,964	-	-	-	37	37	-
Total primary government	\$ (938,425)	\$ 26,624	\$ 489,503	\$ 19,501	(402,834)	37	(402,797)	-
Component units:								
Hartford Parking Authority	<u>\$ (7,609)</u>	<u>\$ 7,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:								
Property taxes					267,921	-	267,921	-
Grants and contributions not restricted to specific programs					75,852	-	75,852	-
Unrestricted investment earnings					6,854	61	6,915	-
Miscellaneous					115	16	131	-
Transfers					(354)	354	-	-
Total general revenues and transfers					350,388	431	350,819	-
Change in net position					(52,446)	468	(51,978)	-
Net position - beginning					654,885	14,371	669,256	-
Net position - ending					<u>\$ 602,439</u>	<u>\$ 14,839</u>	<u>\$ 617,278</u>	<u>\$ -</u>

See notes to financial statements.

City of Hartford, Connecticut

EXHIBIT III

Balance Sheet - Governmental Funds
June 30, 2017
(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 54,203	\$ 1,659	\$ 1,815	\$ -	\$ 18,178	\$ 10,084	\$ 85,939
Restricted cash	-	-	-	11,589	-	-	11,589
Investments	-	-	-	-	-	29,521	29,521
Restricted investments	-	-	-	54,591	-	-	54,591
Receivables, net	81,462	43,182	33,819	-	1,514	17,005	176,982
Due from other funds	2,700	190	-	1,066	-	-	3,956
Inventories and other assets	-	-	-	-	-	524	524
Total assets	\$ 138,365	\$ 45,031	\$ 35,634	\$ 67,246	\$ 19,692	\$ 57,134	\$ 363,102
Liabilities							
Accounts payable and accrued liabilities	33,967	7,260	37	-	6,788	6,803	54,855
Tax anticipation note payable	20,165	-	-	-	-	-	20,165
Due from other funds	-	828	-	828	-	190	1,846
Unearned revenue	-	4,153	-	-	7,878	7,252	19,283
Total liabilities	54,132	12,241	37	828	14,666	14,245	96,149
Deferred inflows of resources:							
Unavailable revenue	79,140	40,158	33,805	-	2	5,071	158,176
Total deferred inflows of resources	79,140	40,158	33,805	-	2	5,071	158,176
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	8,882	8,882
Restricted	-	-	1,792	66,180	5,024	30,325	103,321
Committed	-	-	-	238	-	1,912	2,150
Assigned	583	-	-	-	-	-	583
Unassigned (deficits)	4,510	(7,368)	-	-	-	(3,301)	(6,159)
Total fund balances (deficits)	5,093	(7,368)	1,792	66,418	5,024	37,818	108,777
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 138,365	\$ 45,031	\$ 35,634	\$ 67,246	\$ 19,692	\$ 57,134	\$ 363,102

(Continued)

Reconciliation of Fund Balance to Net Position of Governmental Activities
June 30, 2017
(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)	\$	108,777
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	2,326,235
Less accumulated depreciation		(823,946)
Net capital assets		1,502,289
Assets not available to pay for current-period expenditures and, therefore, are recorded as unavailable revenue in the funds:		
Property tax receivables		49,248
Interest receivable on property taxes		24,589
Housing loans		33,805
Other receivables		50,534
Deferred pension expense - MERF		86,351
Deferred pension expense - MERS		8,609
Deferred pension credit - MERF		(4,551)
Deferred pension credit - MERS		(654)
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.		(20,860)
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		(601,417)
Interest payable on bonds and notes		(10,917)
Compensated absences		(32,292)
HUD loans		(6,300)
Capital leases		(12,551)
Clean water fund serial note		(1,046)
Net OPEB obligation		(84,709)
Net pension liability - MERF		(401,629)
Net pension liability - MERS		(22,910)
Net pension liability - 415(m)		(297)
Net pension liability - RAF/PBF/FRF		(3,640)
Claims and other		(5,000)
Bond premium		(57,444)
Deferred charges on refunding		4,454
Net position of governmental activities (Exhibit I)	\$	602,439

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds
For the Year Ended June 30, 2017
(In Thousands)**

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 260,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,363
Licenses, permits, and other charges	5,376	-	-	-	-	-	5,376
Intergovernmental revenues	327,341	23,647	-	-	120,921	107,448	579,357
Charges for services	2,454	-	-	-	-	10,559	13,013
Use of property	1,925	-	-	-	-	-	1,925
Investment income	442	-	212	1,991	-	4,195	6,840
Miscellaneous	2,013	209	2,760	-	11,543	1,800	18,325
Total revenues	599,914	23,856	2,972	1,991	132,464	124,002	885,199
Expenditures:							
Current:							
General government	14,508	-	-	-	-	8,066	22,574
Public safety	80,688	-	-	-	-	7,379	88,067
Public works	12,652	19,675	-	-	-	15	32,342
Development and community affairs	2,918	-	1,876	-	-	50,337	55,131
Human services	4,789	-	-	-	-	24,734	29,523
Education	344,877	-	-	-	132,363	19,019	496,259
Recreation and culture	7,854	-	-	-	-	2,047	9,901
Benefits and insurance	78,172	-	-	-	-	-	78,172
Other	33,121	-	-	-	-	-	33,121
Capital outlay	-	20,713	-	-	-	1,203	21,916
Debt service	-	-	-	91,236	-	4,593	95,829
Total expenditures	579,579	40,388	1,876	91,236	132,363	117,393	962,835
Excess (deficiency) of revenues over expenditures	20,335	(16,532)	1,096	(89,245)	101	6,609	(77,636)
Other financing sources (uses):							
Premium on tax anticipation notes	121	-	-	-	-	-	121
Transfers in	5,251	383	-	28,271	2,093	4,501	40,499
Transfers out	(34,745)	-	-	-	(422)	(5,686)	(40,853)
Lease proceeds	-	-	-	-	-	2,634	2,634
Total other financing sources (uses)	(29,373)	383	-	28,271	1,671	1,449	2,401
Net change in fund balances (deficits)	(9,038)	(16,149)	1,096	(60,974)	1,772	8,058	(75,235)
Fund balances, beginning of year	14,131	8,781	696	127,392	3,252	29,760	184,012
Fund balances (deficits), end of year	\$ 5,093	\$ (7,368)	\$ 1,792	\$ 66,418	\$ 5,024	\$ 37,818	\$ 108,777

(Continued)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017
(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)	\$ (75,235)
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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	34,942
Loss on disposal	(172)
Depreciation expense	(45,289)

Changes in some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property tax receivable	3,119
Property tax interest and lien revenue	4,440
Housing loans	(1,383)
Intergovernmental revenue on school bonds and other	(8,850)

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.

Principal paid	75,682
Amortization of bond premium	7,450
Capital lease payments	970
Accrued interest on bonds - accrual basis change	6,569
HUD loan principal payments	565
CWF serial note	94
Amortization of deferred charge on refunding	(505)

Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	2,378
Change in other postemployment benefit liabilities	(12,740)
Change in net pension liabilities and related deferred outflows/inflows	(41,584)

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

(2,897)

Change in net position of governmental activities (Exhibit II)

\$ (52,446)

See notes to financial statements.

Statement of Net Position (Deficit) - Proprietary Funds

June 30, 2017

(In Thousands)

	Business-Type Activities			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ 1,196	\$ 1,196	\$ 18,884
Restricted cash	2,721	-	2,721	-
Receivables, net	154	2	156	587
Due from other funds	94	-	94	-
Due from component unit	-	607	607	-
Total current assets	2,969	1,805	4,774	19,471
Capital assets, net	66,710	18,133	84,843	-
Total assets	69,679	19,938	89,617	19,471
Liabilities				
Current liabilities:				
Accounts payable and other payables	1,295	360	1,655	3,220
Due to other funds	248	1,955	2,203	-
Risk management claims	-	-	-	17,411
Bonds payable	1,869	414	2,283	-
Total current liabilities	3,412	2,729	6,141	20,631
Noncurrent liabilities:				
Risk management claims payable	-	-	-	19,700
Bonds payable	66,363	2,274	68,637	-
Total noncurrent liabilities	66,363	2,274	68,637	19,700
Total liabilities	69,775	5,003	74,778	40,331
Net position (deficit):				
Net investment in capital assets	347	15,445	15,792	-
Unrestricted (deficit)	(443)	(510)	(953)	(20,860)
Total net position (deficit)	\$ (96)	\$ 14,935	\$ 14,839	\$ (20,860)

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in
Net Position (Deficit) - Proprietary Funds
For the Year Ended June 30, 2017
(In Thousands)**

	Business-Type Activities			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 753	\$ -	\$ 753.00	\$ 94,806
Employee and pensioners charges for insurance	-	-	-	23,575
Hartford Parking Authority fees	-	2,739	2,739	-
Golf course fees	-	1,467	1,467	-
Other	-	5	5	3,727
Total operating revenues	753	4,211	4,964	122,108
Operating expenses:				
Administrative	83	-	83	4,333
Operations	-	1,777	1,777	5,437
Insurance benefits and claims	-	-	-	115,235
Depreciation and amortization	555	868	1,423	-
Total operating expenses	638	2,645	3,283	125,005
Operating income (loss)	115	1,566	1,681	(2,897)
Nonoperating income (expense):				
Interest earnings	61	-	61	-
Interest expense	(1,515)	(129)	(1,644)	-
Bond premium	16	-	16	-
Total nonoperating income (expense)	(1,438)	(129)	(1,567)	-
Net income (loss) before transfers	(1,323)	1,437	114	(2,897)
Transfers in	3,091	283	3,374	3,640
Transfers out	(756)	(2,264)	(3,020)	(3,640)
Change in net position (deficit)	1,012	(544)	468	(2,897)
Fund net position (deficit), beginning	(1,108)	15,479	14,371	(17,963)
Fund net position (deficit), ending	\$ (96)	\$ 14,935	\$ 14,839	\$ (20,860)

See notes to financial statements.

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2017
(In Thousands)

	Business-Type Activities			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
City's contribution	\$ -	\$ -	\$ -	\$ 94,806
Cash paid by participants	-	-	-	27,302
Cash received from Hartford Parking Authority	505	4,159	4,664	-
Cash paid for salaries and benefits	-	-	-	(4,678)
Cash paid to suppliers	190	(2,280)	(2,090)	-
Cash paid for claims and operations	-	-	-	(115,630)
Net cash provided by operating activities	695	1,879	2,574	1,800
Cash flows from capital and related financing activities:				
Purchase of capital assets	(6,050)	-	(6,050)	-
Transfer out	(1,416)	(2,264)	(3,680)	-
Transfer in	3,751	283	-	-
Bond issue costs	16	-	16	-
Principal paid on bonds	(1,284)	(390)	(1,674)	-
Interest paid on bonds	(1,515)	(129)	(1,644)	-
Net cash used in capital and related financing activities	(6,498)	(2,500)	(8,998)	-
Cash flows from investing activities:				
Income on investments	61	-	61	-
Net cash provided by investing activities	61	-	61	-
Net increase (decrease) in cash and cash equivalents	(5,742)	(621)	(6,363)	1,800
Cash and cash equivalents, beginning of year	8,463	1,817	10,280	17,084
Cash and cash equivalents, end of year	<u>\$ 2,721</u>	<u>\$ 1,196</u>	<u>\$ 3,917</u>	<u>\$ 18,884</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 115	\$ 1,566	1,681	\$ (2,897)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	555	868	1,423	-
(Increase) in other receivables	(154)	21	(133)	576
Increase (decrease) in accounts payable and accrued liabilities	25	(53)	(28)	413
Decrease in due from other funds	(94)	(73)	(167)	-
(Decrease) in due to other funds	248	(450)	(202)	-
Increase in insurance claims payable	-	-	-	3,708
Net cash provided by operating activities	\$ 695	\$ 1,879	\$ 2,574	\$ 1,800

See notes to financial statements

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2017
(In Thousands)

	Pension Trust Funds	OPEB Trust Fund	School Agency Funds
Assets			
Cash and cash equivalents	\$ 56,060	\$ 18,223	\$ 942
Investments:			
Government agencies	17,396	-	-
U.S. Treasury	59,037	-	-
Corporate bonds	104,752	-	-
Foreign bonds	1,131	-	-
Index funds	110,821	-	-
Alternative investments	249,903	-	-
Common stock	201,464	-	-
Equity index funds	240,229	-	-
Total investments	984,733	-	-
Total assets	1,040,793	18,223	942
Liabilities			
Accounts payable and accrued liabilities	36	-	-
Due to student groups and other	-	-	942
Total liabilities	36	-	942
Net position restricted for benefits	\$ 1,040,757	\$ 18,223	\$ -

See notes to financial statements.

Statement of Changes in Plan Net Position - Fiduciary Funds
For the Year Ended June 30, 2017
(In Thousands)

	Pension Trust Funds	OPEB Trust Fund
Additions:		
Contributions:		
Employer	\$ 34,865	\$ -
Plan members	12,788	36
Other	216	-
Total contributions	47,869	36
Investment income:		
Net appreciation in fair value of investments	93,080	-
Interest and dividends	18,426	116
Total investment income	111,506	116
Less investment expense	7,559	-
Net investment income	103,947	152
Deductions:		
Benefits	108,361	1,133
Administration	2,170	5
Other	192	-
Total deductions	110,723	1,138
Increase (decrease) in net position	41,093	(986)
Net position restricted for benefits:		
Beginning of year	999,664	19,209
End of year	\$ 1,040,757	\$ 18,223

See notes to financial statements.

City of Hartford, Connecticut

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

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. The Authority is reported as a blended component unit as the City is responsible for payment of the Authority' debt through a signed lease agreement.

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 board. 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 at available at www.hartfordparkingauthority.com.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Accounting standards adopted in the current year: 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. See Note 12 for additional disclosures and impact the adoption of GASB 75 will have on the net OPEB liability in the next fiscal year.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes disclosure of information about nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a governments future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial condition and economic condition. The implementation of this statement added disclosures to the financial statement. See Note 16.

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 implementation of this statement had no impact on the City's financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of this statement had no impact on the City's financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental funds: Governmental funds are those through which most governmental functions typically are financed.

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

Special Revenue Funds: accounts for specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Fund: accounts for the payment of principal and interest on general long-term debt of the City. This fund also accounts for the amounts held in escrow for future payoff of defeased debt.

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.

City of Hartford, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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:

Trust Funds: account for the Hartford Retirement System and Other Postemployment Benefits.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (generally 60 days). A 90 day period is used for 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. All other revenue items, primarily licenses and fees, are considered to be measurable 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. This fund accounts for the amounts held in escrow for future payoff of defeased debt.

City of Hartford, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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. 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 **Trust Funds**, fiduciary funds, account for the activities of the Hartford Retirement System, which accumulates resources for pension benefit payments to qualified City employees and the activities of the Other Postemployment Benefits fund, which accounts for the health and other benefits provided to eligible retirees and their spouses .

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. Exceptions to this general rule are charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

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

Accounting estimates: The preparation of financial statements in conformity with 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted cash and investments: Certain assets are classified as restricted because their use is limited. Restricted asset cash and investments are to be used for construction purposes and the repayment of the 2013 and 2015 Refunded Bonds.

Investments: Investments are stated at fair value.

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 is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The investments in the pool adhere to GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which accounts for the asset investment. The value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Fair value measurements: The City uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The City's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

City of Hartford, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 2 for additional information regarding fair value measurements.

Investments measured at the net asset value (NAV): Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The City values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

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 \$8.164 million is equal to approximately 15% of outstanding property taxes at June 30, 2017.

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 charges for services and intergovernmental receivables, are reported net of an allowance for uncollectibles.

City of Hartford, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Allowances 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 charges for services.

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 acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest is capitalized in accordance with related guidance on enterprise and business-type capital assets.

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 expected to be paid in future periods are accrued when earned 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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, intergovernmental revenues, 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 is 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.

City of Hartford, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Nonspendable fund balance: These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

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

Committed fund balance: This represents amounts constrained prior to year-end for a specific purpose by the City using its highest level of decision-making authority (City of Hartford Court of Common Council). Amounts remain committed until action, in the form of a Resolution, is taken by the Court of Common Council to remove or revise the limitations.

Assigned fund balance: For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Court of Common Council and finance department, who 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.

City of Hartford, Connecticut

Notes to Financial Statements

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.”

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). The investment pool is under control of the State Treasurer with oversight provided by the Treasurer’s Cash Management Advisory Board, and is regulated under the State Statutes and subject to annual audit by the Auditors of Public Accountants. 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. The STIF accounts are recorded at amortized cost.

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, 2017, \$136,746 of the City’s bank balance of \$196,880 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, 2017, \$1,820 of the Authority’s bank balance of \$2,070 was uninsured and uncollateralized.

City of Hartford, Connecticut

Notes to Financial Statements

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

Cash, cash equivalents and investments of the City consist of the following at June 30, 2017:

Cash and cash equivalents:

Deposits with financial institutions	\$ 119,447
State of Connecticut Short-Term Investment Fund	77,240
Total cash and cash equivalents	<u>196,687</u>

Investments:

Debt Service Fund:

U.S. government agencies	54,591
Total debt service fund	<u>54,591</u>

Non-Major Funds:

U.S. treasury	98
Corporate bonds	852
Certificate of deposits	497
Mutual funds	2,119
Index funds	22,966
Index funds	2,989
Total non-major funds	<u>29,521</u>

Pension Trust Funds:

Government agencies	17,396
U.S. treasury	59,037
Corporate bonds	104,752
Foreign bonds	1,131
Index funds	110,821
Alternative investments	249,903
Common stock	201,464
Equity index funds	240,229
Total pension trust funds	<u>984,733</u>

Total investments	<u>1,068,845</u>
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Total cash, cash equivalents and investments	<u>\$ 1,265,532</u>
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City of Hartford, Connecticut

Notes to Financial Statements

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	\$ 107,152
Restricted cash	14,310
Investments	29,521
Restricted investments	54,591
Total statement of net position	<u>205,574</u>

Fiduciary Funds

Cash and cash equivalents	75,225
Investments	984,733
	<u>1,059,958</u>

Total cash, cash equivalents and investments	<u>\$ 1,265,532</u>
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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 Plan's exposure to foreign currency risk related to equities and fixed income securities as of June 30, 2017, is as follows:

	Currency	Fair Value
Fixed income securities:	Canadian dollar	72
	British pound sterling	102
	Polish Zloty	141
	Singapore dollar	348
	Mexican peso	406
	Malaysian Ringgit	19
	Indonesian Rupiah	43
Equities:	Euro currency unit	8,481
	British pound sterling	2,762
	Mexican Peso	169
	Canadian dollar	1,108
	Singapore dollar	997
	Japanese yen	12,598
	Swiss Franc	1,688
	Hong Kong dollar	2,175
	South Korean won	1,816
	Swedish krona	751
	Australian dollar	450
	Thailand baht	420
	Norwegian krone	376
	Brazil real	306
	Danish krone	252
	Turkish lira	137
	Israeli shekel	122
	New Taiwan dollar	10
Real Estate	Euro currency unit	7,204

City of Hartford, Connecticut

Notes to Financial Statements

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	\$ 1,131	\$ 782	\$ 349	\$ -	\$ -
Government agencies	71,987	151	54,949	1,742	15,145
U.S. treasury	59,135	2,403	16,467	11,966	28,299
Corporate bonds	105,604	2,650	35,107	30,005	37,842
Index funds	133,787	35,039	33,264	32,967	32,517
Pooled fixed income	77,240	77,240	-	-	-
	<u>\$ 448,884</u>	<u>\$ 118,265</u>	<u>\$ 140,136</u>	<u>\$ 76,680</u>	<u>\$ 113,803</u>

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	Gov't Agencies	Common Trusts	Corporate Bonds	Pooled Fixed Income
AAA	\$ 72	\$ 238	\$ 13,280	\$ 2,499	\$ -
AAAm	-	-	-	-	77,240
AA+	-	60,960	-	891	-
AA	-	1,195	2,825	2,490	-
AA-	-	664	328	2,852	-
A+	-	630	224	2,053	-
A	210	159	12,483	6,222	-
A-	141	812	5,072	8,289	-
BBB+	-	458	4,151	12,770	-
BBB	-	-	8,532	7,927	-
BBB-	-	-	13,769	8,756	-
BB+	-	-	5,108	7,979	-
BB	-	-	11,585	6,700	-
BB-	-	-	2,513	8,367	-
B+	-	61	2,340	8,141	-
B	-	-	7,114	6,005	-
B-	-	207	5,564	5,936	-
CC	-	-	-	1,274	-
CCC+	-	-	1,141	465	-
CCC	-	-	738	-	-
CCC-	-	-	-	-	-
D	-	-	40	370	-
Unrated	708	6,603	36,980	5,618	-
	<u>\$ 1,131</u>	<u>\$ 71,987</u>	<u>\$ 133,787</u>	<u>\$ 105,604</u>	<u>\$ 77,240</u>

City of Hartford, Connecticut

Notes to Financial Statements

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, 2017:

Prudential Institutional Emerging Market Mutual Fund	\$67,404
Walter Scott & Partners Equity Index Fund	\$58,448

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 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

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

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2017:

Investment Instruments Measured at Fair Value

	June 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Certificates of deposit	\$ 497	\$ 497	\$ -	\$ -
Debt securities:				
U.S. Treasury	59,135	59,135	-	-
Corporate bonds	105,604	105,604	-	-
Government agencies	71,987	71,987	-	-
Foreign Bonds	1,131	1,131	-	-
Index funds	133,787	-	133,787	-
Equity securities:				
Index funds	243,218	4,890	238,328	-
Mutual funds	2,119	2,119	-	-
Common stock	201,464	201,464	-	-
Total investments by fair value level	818,942	446,827	372,115	-
Investments measured using net asset value (NAV):				
Real estate funds	66,148			
Multi-strategy hedge funds	52,677			
Private Equity	131,078			
Total investments measured using NAV	249,903			
Total investments	\$ 1,068,845			

Debt and equity securities: Debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

City of Hartford, Connecticut

Notes to Financial Statements

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

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured using NAV:				
Real estate funds	\$ 66,148	\$ 34,237	Quarterly	Various
Multi-strategy hedge funds	52,677	3,703	Quarterly	45 days
Private Equity	131,078	15,626	None	None
Total Investments Measured using NAV	<u>\$ 249,903</u>			

Real estate funds: This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can be redeemed quarterly and have various redemption notice periods ranging from zero to ninety days. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.

Multi-strategy hedge fund: these investments consist of limited partnerships. Hedged equity funds are designed to benefit from the stock market with considerably less risk. The own stakes in companies they expect to outperform and also sell short stocks they expect to underperform. NAV generally represents a Fund's ownership interest in the net assets of each hedge fund.

