

A photograph of the Hartford skyline at dusk. The sky is a mix of purple, pink, and blue. In the foreground, the Connecticut River flows, reflecting the city lights. A bridge with arches is visible on the right. In the middle ground, there's a park area with a large white tent and some smaller structures. The background is filled with various skyscrapers, including a prominent one with a clock tower on the left.

City of

Hartford, Connecticut

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

CITY OF HARTFORD, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

Prepared By:
Department of Finance
Leigh Ann Ralls
CFO/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, CliftonLarsonAllen LLP, has accomplished the production of the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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.

Controller: Constance Reik

Accounting Supervisor: Asha Stapleton

ACFR Team: Ellen McCreery, CPA, Joaquin Lindsay, Kyrra Coleman, Mylinh Truong and Lincoln Milling

Staff Support: Melinda Gorley and Cheryl Liebhauser

Technical Assistance: John Philip, CCMA II, Nancy Raich, Esq. CCMC, Katiria Varela CCMC, Brian Penney, Eduardo Elescano, Shawana Bowen and Carla Frett, Camille Delices, Chavanni Govman, Sharon Morales, Sara Lowenthal, Michelle Harrison

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

Prepared By:
Department of Finance
Leigh Ann Ralls
CFO/Director of Finance

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CITY OF HARTFORD

DEPARTMENT OF FINANCE

**550 Main Street, Room 10
Hartford, CT, 06103**

LUKE A. BRONIN
Mayor

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www.hartford.gov

LEIGH ANN RALLS
Director of Finance

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

December 29, 2023

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 Annual Comprehensive Financial Report (ACFR) of the City of Hartford (City) for the fiscal year ended June 30, 2023. 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, 2023. I extend my sincere appreciation and gratitude to our dedicated employees in the Department of Finance and throughout the City for their significant efforts throughout the ongoing COVID pandemic that have resulted in the presentation of this FY2023 ACFR.

The ACFR 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. This ACFR 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this Single

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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 ACFR. 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. Hartford has an estimated 121,000 residents in its 18.4 square mile area, and is the employment and cultural center of a metropolitan area with a population of over one million people. 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. 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), Chief Financial Officer, 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>Emergency Services & Telecommunications</i>	<i>Fire</i>
<i>Finance</i>	<i>Human Resources</i>
<i>Management, Budget & Grants</i>	<i>Police</i>
<i>Metro Hartford Innovation Services</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.

CONTRACT ASSISTANCE, MUNICIPAL OVERSIGHT & LONG-TERM FINANCIAL PLANNING

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Over the past several years, the City has stabilized the city's fiscal position following the acute fiscal crises confronted in 2016 and 2017 and continues to work toward long-term fiscal strength. The City's credit rating from S&P Global has been repeatedly upgraded since 2017 to the investment grade level of 'BBB' and was upgraded this year by Moody's Investor Service from Ba2 to Baa3, also considered investment grade. These ratings actions reflected and recognized the city's ongoing commitment to budgetary discipline, expenditure controls, and adherence to its long-term sustainability plan.

From 2018 until late this year, the City of Hartford held "Tier 3" designation under the State of Connecticut's Municipal Accountability Review Board (MARB) in order to access additional tools in achieving long term fiscal sustainability, welcoming the accountability and oversight of the MARB. As a Tier 3 municipality under MARB oversight, the City of Hartford was required to submit and present monthly financial reports at a public meeting to ensure the City is operating responsibly consistent with its broader financial plan. Additionally, Tier 3 status required that the City's General Fund recommended budget must be reviewed by the MARB on an annual basis and the revenue assumptions must be approved by the MARB. Labor agreements or arbitration awards were also to be reviewed by the MARB. In March 2018 the City entered into a Contract Assistance Agreement with the State of Connecticut to service current general obligation debt on an annual basis until such debt is retired. This agreement is backed by the full faith and credit of the State of Connecticut.

At its regular meeting on October 5, 2023, the Municipal Accountability Review Board approved a motion to acknowledge and recognize that the City has met all of the conditions to be released from Tier III designation and to support the City's intent to voluntarily continue its relationship with the MARB as a Tier II municipality. On December 13, 2023, in accordance with the process set forth in State statute, the Municipal Finance Advisory Commission voted to support the City's voluntary request and to recommend the City be designated a Tier II municipality.

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>

As part of an ongoing commitment to fiscal stability, the city has shifted from the use of debt in financing future infrastructure maintenance and enhancements and ongoing construction to a Pay-As-You-Go capital expense program. Bricks and mortar and longer-lived projects are identified and tracked using a five-year Capital Improvement Plan (CIP). Project requests are received and reviewed by a capital planning committee comprised of various department heads or their designees. The five-year CIP, including each individual project, is adopted annually upon the recommendation of the Mayor and approval by Council. The first year of the five-year CIP 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.

The CIP is comprised of essential capital needs, with priority placed on maintaining and preserving critical infrastructure such as: streets, sidewalks and bridges, educational facilities, municipal facilities, parks, levies and public safety structure and equipment. A close look at the City's capital infrastructure reveals an extensive network of assets requiring careful consideration to balance priorities. Four main criteria are considered for all projects including: investments that preserve the City's existing capital assets, items of criticality and those that present a material risk, projects that are essential to government functions or enhancements to quality of life, and projects that prioritize health and safety.

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 cash contributions. 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 and/or capital leases.

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 not only by affordability, but 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.

ECONOMIC DEVELOPMENT

Hartford continues to pursue multiple economic development projects all across the city, including residential and multi-use projects downtown and throughout the outlying neighborhood commercial corridors. Increased residential density in downtown Hartford remains a critical economic development priority, the importance of which has only increased in the aftermath of post-pandemic changes in demand for commercial real estate. Working in partnership with the Capital Region Development Authority (CRDA) and private developers, the city continues to see strong occupancy demand for its new residential developments citywide.

In late 2022 the new Pennant Apartments opened across the street from Dunkin' Donuts Park—the award-winning minor league baseball stadium—and following the settlement of intervening litigation this year, additional development on nearby surface parking lots is expected in 2024. Additional parcels in this “Downtown North” area will soon see multi-use development, as will the nearby “Arrowhead” parcels, connecting the northern end of downtown to the Albany Avenue commercial corridor at its intersection with Main Street.

Planning for the \$130 million Bushnell South Project continues to advance, where a recently selected developer will oversee the construction of multi-use buildings in place of surface parking lots south of the landmark Bushnell Park, just one block west of Main Street. New residential, retail, parking garages and performing arts spaces will bring new life to this critically important area between the State Capitol and the rest of downtown.

Hartford continues to successfully deploy federal American Rescue Plan Act (ARPA) resources to subsidize the renovation and reopening of vacant storefronts in major commercial corridors across the city through the “Hart Lift” program, which received national recognition this year via the International Economic Development Council (IEDC)’s Excellence Award. Other ARPA economic development initiatives include matching grants for small businesses through the Small Business Investment Fund (SBIF) and a Small Business Façade program.

In order to promote homeownership and healthier neighborhoods, the City has launched a new program to help seniors fix up the homes they own, and is partnering with multiple community organizations to rebuild vacant lots and historic homes. With the Hartford Land Bank, the City has created a successful new model for moving blighted properties from neglect to renewal. By partnering with the Hartford Housing Authority to secure state grant funding, the aging Mary Shepard Place Apartments will be transformed into a new community with homeownership at its heart.

Parkville remains a key area of interest for innovation-led development efforts, as the city pursues extensive redevelopment of vacant industrial spaces in Parkville, including the city's recent acquisition of a 33-acre former scrap metal yard. The city is partnering with developers to build hundreds of new

apartment units in Parkville, redeveloping the historic Whitney Manufacturing building and building from the ground up on surface parking lots along Bartholomew Avenue.

In the City's North End, multiple projects are underway, from the latest of several phases of redevelopment of the former Westbrook Village public housing complex to the integration of the historic Northwest Jones school into a renovated public library branch. At the corner of Woodland Street and Albany Avenue, a new mixed-use development will replace a long vacant parcel, while a former police substation at Albany Avenue and Magnolia Street transforms into dozens of apartments paired with street-level retail. On North Main Street, the City is also supporting the conversion of the former Fuller Brush factory building, long known to the community as the "old welfare building" into new and attractive housing.

Public infrastructure projects continue through the City's Capital Improvement Plan. Construction at the Bulkeley High School Campus and the Burns Latino Studies Academy is progressing, while the Betances, Kennelly, and Fred D. Wish Elementary schools are planned for renovations now in design. The City continues to make progress toward other long-term capital priorities, such as the flood control program and renovations at various municipal facilities.

RELEVANT FINANCIAL POLICIES

The Department of Finance encompasses five divisions: Administration, Accounting & Control, Procurement, Tax Assessment, and Tax Collection. The Department's major responsibilities include general accounting and financial reporting, accounts payable, property assessment, tax collection, debt administration, the procurement of goods and services, contract compliance, 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 with oversight of the City's Office of Management, Budget & Grants. 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 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 General Fund. 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 ACFR for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR 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 ACFR 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 ACFR 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 Management, Budget, & Grants; Office of the City Treasurer; Hartford Public Schools; Hartford Public Library; and the Hartford Parking Authority.

Finally, thanks are extended to the City's independent auditors, Clifton Larson Allen LLP for their efforts and counsel during the audit, ACFR preparation and submission process.