Private equity funds: This type private equity funds that invest primarily in domestic middle market companies. These investments can never be redeemed with the funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the underlying assets of the fund would be liquidated over five to eight years. The fair values are measured using the NAV per share (or its equivalent).

City of Hartford, Connecticut

Notes to Financial Statements

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
Receivables:							
Taxes	\$ 55,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,891
Accrued interest on taxes	32,786	-	-	-	-	-	32,786
Intergovernmental	3,685	46,857	-	1,658	13,945	-	66,145
Accounts	14,462	-	-	-	134	587	15,183
Housing loans	-	-	68,860	-	6,300	-	75,160
Gross receivables	106,824	46,857	68,860	1,658	20,379	587	245,165
Less:							
Allowance for uncollectibles:							
Property taxes	(8,164)	-	-	-	-	-	(8,164)
Accrued interest on taxes	(8,196)	-	-	-	-	-	(8,196)
Intergovernmental	(3,626)	(3,675)	-	(144)	-	-	(7,445)
Accounts	(6,735)	-	-	-	(1,799)	-	(8,534)
Housing loans	-	-	(35,041)	-	(1,575)	-	(36,616)
Total allowance	(26,721)	(3,675)	(35,041)	(144)	(3,374)	-	(68,955)
Net total receivables	\$ 80,103	\$ 43,182	\$ 33,819	\$ 1,514	\$ 17,005	\$ 587	\$ 176,210

Note 4. Deferred Inflows of Resources/Unearned Revenue

Governmental funds report deferred inflows of resources 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
General Fund:		
Delinquent property taxes	\$ 49,248	\$ -
Accrued interest on delinquent property taxes	24,589	-
Other receivables	5,303	-
Capital Improvement Fund:		
Intergovernmental grants receivable and other	40,158	4,153
Community Development loan and grant fund housing loans and interest	33,805	-
Educational grants:		
Intergovernmental grants receivable and other	2	7,878
Nonmajor and other funds:		
Intergovernmental grants receivable and other	5,071	7,252
Total deferred inflows/unearned revenue for governmental funds and/or governmental activities	\$ 158,176	\$ 19,283

City of Hartford, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers

A summary of interfund balances as of June 30, 2017 is presented below:

	Due From Other Funds	Due To Other Funds
Capital improvement	\$ 190	\$ 828
General fund	2,700	-
Debt service fund	1,066	828
Nonmajor governmental and other funds	93	2,393
	<u>\$ 4,049</u>	<u>\$ 4,049</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	\$ 5,251	\$ 34,745
Debt service fund	28,271	-
Capital improvement fund	383	-
Educational grants	2,093	422
Nonmajor and other governmental funds	8,141	9,326
Hartford stadium authority	3,091	756
Hartford parking facilities	283	2,264
	<u>\$ 47,513</u>	<u>\$ 47,513</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. 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. Transfers to the Capital Improvement Fund are for projects not paid for with bond proceeds. Transfer from General Fund to Stadium Authority relates to debt payment while transfers from Stadium Authority to the General Fund represents operating revenue from the stadium to offset debt payment.

City of Hartford, Connecticut

Notes to Financial Statements

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 62,439	\$ -	\$ (91)	\$ 723	\$ 63,071
Construction in progress	308,494	34,151	-	(128,117)	214,528
Total capital assets, not being depreciated	370,933	34,151	(91)	(127,394)	277,599
Capital assets, being depreciated:					
Land improvements	43,030	-	-	-	43,030
Buildings	1,261,763	-	(64)	127,394	1,389,093
Other structures	39,082	-	-	-	39,082
Furniture and equipment	49,409	-	(1,729)	-	47,680
Rolling equipment	49,453	791	(244)	-	50,000
Infrastructure	479,751	-	-	-	479,751
Total capital assets being depreciated	1,922,488	791	(2,037)	127,394	2,048,636
Less accumulated depreciation for:					
Land improvements	(20,768)	(1,087)	-	-	(21,855)
Buildings	(396,914)	(32,364)	22	-	(429,256)
Other structures	(16,835)	(1,471)	-	-	(18,306)
Furniture and equipment	(44,947)	(936)	1,699	-	(44,184)
Rolling equipment	(32,076)	(3,080)	235	-	(34,921)
Infrastructure	(269,073)	(6,351)	-	-	(275,424)
Total accumulated depreciation	(780,613)	(45,289)	1,956	-	(823,946)
Total capital assets, being depreciated, net	1,141,875	(44,498)	(81)	127,394	1,224,690
Governmental activities capital assets, net	\$ 1,512,808	\$ (10,347)	\$ (172)	\$ -	\$ 1,502,289

City of Hartford, Connecticut

Notes to Financial Statements

Note 6. Capital Assets (Continued)

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 6,087	\$ -	\$ -	\$ -	\$ 6,087
Construction in progress	61,215	6,048	-	(66,584)	679
Total capital assets, not being depreciated	67,302	6,048	-	(66,584)	\$ 6,766
Capital assets, being depreciated:					
Land improvements	29	-	-	-	29
Buildings and improvements	642	2	-	66,584	67,228
Parking garages	20,686	-	-	-	20,686
Other structures	3,681	-	-	-	3,681
Furniture, fixtures and equipment	641	-	-	-	641
Total capital assets, being depreciated	25,679	2	-	66,584	92,265
Less accumulated depreciation for:					
Land improvements	(16)	(1)	-	-	(17)
Buildings and improvements	(897)	(1,044)	-	-	(1,941)
Parking garages	(9,399)	(287)	-	-	(9,686)
Other structures	(2,155)	(80)	-	-	(2,235)
Furniture, fixtures and equipment	(298)	(11)	-	-	(309)
Total accumulated depreciation	(12,765)	(1,423)	-	-	(14,188)
Total capital assets, being depreciated, net	12,914	(1,421)	-	66,584	78,077
Business-type activities capital assets, net	\$ 80,216	\$ 4,627	\$ -	\$ -	\$ 84,843

Capitalized interest included in capital asset additions for business type activities for the year ended June 30, 2017 was \$1,701.

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

Governmental activities:	
General government	\$ 6,865
Public safety	3,913
Public works	20,765
Development and community affairs	303
Education	13,180
Recreation and culture	263
Total depreciation expense – governmental activities	<u>\$ 45,289</u>
Business-type activities:	
Golf Course	\$ 95
Stadium Authority	556
Hartford parking facilities	772
Total depreciation expense – business-type activities	<u>\$ 1,423</u>

City of Hartford, Connecticut

Notes to Financial Statements

Note 6. Capital Assets (Continued)

Construction commitments: The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2017. 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 \$137.7 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 2017 amounted to \$1.9 million. The cost of the buildings and land associated with these rental income amounts is estimated at \$13.8 million with a carrying value of \$7.1 million. Depreciation expense related to these properties was \$0.230 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. The lease expired in 2017 and is in negotiations. Future minimum lease payments are projected as follows.

2018	\$	1,377
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In addition to the base rent of \$2,102, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2017, base rent and additional rent amounted to \$2.5 million.

The City also has various other lease agreements relating to administrative buildings and parking lots. The table below represents all other future lease obligations:

2018	\$	2,324
2019		1,217
2020		297
2021		106
2022		109
Thereafter		441

City of Hartford, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities

Governmental activities:

Changes in long-term liabilities: Long-term liability activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds*	\$ 677,099	\$ -	\$ (75,682)	\$ 601,417	\$ 27,245
Premium on bonds	64,894	-	(7,450)	57,444	-
Total bonds payable	741,993	-	(83,132)	658,861	27,245
Other long-term liabilities:					
Compensated absences	34,670	5,950	(8,328)	32,292	5,000
HUD Section 108 loans	6,865	-	(565)	6,300	350
Capital leases*	13,521	2,634	(3,604)	12,551	1,516
CWF Serial Note	1,140	-	(94)	1,046	95
Net OPEB obligation	71,969	12,740	-	84,709	-
Net pension liability - MERS	16,869	6,041	-	22,910	-
Net pension liability - MERF	390,004	11,625	-	401,629	-
Net pension liability - 415(m)	280	17	-	297	-
Net pension liability - RAF/PBF/FRF	4,851	-	(1,211)	3,640	-
Claim and other	5,000	-	-	5,000	-
Risk management claims	33,400	118,946	(115,235)	37,111	17,411
Total other long-term liabilities	578,569	157,953	(129,037)	607,485	24,372
Total governmental activities long-term liabilities	\$ 1,320,562	\$ 157,953	\$ (212,169)	\$ 1,266,346	\$ 51,617

For the governmental, net pension liability and OPEB obligations are generally liquidated by the General Fund.

* Reclassified principal amount of approximately \$6 million

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 \$13,931 at June 30, 2017 and is restricted as it is to be used to pay down the bonds. Approximately \$45,000 was paid for debt service in 2017.

Note 8. Long-Term Liabilities (Continued)

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.

2015 general obligation refunding bonds: On July 8, 2015, the City issued \$78,060 of general obligation refunding bonds with interest rates ranging from 3.0% to 5.0%. Of the net proceeds of \$83,603 (after payment of \$976 in underwriters fees and other costs), \$82,627 was placed in an irrevocable trust fund under an Escrow Agreement dated July 8, 2015 between the City and the Escrow Holder. The transaction produced a present value loss of \$6,346. 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 balance in the escrow fund was approximately \$41,500 at June 30, 2017 and is restricted as it is to be used to pay down the bonds. Approximately \$20,000 was paid for debt service in 2017.

2016 general obligation refunding bonds: On April 28, 2016, the City issued \$26,805 of general obligation refunding bonds with interest rates ranging from 2.0% to 5.0%. Of the net proceeds of \$30,657 (after payment of \$460 in underwriters fees and other costs), \$30,197 was placed in an irrevocable trust fund under an Escrow Agreement dated April 28, 2016 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 \$24,546, with the remaining \$2,259 within the Hartford Parking Facilities fund. The bonds mature through 2034, with interest from 3.0% to 5.0%. The transaction produced a present value gain of \$509 and cash savings of \$719.

City of Hartford, Connecticut

Notes to Financial Statements

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, 2017	Amounts to be Paid From Escrow
June 2005	4.50-5.00	\$ 29,510	2020	1,050-3,600	\$ 8,830	\$ -
June 2007	4.00-5.25	70,000	2026	3,685-85	4,535	3,600
February 2009	2.50-5.00	40,225	2022	2,115-2,120	25,385	2,120
September 2009	2.00-5.00	12,150	2018	1,325-1,435	2,650	8,460
April 2010	2.00-4.30	14,000	2029	735-740	9,560	2,210
April 2011	3.00-5.25	25,000	2024	1,300-1,325	7,900	3,925
April 2012	2.00-5.00	50,000	2032	2,500	32,500	10,460
April 2012	2.00-5.00	21,280	2023	100-1,895	12,720	-
April 2013	4.00-5.00	48,160	2033	1,800-3,825	44,485	4,175
March 2013	4.00-5.00	124,605	2032	4,960-10,420	114,485	-
November 2014	2.00-5.00	36,385	2026	1,230-3,670	32,875	-
October 2014	3.00-5.00	82,000	2034	2,690-6,355	79,310	15,280
July 2015	3.00-5.00	20,845	2030	1,210-5,395	20,845	-
July 2015	4.00-5.00	57,215	2034	325-6,485	57,215	-
October 2015	3.00-5.00	125,000	2035	4,560-9,765	125,000	-
April 2016	2.00-5.00	26,805	2029	1,320-3,930	23,122	-
					<u>\$ 601,417</u>	<u>\$ 50,230</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2017 are as follows:

Year ended June 30:	Principal	Interest	Total
2018	\$ 27,245	\$ 31,878	\$ 59,123
2019	33,995	30,061	64,056
2020	34,550	27,968	62,518
2021	34,470	25,863	60,333
2022	34,410	23,812	58,222
2023-2027	173,280	86,114	259,394
2028-2032	186,227	38,923	225,150
2033-2037	77,240	5,954	83,194
	<u>\$ 601,417</u>	<u>\$ 270,573</u>	<u>\$ 871,990</u>

City of Hartford, Connecticut

Notes to Financial Statements

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 \$94 and interest in the amount of \$22 was paid in the 2016-17 fiscal year. Future annual requirements are as follows:

	Principal	Interest	Total
Year ended June 30:			
2018	\$ 95	\$ 20	115
2019	97	18	115
2020	99	16	115
2021	101	14	115
2022	103	12	115
2023-2027	551	29	580
	<u>\$ 1,046</u>	<u>\$ 109</u>	<u>\$ 1,155</u>

The City's indebtedness (\$847 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	\$ 578,489	\$ 411,158	\$ 167,331
Schools	1,156,977	184,960	972,017
Sewer	964,148	250,746	713,402
Urban renewal	835,595	-	835,595
Pension deficit	771,318	-	771,318

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$1,800 million).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued. School building grants receivables totaling \$5.3 million are applicable to outstanding bond issues.

City of Hartford, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Housing and Urban Development (HUD) Section 108 loans and subsequent event: The future annual requirements are as follows:

	Principal	Interest	Total
Year ended June 30:			
2018	\$ 350	\$ 177	\$ 527
2019	350	171	521
2020	350	165	515
2021	350	157	507
2022	350	148	498
2023-2027	1,750	593	2,343
2028-2032	2,800	259	3,059
	<u>\$ 6,300</u>	<u>\$ 1,670</u>	<u>\$ 7,970</u>

Capital leases: The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2017 were \$3,604. The following is a summary of capital lease commitments as of June 30, 2017:

	Amount
Year ended June 30:	
2018	\$ 3,468
2019	3,014
2020	2,731
2021	2,532
2022	1,516
Total lease payments	13,261
Less: amount representing interest	(710)
Present value of minimum lease payments	<u>\$ 12,551</u>

The City issues capital lease financing agreements to purchase vehicle and equipment capital assets. The net book value of \$11.3 million is less than the principal balance payable of \$12.6 million due to amounts held in escrow at June 30, 2017.

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

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:

	June 30, 2017
<u>Board of Education</u>	
Sick	\$ 11,617
Vacation	2,087
<u>City</u>	
Sick	13,022
Vacation	5,566
	<u>\$ 32,292</u>

Business-type activities:

Changes in long-term liabilities: Long-term liabilities for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
General obligation bonds	\$ 3,079	\$ -	\$ (391)	\$ 2,688	\$ 414
Lease revenue bonds	68,645	-	(1,230)	67,415	1,455
Premium on bonds	870	-	(53)	817	-
Total bonds payable	<u>\$ 72,594</u>	<u>\$ -</u>	<u>\$ (1,674)</u>	<u>\$ 70,920</u>	<u>\$ 1,869</u>

The annual requirements to amortize all general obligation and lease revenue bonded debt outstanding as of June 30, 2017 are as follows:

	Principal	Interest	Total
Year ended June 30:			
2018	\$ 1,869	\$ 3,286	\$ 5,155
2019	1,969	3,208	5,177
2020	1,687	3,127	4,814
2021	1,772	3,044	4,816
2022	1,862	2,957	4,819
2023-2027	11,284	13,379	24,663
2028-2032	13,045	10,538	23,583
2033-2037	16,225	7,001	23,226
2038-2042	15,945	2,628	18,573
2043-2047	4,445	200	4,645
	<u>\$ 70,103</u>	<u>\$ 49,368</u>	<u>\$ 119,471</u>

City of Hartford, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Parking facility bonds and Stadium Lease revenue bonds are recorded in the business-type activities consist of the following:

Garage - GO Refunding bonds issued 2005; final maturity August 1, 2018; interest at 3.0% to 5.5%	\$ 560
Garage - GO Refunding bonds issued 2015; final maturity July 1, 2030; interest at 3.0% to 5.0%	2,128
Stadium - Lease revenue bonds issued 2015; final maturity February 1, 2025; interest at 3.0% to 5.0%	38,260
Stadium - Lease revenue bonds issued 2015; final maturity February 1, 2042; interest at 5.625%	22,960
Stadium - Lease revenue bonds issued 2016; final maturity February 1, 2042; interest at 2.25% to 3.0%	6,195
	<u>\$ 70,103</u>

Tax anticipation notes: Tax anticipation notes activity was as follows:

Beginning balance, July 1, 2016	\$ -
Issuances	20,165,000
Retired/Matured	-
Ending balance, June 30, 2017	<u>\$ 20,165,000</u>

On April 13, 2017, the City issued \$20,165 of tax anticipation notes with an interest rate of 2.50%, which was due and paid in full on October 31, 2017.

City of Hartford, Connecticut

Notes to Financial Statements

Note 9. Deficit Fund Equity

Nonmajor funds:

Miscellaneous grants	\$	1,011
Health grants		285
Capital lease		2,002
Library Grants		3

Internal service funds:

Workers' compensation		21,156
Liability and property damage		4,471
Retirees		464

Enterprise funds:

Hartford Stadium Authority		96
Golf Course		268

The City anticipates financing the capital lease deficit 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 \$500,000 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.

City of Hartford, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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 \$500,000 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, if applicable is initially paid from the employee's respective department budget after which statutory compensation payment is administered by PMA Companies, 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 \$37.111 million, reported in the fund at June 30, 2017, 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 2017 and 2016 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self-Insurance Fund:				
2015-2016	\$ 29,446	\$ 110,172	\$ 106,218	\$ 33,400
2016-2017	33,400	118,946	115,235	37,111

Note 11. Commitments and Contingencies and Subsequent Events

Contractual commitments: On November 20, 2012, the City entered into a service agreement with the Materials Innovation and Recycling Authority (MIRA, formerly known as Connecticut Resources Recovery Authority) 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 expired in 2017. The City signed a 10-year contract effective July 1, 2017 with no significant changes in terms.

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 material negative impact on the finances of the City. The City has recorded \$5 million in the government-wide financial statements to cover probable claims.

City of Hartford, Connecticut

Notes to Financial Statements

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.

The following is the current census of City benefit participants as of July 1, 2015:

	City (not rounded)	Board of Education (not rounded)
Active members	1,551	3,186
Retirees	1,301	499
	<u>2,852</u>	<u>3,685</u>

Postemployment retiree benefit payments for the year ended June 30, 2017, net of retiree and other contributions, amounted to \$14,859.

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

City of Hartford, Connecticut

Notes to Financial Statements

Note 12. Other Postemployment Benefits (Continued)

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

	Other Post- Employment Benefits (OPEB)
Annual required contribution (ARC)	\$ 28,511
Interest on net OPEB obligation	3,473
Adjustment for Net OPEB obligation	(4,385)
Annual OPEB cost	27,599
Contributions made	(14,859)
Decrease in net OPEB obligation	12,740
Net OPEB obligation, beginning of year	71,969
Net OPEB obligation, end of year	\$ 84,709

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, 2015, 2016 and 2017 is presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/15	\$ 21,128	\$ 12,995	61.5%	\$ 81,025
6/30/16	24,394	33,683	138.1%	71,969
6/30/17	27,560	14,859	53.9%	84,709

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.

City of Hartford, Connecticut

Notes to Financial Statements

Note 12. Other Postemployment Benefits (Continued)

Actuarial Assumptions - OPEB

Valuation date	July 1, 2015
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
7/1/2015	\$ 17,868	\$ 313,061	\$ 295,193	6.0%	N/A	N/A

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.

GASB 74 Disclosures: The following disclosures are required under GASB 74. The plan is considered to be part of the City's financial reporting entity and is included in the City's report as the OPEB Trust fund. The plan does not issue a stand-alone financial report.

Investments:

Investment policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. 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.

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	OPEB Plan
Rate of return - City Investments	0.00%
Rate of return - Board of Education Investments	0.59%

City of Hartford, Connecticut

Notes to Financial Statements

Note 12. Other Postemployment Benefits (Continued)

Net OPEB liability: The components of the net OPEB liability at June 30, 2017 were as follows:

Net OPEB Liability as of June 30, 2017	City OPEB Plan	BOE OPEB Plan	Total OPEB Plan
Total OPEB liability	\$ 373,113	\$ 38,468	\$ 411,581
Plan fiduciary net position	36	18,187	18,223
Net OPEB liability	<u>\$ 373,077</u>	<u>\$ 20,281</u>	<u>\$ 393,358</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.01%	47.28%	4.43%
Covered payroll	115,952	213,458	\$ 329,410
Net OPEB liability as a % of covered payroll	321.75%	9.50%	84.00%

Valuation Date: The July 1, 2015 actuarial valuation was used to calculate the July 1, 2015 total OPEB liability. The July 1, 2015, total OPEB liability was increased by service cost and interest and decreased by benefit payments to estimate the total OPEB liability as of June 30, 2017. The total OPEB liability as of June 30, 2017 was also adjusted to reflect any material plan changes after the valuation, if applicable.

Actuarial Assumptions:

Valuation date:	7/1/2015
Actuarial cost method:	Entry Age Normal
Investment rate return:	City- 3.58%, net of investment related expense BOE- 7.50%, net of investment related expense
Inflation:	2.75%
Mortality	Pre- retirement- The RP2000 Mortality set forward one year, projected by Scale MP-2014 to valuation date with no adjustment Post-retirement- RP Healthy Annuitants Table, set forward one year, projected by Scale MP-2014 to valuation date with no adjustment

City of Hartford, Connecticut

Notes to Financial Statements

Note 12. Other Postemployment Benefits (Continued)

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017, and the final investments return assumption for the BOE plan, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
US Large Cap Equity	15.00%	4.75%	0.71%
US Mid/Small Cap Equity	7.00%	5.00%	0.35%
International Developed Equity	23.00%	5.00%	1.15%
Emerging Markets Equity	7.00%	6.75%	0.47%
Core Bond Fixed Income	10.00%	1.25%	0.13%
High Yield Fixed Income	10.00%	3.00%	0.30%
Emerging Markets Local Fixed Income	4.00%	3.75%	0.15%
Emerging Markets External Fixed Income	4.00%	3.00%	0.12%
Commodities	5.00%	2.75%	0.14%
REITs	12.00%	3.75%	0.45%
Cash	3.00%	0.25%	0.01%
	<u>100.00%</u>		<u>3.98%</u>
Long-Term Inflation Expectation			<u>2.75%</u>
Long-term expected nominal return			<u>6.73%</u>

Discount rate: The discount rate used to measure the total OPEB liability for the City and BOE was 3.58% and 7.50%, respectively. 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 City/BOE contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Hartford, Connecticut

Notes to Financial Statements

Note 12. Other Postemployment Benefits (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.75% decreasing to 4.75%) or 1 percentage point higher (8.75% decreasing to 5.75%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates (7.75% decreasing to 4.75%)			1.0% Decrease (6.75% decreasing to 3.75%)	1.0% Increase (8.75% increasing to 5.75%)
Net OPEB Liability -City					
Net OPEB liability as of June 30, 2017	\$	373,077	\$	308,068	\$ 458,912
	Healthcare Cost Trend Rates (7.75% decreasing to 4.75%)			1.0% Decrease (6.75% decreasing to 3.75%)	1.0% Increase (8.75% increasing to 5.75%)
Net OPEB Liability - BOE					
Net OPEB liability as of June 30, 2017	\$	20,281	\$	16,135	\$ 25,145

Sensitivity of estimates used in calculating the net OPEB liability: The following presents the net OPEB liability, calculated using the discount rate of 3.58% and 7.50%, respectively, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

	1% Decrease		Current Discount Rate		1% Increase	
Net OPEB Liability - City	2.58%		3.58%		4.58%	
OPEB Plan - City	\$	444,217	\$	373,077	\$	317,920
	1% Decrease		Current Discount Rate		1% Increase	
Net OPEB Liability - BOE	6.50%		7.50%		8.50%	
OPEB Plan - BOE	\$	24,350	\$	20,281	\$	16,792

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.

Benefit provisions: Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, death and disability benefits.

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

Normal form of benefit: Life annuity.

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.

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.

City of Hartford, Connecticut

Notes to Financial Statements

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

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.

Cost-of-living adjustment: For members who retire on or after January 1, 2002 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 MERS not met by member contributions.

City of Hartford, Connecticut

Notes to Financial Statements

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

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

Valuation date:	7/1/2016
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%	
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 – June 30, 2012.

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.

Payable to MERS: The City has recorded \$1,675,473 as a long-term payable (claims and other) to MERS at June 30, 2017. This amount represents prior service costs when the City entered the Plan.

City of Hartford, Connecticut

Notes to Financial Statements

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

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%
	<u>100.00%</u>	

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. 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	\$ 36,146	\$ 22,910	\$ 11,685

City of Hartford, Connecticut

Notes to Financial Statements

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2017, the City reported a liability of \$22,210 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, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2016, the City's proportion was 11.7%. The decrease in the City's proportion from June 30, 2015 was .5%

For the year ended June 30, 2017, the City recognized pension expense of \$5,496. At June 30, 2017, 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	\$ 6,659	\$ -
Differences between expected and actual experience	494	-
Change in proportionate share	-	(654)
City contributions made subsequent to the measurement date	1,456	-
	<u>\$ 8,609</u>	<u>\$ (654)</u>

\$1,456 reported as deferred outflows of resources related to pensions resulting from the City's contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2018. 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:	
2018	\$ 1,399
2019	1,399
2020	2,361
2021	1,340
	<u>\$ 6,499</u>

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.

City of Hartford, Connecticut

Notes to Financial Statements

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

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.

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 does not have any liability for teacher pensions.

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.

Plan members are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). Employers are not required to make contributions to the Plan. The City makes no contribution to the plan.

Notes to Financial Statements

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

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions:

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

Economic assumptions:

1. Reduce the inflation assumption from 3.00% to 2.75%.
2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
4. Slightly modify the merit portion of the salary scale.
5. Reduce the payroll growth assumption from 3.75% to 3.25%.

Demographic assumptions:

6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
7. Increase normal retirement rates for females at most ages and prorate retirement rates for males at most ages. Decrease early retirement rates for both males and females.
8. Increase rates of withdrawal.
9. Decrease rates of disability for males.

Mortality rates were based on the RP-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over the age 80 for the period after service retirement and for dependent beneficiaries as well as active members. The RPH-2014 Disability table projected to 2017 with scale BB is used for the period after disability retirement dependent beneficiaries.

City of Hartford, Connecticut

Notes to Financial Statements

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 Rate of Return
Large Cap U.S. Equities	21%	5.8%
Developed Non-U.S.	18%	6.6%
Emerging Markets (non-U.S.)	9%	8.3%
Real estate	7%	5.1%
Private Equity	11%	7.6%
Alternative Investments	8%	4.1%
Core fixed income	7%	1.3%
High yield bonds	5%	3.9%
Emerging Market bond	5%	3.7%
Inflation linked bond fund	3%	1.0%
Cash	6%	0.4%
	<u>100.00%</u>	

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 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 8.00 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 (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease 7.0%	Current Discount Rate 8.00%	1% Increase 9.00%
State's proportionate share of the NPL associated with the City	\$ 688,498	\$ 558,067	\$ 447,808

City of Hartford, Connecticut

Notes to Financial Statements

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 \$558,066 and 100% of the collective net pension liability is allocated to the State. The City has no proportionate share of the liability.

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, 2017, the City recognized \$ 60,859 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, 2015, City MERF membership consisted of:

	<u>(not rounded)</u>
Retirees and beneficiaries currently receiving benefits	3,043
Terminated employees entitled to benefits but not yet receiving them	218
Active plan members	<u>2,149</u>
	<u>5,410</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. Investments are reported at fair value.

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. The City's contribution to the plan for fiscal year June 30, 2017 was \$32,812. 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, 2015, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2017:

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, 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, 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.

For all other groups:

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

Mortality improvement:	Pre and post-retirement: projected to date of decrement using Scale MP (generational mortality).
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City of Hartford, Connecticut

Notes to Financial Statements

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

Investment return: 7.50% per year, net of investment expenses. (Prior valuation: 7.75%)

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. & 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
Police
Corridor Supervisors
CHPEA

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-2013 plan; 25% for employees moving to the 7/1/2013 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.

Social Security: Future tax wage bases are developed by projecting the 2014 base of \$118,500 forward at 4% per year.

City of Hartford, Connecticut

Notes to Financial Statements

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

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 actuarial 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, 2016, as a level percentage of pay.

Net pension liability: The components of the net pension liability of the City at June 30, 2017 were as follows:

MERF	
Net Pension Liability	2017
	<hr/>
Total pension liability	\$ 1,442
Plan fiduciary net position	1,041
Net pension liability	<hr/> <hr/> \$ 401
Plan fiduciary net position as a percentage of total pension liability	72.19%

Money-weighted rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.44%. 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

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, 2016, 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	10.00%	4.50%	0.45%
Small/mid cap equities	5.00%	4.75%	0.24%
Int'l equities (unhedged)	11.00%	5.00%	0.55%
Emerging int'l equities	6.00%	6.50%	0.39%
Core bonds	5.00%	3.89%	0.19%
High-yield bonds	4.00%	2.75%	0.11%
Unconstrained fixed income	5.00%	-0.25%	-0.01%
EMD (external)	3.00%	3.00%	0.09%
EMD (local currency)	3.00%	3.50%	0.11%
Global TIPS	4.00%	1.00%	0.04%
Long govt/credit	6.50%	2.00%	0.13%
Private equity	5.00%	6.50%	0.33%
Private debt	3.00%	5.00%	0.15%
Real estate (core)	8.00%	3.50%	0.28%
Hedge funds	10.00%	3.50%	0.35%
Global asset allocation	7.00%	3.61%	0.25%
Private real assets	3.00%	2.75%	0.08%
Cash	1.50%	0.00%	0.00%
Total weighted average real return	100.00%		3.72%
Long-term inflation expectation			3.00%
Long-term expected normal return			6.72%

* The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 7.50% was used.

Discount rate calculation: The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contributions amounts are established by statute or contract or (b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

City of Hartford, Connecticut

Notes to Financial Statements

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

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are projected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 7.50% interest rate assumption to discount the plan liabilities.

Sensitivity analysis: The following table presents the net pension liability of the City, calculated using the discount rate of 7.50%, 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 558,797	\$ 401,629	\$ 269,538

City of Hartford, Connecticut

Notes to Financial Statements

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, 2016	\$ 1,389,616	\$ 999,612	\$ 390,004
Changes for the year:			
Service cost	21,934	-	21,934
Interest	105,283	-	105,283
Differences between expected and actual experience	6,155	-	6,155
Contributions - employer	-	37,650	(37,650)
Contributions - member	-	13,175	(13,175)
Net investment income (including investment expenses)	-	104,204	(104,204)
Changes of assumptions	27,543	-	27,543
Benefit payments, including refunds of employee contributions	(108,145)	(108,145)	-
Administrative expense and other	-	(5,739)	5,739
Net changes	52,770	41,145	11,625
Balances at June 30, 2017	\$ 1,442,386	\$ 1,040,757	\$ 401,629

For the year ended June 30, 2017, the City recognized pension expense of \$79,298. As of June 30, 2017, 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	\$ 14,868	\$ (4,551)
Changes of assumptions	28,869	-
Net difference between projected and actual earnings on pension plan investments	42,614	-
	\$ 86,351	\$ (4,551)

City of Hartford, Connecticut

Notes to Financial Statements

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:	
2018	\$ 34,589
2019	34,396
2020	18,641
2021	(5,826)
	<u>\$ 81,800</u>

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 58 (not rounded) retirees covered by this plan as of the actuarial valuation dated July 1, 2016.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, that was projected forward to the measurement date of June 30, 2017:

Investment rate of return:	3.80%
Inflation:	2.75%
Mortality basis:	RP2014 Healthy Annuitants Table – male and female rates, projected by a Scale MP to valuation date with occupational adjustment. Mortality improvement based on MP-2016 scale.
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.

City of Hartford, Connecticut

Notes to Financial Statements

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

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, 2017 were as follows:

RAF/PBF/FRF	
Net Pension Liability	2017
Total pension liability	\$ 3,640
Plan fiduciary net position	-
Net pension liability	<u>\$ 3,640</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 4,851	\$ -	\$ 4,851
Changes for the year:			
Service cost	-	-	-
Interest	119	-	119
Differences between expected and actual experience	(134)	-	(134)
Contributions - employer	-	525	(525)
Contributions - member	-	-	-
Net investment income (including investment expenses)	-	-	-
Changes of assumptions	(671)	-	(671)
Benefit payments, including refunds of employee contributions	(525)	(525)	-
Administrative expense	-	-	-
Net changes	<u>(1,211)</u>	<u>-</u>	<u>(1,211)</u>
Balances at June 30, 2017	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ 3,640</u>

City of Hartford, Connecticut

Notes to Financial Statements

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 2.58%, 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 (1.58%) or 1 percentage point higher (3.58%) than the current rate.

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Net pension liability	\$ 3,918	\$ 3,640	\$ 3,401

City of Hartford 415 (m) Fund:

Plan description: This plan currently covers nine (9) retirees and no active employees as of June 30, 2017, 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, 2016, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2017:

Investment rate of return:	3.58%
Inflation:	2.75%
Mortality basis:	RP2014 Healthy Annuitants Table – male and female rates, projected by a Scale MP to valuation date with occupational adjustment.
Mortality improvement:	MP-2016 scale
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.

City of Hartford, Connecticut

Notes to Financial Statements

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, 2017 were as follows:

415(m)	
Net Pension Liability	2017
	<hr/>
Total pension liability	\$ 297
Plan fiduciary net position	-
Net pension liability	<hr/> <hr/> \$ 297
Plan fiduciary net position as a percentage of total pension liability	0.00%

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 280	\$ -	\$ 280
Changes for the year:			
Service cost	-	-	-
Interest	7	-	7
Differences between expected and actual experience	66	-	66
Contributions - employer		73	(73)
Contributions - member	-	-	-
Net investment income (including investment expenses)	-	-	-
Changes of assumptions	17	-	17
Benefit payments, including refunds of employee contributions	(73)	(73)	-
Administrative expense	-	-	-
Net changes	17	-	17
Balances at June 30, 2017	<hr/> <hr/> \$ 297	<hr/> <hr/> \$ -	<hr/> <hr/> \$ 297

City of Hartford, Connecticut

Notes to Financial Statements

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 3.58%, 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 (2.58%) or 1 percentage point higher (4.58%) than the current rate.

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Net pension liability	\$ 307	\$ 297	\$ 287
	Municipal Employees' Retirement Fund	RAF/PBF FRF Plan	Total Trust Funds
Assets			
Cash and cash equivalents	\$ 56,060	\$ -	\$ 56,060
Investments:			
U.S. treasury	59,037	-	59,037
Alternative investments	249,903	-	249,903
Common stock	201,464	-	201,464
Equity index funds	240,229	-	240,229
Corporate bonds	104,752	-	104,752
Foreign bonds	1,131	-	1,131
Common trust	110,821	-	110,821
U.S. government agencies	17,396	-	17,396
Total assets	1,040,793	-	1,040,793
Liabilities			
Accounts payable and accrued liabilities	36	-	36
Total liabilities	36	-	36
Net position restricted for pension benefits	\$ 1,040,757	\$ -	\$ 1,040,757

City of Hartford, Connecticut

Notes to Financial Statements

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

	Municipal Employees' Retirement Fund	RAF/PBF/FRF Plan	Total Trust Funds
Additions:			
Contributions:			
Employer - ARC	\$ 34,865	\$ -	\$ 34,865
Employer - other	-	216	216
Plan members	12,788	-	12,788
Total contributions	47,653	216	47,869
Investment Income:			
Net appreciation in fair value of investments	93,080	-	93,080
Interest and dividends	18,426	-	18,426
Total investment income	111,506	-	111,506
Less investment expense	7,559	-	7,559
Net investment income	103,947	-	103,947
Deductions:			
Benefits	108,145	216	108,361
Administration	2,170	-	2,170
Other	192	-	192
Total deductions	110,507	216	110,723
Net decrease	41,093	-	41,093
Net position restricted for pension benefits:			
Beginning of year	999,664	-	999,664
End of year	\$ 1,040,757	\$ -	\$ 1,040,757

Aggregate Pension Summary

Plan	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
MERS	\$ 22,910	\$ 8,609	\$ (654)	\$ 5,496
City MERF	401,629	86,351	(4,551)	79,298
RAF/PBF/FRF	3,640	-	-	(686)
415(m)	297	-	-	90
Total	\$ 428,476	\$ 94,960	\$ (5,205)	\$ 84,198

City of Hartford, Connecticut

Notes to Financial Statements

Note 14. Governmental Funds – Fund Balances (Deficits)

Below is a table of fund balance categories and classifications at June 30, 2017 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,358
Inventory	-	-	-	-	-	524
Total non-spendable	-	-	-	-	-	8,882
Restricted:						
Development and community affairs	-	-	1,792	-	-	336
Debt service	-	-	-	66,180	-	-
Recreation and Culture	-	-	-	-	-	16,432
Public safety	-	-	-	-	-	1
Human Services	-	-	-	-	-	4,683
Education	-	-	-	-	5,024	4,148
Capital projects	-	-	-	-	-	4,725
Total restricted	-	-	1,792	66,180	5,024	30,325
Committed:						
Capital projects	-	-	-	-	-	1,912
Total committed	-	-	-	238	-	1,912
Assigned:						
Education	583	-	-	-	-	-
Total assigned	583	-	-	-	-	-
Unassigned (deficit):	4,510	(7,368)	-	-	-	(3,301)
Total unassigned (deficit)	4,510	(7,368)	-	-	-	(3,301)
Total fund balance (deficit)	\$ 5,093	\$ (7,368)	\$ 1,792	\$ 66,418	\$ 5,024	\$ 37,818

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

- *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. 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. 81, Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.
- *GASB Statement No. 83, Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.
- *GASB Statement No. 84, Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- *GASB Statement No. 85, Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

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

- GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.
- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Note 16. Tax Abatements

The City adopted new accounting guidance, GASB Statement No. 77, *Tax Abatement Disclosures*, effective for the year ended June 30, 2017. The new disclosure is presented below:

As of June 30, 2017, the City provides tax abatements in accordance with Section 8-215 of the Connecticut General Statutes (CGS) and Section 32-12 of the Hartford Municipal Code. The City is authorized to enter into contracts for the abatement of real property taxes for residential properties when such housing is to be occupied solely by low or moderate-income persons or families as defined in Section 8-202 of the Connecticut General Statutes or elderly and disabled.

A tax abatement agreement is a contractual agreement between the City of Hartford and the owner of a rental property that fixes taxes on an annual basis at a rate less than the full tax amount. Typically, the term of the abatement is ten (10) years and may be renewed by the contracted property with City approval after a minimum of a one year lapse between abatements, in which case the owner is expected to pay full tax.

For the fiscal year ended June 30, 2017, taxes abated through this program total \$3,785. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

**Required Supplementary
Information - Unaudited**

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund
For the Year Ended June 30, 2017
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
General Property Tax				
Current year's levy	\$ 244,735	\$ 244,735	\$ 247,231	\$ 2,496
Levy of prior years	7,217	7,217	5,771	(1,446)
Interest and liens	4,350	4,350	3,586	(764)
Proceeds from lien sales	4,000	4,000	2,399	(1,601)
Total general property tax	260,302	260,302	258,987	(1,315)
Other Local Taxes				
Business taxes	1,100	1,100	1,375	275
Licenses, Permits, Fees and Other				
Street use	23	23	33	10
Business licenses:				
Health licenses	312	312	170	(142)
Police and protection licenses	68	68	64	(4)
Professional and occupational licenses	5	5	3	(2)
Total business licenses	385	385	237	(148)
Non-business licenses and permits:				
Building structure and equipment permits	5,938	5,938	4,964	(974)
Other non-business licenses and permits	123	123	143	20
Total non-business licenses and permits	6,061	6,061	5,107	(954)
Total licenses and permits	6,469	6,469	5,377	(1,092)
Fines, Forfeits and Penalties	172	172	161	(11)
Revenue From Use of Money and Property				
Income from investments	273	273	439	166
Income from use of property	439	439	529	90
Income from development properties	1,405	1,405	1,396	(9)
Total revenue from use of money and property	2,117	2,117	2,364	247

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund (Continued)
For the Year Ended June 30, 2017
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Intergovernmental Revenue				
Federal government	\$ 60	\$ 60	\$ -	\$ (60)
State of Connecticut:				
Education	189,622	189,622	189,428	(194)
Housing	5	5	2	(3)
Public works	1,202	1,202	1,199	(3)
Payment in lieu of taxes	67,828	67,828	67,843	15
Shared taxes	240	240	261	21
Other	7,763	7,763	7,748	(15)
Total State of Connecticut	266,660	266,660	266,481	(179)
Total intergovernmental revenue	266,720	266,720	266,481	(239)
Charges for Services				
General government:				
Recording legal instruments	336	336	320	(16)
All other	999	999	1,465	466
Total general government	1,335	1,335	1,785	450
Public safety:				
Police charges	15	15	9	(6)
Fire protection services	193	193	186	(7)
Total public safety	208	208	195	(13)
Public works:				
Highways and streets	1	1	1	-
Sanitation	77	77	86	9
Total public works	78	78	87	9
Other:				
Health	30	30	11	(19)
Recreation	6	6	-	(6)
Miscellaneous	34	34	39	5
Total other	70	70	50	(20)
Total charges for services	1,691	1,691	2,117	426

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund (Continued)
For the Year Ended June 30, 2017
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Reimbursements				
Other	\$ 73	\$ 73	\$ 58	\$ (15)
Reimbursements from other funds	144	144	99	(45)
Total reimbursements	<u>217</u>	<u>217</u>	<u>157</u>	<u>(60)</u>
Other Revenues				
Settlements	5	5	4	(1)
Miscellaneous	1,234	1,234	1,032	(202)
Total other revenues	<u>1,239</u>	<u>1,239</u>	<u>1,036</u>	<u>(203)</u>
Other Financing Sources				
Transfers in from other funds:				
Hartford Parking Facilities fund	2,155	2,155	2,088	(67)
Capital Improvement Fund	115	115	208	93
Downtown North (DONO)	-	-	404	404
Premium From Bond Sale	-	-	121	121
Special Police services	2,250	2,250	3,211	961
Total other financing sources	<u>4,520</u>	<u>4,520</u>	<u>6,032</u>	<u>1,512</u>
Total	<u>\$ 544,547</u>	<u>\$ 544,547</u>	<u>544,087</u>	<u>\$ (460)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the State Teachers'
Retirement System for City teachers are not budgeted

60,859

Effect of GASB No. 54.

324

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

16

Total revenues and other financing sources as reported in the statement
of revenues, expenditures and changes in fund balances -
governmental funds

\$ 605,286

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, 2017
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
General Government				
Mayor	\$ 625	\$ 730	\$ 690	\$ 40
Court of Common Council	597	578	565	13
City Treasurer	392	445	445	-
Registrars of Voters	415	717	670	47
Corporation Counsel	1,593	1,668	1,653	15
Town and City Clerk	739	769	769	-
Internal audit	491	513	513	-
Chief Operating Officer	370	350	295	55
Communications and new media	541	516	466	50
Metro Hartford information	3,118	2,999	2,999	-
Finance	3,611	3,474	3,474	-
Human Resources	1,246	1,036	946	90
Office of Management and Budget	884	699	636	63
Office of Young Children	3,537	3,402	3,116	286
Total general government	18,159	17,896	17,237	659
Public Safety				
Fire	36,373	36,872	36,872	-
Police	44,074	40,619	40,106	513
Emergency services and telecommunications	3,743	3,743	3,710	33
Total public safety	84,190	81,234	80,688	546
Infrastructure and Leisure Services				
Public works	11,775	12,652	12,652	-
Development and Community Affairs				
Development services	3,229	2,918	2,918	-
Human Services				
Health and Human Services	4,242	5,292	4,789	503
Education				
Board of Education	282,801	284,008	284,008	-
Benefits and Insurance				
Benefits and insurance	74,965	79,065	78,172	893

(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, 2017
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Sundry				
Debt service	\$ 30,079	\$ 32,018	\$ 32,018	\$ -
Hartford Public Library	7,861	7,861	7,861	-
Other sundry items	35,643	35,980	33,120	2,860
Total sundry	<u>73,583</u>	<u>75,859</u>	<u>72,999</u>	<u>2,860</u>
Total	<u>\$ 552,944</u>	<u>\$ 558,924</u>	553,463	<u>\$ 5,461</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.

60,859

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

16

Effect of GASB No. 54.

3

Encumbrances

June 30, 2017

-

June 30, 2016

(17)

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

\$ 614,324

See note to required supplementary information.