Respectfully submitted,



Leigh Ann Ralls

CITY OF HARTFORD, CONNECTICUT
Mayor - Council Form of Government
List of Elected and Principal Officials - As of June 30, 2023

The Honorable Luke A. Bronin, Mayor

The Honorable Carmen Sierra, Treasurer

The Honorable Court of Common Council

Council President – Maly D. Rosado

Thomas J. Clarke II, Majority Leader
John Q. Gale
Tiana Hercules
Amilcar Hernandez

Marilyn E. Rossetti
Shirley Surgeon
Nick Lebron
Joshua Michtom

The Honorable Registrars of Voters

Giselle Feliciano (D)

Vanessa Garary-Jackson (R)

Appointed and Other Municipal Officials

Chief Operating Officer
Chief of Staff
Corporation Counsel
Town and City Clerk
Director of Finance/CFO
 Controller
 Tax Assessor
 Tax Collector
 Director of Safety and Risk Management
 Procurement Manager
Director of Development Services
Director of Management, Budget & Grants
Chief Information Officer
Chief of Police
Fire Chief
Director of Office of Community Engagement
Director of Children, Youth, Family and Recreation
Director of Emergency Services
Director of Health and Human Services
Director of Human Resources & Labor Relations
Director of Internal Audit
Director of Public Works

Thea Montanez
David Steuber
Howard G. Rifkin, Esq.
Noel F. McGregor
Leigh Ann Ralls, CPA
Constance M. Reik
John S. Philip, CCMA
Nancy S. Raich, Esq., CCMC
Sara Lowenthal
Michelle Harrison
I. Charles Mathews
Julian Freund
Charisse Snipes
Jason Thody
Rodney L. Barco
Janice Castle
Kristina Baldwin
Susan Webster, ENP, RPL, CPE
Ebony Jackson-Shaheed
Marlene Fleeting
Craig Trujillo, CPA
Michael Looney

Board of Education

Philip Rigueur, Chairperson

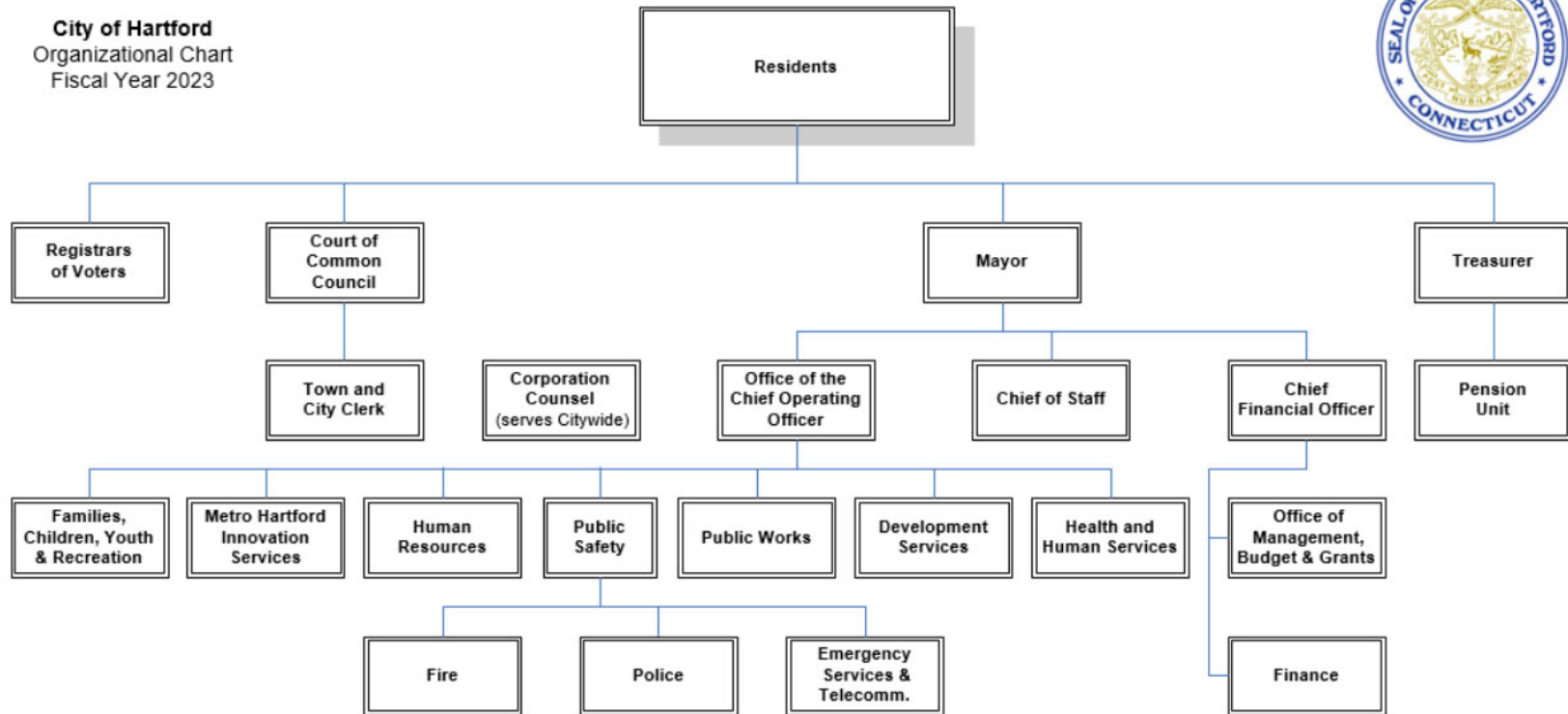
Rev. AJ Johnson, Vice Chair
Yahaira Escribano, Second Vice-Chair
Francoise Deristel-Leger, Secretary
Yvette Bello