Required Supplementary Information - Unaudited
Other Post Retirement Benefits
Schedule of Funding Progress and Employer Contributions - OPEB
Last Eight Fiscal Years
(In Thousands)

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
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%
07/01/14	-	262,716	262,716	0.0%	356,877	73.6%
07/01/15	17,868	313,061	295,193	6%	N/A	N/A

Schedule of Employer Contributions - OPEB

Year Ended	Annual Required Contribution	Percentage Contributed
06/30/2010	24,744	41.8%
06/30/2011	15,759	70.3%
06/30/2012	18,322	58.6%
06/30/2013	18,937	54.6%
06/30/2014	19,991	74.7%
06/30/2015	20,955	62.0%
06/30/2016	24,394	138.0%
06/30/2017	28,511	52.2%

Required Supplementary Information - unaudited
Schedule of Contributions - OPEB Plan
Last Fiscal Year*

	Schedule of Contributions - City 2017
Actuarially determined contribution	\$ 26,583
Contributions in relation to the actuarially determined contribution	<u>14,303</u>
Contribution deficiency (excess)	<u><u>\$ 12,280</u></u>
Covered-employee payroll	\$ 115,952
Contributions as a percentage of covered-employee payroll	12.34%

	Schedule of Contributions - BOE 2017
Actuarially determined contribution	\$ 1,928
Contributions in relation to the actuarially determined contribution	<u>556</u>
Contribution deficiency (excess)	<u><u>\$ 1,372</u></u>
Covered-employee payroll	\$ 213,458
Contributions as a percentage of covered-employee payroll	0.26%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Changes in the City's/BOE's OPEB Liability and Related Ratios
Last Fiscal Year*

	CITY OPEB Plan 2017	BOE OPEB Plan 2017
Changes in Net OPEB Liability		
Total pension liability:		
Service cost	\$ 9,297	\$ 435
Interest	14,072	2,753
Differences between expected and actual experience	4,640	333
Changes in assumptions	51,221	-
Benefit payments, including refunds of member contributions	(14,303)	(2,310)
Net change in total OPEB liability	64,927	1,211
Total pension liability, beginning	308,187	37,257
Total OPEB liability, ending (a)	373,114	38,468
Fiduciary net position:		
Employer contributions	14,303	556
Member contributions	36	-
TRB Subsidy	-	621
Investment (loss) income net of investment expenses	-	112
Benefit payments, including refunds of member contributions	(14,303)	(2,310)
Administrative expenses	-	-
Other	-	-
Net change in plan fiduciary net position	36	(1,021)
Fiduciary net position, beginning	-	19,208
Fiduciary net position, ending (b)	36	18,187
Net OPEB liability, ending = (a) - (b)	\$ 373,078	\$ 20,281
Fiduciary net position as a % of total OPEB liability	0.01%	47.28%
Covered payroll	\$ 115,952	\$ 213,458
Net OPEB liability as a % of covered payroll	321.75%	9.50%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net Pension Liability and Related Ratios - MERF
Last Four Fiscal Years*
(In Thousands)

Changes in Net Pension - MERF	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 21,934	\$ 21,995	\$ 22,612	\$ 21,954
Interest on total pension liability	105,283	102,350	99,934	98,033
Differences between expected and actual experience	6,155	18,454	(11,737)	-
Changes of assumptions	27,543	-	21,176	-
Benefit payments	(108,145)	(101,778)	(98,654)	(93,683)
Net change in total pension liability	52,770	41,021	33,331	26,304
Total pension liability, beginning	1,389,617	1,348,596	1,315,265	1,288,961
Total pension liability, ending (a)	1,442,387	1,389,617	1,348,596	1,315,265
Fiduciary net position:				
Employer contributions	37,650	43,891	42,874	42,710
Member contributions	13,175	13,042	13,360	12,816
Investment income net of investment expenses	104,204	8,696	20,779	133,645
Benefit payments	(108,145)	(101,778)	(98,654)	(93,683)
Administrative expenses	(2,653)	(2,433)	(2,715)	(2,774)
Other	(3,087)	-	-	-
Net change in plan fiduciary net position	41,144	(38,582)	(24,356)	92,714
Fiduciary net position, beginning	999,613	1,038,195	1,062,551	969,837
Fiduciary net position, ending (b)	1,040,757	999,613	1,038,195	1,062,551
Net pension liability, ending = (a) - (b)	\$ 401,630	\$ 390,004	\$ 310,401	\$ 252,714
Fiduciary net position as a % of total pension liability	72.16%	71.93%	76.98%	80.79%
Covered payroll	\$ 144,122	\$ 151,305	\$ 144,227	\$ 144,648
Net pension liability as a % of covered payroll	278.67%	257.76%	215.22%	174.71%

Required Supplementary Information - Unaudited
Schedule of Investment Returns - MERF
Last Four Fiscal Years*

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	10.44%	0.86%	2.00%	14.05%

*Note: This schedule is intended to show information for ten years. Additional information will be added when it becomes available.

Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net Pension Liability and Related Ratios (RAF/PBF/FRF Plan)
Last Four Fiscal Years*

(In Thousands)

Changes in Net Pension - RAF/PBF/FRF Plan	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	119	228	218	238
Differences between expected and actual experience	(134)	(1,124)	(229)	-
Changes of assumptions	(671)	414	587	-
Benefit payments	(525)	(660)	(755)	(837)
Net change in total pension liability	(1,211)	(1,142)	(179)	(599)
Total pension liability, beginning	4,852	5,994	6,173	6,772
Total pension liability, ending (a)	3,641	4,852	5,994	6,173
Fiduciary net position:				
Employer contributions	525	660	755	837
Member contributions	-	-	-	-
Investment income net of investment expenses	-	-	-	-
Benefit payments	(525)	(660)	(755)	(837)
Administrative expenses	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Fiduciary net position, beginning	-	-	-	-
Fiduciary net position, ending (b)	-	-	-	-
Net pension liability, ending = (a) - (b)	\$ 3,641	\$ 4,852	\$ 5,994	\$ 6,173
Fiduciary net position as a % of total pension liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A

*Note: This schedule is intended to show information for ten years. Additional information will be added when it becomes available.

Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net Pension Liability and Related Ratios - 415(m)
Last Four Fiscal Years*
(In Thousands)

Changes in Net Pension - 415(m)	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	6	9	11	14
Differences between expected and actual experience	67	66	4	-
Changes of assumptions	17	11	(1)	-
Benefit payments	(73)	(79)	(79)	(87)
Net change in total pension liability	17	7	(65)	(73)
Total pension liability, beginning	280	273	338	411
Total pension liability, ending (a)	297	280	273	338
Fiduciary net position:				
Employer contributions	73	79	79	87
Member contributions	-	-	-	-
Investment income net of investment expenses	-	-	-	-
Benefit payments	(73)	(79)	(79)	(87)
Administrative expenses	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Fiduciary net position, beginning	-	-	-	-
Fiduciary net position, ending (b)	-	-	-	-
Net pension liability, ending = (a) - (b)	\$ 297	\$ 280	\$ 273	\$ 338
Fiduciary net position as a % of total pension liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A

*Note: This schedule is intended to show information for ten years. Additional information will be added when it becomes available.

Required Supplementary Information - Unaudited
Pension Plans
Schedule of Contributions
Last Ten Fiscal Years
(In Thousands)

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

Year Ended	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
06/30/16	43,891	43,891	-	151,305	29.01%
06/30/17	37,650	37,650	-	144,122	26.12%

RAF/PBF/FRF Plan

Year Ended	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
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
06/30/16	659	659	-	N/A	N/A
06/30/17	525	525	-	N/A	N/A

City of Hartford
415(M) Fund

Year Ended	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
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
06/30/16	79	79	-	N/A	N/A
06/30/17	73	73	-	N/A	N/A

Notes to schedule:

Valuation date:	July 1, 2016
Actuarial cost method:	Entry age
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	29 years
Asset valuation method:	5-year smoothed
Inflation:	2.75%
Salary increases:	3%
Investment rate of return:	3.58%
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:	RP-2014, fully projected (projected to the year of decrement), with separate male and female tables and separate rates for annuitants and non-annuitants, with occupational adjustment. Mortality improvement is based on the MP-2016 scale.

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

	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,162	\$ 3,681	\$ 3,681	\$ 3,539
Contribution in relation to the actuarially determined contribution	3,162	3,681	3,681	3,539
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 27,785	\$ 27,342	\$ 27,342	\$ 27,342
Contributions as a percentage of covered employee payroll	11.38%	13.46%	13.46%	12.94%

*Note: This schedule is intended to show information for ten years. Additional information will be added when it becomes available.

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

	2017	2016	2015
City's proportion of the net pension liability	11.67200%	12.32145%	12.32145%
City's proportionate share of the net pension liability	\$ 22,910	\$ 16,869	\$ 12,675
City's covered-employee payroll	\$ 27,785	\$ 27,342	\$ 27,342
City's proportionate share of the net pension liability as a percentage of its covered payroll	82.45%	61.70%	46.36%
System fiduciary net position as a percentage of the total pension liability	88.29%	92.72%	90.48%

*Note: This schedule is intended to show information for ten years. Additional information will be added when it becomes available.

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

	2017	2016	2015
City's proportion of the net pension liability	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	558,067	435,145	401,684
Total	\$ 558,067	\$ 435,145	\$ 401,684
City's covered employee payroll	\$ 161,604	\$ 158,736	\$ 156,312
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

*Note: This schedule is intended to show information for ten years. Additional information will be added when it becomes available.

City of Hartford, Connecticut

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

Note 1. Stewardship, Compliance and Accountability

Budgetary information: The City adopted the legal budget for the 2016-2017 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)**

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, 2017, there were no supplemental budget appropriations and one additional appropriation of \$5,980 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, 2017
(In Thousands)

	General Fund	Hartford Public Library	Special Activities	General Fund Totals
Assets				
Cash and cash equivalents	\$ 53,500	\$ 132	\$ 571	\$ 54,203
Receivables, net	81,403	-	59	81,462
Due from other funds	2,700	-	-	2,700
Total assets	\$ 137,603	\$ 132	\$ 630	\$ 138,365
Liabilities				
Accounts and other payables	\$ 33,842	\$ 125	\$ -	\$ 33,967
Tax anticipation note payable	20,165	-	-	20,165
Total liabilities	54,007	125	-	54,132
Deferred inflows of resources:				
Unavailable revenue	79,093	-	47	79,140
Total deferred inflows of resources	79,093	-	47	79,140
Fund balances:				
Assigned	-	-	583	583
Unassigned	4,503	7	-	4,510
Total fund balances	4,503	7	583	5,093
Total liabilities, deferred inflows of resources and fund balances	\$ 137,603	\$ 132	\$ 630	\$ 138,365

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2017
(In Thousands)

	General Fund	Hartford Public Library	Special Activities	Eliminate Interfund Transfers	Totals
Revenues:					
Property taxes	\$ 260,363	\$ -	\$ -	\$ -	\$ 260,363
Licenses and permits	5,376	-	-	-	5,376
Intergovernmental	327,341	-	-	-	327,341
Charges for services	2,132	-	322	-	2,454
Use of property	1,925	-	-	-	1,925
Investment income	440	-	2	-	442
Miscellaneous	2,013	-	-	-	2,013
Total revenues	599,590	-	324	-	599,914
Expenditures:					
Current:					
General government	14,508	-	-	-	14,508
Public safety	80,688	-	-	-	80,688
Public works	12,652	-	-	-	12,652
Development and community affairs	2,918	-	-	-	2,918
Human services	4,789	-	-	-	4,789
Education	344,867	-	10	-	344,877
Recreation and culture	-	7,854	-	-	7,854
Benefits and insurance	78,172	-	-	-	78,172
Other	33,121	-	-	-	33,121
Total expenditures	571,715	7,854	10	-	579,579
Revenues over (under) expenditures	27,875	(7,854)	314	-	20,335
Other financing sources (uses):					
Premium on tax anticipation notes	121	-	-	-	121
Transfers in	5,251	7,861	-	(7,861)	5,251
Transfers out	(42,606)	-	-	7,861	(34,745)
Net other financing sources (uses)	(37,234)	7,861	-	-	(29,373)
Net change in fund balances	(9,359)	7	314	-	(9,038)
Fund balances, beginning of year	13,862	-	269	-	14,131
Fund balances, end of year	\$ 4,503	\$ 7	\$ 583	\$ -	\$ 5,093

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City of Hartford, Connecticut

**Report of Tax Collector
General Fund
For the Year Ended June 30, 2017
(In Thousands)**

Grand List Year	Taxes Collectible July 1, 2016	Lawful Corrections		Suspense Transfers
		Additions	Deletions	
2002	\$ 1	\$ 8	\$ -	\$ -
2003	5	5	1	-
2004	13	26	5	-
2005	1,680	302	13	-
2006	2,032	236	27	-
2007	2,132	373	23	-
2008	3,132	224	80	-
2009	3,735	292	73	-
2010	3,980	72	76	-
2011	4,277	36	93	-
2012	4,411	46	80	-
2013	6,229	188	273	-
2014	11,352	442	958	-
Prior Years	42,979	2,250	1,702	-
2015	264,387	786	7,610	-
Total grand list	\$ 307,366	\$ 3,036	\$ 9,312	\$ -

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				Overpayments/ Refunds	Taxes Receivable June 30, 2017
	Taxes	Interest	Liens	Total		
\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 1
10	2	3	-	5	5	3
35	-	-	-	-	24	11
1,969	26	51	8	85	280	1,663
2,241	27	49	9	85	220	1,994
2,481	42	65	11	118	371	2,068
3,275	104	127	13	244	151	3,020
3,953	93	110	15	218	162	3,698
3,976	204	161	19	384	37	3,735
4,221	221	207	29	457	80	3,920
4,378	332	229	48	609	62	3,984
6,144	817	356	120	1,293	108	5,219
10,836	3,269	831	451	4,551	545	7,022
43,527	5,137	2,189	723	8,049	2,053	36,337
257,563	247,432	1,159	362	248,953	(1,077)	11,208
<u>\$ 301,090</u>	252,569	3,348	1,085	257,002		<u>\$ 47,545</u>
	-	-	-	2,399		
	101	172	20	293		
	<u>\$ 252,670</u>	<u>\$ 3,520</u>	<u>\$ 1,105</u>	<u>\$ 259,694</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
Community Development Act	Federal block grants	Housing and development
Home Program	Federal grants	Affordable housing
Library grants	Grants & contributions	Public library system
Parks & Recreation trusts	Donation & trust income	Parks and recreation
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 three nonmajor capital projects funds include the Redevelopment Fund, Capital Leases and HUD Special Projects Fund. 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, 2017
(In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
Assets					
Cash and cash equivalents	\$ 1,704	\$ 1,550	\$ 2,500	\$ (240)	\$ (255)
Investments	-	-	-	-	-
Receivables:					
Intergovernmental receivable	13	6,993	2,615	1,308	1,134
Other receivables	-	-	-	-	-
Inventories and other assets	-	-	524	-	-
Total assets	\$ 1,717	\$ 8,543	\$ 5,639	\$ 1,068	\$ 879
Liabilities					
Accounts payable and accrued liabilities	\$ 269	\$ 1,293	\$ 1,478	\$ 685	\$ 543
Due to other funds	-	-	-	-	-
Unearned revenue	1,448	3,478	-	383	-
Total liabilities	1,717	4,771	1,478	1,068	543
Deferred Inflows of Resources					
Unavailable revenue	-	4,783	-	285	-
Total deferred inflows of resources	-	4,783	-	285	-
Fund Balances (Deficits)					
Nonspendable	-	-	524	-	-
Restricted	-	-	3,637	-	336
Committed	-	-	-	-	-
Unassigned	-	(1,011)	-	(285)	-
Total fund balances (deficits)	-	(1,011)	4,161	(285)	336
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,717	\$ 8,543	\$ 5,639	\$ 1,068	\$ 879

EXHIBIT B-1

Special Revenue Funds							Capital Projects Funds
HOME Program	Library Grants	Parks and Recreation Trusts	Great Path Academy	Total	Capital Leases		
\$ 31	\$ 318	\$ -	\$ 718	\$ 6,326	\$ -		
-	-	388	-	388	-		
-	83	-	-	12,146	-		
-	134	-	-	134	-		
-	-	-	-	524	-		
\$ 31	\$ 535	\$ 388	\$ 718	\$ 19,518	\$ -		
\$ 3	\$ 186	\$ -	\$ 344	4,801	\$ 2,002		
-	-	-	-	-	-		
28	349	-	-	5,686	-		
31	535	-	344	10,487	2,002		
-	3	-	-	5,071	-		
-	3	-	-	5,071	-		
-	-	-	-	524	-		
-	-	388	374	4,735	-		
-	-	-	-	-	-		
-	(3)	-	-	(1,299)	(2,002)		
-	(3)	388	374	3,960	(2,002)		
\$ 31	\$ 535	\$ 388	\$ 718	\$ 19,518	\$ -		

(Continued)

City of Hartford, Connecticut

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2017
(In Thousands)

	Capital Projects Funds		
	Redevelopment Fund	HUD Special Projects Fund	Total
Assets			
Cash and cash equivalents	\$ 3,478	\$ -	\$ 3,478
Investments	-	-	-
Receivables:			
Intergovernmental receivable	-	4,725	4,725
Other receivables	-	-	-
Inventories and other assets	-	-	-
Total assets	\$ 3,478	\$ 4,725	\$ 8,203
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,002
Due to other funds	-	-	-
Unearned revenue	1,566	-	1,566
Total liabilities	1,566	-	3,568
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances (Deficits)			
Nonspendable	-	-	-
Restricted	-	4,725	4,725
Committed	1,912	-	1,912
Unassigned	-	-	(2,002)
Total fund balances (deficits)	1,912	4,725	4,635
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,478	\$ 4,725	\$ 8,203

EXHIBIT B-1

Permanent Funds									
Public Safety		Parks and Recreation Trusts		Human Services Trusts		Education Trusts		Total	Total
\$	-	\$	-	\$	280	\$	-	\$	280
	1		24,384		4,600		148		29,133
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
\$	1	\$	24,384	\$	4,880	\$	148	\$	29,413
\$	-	\$	-	\$	-	\$	-	\$	-
	-		190		-		-		190
	-		-		-		-		-
	-		190		-		-		190
	-		-		-		-		-
	-		-		-		-		-
	-		8,150		197		11		8,358
	1		16,044		4,683		137		20,865
	-		-		-		-		-
	-		-		-		-		-
	1		24,194		4,880		148		29,223
\$	1	\$	24,384	\$	4,880	\$	148	\$	29,413

City of Hartford, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficits) - Nonmajor Governmental Funds
For the Year Ended June 30, 2017
(In Thousands)**

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
Revenues:					
Intergovernmental revenues	\$ 47,046	\$ 25,626	\$ 15,120	\$ 8,808	\$ 4,564
Charges for services	-	9,086	262	-	-
Investment income (loss)	-	-	-	-	2
Other revenues	-	17	382	398	-
Total revenues	47,046	34,729	15,764	9,206	4,566
Expenditures:					
General government	-	7,470	-	-	578
Public safety	-	7,358	-	-	21
Public works	-	15	-	-	-
Development and community affairs	47,045	-	-	-	1,960
Human services	-	13,356	-	9,580	1,798
Education	-	-	15,193	-	138
Recreation and culture	-	-	-	-	69
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	47,045	28,199	15,193	9,580	4,564
Excess (deficiency) of revenues over expenditures	1	6,530	571	(374)	2
Other financing sources (uses):					
Transfers in	-	291	-	194	-
Transfers out	-	(5,303)	-	-	-
Lease proceeds	-	-	-	-	-
Total other financing sources (uses)	-	(5,012)	-	194	-
Changes in fund balance (deficits)	1	1,518	571	(180)	2
Fund balance (deficits), beginning	(1)	(2,529)	3,590	(105)	334
Fund balance (deficits), ending	\$ -	\$ (1,011)	\$ 4,161	\$ (285)	\$ 336

EXHIBIT B-2

Special Revenue Funds						Capital Projects Fund
HOME Program	Library Grants	Parks and Recreation Trusts	Great Path Academy	Total		Capital Lease
\$ 1,332	\$ 789	\$ -	\$ 2,738	\$ 106,023	\$ -	
-	39	17	1,120	10,524	-	
-	-	2	-	4	-	
-	1,003	-	-	1,800	-	
1,332	1,831	19	3,858	118,351	-	
-	-	-	-	8,048	-	
-	-	-	-	7,379	-	
-	-	-	-	15	-	
1,332	-	-	-	50,337	-	
-	-	-	-	24,734	-	
-	-	-	3,683	19,014	-	
-	1,834	3	-	1,906	-	
-	-	-	-	-	1,203	
-	-	-	-	-	3,841	
1,332	1,834	3	3,683	111,433	5,044	
-	(3)	16	175	6,918	(5,044)	
-	-	-	-	485	4,016	
-	-	-	-	(5,303)	-	
-	-	-	-	-	2,634	
-	-	-	-	(4,818)	6,650	
-	(3)	16	175	2,100	1,606	
-	-	372	199	1,860	(3,608)	
\$ -	\$ (3)	\$ 388	\$ 374	\$ 3,960	\$ (2,002)	

(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, 2017
(In Thousands)**

	Capital Projects Funds		
	Redevelopment Fund	HUD Special Projects Fund	Total
Revenues:			
Intergovernmental revenues	\$ -	\$ 1,425	\$ 1,425
Charges for services	35	-	35
Investment income (loss)	10	187	197
Other revenues	-	-	-
Total revenues	45	1,612	1,657
Expenditures:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Development and community affairs	-	-	-
Human services	-	-	-
Education	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	1,203
Debt service	-	752	4,593
Total expenditures	-	752	5,796
Excess (deficiency) of revenues over expenditures	45	860	(4,139)
Other financing sources (uses):			
Transfers in	-	-	4,016
Transfers out	-	-	-
Lease proceeds	-	-	2,634
Total other financing sources (uses)	-	-	6,650
Changes in fund balance (deficits)	45	860	2,511
Fund balance (deficits), beginning	1,867	3,865	2,124
Fund balance (deficits), ending	<u>\$ 1,912</u>	<u>\$ 4,725</u>	<u>\$ 4,635</u>

EXHIBIT B-2

Permanent Funds						
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,448	
-	-	-	-	-	10,559	
1	3,669	309	15	3,994	4,195	
-	-	-	-	-	1,800	
1	3,669	309	15	3,994	124,002	
-	(10)	28	-	18	8,066	
-	-	-	-	-	7,379	
-	-	-	-	-	15	
-	-	-	-	-	50,337	
-	-	-	-	-	24,734	
-	-	-	5	5	19,019	
-	141	-	-	141	2,047	
-	-	-	-	-	1,203	
-	-	-	-	-	4,593	
-	131	28	5	164	117,393	
1	3,538	281	10	3,830	6,609	
-	-	-	-	-	4,501	
-	(383)	-	-	(383)	(5,686)	
-	-	-	-	-	2,634	
-	(383)	-	-	(383)	1,449	
1	3,155	281	10	3,447	8,058	
-	21,039	4,599	138	25,776	29,760	
\$ 1	\$ 24,194	\$ 4,880	\$ 148	\$ 29,223	\$ 37,818	

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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, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance	
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total			
<u>Facility Services</u>											
Public Works Projects:											
W6264	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	\$ 600,000	\$ -	\$ 600,000	\$ 599,610	\$ -	\$ 599,610	\$ -	\$ 391	
A6500	Church Street Garage Structural Repairs	1/12/2005	3,000,000	-	3,000,000	2,989,323	-	2,989,323	-	10,677	
A6501	Church Street Façade Restoration	1/12/2005	1,810,000	-	1,810,000	1,428,823	-	1,428,823	-	381,177	
A6502	MAT Street Garage Façade Restoration	1/12/2005	2,300,000	-	2,300,000	1,932,661	-	1,932,661	3,738	363,601	
A6503	Remainder of Construction Contract at Morgan St Garage	1/12/2005	1,590,000	-	1,590,000	1,524,180	-	1,524,180	-	65,820	
A6504	Remainder of Repair Contracts at MAT Garage	1/12/2005	500,000	-	500,000	303,852	-	303,852	-	196,148	
A6505	Remainder of Repairs Contracts at Church St Garage	1/12/2005	1,000,000	-	1,000,000	855,413	-	855,413	-	144,587	
A6507	Streetscape Improvements at Church St Garage	1/12/2005	280,000	-	280,000	257,357	-	257,357	-	22,643	
A6508	Landscaping/Lighting Improve-ments opposite Morgan St Garage	1/12/2005	432,000	-	432,000	262,762	-	262,762	9,275	159,963	
D6576	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325,288	-	1,325,288	1,319,653	5,145	1,324,798	-	490	
D7576	Economic Development Site Acquisition	7/1/2006	1,450,000	-	1,450,000	697,987	-	697,987	-	752,013	
W8262	City Buildings ADA Modifications FYE 2008 Appropriation	8/14/2007	950,000	-	950,000	948,120	-	948,120	-	1,880	
W8270	Salt, Sand & Truck Wash at 40 Jennings Road	8/14/2007	500,000	-	500,000	305,211	-	305,211	175	194,614	
W8279	525 Main St. Building Renovations	8/14/2007	550,000	-	550,000	302,170	-	302,170	-	247,830	
W8282	Burgdorf Environmental Clean-up & Campus Planning	8/14/2007	250,000	-	250,000	180,966	59	181,025	-	68,975	
W8202	Energy Projects	11/27/2007	2,000,000	-	2,000,000	1,940,936	2,126	1,943,062	-	56,938	

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
D9514	Acquisition of Property for Development	5/29/2008	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 998,974	\$ -	\$ 998,974	\$ -	\$ 1,026
D9515	Downtown North/West Redevelopment	5/29/2008	4,250,000	-	4,250,000	4,223,943	330	4,224,273	25,727	-
D9584	Neighborhood Development Fund	5/29/2008	4,000,000	-	4,000,000	3,988,565	1,420	3,989,985	10,015	-
W9262	City Buildings ADA Modifications FYE 2009 Appropriation	5/29/2008	1,450,000	-	1,450,000	1,050,529	327,676	1,378,205	82,764	(10,969)
W9263	City Buildings Environmental Compliance FYE 2009 Appropriation	5/29/2008	500,000	-	500,000	493,527	1,500	495,027	-	4,973
W9264	City Buildings Energy Conservation, Security Technology and Communication FYE 2009 Appropriation	5/29/2008	300,000	-	300,000	283,482	-	283,482	-	16,518
W9269	Municipal Facility Renovations	5/29/2008	750,000	-	750,000	733,542	-	733,542	-	16,458
W9276	Albany Avenue Library	5/29/2008	2,165,376	-	2,165,376	2,159,746	-	2,159,746	5,630	-
W9282	Burgdorf Environmental Clean-up & Campus Planning FYE 2009 Appropriation	5/29/2008	2,400,000	-	2,400,000	522,745	-	522,745	-	1,877,255
W9587	Bulky Waste Recycling Center		1,100,000	-	1,100,000	1,094,292	(2,404)	1,091,888	-	8,112
A9510	Parking Authority Capital Improvements	6/23/2008	2,000,000	-	2,000,000	363,124	-	363,124	89,603	1,547,274
W0592	South End Senior Center Improvements	9/22/2009	682,500	-	682,500	681,750	-	681,750	-	750
D1616	Enhance Founder Bridge Gateway	6/1/2010	2,700,000	-	2,700,000	422,852	-	422,852	-	2,277,148
W2617	DOJ ADA Improv Municipal Facility	6/1/2011	500,000	-	500,000	498,000	1,851	499,851	-	149
W2618	Municipal Facility Renovations & Energy	6/1/2011	750,000	-	750,000	749,783	-	749,783	-	217
W2620	Central Library - Auditorium	6/1/2011	2,034,624	-	2,034,624	2,033,734	-	2,033,734	-	890
D2637	Former Lyric Theater Building	6/1/2011	750,000	-	750,000	368,415	-	368,415	381,585	-
D2638	Proj. Initiation & Development	6/1/2011	150,000	-	150,000	147,558	-	147,558	-	2,442
D2639	Federal/State Matching Fund	6/1/2011	200,000	-	200,000	138,099	25,000	163,099	-	36,901
D2640	Facility Planning & Decommission	6/1/2011	250,000	-	250,000	174,586	-	174,586	-	75,414
W1302	DOJ ADA Improvements	4/16/2012	500,000	-	500,000	152,458	347,542	500,000	-	-
W1303	Municipal Facility Renovations	4/16/2012	900,000	-	900,000	899,551	-	899,551	-	449
W1304	North End Senior Center	4/16/2012	1,516,577	-	1,516,577	1,458,963	-	1,458,963	-	57,614
W1307	Library Renovations and Improvement	4/16/2012	604,838	-	604,838	604,233	-	604,233	-	605
W1308	Dillon Stadium	4/16/2012	1,000,000	-	1,000,000	351,937	-	351,937	-	648,063
W1324	Sidewalk Repair	4/16/2012	500,000	-	500,000	474,655	31	474,686	25,314	-

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W1327	Bridge Repairs	4/16/2012	\$ 250,000	\$ -	\$ 250,000	\$ 6,284	\$ -	\$ 6,284	\$ -	\$ 243,717
D1372	Proj. Initiation & Development	4/16/2012	250,000	-	250,000	244,875	361	245,236	358	4,406
D1373	Facility Planning & Decommission	4/16/2012	900,000	-	900,000	896,993	-	896,993	3,007	-
D1378	Economic Site Acquisition	4/16/2012	450,000	-	450,000	314,425	-	314,425	101,584	33,991
D1379	State/Federal Matching Fund	4/16/2012	900,000	-	900,000	386,824	(21,609)	365,214	-	534,786
D1380	iQuilt	4/16/2012	5,000,000	-	5,000,000	3,247,233	1,287,165	4,534,398	164,103	301,499
D1382	Homestead Ave Redevelopment	4/16/2012	500,000	-	500,000	-	-	-	-	500,000
D1370	Citywide Streetscapes	4/16/2012	250,000	-	250,000	161,852	88,107	249,959	499	(458)
D1371	Project Initiation & Development	4/16/2012	500,000	-	500,000	-	-	-	-	500,000
D1374	Parkville Municipal Development	4/16/2012	500,000	-	500,000	-	-	-	-	500,000
D1375	Redevelopment	4/16/2012	500,000	-	500,000	382,181	-	382,181	-	117,819
D1376	Neighborhood Development	4/16/2012	500,000	-	500,000	307,323	21,702	329,025	3,975	167,000
D1377	Pedestrian and Traffic Circulation	4/16/2012	1,959,000	-	1,959,000	-	-	-	-	1,959,000
D1470	Lyric Theater-Library and Cultural Center	7/1/2013	-	990,000	990,000	91,968	99,000	190,968	297,919	501,113
D1471	Project Initiation for Commercial Revitalization	7/1/2013	350,000	-	350,000	95,127	32,215	127,342	213,405	9,253
D1472	Redevelopment Plan Implementation	7/1/2013	2,970,000	-	2,970,000	2,597,171	56,871	2,654,042	314,061	1,897
D1473	Economic Incentive Fund	7/1/2013	1,980,000	-	1,980,000	1,000,000	980,000	1,980,000	-	-
D1474	Economic Site Acquisition	7/1/2013	4,750,000	-	4,750,000	4,442,472	4,000	4,446,472	-	303,528
D1475	Economic Development Site Analysis	7/1/2013	500,000	-	500,000	431,840	1,412,291	1,844,131	68,160	(1,412,291)
D1476	Neighborhood Development & Housing	7/1/2013	2,970,000	-	2,970,000	1,222,754	341,054	1,563,808	-	1,406,192
D1477	NRZ Improvements	7/1/2013	2,722,500	-	2,722,500	269,294	121,221	390,515	1,116,076	1,215,909
D1478	State/Federal Matching Fund	7/1/2013	500,000	-	500,000	93,346	274,837	368,183	207,066	(75,249)
D1479	iQuilt Improvement Fund	7/1/2013	990,000	-	990,000	281,357	-	281,357	432,827	275,816
D1480	Small Business Loan Fund	7/1/2013	500,000	-	500,000	-	-	-	-	500,000
D1481	Façade Program	7/1/2013	495,000	-	495,000	-	-	-	-	495,000
D1482	Bowles & Westbrook Village Site Preparation	7/1/2013	990,000	-	990,000	-	-	-	-	990,000
D1483	1% for the Arts - CIP FY14	7/1/2013	664,000	-	664,000	-	-	-	-	664,000
D1514	Streetscape - Various St	7/1/2014	2,475,000	-	2,475,000	2,474,911	89	2,475,000	-	-
D1515	Neighborhood Devel. & Ho	7/1/2014	2,970,000	-	2,970,000	348,440	-	348,440	7,972	2,613,588
D1516	Redevelopment - Various	7/1/2014	2,970,000	-	2,970,000	2,943,206	26,784	2,969,990	10	-
D1645	Neighborhood Dev. Housing Rev	7/1/2015	1,000,000	-	1,000,000	-	310,255	310,255	-	689,745
D1646	Redevelopment and Implementation	7/1/2015	3,000,000	-	3,000,000	792,980	1,855,123	2,648,102	39,647	312,251
D1647	Park Branch Library	7/1/2015	6,500,000	-	6,500,000	2,090	2,467	4,557	-	6,495,443
D1648	John E. Rogers	7/1/2015	2,000,000	-	2,000,000	-	127	127	-	1,999,873
D1649	Emergency Demolition Funds	7/1/2015	200,000	-	200,000	-	58,475	58,475	4,000	137,525
D1650	Document Conversion	7/1/2015	300,000	-	300,000	125,841	116,684	242,525	49,555	7,920
D1651	Growing Hartford Businesses	7/1/2015	2,500,000	-	2,500,000	-	-	-	-	2,500,000
D1652	Planning and Economic Develop	7/1/2015	500,000	-	500,000	53,888	56,401	110,289	-	389,711

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
D1653	World War I Plaque Installation	7/1/2015	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
W1405	DOJ ADA Improvements	7/1/2013	495,000	-	495,000	44,577	-	44,577	450,423	-
W1406	Municipal Facilities Renovations	7/1/2013	3,217,500	-	3,217,500	3,133,977	14,536	3,148,513	41,564	27,423
W1407	Facility Planning & Design	7/1/2013	1,485,000	-	1,485,000	551,920	-	551,920	-	933,080
W1408	Energy Projects	7/1/2013	594,000	-	594,000	480,463	(2,197)	478,266	24,643	91,091
W1409	Library Renovations and Improvements	7/1/2013	792,000	-	792,000	712,383	(4,387)	707,996	4,321	79,683
W1410	Citywide Security Improvements	7/1/2013	495,000	-	495,000	476,790	5,559	482,348	1,363	11,289
W1412	Roof Replacement	7/1/2013	495,000	-	495,000	481,161	6,030	487,191	7,809	-
W1413	Electronic Documentation Preservation	7/1/2013	1,500,000	-	1,500,000	1,044,236	118,697	1,162,933	541	336,526
W1414	Quirk West	7/1/2013	7,920,000	-	7,920,000	702,306	106,980	809,285	254,261	6,856,454
W1507	Citywide Fencing	7/1/2014	500,000	-	500,000	419,587	12,859	432,446	2,013	65,541
W1512	City Hall & Municipal Fa	7/1/2014	990,000	-	990,000	918,557	3,885	922,441	19,882	47,677
W1513	40 Jennings Fuel Deliver	7/1/2014	200,000	-	200,000	12,290	14,543	26,833	7,990	165,177
W1636	Refuse Carts	7/1/2015	500,000	-	500,000	156,840	162,120	318,960	-	181,040
W1637	Flood Control	7/1/2015	20,045,000	-	20,045,000	425,915	1,784,665	2,210,580	3,520,633	14,313,787
W1638	Citywide Security	7/1/2015	500,000	-	500,000	458,421	-	458,421	41,579	-
W1639	Roof Replacement	7/1/2015	500,000	-	500,000	138,284	21,026	159,310	1,460	339,230
W1640	Municipal Facilities Renovation	7/1/2015	950,000	-	950,000	485,685	444,776	930,461	12,839	6,700
W1641	Scale House	7/1/2015	250,000	-	250,000	74	14,126	14,200	22,310	213,490
W1642	Energy Projects	7/1/2015	500,000	-	500,000	39,481	154,992	194,473	3,280	302,247
W1643	Building Demolition	7/1/2015	250,000	-	250,000	1,036	10,179	11,216	91,727	147,058
W1644	Library Renov. - Various Bran	7/1/2015	1,000,000	-	1,000,000	56,478	84,164	140,642	11,132	848,226
W1716	Oil Tanks	7/1/2016	-	250,000	250,000	-	251	251	-	249,749
W1719	Municipal Facilities Renovations	7/1/2016	-	2,000,000	2,000,000	-	179,249	179,249	75,303	1,745,448
Total Public Works Projects			151,975,202	3,240,000	155,215,202	74,873,199	10,965,949	85,839,147	8,253,123	61,122,932
<u>Public Safety Projects:</u>										
W1115	Construction of a Public Safety Complex	11/7/2000	77,000,000	-	77,000,000	75,779,616	13,827	75,793,442	164,622	1,041,936
W7101	Firearms, Equipment Leasing and Transmitter Equipment	6/26/2007	650,000	-	650,000	527,271	-	527,271	-	122,730
W9120	50 Jennings Rd Interior Mechanical Renovations	5/29/2008	200,000	-	200,000	196,493	3,506	199,999	-	1
W1401	Public Safety Complex Parking Garage	7/1/2013	2,475,000	-	2,475,000	2,033	-	2,033	-	2,472,967
W1402	Renovation of Fire Station #11	7/1/2013	500,000	-	500,000	60,189	-	60,189	58,681	381,130
W1403	Fire Training Facility	7/1/2013	800,000	-	800,000	684,253	48,684	732,936	3,076	63,988
W1404	Veeder Building Improvements	7/1/2013	150,000	-	150,000	77,532	-	77,532	-	72,468
W1433	Vehicles, Computers and Other Equipment	7/2/2013	2,138,217	-	2,138,217	1,266,782	262,076	1,528,858	403,314	206,045
W1501	Coventry Street Police S	7/1/2014	1,485,000	-	1,485,000	90,867	-	90,867	62,445	1,331,688

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W1502	Public Safety Complex Ga	7/1/2014	\$ 1,485,000	\$ -	\$ 1,485,000	\$ -	\$ -	\$ -	\$ -	\$ 1,485,000
W1623	Public Safety-Police Emer Resp Apparatus Facility	7/1/2015	100,000	-	100,000	2,375	143	2,519	19,800	77,681
W1624	Police Camera Systems and Related Equipment	7/2/2015	3,420,623	-	3,420,623	103,388	1,060,186	1,163,574	165,053	2,091,996
Total Public Safety Projects			90,403,840	-	90,403,840	78,790,799	1,388,421	80,179,220	876,991	9,347,629
<u>Recreation and Culture Projects:</u>										
W7243	Central (Main)Library Renovations/Improvements	8/12/1996	38,849,084	-	38,849,084	38,849,081	-	38,849,081	-	3
W3010	Pope Park Pool Replacement	5/26/2000	1,581,070	-	1,581,070	1,492,908	-	1,492,908	-	88,162
W2302	Batterson Park Infrastructure - Hartford Parks Trust Fund	5/24/2002	450,000	-	450,000	449,500	-	449,500	-	500
W2341	Park Ponds Restoration - Hartford Parks Trust Fund	5/24/2002	800,000	-	800,000	609,717	7,667	617,384	20,380	162,236
W6306	Pope Park Indoor Pool Repairs	11/12/2005	250,000	-	250,000	248,625	-	248,625	-	1,375
W7307	Colt Park and Coltsville Park Planning	7/1/2006	1,500,000	-	1,500,000	1,005,997	-	1,005,997	-	494,003
W7306	Pope Park Pool/ Master Plan Work	10/11/2006	400,000	-	400,000	380,950	-	380,950	-	19,050
W7399	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	16,200,000	-	16,200,000	16,199,613	-	16,199,613	-	387
W7305	Blue Hills Recreation Center	1/9/2007	150,000	-	150,000	75,122	-	75,122	-	74,878
W8383	City Wide Pool Enhancements	8/14/2007	800,000	-	800,000	798,050	-	798,050	-	1,950
W8272	Central and Branch Library Dwight	8/14/2007	2,000,000	-	2,000,000	2,031,025	-	2,031,025	-	(31,025)
W8351	Park Monuments, Pond House & Spray Pools Renovation & Improvements	8/14/2007	500,000	-	500,000	496,247	-	496,247	-	3,753
W8201	Citywide Day Care and Park Enhancements	11/15/2007	600,000	-	600,000	591,875	-	591,875	-	8,125
W9398	Playground & Building Improvements	6/23/2008	1,000,000	-	1,000,000	991,156	-	991,156	-	8,844
W0591	Hyland Park Improvements & Renovations	9/11/2009	500,000	-	500,000	495,500	4,500	500,000	-	-
W0595	Keney Park Pavilion	6/2/2009	50,000	-	50,000	43,505	-	43,505	-	6,495

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W0596	Goodwin Park Pond House Improvement	6/2/2009	\$ 450,000	\$ -	\$ 450,000	\$ 439,984	\$ -	\$ 439,984	\$ -	\$ 10,016
W1604	Batterson Park Infrastructure Improvements	6/2/2009								
		6/1/2010	1,000,000	-	1,000,000	989,607	-	989,607	-	10,393
W1605	I-Quilt/Bushnell Park	6/1/2010	100,000	-	100,000	81,126	-	81,126	-	18,874
W1610	Connect Regional, Nat'l Trails	6/1/2010	200,000	-	200,000	-	-	-	-	200,000
W2622	Park Improvements & Playground	6/1/2011	2,250,000	-	2,250,000	2,246,704	-	2,246,704	-	3,296
W2623	Urban Forestry Mgmt. & Planning	6/1/2011	900,000	-	900,000	898,531	-	898,531	-	1,469
W2627	Pulaski Mall Improvements	6/1/2011	250,000	-	250,000	241,377	-	241,377	-	8,623
W1309	DOJ ADA Park Improvements	4/16/2012	500,000	-	500,000	476,275	-	476,275	23,725	-
W1310	Cemetery Beautification/Improvements	4/16/2012	750,000	-	750,000	499,707	-	499,707	-	250,293
W1311	Pulaski Mall Improvements	4/16/2012	600,000	-	600,000	583,456	-	583,456	-	16,544
W1313	Greening America's Capital	4/16/2012	500,000	-	500,000	297,984	-	297,984	202,016	-
W1332	Cronin Park Improvements	4/16/2012	700,000	-	700,000	183,629	-	183,629	-	516,371
W1333	Day Park Improvements	4/16/2012	800,000	-	800,000	798,804	-	798,804	-	1,196
W1334	Bushnell Park Carousel Study	4/16/2012	150,000	-	150,000	153,366	-	153,366	-	(3,366)
W1335	Goodwin Park Spray Pool	4/16/2012	150,000	-	150,000	139,989	-	139,989	-	10,011
W1336	Park Projects Design	4/16/2012	200,000	-	200,000	198,111	-	198,111	-	1,889
W1338	Cal Ripken Playing Fields	4/16/2012	2,750,000	-	2,750,000	2,711,308	28,631	2,739,939	10,061	-
W2624	Park Master Plan Update	6/1/2011	350,000	-	350,000	348,768	-	348,768	-	1,233
W1416	ADA Park Improvements	7/1/2013	495,000	-	495,000	131,564	213,488	345,052	149,948	(0)
W1417	Park Improve and Playground Enhancements	7/1/2013	2,100,000	-	2,100,000	2,080,648	-	2,080,648	19,352	-
W1418	Cemetery Beautification and Improvements	7/1/2013	200,000	-	200,000	44,454	6,560	51,014	14,547	134,439
W1419	Urban Forestry Management and Planning	7/1/2013	990,000	-	990,000	986,793	-	986,793	-	3,207
	Greenways, and Connections to Regional, Nat'l									
W1420	and Multiuse Trails	7/1/2013	495,000	-	495,000	-	-	-	-	495,000
W1421	Dillon Stadium Improvements	7/1/2013	1,980,000	-	1,980,000	306,401	-	306,401	-	1,673,599
W1422	Monument Study	7/1/2013	50,000	-	50,000	-	-	-	-	50,000
W1423	Keney & Goodwin Golf Course Improvements	7/1/2013	4,950,000	-	4,950,000	4,938,642	9,135	4,947,777	231	1,992
W1434	Bushnell Park Carousel Improvements	5/12/2014	1,000,000	-	1,000,000	992,860	7,140	1,000,000	-	1,000,000
W1503	Park Improvements & Play	7/1/2014	2,475,000	-	2,475,000	2,402,855	60,695	2,463,550	11,450	-
W1506	Dillon Stadium Improvement	7/1/2014	8,910,000	-	8,910,000	1,374,979	-	1,374,979	-	7,535,021
W1625	Park Improv. & Playground Enh	7/1/2015	4,850,000	-	4,850,000	2,258,508	2,200,937	4,459,445	275,749	114,806
W1626	Golf Courses	7/1/2015	4,000,000	-	4,000,000	1,488,138	2,505,700	3,993,838	6,162	-
W1627	Urban Forestry	7/1/2015	1,000,000	-	1,000,000	877,735	114,727	992,462	7,538	-
W1705	Park Improvement & Playground Enhancement	7/1/2016	-	400,000	400,000	-	129,344	129,344	87,820	182,836
W1706	Neighborhood Environmental Improv.	7/1/2016	-	500,000	500,000	-	92,979	92,979	76,403	330,618
Total Recreation and Culture Projects			111,725,154	900,000	112,625,154	93,931,174	5,381,503	99,312,677	905,382	13,407,095

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance	
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total			
<u>Education Projects:</u>											
QB534	Renovation of Hartford High School Project	9/23/1997	\$ 114,500,000	\$ -	\$ 114,500,000	\$ 114,328,569	\$ -	\$ 114,328,569	\$ -	\$ 171,431	
QB537	Renovations of Various Hartford Schools	8/11/1998	27,000,000	-	27,000,000	26,831,181	-	26,831,181	-	168,819	
QB546	Renovations and Construction Improvements to Hartford Public Schools	11/7/2000	129,590,000		129,590,000	131,604,523	-	131,604,523	-	(2,014,523)	
QB548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	30,500,000	-	30,500,000	32,185,851	-	32,185,851	-	(1,685,851)	
QB549	Sports Science Academy Magnet High School	5/12/2003	67,648,775	-	67,648,775	64,655,953	-	64,655,953	-	2,992,822	
QB550	Greater Hartford Classical Magnet School	11/13/2003	37,950,000	-	37,950,000	38,014,853	-	38,014,853	-	(64,853)	
QB551	Pathways to Technology Magnet School	11/13/2003	36,950,000	-	36,950,000	6,821,115	-	6,821,115	-	30,128,885	
QB553	University High School for Science	8/11/2004	43,000,000	-	43,000,000	42,002,894	60	42,002,954	-	997,046	
QB554	Capital College Preparatory Magnet	8/11/2004	45,650,000	-	45,650,000	41,093,812	58	41,093,870	-	4,556,130	
QB556	Annie Fisher Magnet School	7/12/2005	45,500,000	-	45,500,000	44,395,525	-	44,395,525	-	1,104,475	
QB557	Richard B. Kinsella, Magnet School of Arts	7/12/2005	38,015,000	-	38,015,000	37,923,930	50,786	37,974,716	-	40,284	
QB559	Mary M. Hooker Environment Studies Magnet School	7/11/2006	43,500,000	-	43,500,000	39,245,532	-	39,245,532	-	4,254,468	
Q8416	Weaver High School Renovations	8/14/2007	940,000	-	940,000	-	-	-	-	940,000	
Q8417	Bulkeley High School Improvements to Air Handling System	8/14/2007	240,000	-	240,000	-	-	-	-	240,000	
Q8418	Betances Elementary School Replacement of Five Rear Staircases	8/14/2007	45,000	-	45,000	-	-	-	-	45,000	
Q1564	Journalism & New Media High School	6/9/2008	37,450,000	-	37,450,000	31,205,878	-	31,205,878	-	6,244,122	
Q1565	Dwight Bellizzi Middle School	6/9/2008	13,000,000	-	13,000,000	12,299,048	-	12,299,048	-	700,952	
Q1566	International Baccalaureate School	6/9/2008	55,050,000	-	55,050,000	50,425,225	-	50,425,225	-	4,624,775	
Q9553	Transitional Classroom Univ of Science 064-0297	1/12/2009	1,650,000	-	1,650,000	1,295,237	-	1,295,237	-	354,763	
QB901	MD Fox Elementary School comb w/@9430	1/12/2009	56,400,000	-	56,400,000	46,485,767	-	46,485,767	-	9,914,233	
Q9902	Student Bathrooms - Bulkeley	10/27/2008	700,000	-	700,000	518,387	-	518,387	-	181,613	

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
Q0904	Roofs/Masonry, Intrusion Alarms	6/2/2009	\$ 4,069,031	\$ -	\$ 4,069,031	\$ 4,266,986	\$ 389,562	\$ 4,656,548	\$ -	\$ (587,517)
Q0906	Burns (Language Lab)	6/2/2009	700,000	-	700,000	615,248	-	615,248	-	84,752
Q2907	West Middle School	7/1/2011	54,600,000	-	54,600,000	47,165,719	5,003,127	52,168,846	-	2,431,154
Q2908	Hartford Middle Magnet School	7/1/2011	29,440,000	-	29,440,000	26,749,547	910,846	27,660,393	-	1,779,607
Q2909	Parkville School HVAC Units	7/1/2011	1,425,000	-	1,425,000	818,785	-	818,785	-	606,215
Q2910	Fox Middle School Cooling Tower Unit	7/1/2011	271,000	-	271,000	162,199	-	162,199	-	108,801
Q2911	Kinsella High School	7/1/2011	70,000	-	70,000	49,851	-	49,851	-	20,149
Q1301	Quirk Renovation	4/16/2012	2,500,000	-	2,500,000	-	-	-	-	2,500,000
Q1303	Bellizzi Air Conditioning	4/16/2012	1,500,000	-	1,500,000	191,157	665,810	856,967	-	643,033
Q1304	Sprinklers at Clark	4/16/2012	1,000,000	-	1,000,000	539,790	35,796	575,586	-	424,414
Q1305	Sprinklers at S. Waverly	4/16/2012	1,000,000	-	1,000,000	40,056	-	40,056	-	959,944
Q1309	Kinsella Magnet School FY13	4/16/2012	36,952,000	-	36,952,000	2,019,075	987,893	3,006,968	-	33,945,032
Q1401	Public Safety Academy	7/1/2013	5,000,000	-	5,000,000	-	-	-	-	5,000,000
Q1402/Q1308	Weaver High School Renovations FY14	7/1/2013	106,564,000	-	106,564,000	15,487,704	5,909,876	21,397,580	-	85,166,420
Q1403	School Facilities Capital Improvement	7/1/2013	4,300,000	-	4,300,000	3,368,772	34,967	3,403,739	-	896,261
Q1404	Vehicles, Computers, & Other	7/1/2013	1,000,000	-	1,000,000	995,000	-	995,000	-	5,000
Q1405	Mark Twain School Sprinklers	7/1/2013	1,000,000	-	1,000,000	4,210	-	4,210	-	995,790
Q1502	Weaver Lease Space	7/1/2014	6,564,000	-	6,564,000	3,158	-	3,158	-	6,560,842
Q1509	Kinsella Lease Space	7/1/2015	3,952,000	-	3,952,000	1,976	-	1,976	-	3,950,024
Q1600	Clark School - PCB Abatement	7/1/2015	-	4,000,000	4,000,000	111	-	111	-	3,999,889
Q1601	Replac. & Upgrades to Various School	7/1/2015	-	2,240,000	2,240,000	301,233	32,846	334,079	-	1,905,921
Q1602	Renov. of Martin Luther King School	7/1/2015	-	68,000,000	68,000,000	-	-	-	-	68,000,000
Total Education Projects			1,087,185,806	74,240,000	1,161,425,806	864,113,857	14,021,627	878,135,484	-	283,290,322
Other	Q2905 (QB904) Milner Academy Roof project		1,480,000	-	1,480,000	1,492,701	-	1,492,701	3,841	(16,542)
	Q2906 (QB904) Batchelder School Roof project		1,820,000	-	1,820,000	1,709,143	-	1,709,143	2,810	108,047
	Q1300 Public Safety	4/16/2012	3,000,000	-	3,000,000	59,657	-	59,657	-	2,940,343
	Q1306 Parking Lot	4/16/2012	200,000	-	200,000	196,888	-	196,888	-	3,112
Total Other			6,500,000	-	6,500,000	3,458,389	-	3,458,389	6,651	3,034,960
Total Facility Services			1,447,790,002	78,380,000	1,526,170,002	1,115,167,418	31,757,499	1,146,924,917	10,042,147	370,202,937
<u>Engineering Services</u>										
Public Works Projects:										
W9519	Road Improvement Program	8/11/1998	12,954,792	-	12,954,792	12,040,913	323,258	12,364,170	128,260	462,362

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W1519	Streetscape Improvements	11/7/2000	\$ 16,700,000	\$ -	\$ 16,700,000	\$ 14,716,273	\$ 914,282	\$ 15,630,555	\$ 384,823	\$ 684,622
W1534	Reconstruction of Woodland St.	6/11/2001	1,525,000	-	1,525,000	1,391,706	-	1,391,706	-	133,294
W3560	Demolition of Mixmaster Temple Street	5/12/03	917,000	-	917,000	794,238	-	794,238	-	122,762
W3570	Trinity College Area Improvements	11/13/2003	4,565,300	-	4,565,300	4,542,080	-	4,542,080	-	23,220
W4548	Riverwalk North Project	11/9/2004	4,686,025	-	4,686,025	4,685,762	-	4,685,762	-	263
W1520	Flood Control System Improvements	11/7/2000	13,000,000	-	13,000,000	12,979,484	3,201	12,982,685	43,048	(25,733)
W5547	Streetscape Improvements on Huyshope Avenue	3/14/2006	947,600	-	947,600	914,167	-	914,167	-	33,433
W6522	Trumbull Street Streetscapes	7/1/2006	5,000,000	-	5,000,000	4,586,581	-	4,586,581	-	413,419
W7574	School Area Pedestrian Routes Safety Enhancements	7/1/2006	300,000	-	300,000	220,516	-	220,516	-	79,484
W8562	Match Funds for State/Federal Infrastructure Grants FYE 2008 Appropriation	8/14/2007	1,190,000	-	1,190,000	992,753	172,832	1,165,585	11,402	13,013
W8510	Reconstruction of Asylum St. from Main St to Trumbull St	7/10/2007	1,266,300	-	1,266,300	1,066,519	-	1,066,519	-	199,781
W8556	CFDA20.205 - State 63-570 Street Rehabilitation FYE 2008 Appropriation	8/14/2007	4,000,000	-	4,000,000	3,975,351	5,238	3,980,589	-	19,411
W8519	Streetscapes FYE 2008 Appropriation	8/14/2007	2,000,000	-	2,000,000	1,986,824	(748,051)	1,238,773	-	761,227
W8577	Main Street Streetscapes	8/14/2007	475,000	-	475,000	412,937	-	412,937	-	62,063
W8518	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.	10/11/2007	2,900,000	-	2,900,000	2,818,510	-	2,818,510	-	81,490
W8523	Extension of Mark Twain Dr.	4/28/2008	2,728,000	-	2,728,000	2,667,798	-	2,667,798	-	60,203
W9510	Street Rehabilitation & Road Improvements	5/29/2008	4,000,000	-	4,000,000	3,999,162	-	3,999,162	-	838
W9511	Streetscape Projects - North & South	6/23/2008	2,000,000	-	2,000,000	1,211,861	61,909	1,273,770	60,613	665,617
W9512	Flood Control Infrastructure Improvements	5/29/2008	1,600,000	-	1,600,000	1,595,331	-	1,595,331	-	4,669
W9562	Match Funds for State/Federal Infrastructure Grants FYE 2009	5/29/2008	1,500,000	-	1,500,000	543,889	799,368	1,343,257	50,260	106,483
W9586	Clean Water Related Infrastructure Supplemental Funding	5/29/2008	1,500,000	-	1,500,000	348,567	-	348,567	-	1,151,433

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W0598	Citywide Decorative Light Replacement	6/2/2009	\$ 350,000	\$ -	\$ 350,000	\$ 304,259	\$ -	\$ 304,259	\$ 45,741	\$ -
W0599	Citywide Guide Rail & Traffic Island	6/2/2009	700,000	-	700,000	156,894	5,779	162,673	18,195	519,132
W1606	Repair of 12 City Bridges	6/1/2010	900,000	-	900,000	143,263	27,913	171,176	356,840	371,984
W1609	Street Paving	6/1/2010	3,000,000	-	3,000,000	2,997,250	-	2,997,250	-	2,750
W1613	Farmington/Broad/Asylum Intersection	6/1/2010	3,500,000	-	3,500,000	115,600	(102,238)	13,362	-	3,486,638
W1614	South Green Ornamental Fence	6/1/2010	200,000	-	200,000	79,444	-	79,444	-	120,556
W1615	Traffic Calming	6/1/2010	500,000	-	500,000	464,407	-	464,407	32,905	2,688
W1616	Coltsville Streetscape	1/13/2011	849,656	-	849,656	781,574	109	781,683	67,973	-
W2629	Flood Control Design & Improvements	6/1/2011	3,000,000	-	3,000,000	2,666,036	-	2,666,036	23,215	310,749
W2630	Traffic Calming	6/1/2011	250,000	-	250,000	228,806	-	228,806	19,275	1,919
W2632	Streetlight Replacement Program	6/1/2011	500,000	-	500,000	493,427	-	493,427	-	6,573
D2649	Colt Gateway Project	6/1/2011	5,300,000	-	5,300,000	5,073,056	-	5,073,056	-	226,944
D1583	1% for the Arts - CIP FY15	7/1/2014	280,000	-	280,000	-	-	-	-	-
W1316	Flood Control Design and Improvements	4/16/2012	2,500,000	-	2,500,000	2,235,930	182,041	2,417,971	82,029	-
W1318	Traffic Calming	4/16/2012	250,000	-	250,000	193,027	160	193,187	661	56,152
W1320	Colt Gateway Streetscape Phase 1	4/16/2012	13,900,000	-	13,900,000	4,409,827	66,301	4,476,128	400,949	9,022,923
W1321	Pedestrian Wayfinding Signage Program	4/16/2012	300,000	-	300,000	69,750	-	69,750	-	230,250
W1326	City Records - Document Conversion	4/16/2012	300,000	-	300,000	219,947	-	219,947	4,032	76,021
W1329	Roof Replacement	4/16/2012	500,000	-	500,000	481,303	-	481,303	18,697	-
W1315	Traffic Calming	4/16/2012	250,000	-	250,000	49,347	187,701	237,048	12,952	-
W1425	Flood Control Design and Improvements	7/1/2013	4,200,000	-	4,200,000	1,709,165	961,849	2,671,014	1,528,986	-
W1432	Citywide Fencing	7/1/2013	495,000	-	495,000	481,825	-	481,825	-	13,175
W1301	Radio Communications Enhancements	4/16/2012	200,000	-	200,000	117,418	-	117,418	-	82,582
Total Engineering Services			127,979,673	-	127,979,673	101,962,775	2,861,654	104,824,429	3,290,856	19,584,388
<u>Transportation Services</u>										
Public Works Projects:										
D2636	Citywide Streetscapes - Planning	6/1/2011	250,000	-	250,000	247,079	-	247,079	2,571	350
W0511	Upgrade of Hartford Traffic Signals	11/23/1999	1,860,500	-	1,860,500	1,798,247	-	1,798,247	-	62,253

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W7564	City Sidewalk Replacements	10/11/2006	\$ 300,000	\$ -	\$ 300,000	\$ 296,595	\$ -	\$ 296,595	\$ -	\$ 3,405
W8550	Safety Improvements at the Intersection of New Britain Ave. and Henry St.	10/10/2007	87,400	-	87,400	24,931	-	24,931	-	62,469
W8564	City-wide Sidewalk Replacements									
	FYE 2008 Appropriation	8/14/2007	100,000	-	100,000	47,735	-	47,735	-	52,265
A8509	On-Street Parking Meters	2/13/2008	3,300,000	-	3,300,000	3,287,054	-	3,287,054	9,047	3,899
W1319	Citywide Bike Lanes	7/1/2013	300,000	-	300,000	32,437	-	32,437	1,012	266,551
W1323	Street Design and Recons	7/1/2013	1,000,000	-	1,000,000	133,984	3,282	137,266	698,431	164,303
W1339	CMAQ-TRAFFIC CONTROL SYSTEM	7/3/2013	3,000,000	-	3,000,000	5,366	148,522	153,888	184,241	2,661,871
W1424	Traffic Signalization	7/1/2013	1,485,000	-	1,485,000	1,249,070	-	1,249,070	235,930	-
W1426	Bridge Repairs	7/1/2013	495,000	-	495,000	483	-	483	-	494,517
W1427	Complete Streets	7/1/2013	990,000	-	990,000	964,421	10,835	975,256	14,744	-
W1428	Complete Streets - repave and repair	7/1/2013	8,636,780	-	8,636,780	4,002,483	-	4,002,483	-	4,634,297
W1429	Complete Streets - Streetscape	7/1/2013	14,900,000	-	14,900,000	11,760,856	1,833,735	13,594,591	409,873	895,536
W1430	Brookfield Street Reconstruction	7/1/2013	250,000	-	250,000	-	-	-	-	250,000
W1431	Street Light Replacement Program	7/1/2013	250,000	-	250,000	247,500	-	247,500	-	2,500
W1509	Sidewalks	7/1/2014	990,000	-	990,000	265,798	91,609	357,407	21,037	611,556
W1511	Street Light Repair and	7/1/2014	250,000	-	250,000	249,999	-	249,999	-	1
W1628	Milling and Paving	7/1/2015	1,000,000	-	1,000,000	991,638	8,362	1,000,000	-	-
W1630	Street Signage	7/1/2015	700,000	-	700,000	48,966	2,349	51,314	-	648,686
W1631	Street Lights	7/1/2015	1,200,000	-	1,200,000	1,196,477	-	1,196,477	3,523	-
W1632	Traffic Calming	7/1/2015	200,000	-	200,000	4,608	39,260	43,868	2,885	153,247
W1633	Streetscapes	7/1/2015	1,750,000	-	1,750,000	130,750	160,818	291,568	1,193,885	264,547
W1634	Street Signalization	7/1/2015	180,000	-	180,000	1,316,211	280,232	1,596,442	21,236	(1,437,678)
W1635	Bridge Repairs	7/1/2015	500,000	-	500,000	40,172	14,936	55,109	8,400	436,491
W1707	Milling and Paving FY2017	7/1/2016	-	250,000	250,000	-	4,208	4,208	-	245,792
W1709	Streetlights	7/1/2016	-	430,000	430,000	-	218,210	218,210	16,703	195,087
W1713	Street Signalization	7/1/2016	-	250,000	250,000	-	102,694	102,694	2	147,304
Total Transportation Services			43,974,680	930,000	44,904,680	28,342,860	2,919,051	31,261,911	2,823,520	10,819,249

Local Capital Improvement Program

Public Works Projects:

W0521	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400,000	-	400,000	387,742	-	387,742	-	12,258
W4270	Truck Wash Facility - LOCIP Project #247 - 064-03-010	9/15/2003	75,000	-	75,000	36,835	-	36,835	-	38,165

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W4271	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	9/15/2003	\$ 750,000	\$ -	\$ 750,000	\$ 694,836	\$ (242)	\$ 694,595	\$ -	\$ 55,405
W4563	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	9/15/2003	125,000	-	125,000	76,579	-	76,579	-	48,421
W4556	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	9/15/2003	3,850,000	-	3,850,000	3,847,951	(6,388)	3,841,564	-	8,436
W4203	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	9/15/2003	150,000	-	150,000	132,296	-	132,296	-	17,704
W5268	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	400,000	-	400,000	374,726	-	374,726	-	25,274
W6572	Plan of Conservation and Development LOCIP Project #572 064-05-050	11/29/2005	500,000	-	500,000	496,438	-	496,438	-	3,562
W7568	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	2/16/2006	250,000	-	250,000	2,574	-	2,574	-	247,426
W7265	Roof Replacement at various City Buildings Project #265, 064-06-010	1/30/2007	750,000	-	750,000	742,245	-	742,245	29	7,726
W6568	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	1/30/2007	250,000	-	250,000	239,429	-	239,429	-	10,571

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W7575	Citywide Decorative Light Replacement									
	Project #575, 064-06-050	1/30/2007	\$ 225,000	\$ -	\$ 225,000	\$ 145,802	\$ -	\$ 145,802	\$ -	\$ 79,198
W1607	Sidewalk Replacement	6/1/2010	200,000	-	200,000	127,743	-	127,743	53,709	18,548
W1608	Traffic Signals & Cameras	6/1/2010	1,500,000	-	1,500,000	345,483	88,303	433,785	176,271	889,944
W1612	Streetlight Replacement	6/1/2010	300,000	-	300,000	270,349	-	270,349	-	29,651
W2626	Ancient Burial Ground Improvements	6/1/2011	250,000	-	250,000	135,890	-	135,890	-	114,110
W2628	Traffic Signalization	6/1/2011	750,000	-	750,000	227,937	335,199	563,137	178,749	8,114
W2634	Sidewalk Replacement	6/1/2011	500,000	-	500,000	452,798	-	452,798	-	47,202
W1325	Street Repaving & Repair	4/16/2012	2,000,000	-	2,000,000	1,967,886	-	1,967,886	-	32,114
Total Local Capital Improvement Program			13,225,000	-	13,225,000	10,705,539	416,873	11,122,412	408,758	1,693,830
Non Bonded Projects										
D1363	TIGER GRANT - PROJ MGMT/A&E	7/1/2013	568,080	145,121	568,080	511,114	(88,155)	422,959	7,036	138,085
D1364	TIGER GRANT - UNION STATION HUB	7/1/2013	896,636	-	896,636	959,614	-	959,614	224	(63,202)
D1365	TIGER GRANT - BUSHNELL PARK NORTH	7/1/2013	5,445,251	-	5,445,251	3,955,286	1,592,353	5,547,639	544,713	(647,101)
D1366	TIGER GRANT - ASYLUM/PEARL TRANSIT	7/1/2013	2,436,814	-	2,436,814	1,553,569	66,046	1,619,616	10,428	806,770
D1368	BUS LIVABILITY GRANT (GHTD)	7/1/2013	1,912,303	-	1,912,303	1,768,011	181,871	1,949,883	-	(37,580)
D1390	JOHN E ROGERS - STATE URBAN ACT GRA	7/1/2013	1,000,000	-	1,000,000	682,283	69,623	751,906	-	248,094
D1584	STP - ASYLUM ST/SOLDIERS	8/5/2014	4,003,600	-	4,003,600	4,072,006	642,345	4,714,351	-	(710,751)
D1613	BROAD STREET - DOT REIMBURSEM	7/1/2015	-	101,888	101,888	-	101,888	101,888	-	-
D1632	TIGER GRANT - SPRUCE & ASYLUM	9/23/2015	512,263	-	512,263	486,650	122,994	609,644	-	(97,381)
W1418	Cemetery Beautification and Improv.	7/1/2013	200,000	-	200,000	122,826	-	122,826	-	77,174
W1433	Vehicles, Computers and Other Equip	7/1/2013	3,929,758	-	3,929,758	3,905,698	-	3,905,698	-	24,060
W1440	MICROGRID PILOT PROGRAM-PARKVILLE	7/1/2013	2,123,000	-	2,123,000	1,802,778	320,222	2,123,000	17,999	(17,999)
W1505	Urban Forestry	7/1/2014	500,000	-	500,000	497,507	128	497,635	2,365	-
W1508	Paving	7/1/2014	3,000,000	-	3,000,000	2,923,834	21,171	2,945,005	-	54,995
W1510	Albany Avenue Reconstruc	7/1/2014	14,000,000	-	14,000,000	-	-	-	-	14,000,000
W1522	CL&P Incentive Program	7/1/2014	315,137	-	315,137	206,536	105,148	311,685	-	3,453
W1540	ELIZABETH PARK EAST LAWN	10/1/2014	100,000	-	100,000	98,500	1,500	100,000	-	-
W1541	CRONIN PARK IMPROVEMENTS	10/30/2014	500,000	-	500,000	498,790	1,210	500,000	-	-

(Continued)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2017**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2016	Current Period	Cumulative Total	Prior to July 1, 2016	Current Period	Cumulative Total		
W1542	PARKS BUILD COMMUNITY GR	3/17/2015	\$ 20,000	\$ 40,000	\$ 60,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ -	\$ 20,000
W1557	Repairs at 275 Pearl Str	4/4/2015	205,033	29	205,033	205,033	29	205,062	-	(29)
W1633	Streetscapes	7/1/2015	2,250,000	-	2,250,000	-	11,660	11,660	25,840	2,212,500
W1645	COVENTRY STREET SUBSTATION (D	9/28/2015	1,500,000	-	1,500,000	-	-	-	-	1,500,000
W1646	BROAD STREET RECONSTRUCTION	9/30/2015	2,956,100	-	2,956,100	-	2,205,764	2,205,764	750,336	-
W1647	WETHERSFIELD AVE STREERSCAPE	7/1/2016	-	750,000	750,000	-	750,000	750,000	-	-
W1706	Neighborhood Environmental Im	7/1/2016	-	500,000	500,000	-	446,616	446,616	11,349	42,035
W1707	Milling and Paving FY2017	7/1/2016	-	2,000,000	2,000,000	-	145,394	145,394	52,635	1,801,971
W1723	Emerald Ash Borer Initiative	7/1/2016	-	200,000	200,000	-	-	-	-	200,000
W1740	DEEP COLT PARK IMPROVEMENTS	7/1/2016	-	450,000	450,000	-	15,000	15,000	28,000	407,000
W1741	DEEP Walter: Doc Hurley Memor	7/1/2016	-	250,000	250,000	-	54,013	54,013	195,987	-
W1745	INTERSECTION IMPROVEMENTS-MAP	7/1/2016	-	1,355,310	1,355,310	-	-	-	-	1,355,310
W9900	TOWN CLERK'S LOCIP ACCOUNT	7/1/2013	79,015	-	79,015	-	-	-	-	79,015
Total Non Bonded Projects			<u>48,452,990</u>	<u>5,792,348</u>	<u>54,100,188</u>	<u>24,270,035</u>	<u>6,786,822</u>	<u>31,056,857</u>	<u>1,646,912</u>	<u>21,396,419</u>
TOTAL CAPITAL IMPROVEMENT FUND			<u>\$ 1,681,422,345</u>	<u>\$ 85,102,348</u>	<u>\$ 1,766,379,543</u>	<u>\$ 1,280,448,628</u>	44,741,899	<u>\$ 1,325,190,527</u>	<u>\$ 18,212,193</u>	<u>\$ 423,696,824</u>
Conversion to GAAP based financial statement reporting:										
Previous year retainage and off system accrued payables							(5,092,325)		(5,092,325)	
Current year retainage and off system accrued payables							<u>2,762,079</u>		<u>2,762,079</u>	
TOTAL							<u>\$ 42,411,653</u>		<u>\$ 15,881,947</u>	

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 - Nonmajor Enterprise Funds
June 30, 2017
(In Thousands)

	Hartford Parking Facilities	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,030	\$ 166	\$ 1,196
Receivables, net	-	2	2
Due from component unit	607	-	607
Total current assets	1,637	168	1,805
Capital assets, net	17,173	960	18,133
Total assets	18,810	1,128	19,938
Liabilities			
Current liabilities:			
Accounts payable and other payables	74	286	360
Due to other funds	845	1,110	1,955
Bonds payable	414	-	414
Total current liabilities	1,333	1,396	2,729
Noncurrent liabilities:			
Bonds payable	2,274	-	2,274
Total noncurrent liabilities	2,274	-	2,274
Total liabilities	3,607	1,396	5,003
Net position:			
Net investment in capital assets	14,485	960	15,445
Unrestricted (deficit)	718	(1,228)	(510)
Total net position	\$ 15,203	\$ (268)	\$ 14,935

**Statement of Revenues, Expenses and Changes in
Net Position - Nonmajor Enterprise Funds
For the Year Ended June 30, 2017
(In Thousands)**

	Hartford Parking Facilities	Golf Course	Total
Operating revenues:			
Hartford Parking Authority fees	\$ 2,739	\$ -	\$ 2,739
Golf Course fees	-	1,467	1,467
Other	5	-	5
Total operating revenues	2,744	1,467	4,211
Operating expenses:			
Operations	32	1,745	1,777
Depreciation and amortization	772	96	868
Total operating expenses	804	1,841	2,645
Operating income (loss)	1,940	(374)	1,566
Nonoperating income (expense):			
Interest expense	(129)	-	(129)
Total nonoperating income (expense)	(129)	-	(129)
Net income (loss) before transfers	1,811	(374)	1,437
Transfers in	283	-	283
Transfers out	(2,264)	-	(2,264)
Change in net position	(170)	(374)	(544)
Fund net position, beginning	15,373	106	15,479
Fund net position (deficits), ending	\$ 15,203	\$ (268)	\$ 14,935

Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2017
(In Thousands)

	Hartford Parking Facilities	Golf Course	Total
Cash flows from operating activities:			
Cash received from Hartford Parking Authority	\$ 2,671	\$ 1,488	\$ 4,159
Cash paid to suppliers	(458)	(1,822)	(2,280)
Net cash provided by (used in) operating activities	2,213	(334)	1,879
Cash flows from capital and related financing activities:			
Transfer (to) from General Fund	(2,264)	-	(2,264)
Transfer in	283	-	283
Principal paid on bonds	(390)	-	(390)
Interest paid on bonds	(129)	-	(129)
Net cash (used in) capital and related financing activities	(2,500)	-	(2,500)
Net decrease in cash and cash equivalents	(287)	(334)	(621)
Cash and cash equivalents, beginning of year	1,317	500	1,817
Cash and cash equivalents, end of year	<u>\$ 1,030</u>	<u>\$ 166</u>	<u>\$ 1,196</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,940	\$ (374)	\$ 1,566
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	772	96	868
Decrease in accounts receivable	-	21	21
Increase (decrease) in accounts payable and accrued liabilities	24	(77)	(53)
Increase in due from other funds	(73)	-	(73)
(Decrease) in due to other funds	(450)	-	(450)
Net cash provided by (used in) operating activities	\$ 2,213	\$ (334)	\$ 1,879

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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, 2017
(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Assets			
Cash and cash equivalents	\$ 4,165	\$ 170	\$ 837
Other receivables	-	-	-
Total assets	<u>4,165</u>	<u>170</u>	<u>837</u>
Liabilities			
Current:			
Accounts payable and accrued liabilities	121	241	186
Insurance claims payable	8,400	1,500	-
Claims incurred and not reported	-	-	-
Total current liabilities	<u>8,521</u>	<u>1,741</u>	<u>186</u>
Noncurrent:			
Claims incurred and not reported	16,800	2,900	-
Total noncurrent liabilities	<u>16,800</u>	<u>2,900</u>	<u>-</u>
Net position (deficit):			
Unrestricted	(21,156)	(4,471)	651
Total net position (deficit)	<u>\$ (21,156)</u>	<u>\$ (4,471)</u>	<u>\$ 651</u>

EXHIBIT E-1

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 1,541	\$ -	\$ 11,997	\$ -	\$ 174	\$ 18,884
158	-	429	-	-	587
1,699	-	12,426	-	174	19,471
585	-	2,087	-	-	3,220
-	-	-	-	-	9,900
1,578	-	5,933	-	-	7,511
2,163	-	8,020	-	-	20,631
-	-	-	-	-	19,700
-	-	-	-	-	19,700
(464)	-	4,406	-	174	(20,860)
\$ (464)	\$ -	\$ 4,406	\$ -	\$ 174	\$ (20,860)

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, 2017

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Operating revenues:			
City's contribution	\$ 8,751	\$ 3,247	\$ 5,881
Pensioners contribution	-	-	-
Other	-	85	10
Total operating revenues	8,751	3,332	5,891
Operating expenses:			
Administrative	4	314	-
Operations	-	-	5,437
Insurance benefits and claims paid	12,647	2,720	-
Total operating expenses	12,651	3,034	5,437
Operating income (loss)	(3,900)	298	454
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Changes in net position (deficit)	(3,900)	298	454
Net position (deficit), beginning of year	(17,256)	(4,769)	197
Net position (deficit), end of year	<u><u>\$ (21,156)</u></u>	<u><u>\$ (4,471)</u></u>	<u><u>\$ 651</u></u>

EXHIBIT E-2

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 15,992	\$ -	\$ 60,935	\$ -	\$ -	\$ 94,806
10,203	-	13,372	-	-	23,575
-	-	3,632	-	-	3,727
26,195	-	77,939	-	-	122,108
2,019	-	1,996	-	-	4,333
-	-	-	-	-	5,437
24,640	-	75,228	-	-	115,235
26,659	-	77,224	-	-	125,005
(464)	-	715	-	-	(2,897)
-	-	3,640	-	-	3,640
-	(1)	-	(3,639)	-	(3,640)
-	(1)	3,640	(3,639)	-	-
(464)	(1)	4,355	(3,639)	-	(2,897)
-	1	51	3,639	174	(17,963)
\$ (464)	\$ -	\$ 4,406	\$ -	\$ 174	\$ (20,860)

City of Hartford, Connecticut

Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2017
(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Cash flows from operating activities:			
City's contribution	\$ 8,751	\$ 3,247	\$ 5,881
Cash received from other	-	85	10
Cash received from users	-	-	-
Cash paid for salaries and benefits	-	-	(663)
Cash paid for claims and operations	(8,890)	(3,148)	(4,888)
Net cash provided by (used in) operating activities	(139)	184	340
Cash flows from capital and related financing activities:			
Transfer in	-	-	-
Transfer out	-	-	-
Net cash (used in) capital and related financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(139)	184	340
Cash and cash equivalents, beginning of year	4,304	(14)	497
Cash and cash equivalents, end of year	<u>\$ 4,165</u>	<u>\$ 170</u>	<u>\$ 837</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (3,900)	\$ 298	\$ 454
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	(139)	186	(114)
(Decrease) increase in insurance claims payable	(3,500)	(300)	-
(Decrease) increase in claims incurred but not reported	7,400	-	-
Net cash provided by (used in) operating activities	\$ (139)	\$ 184	\$ 340

EXHIBIT E-3

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 15,992	\$ -	\$ 60,935	\$ -	\$ -	\$ 94,806
-	-	3,632	-	-	3,727
10,203	-	13,372	-	-	23,575
(2,019)	-	(1,996)	-	-	(4,678)
(23,416)	(2,629)	(71,035)	(1,624)	-	(115,630)
760	(2,629)	4,908	(1,624)	-	1,800
-	-	3,639	(3,639)	-	-
-	-	-	-	-	-
-	-	3,639	(3,639)	-	-
760	(2,629)	8,547	(5,263)	-	1,800
781	2,629	3,450	5,263	174	17,084
\$ 1,541	\$ -	\$ 11,997	\$ -	\$ 174	\$ 18,884
\$ (464)	\$ -	\$ 715	\$ -	\$ -	\$ (2,897)
605	-	(292)	263	-	576
172	(591)	1,021	(122)	-	413
-	-	-	-	-	(3,800)
447	(2,038)	3,464	(1,765)	-	7,508
\$ 760	\$ (2,629)	\$ 4,908	\$ (1,624)	\$ -	\$ 1,800

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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, 2017
(In Thousands)

	Student Activity Funds
<hr/>	
Assets	
Cash and cash equivalents	<u>\$ 942</u>
Liabilities	
Due to student groups and other	<u>\$ 942</u>

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds**

For the Year Ended June 30, 2017

(In Thousands)

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Student Activity Fund				
Assets				
Cash and cash equivalents	\$ 958	\$ 1,057	\$ 1,073	\$ 942
Liabilities				
Due to student groups	\$ 958	\$ 1,057	\$ 1,073	\$ 942
Adult Education Book Fund				
Assets				
Cash	\$ 9	\$ -	\$ 9	\$ -
Liabilities				
Due to other	\$ 9	\$ -	\$ 9	\$ -
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 967	\$ 1,057	\$ 1,082	\$ 942
Liabilities				
Due to student groups	\$ 958	\$ 1,057	\$ 1,073	\$ 942
Due to other	9	-	9	-
Total	\$ 967	\$ 1,057	\$ 1,082	\$ 942

**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
Schedule by Source
June 30, 2017
(In Thousands)

Governmental funds capital assets:	
Land and land improvements	\$ 106,101
Buildings	1,389,093
Other structures	39,082
Furniture and equipment	47,680
Rolling equipment	50,000
Infrastructure	479,751
Construction in progress	214,528
Total	\$ 2,326,235
Investments in governmental funds capital assets	
Total governmental funds capital assets	\$ 2,326,235

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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.

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				
	2017	2016	2015	2014	2013
Governmental activities:					
Net investment in capital assets	\$ 903,318	\$ 898,847	\$ 939,951	\$ 983,461	\$ 1,006,633
Restricted	79,842	73,285	75,640	75,720	73,049
Unrestricted	(380,721)	(317,247)	(247,809)	25,662	36,029
Total governmental activities net position	602,439	654,885	767,782	1,084,843	1,115,711
Business-type activities:					
Net investment in capital assets	15,792	15,923	15,316	26,732	33,910
Restricted	-	-	-	-	-
Unrestricted	(953)	(1,552)	(577)	820	1,799
Total business-type activities net position	14,839	14,371	14,739	27,552	35,709
Primary government:					
Net investment in capital assets	919,110	914,770	955,267	1,010,193	1,040,543
Restricted	79,842	73,285	75,640	75,720	73,049
Unrestricted	(381,674)	(318,799)	(248,386)	26,482	37,828
Total primary government net position	\$ 617,278	\$ 669,256	\$ 782,521	\$ 1,112,395	\$ 1,151,420

Notes:

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

TABLE 1

Fiscal Year				
2012	2011	2010	2009	2008
\$ 966,580	\$ 954,780	\$ 956,310	\$ 910,440	\$ 877,583
70,155	62,466	63,564	63,642	64,098
50,814	47,155	36,231	12,324	(5,966)
1,087,549	1,064,401	1,056,105	986,406	935,715
34,623	35,417	36,256	37,683	35,974
-	-	-	-	-
2,400	1,678	684	-	-
37,023	37,095	36,940	37,683	35,974
1,001,203	990,197	992,566	948,123	913,557
70,155	62,466	63,564	63,642	64,098
53,214	48,833	36,915	12,324	(5,966)
\$ 1,124,572	\$ 1,101,496	\$ 1,093,045	\$ 1,024,089	\$ 971,689

City of Hartford, Connecticut

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Expenses:					
Governmental activities:					
General government	\$ 106,179	\$ 101,834	\$ 86,715	\$ 69,912	\$ 72,050
Public Safety	110,468	118,433	114,610	119,995	106,619
Public Works	42,650	70,219	62,095	37,310	44,280
Development and community affairs	56,504	58,474	58,001	61,626	61,652
Human Services	30,581	31,142	30,652	29,697	27,561
Education	558,270	571,999	563,815	544,398	503,475
Recreation and Culture	10,113	11,858	12,135	10,064	10,106
Interest on long-term debt	18,733	41,613	20,850	20,665	21,358
Total governmental activities expenses	933,498	1,005,572	948,873	893,667	847,101
Business-type activities:					
Hartford Parking Facilities	933	933	1,850	8,640	3,669
Golf course	1,841	1,841	893	200	-
Stadium Authority	2,153	2,153	846	-	-
Total business-type activities net position	4,927	4,927	3,589	8,840	3,669
Total primary government expenses	938,425	1,010,499	952,462	902,507	850,770
Program revenues:					
Governmental activities					
Charges for services:					
General government	5,567	9,464	9,464	5,265	2,150
Public Safety	2,601	3,761	3,761	6,132	9,119
Public Works	7,157	8,257	9,257	9,289	7,464
Recreation and Culture	56	132	132	139	92
Other	6,279	6,004	6,004	7,055	3,849
Operating grants and contributions	489,503	503,376	503,376	482,748	465,918
Capital grants and contributions	19,501	35,013	35,013	18,553	65,774
Total governmental activities program revenues	530,664	566,007	567,007	529,181	554,366

TABLE 2

Fiscal Year				
2012	2011	2010	2009	2008
\$ 72,165	\$ 58,302	\$ 61,687	\$ 58,575	\$ 115,504
101,603	99,448	98,563	95,466	83,414
42,428	37,698	38,215	30,290	29,127
63,779	61,408	63,475	56,269	51,777
30,146	28,574	31,799	34,601	30,042
487,717	472,210	477,009	450,428	496,857
9,728	9,332	9,632	10,227	10,338
14,743	15,322	19,125	17,169	13,723
822,309	782,294	799,505	753,025	830,782
3,729	4,096	4,185	3,760	3,897
-	-	-	-	-
-	-	-	-	-
3,729	4,096	4,185	3,760	3,897
826,038	786,390	803,690	756,785	834,679
3,108	2,152	2,241	2,374	2,907
1,772	2,472	1,739	2,053	4,696
10,378	10,770	10,089	14,715	14,224
194	95	537	458	2,514
5,011	6,689	4,808	5,398	1,340
445,168	408,617	420,882	391,919	466,397
25,912	15,797	96,958	71,908	58,545
491,543	446,592	537,254	488,825	550,623

(Continued)

City of Hartford, Connecticut

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Business-type activities:					
Charges for services:					
Parking facilities*	\$ 2,744	\$ 2,561	\$ 3,783	\$ 4,932	\$ 4,511
Other enterprise funds	2,220	1,453	398	758	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities					
program revenues	4,964	4,014	4,181	5,690	4,511
Total primary government					
Net (expense)/revenue:					
Governmental activities	(402,834)	(435,908)	(381,866)	(364,486)	(292,735)
Business-type activities	37	874	592	(3,150)	842
Total primary government net expense	(402,797)	(435,034)	(381,274)	(367,636)	(291,893)
General revenues and other changes in net expenses					
Governmental activities:					
Property taxes	267,921	269,989	260,063	267,234	256,943
Unrestricted grants and contributions	75,852	50,758	56,484	55,364	56,696
Investment earnings	6,854	847	948	5,512	2,781
Other general revenues	115	109	128	498	2,317
Transfers and other	(354)	1,308	16,754	5,010	2,160
Total governmental activities	350,388	323,011	334,377	333,618	320,897
Business-type activities: (2)					
Investment earnings	61	61	4	3	4
Other general revenues	16	16	-	-	-
Special item - net loss on sale of property	-	-	3,345	-	-
Transfers and other	354	(1,308)	(16,754)	(5,010)	(2,160)
Total business-type activities	431	(1,231)	(13,405)	(5,007)	(2,156)
Total primary government	350,819	321,780	320,972	328,611	318,741
Changes in net position:					
Governmental activities	(52,446)	(112,897)	(47,489)	(30,868)	28,162
Business-type activities	468	(357)	(12,813)	(8,157)	(1,314)
Total primary government	\$ (51,978)	\$ (113,254)	\$ (60,302)	\$ (39,025)	\$ 26,848

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				
2012	2011	2010	2009	2008
\$ 4,054	\$ 4,732	\$ 4,791	\$ 5,309	\$ 6,724
-	-	-	-	-
-	-	-	3,214	167
4,054	4,732	4,791	8,523	6,891
(330,766)	(335,702)	(262,251)	(264,200)	(280,159)
325	636	606	4,763	2,994
(330,441)	(335,066)	(261,645)	(259,437)	(277,165)
290,165	283,835	272,939	256,520	229,500
58,767	55,207	51,975	53,234	47,698
2,205	3,079	3,319	(416)	3,692
2,377	1,389	2,367	2,492	4,581
400	488	1,350	3,061	5,562
353,914	343,998	331,950	314,891	291,033
3	7	1	7	11
-	-	-	-	-
-	-	-	-	-
(400)	(488)	(1,350)	(3,061)	(5,562)
(397)	(481)	(1,349)	(3,054)	(5,551)
353,517	343,517	330,601	311,837	285,482
23,148	8,296	69,699	50,691	10,874
(72)	155	(743)	1,709	(2,557)
\$ 23,076	\$ 8,451	\$ 68,956	\$ 52,400	\$ 8,317

City of Hartford, Connecticut

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

	Fiscal Year				
	2017	2016	2015	2014	2013
General fund:					
Assigned	\$ 583	\$ 8,663	\$ 1,712	\$ 3,859	\$ 2,850
Unassigned	4,510	5,468	20,214	13,022	27,528
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	\$ 5,093	\$ 14,131	\$ 21,926	\$ 16,881	\$ 30,378
All other governmental funds:					
Nonspendable	\$ 8,882	\$ 8,970	\$ 8,817	\$ 8,712	\$ 8,772
Restricted	103,321	165,287	137,001	159,398	171,251
Committed	2,150	1,867	2,435	2,352	2,620
Assigned	-	8,663	-	3,198	9,467
Unassigned	(10,669)	(775)	(7,425)	(8,495)	(14,379)
Reserved	-	-	-	-	-
Unreserved, reported in:					
Debt Service Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
Total all other governmental funds	\$ 103,684	\$ 184,012	\$ 140,828	\$ 165,165	\$ 177,731

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				
2012	2011	2010	2009	2008
\$ 4,332	\$ 2,525	\$ -	\$ -	\$ -
25,781	22,561	-	-	-
-	-	148	95	-
-	-	18,500	16,218	27,900
<u>\$ 30,113</u>	<u>\$ 25,086</u>	<u>\$ 18,648</u>	<u>\$ 16,313</u>	<u>\$ 27,900</u>
\$ 8,706	\$ 18,583	\$ -	\$ -	\$ -
31,782	22,004	-	-	-
7,663	31,020	-	-	-
9,585	-	-	-	-
(7,522)	(202)	-	-	-
-	-	89,367	99,213	95,227
-	-	146	146	146
-	-	12,258	8,748	9,176
-	-	(9,057)	(4,404)	8,229
<u>\$ 50,214</u>	<u>\$ 71,405</u>	<u>\$ 92,714</u>	<u>\$ 103,703</u>	<u>\$ 112,778</u>

City of Hartford, Connecticut

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues:					
Property taxes	\$ 260,363	\$ 266,870	\$ 260,640	\$ 256,765	\$ 255,546
Licenses, permits, and other charges	5,376	7,613	7,778	6,555	5,661
Intergovernmental revenues	579,357	566,745	572,213	539,420	571,249
Charges for services	13,013	12,902	17,826	17,827	14,538
Use of property	1,925	2,265	1,920	3,227	2,283
Investment income	6,840	847	948	5,512	2,781
Miscellaneous	18,325	18,380	18,238	15,293	15,927
Total revenues	885,199	875,622	879,563	844,599	867,985
Expenditures:					
General government	22,574	41,938	38,877	27,846	40,237
Public safety	88,067	93,837	91,413	96,695	85,448
Public works	32,342	32,905	31,105	12,329	15,882
Development and community affairs	55,131	56,617	56,493	60,155	60,544
Human services	29,523	29,585	29,460	28,569	26,702
Education	496,259	482,112	488,221	470,445	447,244
Recreation and culture	9,901	11,701	10,961	10,127	9,852
Benefits and insurance	78,172	81,255	85,690	86,898	66,941
Other	33,121	29,969	32,403	21,019	17,858
Capital outlay	21,916	93,477	93,969	76,279	125,790
Debt service:					
Principal	34,955	-	26,575	27,775	27,775
Interest	60,874	77,504	22,727	26,543	17,470
Total expenditures	962,835	1,030,900	1,007,894	944,680	941,743
Excess of revenues over (under) expenditures	(77,636)	(155,278)	(128,331)	(100,081)	(73,758)
Other financing sources (uses):					
Transfers in	40,499	22,279	35,918	38,972	48,277
Transfers out	(40,853)	(20,971)	(19,164)	(33,962)	(46,117)
Capital leases	2,634	5,917	2,090	2,758	3,990
Payment to refunding bond escrow agent	-	(27,653)	(40,169)	-	-
Bonds issued	-	203,010	26,000	10,250	48,160
Refunding bonds issued	-	24,596	36,385	-	124,605
Bond premium	-	19,358	17,979	-	22,625
Section 108 loans and CWF serial notes	-	-	-	-	-
BANS	-	(50,000)	50,000	56,000	-
Total other financing sources (uses)	2,280	176,536	109,039	74,018	201,540
Net change in fund balances	(75,356)	21,258	(19,292)	(26,063)	127,782
Fund balances, beginning of year	184,012	162,754	182,046	208,109	80,327
Fund balances, end of year	\$ 108,656	\$ 184,012	\$ 162,754	\$ 182,046	\$ 208,109
Debt service as a percentage of noncapital expenditures	10.33%	8.17%	6.10%	6.10%	5.83%

Notes:

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

TABLE 4

Fiscal Year				
2012	2011	2010	2009	2008
\$ 277,245	\$ 274,013	\$ 266,990	\$ 250,668	\$ 232,955
6,299	4,891	5,608	8,155	9,850
509,770	475,622	556,756	505,062	567,464
9,427	10,742	8,777	9,353	7,531
4,574	6,354	4,368	4,196	4,294
2,204	3,079	3,319	(416)	3,653
15,867	13,860	17,449	16,733	18,347
825,386	788,561	863,267	793,751	844,094
30,021	21,547	21,642	23,739	25,776
83,308	84,283	79,799	80,388	79,424
21,804	15,282	20,119	17,712	14,998
62,798	60,501	61,857	54,857	52,876
29,315	27,878	31,256	33,786	29,879
435,301	419,099	421,032	400,535	479,031
9,483	9,477	9,145	9,234	9,636
64,501	65,160	55,791	57,985	57,012
29,445	26,637	31,042	28,955	28,122
92,879	68,018	119,275	113,021	101,332
25,100	22,723	20,536	24,590	19,838
14,547	15,471	16,627	15,954	13,063
898,502	836,076	888,121	860,756	910,987
(73,116)	(47,515)	(24,854)	(67,005)	(66,893)
44,203	43,780	52,233	56,633	55,761
(43,803)	(43,292)	(50,883)	(53,572)	(50,199)
-	-	-	1,700	3,883
(22,493)	-	(13,244)	-	-
71,280	25,000	14,000	40,225	-
-	-	12,150	-	-
7,765	304	1,796	1,357	-
-	7,000	-	-	1,922
-	-	-	-	-
56,952	32,792	16,052	46,343	11,367
(16,164)	(14,723)	(8,802)	(20,662)	(55,526)
96,491	111,214	120,016	140,678	196,204
\$ 80,327	\$ 96,491	\$ 111,214	\$ 120,016	\$ 140,678
4.94%	5.40%	5.40%	5.40%	4.06%

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

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2017	2015	\$ 6,440,703	\$ 741,215	\$ 307,830	\$ 7,489,748	\$ 3,787,843	\$ 3,701,905	74.29%	\$ 6,691,444	(3)
2016	2014	6,352,555	732,125	298,349	7,383,029	3,759,957	3,623,072	74.29%	6,664,914	(3)
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)

Source: City of Hartford, Assessor's Office

Notes:

- (2) Assessed Value is 70% of Estimated Actual Value from 2001 to 2005
- (3) Beginning in 2006 Assessed Value-not all property at 70%

City of Hartford, Connecticut

TABLE 6

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power	\$ 164,445	1	4.44%	\$ 110,265	3	3.04%
Hartford Fire Ins. & Twin City Ins.	108,883	2	2.94%	143,490	1	3.96%
Aetna Life Ins. Co.	102,996	3	2.78%	71,787	2	1.98%
Travelers Indemnity Co. Affiliate	91,620	4	2.47%	131,910	4	3.64%
RP Asylum LLC	48,978	5	1.32%	-	-	-
Talcott II Gold, LLC	45,395	6	2.23%	53,599	8	1.48%
Mac-State Square LLC	44,450	7	1.20%	-	-	-
Conn Natural Gas Corp.	33,683	8	0.91%	-	-	-
Hartford Steam Boiler	33,658	9	0.91%	-	-	-
FGA 280 Trumbull LLC	31,360	10	0.85%	-	-	-
City Place I LTD Ptnshp	-	-	-	58,120	7	1.60%
FGA Trumbull LLC	-	-	-	45,532	10	1.26%
State House Financial	-	-	-	60,722	6	1.67%
Bank of Boston, CT	-	-	-	50,465	9	1.39%
Northland Properties	-	-	-	89,037	4	2.45%
	<u>\$ 705,468</u>		<u>20.05%</u>	<u>\$ 814,927</u>		<u>22.47%</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
2017	2015	\$ 3,748,677	74.29	\$ 264,387	\$ 257,563	\$ 247,432	96.07%	\$ 5,238	\$ 252,670	98.10% *
2016	2014	3,623,072	74.29	271,647	262,887	255,035	97.01%	9,026	264,061	97.21% *
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	247,432	94.40%	7,533	254,965	97.28% *
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%

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
2017	\$ 601,417	\$ 2,688	\$ 68,232	\$ 672,337	17.94%	5,455	20.95%
2016	512,885	3,078	69,516	585,479	16.16%	4,721	19.11%
2015	613,855	3,970	63,372	681,197	19.35%	5,462	23.24%
2014	681,197	67,342	-	748,539	21.48%	5,987	25.43%
2013	534,275	23,876	-	558,151	16.44%	4,469	19.29%
2012	362,768	25,161	-	387,929	10.36%	3,107	13.33%
2011	329,492	26,376	-	355,868	9.87%	2,852	12.19%
2010	326,422	27,521	-	353,943	9.89%	2,853	12.11%
2009	332,586	28,598	-	361,184	10.42%	2,901	14.55%
2008	305,527	29,617	-	335,144	9.05%	2,691	10.88%

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, 2017
(In Thousands)

Total Fiscal Year 2017 Tax Collections (Taxes, Interest and Fees)	\$ 257,002
Tax Relief for the Elderly	104
Base for Establishing Debt Limit	<u>\$ 257,106</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt limitation:						
2 1/4 times base	\$ 578,489	\$ -	\$ -	\$ -	\$ -	\$ 578,489
4 1/2 times base	-	1,156,977	-	-	-	1,156,977
3 3/4 times base	-	-	964,148	-	-	964,148
3 1/4 times base	-	-	-	835,595	-	835,595
3 times base	-	-	-	-	771,318	771,318
Total debt limitation	578,489	1,156,977	964,148	835,595	771,318	4,306,527
Debt, as defined by statute:						
Bonds payable	411,158	190,259	-	-	-	601,417
Bonds authorized - unissued	-	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-	-
Overlapping debt	-	-	249,699	-	-	249,699
Serial notes payable	-	-	1,047	-	-	1,047
School building grants receivable	-	(5,299)	-	-	-	(5,299)
Total indebtedness	411,158	184,960	250,746	-	-	846,864
Debt limitation in excess of outstanding and authorized debt	\$ 167,331	\$ 972,017	\$ 713,402	\$ 835,595	\$ 771,318	\$ 3,459,663

Note: Total indebtedness above amounts to \$.847 billion but in no event shall total indebtedness exceed \$1.8 billion (seven times the base for debt limitation computation.)

School building grants totaling \$5.3 million are applicable to outstanding bond issues. It is estimated that an additional 188 million of authorized education project costs will be funded through State of Connecticut progress payments.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$1,799,742	\$1,875,615	\$1,829,667	\$1,804,222	\$1,793,687	\$1,914,423	\$1,869,469	\$1,881,467	\$1,764,168	\$1,558,669
Total net debt applicable to limit	846,864	859,443	1,168,278	976,059	800,206	722,204	605,267	588,156	503,253	416,180
Legal Debt Margin	<u>\$ 952,878</u>	<u>\$1,016,172</u>	<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>
Total net debt applicable to the limit as percentage of debt limit	47.05%	45.82%	63.85%	54.10%	44.61%	37.72%	32.38%	31.26%	28.53%	26.70%

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

Fiscal Year	MDC										Ratio of Debt to Taxable Assessed Value	Debt per Capita
	Governmental Activities Total Debt Outstanding	MDC Bonded Debt	MDC Self Funded Debt	Overlapping Debt All Participating Governments	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			
2017	\$ 601,417	\$1,041,026	\$ 523,917	\$ 949,066	26%	\$ 249,699	\$ 683,176	\$ 249,699	\$ 932,875	25.2%	7.57	
2016	512,885	904,360	497,737	914,104	26%	238,855	512,885	238,855	751,740	20.7%	6.06	
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	329,422	301,973	122,780	327,393	28%	91,539	329,422	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	

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.

City of Hartford, Connecticut

TABLE 12

**Demographic and Employment Statistics - Unaudited
Last Ten Calendar Years**

Fiscal Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (2)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Market Area(LMA)	State of Connecticut	United States
2017	123,243	20,891	30.6	32,095	2016	48,474	5,046	9.4%	5.1%	5.1%	4.7%
2016	124,006	21,463	30.3	30,630	2015	48,459	5,537	10.3%	6.0%	5.5%	5.3%
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%

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

(2) 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
Aetna	Insurance	Hartford	10,000 or more
Aetna Inc.	Insurance	Hartford	1,000 - 4,999
Alstom Power Inc.	Electric Companies	Hartford	1,000 - 4,999
Cigna Corp	Medical Insurance Plans	Hartford	1,000 - 4,999
City of Hartford Connecticut	Government Offices-City, Village & Twp	Hartford	1,000 - 4,999
Connecticut Dept. of Trnsprtn	Government Offices-US	Hartford	1,000 - 4,999
Connecticut Valley Hospital	Psychiatric Hospitals	Hartford	1,000 - 4,999
Espn Inc.	Television Stations & Broadcasting CO	Hartford	1,000 - 4,999
Eversource Energy	Electric Companies	Hartford	5,000 - 9,999
Hartford	Insurance	Hartford	5,000 - 9,999
Hartford Financial Svc Group	Insurance	Hartford	5,000 - 9,999
Hartford Life Insurance CO	Insurance	Hartford	1,000 - 4,999
Healthtrax Inc.	Health Clubs Studios & Gymnasiums	Hartford	1,000 - 4,999
Hospital-Central Connecticut	Hospitals	Hartford	1,000 - 4,999
Institute of Living	Hospitals	Hartford	1,000 - 4,999
Lake Compounce	Water Parks	Hartford	1,000 - 4,999
Manchester Memorial Hospital	Hospitals	Hartford	1,000 - 4,999
Middlesex Hospital	Hospitals	Hartford	1,000 - 4,999
MT Sinai Rehabilitation Hosp	Hospitals	Hartford	1,000 - 4,999
Pratt & Whitney	Aerospace Industries (Mfrs)	Hartford	5,000 - 9,999
Rockville General Hospital	Hospitals	Hartford	1,000 - 4,999
St Francis Hospital & Med Ctr	Hospitals	Hartford	1,000 - 4,999
Travelers Indemnity CO	Insurance	Hartford	1,000 - 4,999
Uconn Health Ctr	Hospitals	Hartford	5,000 - 9,999
Vets Adm Medical Ctr	Hospitals	Hartford	1,000 - 4,999

Source: Connecticut Department of Labor, 2016

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
City Department										
Mayor's office	7	8	9	10	10	10	20	23	25	26
Court of Common Council	9	10	10	9	8	7	9	9	10	10
Treasurer	9	10	10	9	9	10	10	10	7	7
Registrars of Voters	6	6	6	5	8	8	8	8	8	10
Corporation Counsel	16	19	20	23	23	22	17	17	17	16
Town & City Clerk	11	13	13	13	15	15	14	15	18	19
Internal audit	5	5	5	5	5	5	5	5	5	5
Office of Chief Operating Officer*	4	14	13	17	16	17	-	-	-	-
Communications & new media*	3	7	6	7	8	8	-	-	-	-
Metro Hartford information system	17	21	21	16	16	17	17	18	22	25
Finance	46	44	45	42	47	46	53	54	57	66
Human Resources	13	17	16	14	15	15	13	13	15	14
Office of Human Relations	-	-	-	-	-	-	8	9	11	9
Office of Management & Budget	9	8	8	10	11	12	12	11	13	15
Fire	340	361	389	373	393	377	407	391	399	361
Police	523	521	494	523	485	526	525	522	559	511
Emergency services & telecommunications	51	52	54	72	77	78	69	69	67	60
Public Works	177	207	209	238	234	232	196	198	233	232
Development services	42	49	57	63	65	60	54	56	59	69
Health & Human Services	26	39	37	40	43	43	50	52	61	65
Office for Young Children *	-	-	-	-	-	-	3	3	3	-
Office for Youth Services	-	-	-	-	-	-	5	5	4	6
Families, children, youth and recreation*	12	18	17	18	20	18	-	-	-	-
Total	1,326	1,429	1,439	1,507	1,508	1,526	1,495	1,488	1,593	1,526
Board of Education										
Teachers	1,570	1,700	1,786	1,709	1,633	1,680	1,658	1,639	1,790	2,058
Administrators	194	219	196	154	105	163	156	110	173	146
Paraprofessionals	494	496	473	471	525	380	370	384	213	484
Clerical	103	119	124	123	96	123	129	125	142	175
Nurses	55	55	60	60	48	54	50	49	40	41
Security	96	96	97	92	84	87	89	87	75	85
Custodial	207	207	209	184	156	195	197	202	207	225
Guidance counselors	30	34	35	36	32	26	29	31	39	44
Social workers	62	62	62	54	50	45	50	52	54	62
Psychologists	22	21	23	20	15	21	23	21	25	25
Support staff	215	243	297	367	348	349	321	282	91	188
Others	187	214	129	210	163	1	1	11	156	163
Total	3,235	3,466	3,491	3,480	3,255	3,124	3,073	2,993	3,005	3,696
Grand Total***	4,561	4,895	4,930	4,987	4,763	4,650	4,568	4,481	4,598	5,222

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

**Operating Indicators by Function - Unaudited
Last Ten Fiscal Years**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
General Government										
Finance										
Number of bills mailed	\$ 108,171	\$ 123,691	\$ 115,872	*	\$ 66,926	\$ 82,241	\$ 80,020	\$ 80,020	\$ 75,710	\$ 75,710
Number of invoices approved for payment	66,736	69,137	68,673	68,728	68,683	79,236	68,649	81,611	74,865	74,865
Number of internal control reviews performed	21	21	20	20	19	18	17	14	14	15
Assessor										
Number of deeds processed	2,147	2,337	2,373	2,166	1,827	1,746	1,668	1,501	1,829	2,710
Number of veterans exemptions	1,303	1,185	1,137	1,124	1,180	1,316	2,270	787	1,374	1,670
Board of assessment appeals adjustments	(2,200,398)	(3,728,457)	(4,078,657)	(998,831)	(13,893,512)	(1,332,497)	(1,491,791)	(2,094,060)	(1,479,909)	(5,859,236)
Personnel										
Number of applications processed	1,114	1,838	1,650	1,771	2,054	1,276	2,779	1,458	1,701	1,974
Vacancies filled through promotion	118	124	102	64	81	97	72	57	58	67
Vacancies filled through new hires	39	61	110	39	138	154	225	85	54	153
City Clerk										
Land records recorded	13,968	13,105	12,791	15,033	16,407	11,614	11,602	12,985	13,287	16,500
Marriage licenses issued	*	*	*	*	1,931	2,451	1,462	1,462	1,680	1,284
Death certificates issued	*	*	*	*	13,607	10,634	11,126	11,126	10,992	12,600
Birth certificates issued	*	*	*	*	21,546	19,889	22,951	22,951	24,568	21,200
Management Information Systems										
Help desk calls:										
City	*	4,346	*	3,375	3,298	3,250	3,309	3,034	3,664	3,664
Schools	*	8,165	*	11,249	12	11,665	11,494	8,282	10,976	10,976
Unassigned	*	*	*	-	-	-	-	-	-	-
Availability, all systems	0.0%	99.9%	*	99.7%	99.8%	99.7%	99.9%	99.0%	99.7%	99.0%
Federal E-rate funds received	-	2,774,811	*	998,624	1,429,573	2,626,928	3,463,810	3,553,112	3,381,433	4,070,487
Website hits (www.hartford.gov)	no longer reporting	no longer reporting	no longer reporting	**	**	**	13,386,564	13,386,564	30,639,065	30,639,065
Elections										
Voters added	11,271	*	*	3,375	11,052	6,756	3,559	5,576	6,801	5,075
Voters removed	10,285	*	*	3,828	5,039	5,675	4,280	5,876	6,984	4,455
Voter changes	14,862	*	*	7,084	15,489	8,621	7,797	11,263	11,715	11,950
Total voters	68,958	*	*	58,285	55,888	45,859	44,368	45,492	46,612	41,026

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Police										
911 calls (1)	31,807	4,492	3,723	6,066	7,117	8,065	9,687	12,179	15,861	*
Non-emergency calls	72,713	104,114	98,976	96,555	94,035	115,361	117,522	115,310	106,316	106,699
DWI arrests	424	326	376	397	274	404	336	-	249	168
Fire										
Fire	642	731	635	583	621	824	1,005	1,056	1,053	1,228
No Fire	14	7	10	16	15	20	26	24	24	26
Rescue & emergency										
medical services	20,175	18,110	15,696	16,153	16,086	15,289	14,583	15,460	14,818	14,350
Hazardous conditions	541	633	611	611	715	1,233	827	714	766	819
Service calls	2,719	2,390	2,236	2,268	2,203	2,133	2,376	2,361	2,013	2,413
Good intent calls	1,835	1,700	1,371	1,276	1,133	1,174	1,255	1,216	1,046	1,254
False alarm & false calls	1,912	1,900	1,833	1,873	1,613	1,678	1,719	1,988	1,947	1,904
Severe weather & natural disaster	-	-	-	-	3	8	2	2	2	-
Special incident type	301	68	60	59	62	89	180	201	138	92
Other	-	-	-	-	-	-	-	-	-	-
Public Works										
Engineering & administration										
Lane miles paved	38	38	38	38	38	47	49	37	37	37
Development and Community										
Affairs										
Development services										
Housing vouchers, residential										
assistance (families)	4,835	*	5,541	5,189	4,698	5,057	4,917	4,720	4,784	4,614
Zoning Board appeals	30	16	17	16	10	14	11	22	53	60
Code violations	6,985	6,388	6,264	4,478	1,879	1,972	1,909	1,931	1,493	6,002
Citations issued	2,193	*	1,985	2,152	1,629	484	372	10	41	1,799

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Education										
Average class size - kindergarten	*	*	20	*	17.7	19.8	19.0	18.3	18.9	19.1
Average class size - grade 2	*	*	18.6	*	17.9	18.4	18.7	17.5	18.2	18.2
Average class size - grade 5	*	*	19.5	*	19.0	20.5	20.5	18.6	20.3	20.9
Average class size - grade 7	*	*	19.4	*	22.9	20.9	18.2	19.3	22.0	22.0
Recreation and culture										
Number of youth registrations	*	*	*	3,121	2,565	*	2,319	2,319	2,100	2,549
Number of youth program hours	*	*	*	48,260	54,213	*	53,550	53,550	26,654	30,995
Number of hours provided by volunteers	*	*	*	976	1,003	*	1,983	1,983	1,600	1,450

* Information not available

** Statistic no longer reported.

(1) This does not reflect actual nature of event or method of receipt. It only captures the entry made by the call taker in dispatch. The Public Safety Dispatch Center has transitioned to the State's next generation 911 system. The new 911 system is not data logged by current CAD-Bill Hollman, IT Manager.

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

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Police										
Stations	6	7	6	6	5	3	3	3	3	3
Vehicles	269	287	295	312	275	280	283	257	235	235
Fire										
Firefighting/rescue vehicles	27	27	26	25	27	27	27	26	28	29
Other vehicles	54	68	57	62	61	61	62	55	56	50
Fire stations	12	12	12	12	12	12	12	12	12	12
Public Works										
Infrastructure										
Concrete road miles	63	63	63	63	63	63	63	63	63	63
Asphalt road miles	151	151	151	151	151	151	150	148	148	148
Bridges	9	9	9	9	9	9	9	8	8	8
Traffic lights	248	247	245	245	245	245	245	241	241	241
Conduit system (miles)	8	8	8	8	8	8	8	8	8	8
Street maintenance										
Dump trucks	30	30	33	46	50	47	46	31	31	31
Sweepers	8	8	7	7	16	9	9	7	7	7
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	3	3	1	1	1
Parking garages	2	2	2	2	2	3	3	3	3	3
Education										
School buildings	44	44	44	44	44	44	45	44	45	45
Administrative buildings	3	3	3	3	3	3	3	3	3	3

Capital Asset Statistics by Function / Program - Unaudited (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Recreation and Culture										
Recreation										
Number of basketball courts	29	29	29	29	30	32	29	32	33	32
Number of football fields	4	4	4	4	4	5	4	6	6	6
Number of multi-use fields	3	3	3	3	3	3	3	4	4	4
Number of playscapes/grounds	22	22	22	22	29	28	27	27	28	27
Number of soccer fields	7	7	7	6	9	9	3	6	6	6
Number of softball fields	6	6	6	6	9	9	9	16	16	16
Number of tennis courts	24	24	24	24	24	25	25	24	27	27
Mowers	45	45	45	45	45	46	42	42	35	35
Other vehicles	32	32	32	30	30	31	33	33	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