Shonta Browdy
Kimberly D. Oliver
Dr. Jim Shmerling
Tyrone Walker

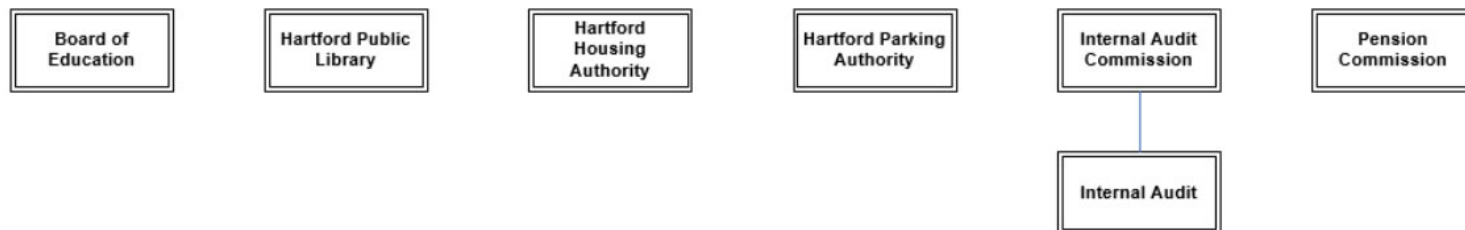
Hartford Public Schools

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

City of Hartford
Organizational Chart
Fiscal Year 2023



Boards and Commissions





Government Finance Officers Association

Certificate of
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**City of Hartford
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements as listed in the table of contents.

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, 2023 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.

We did not audit the financial statements of the Hartford Parking Authority which represents 100% of the assets, net position, revenues and expenses of the discretely presented component unit as of June 30, 2023. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hartford, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hartford, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Hartford, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hartford, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 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 combining and individual nonmajor fund financial statements and schedules including the financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

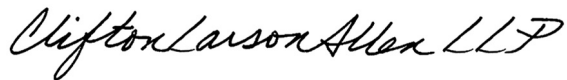
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the City of Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Hartford, Connecticut'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 of Hartford, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 29, 2023

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

FINANCIAL HIGHLIGHTS

- The City's total net position increased \$46.8 million as a result of this year's operations. The net position of our governmental activities increased by \$46.4 million, or 6.7%. The increase is mainly in the non-depreciable capital assets representing construction in progress. The net position of our business-type activities remained consistent.
- The City received \$27.3 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. The City also received capital grants related to various public works projects.
- The total cost of the City's programs for the year was \$1.05 billion.
- The General Fund reported a total fund balance this year of \$59.4 million.
- The revenues available for appropriation and other financing sources were \$14.5 million more than budgeted for the General Fund and expenditures and other financing uses were \$10.5 million less than budgeted amount of \$616.9 million. The total fund balance increased \$20.7 million in the current year on a budget basis.
- The revenue surplus in the General Fund is primarily due to unplanned interest income exceeding expectations by \$9.8 million in addition to additional License and Permit revenues of \$3.7 million over budget.
- The main factor that contributed to the favorable budget variance of \$10.5 million in expenditures in the General Fund was that most of the departments citywide had payroll savings due to vacant positions. This in turn resulted in additional savings in employee benefits as well.

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 considered regardless of when cash is received or paid.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

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 Finance Department 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 reported separately from the fund financial statements.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

- *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 increased from a year ago by \$46.8 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.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

**TABLE I
NET POSITION (IN THOUSANDS)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 658,600	\$ 608,739	\$ 4,721	\$ 4,022	\$ 663,321	\$ 612,761
Capital Assets, Net of Accumulated Depreciation	1,721,329	1,718,002	75,653	78,097	1,796,982	1,796,099
Total Assets	2,379,929	2,326,741	80,374	82,119	2,460,303	2,408,860
Deferred Outflow of Resources	111,846	221,034	-	-	111,846	221,034
Liabilities:						
Current	217,291	208,402	1,740	1,743	219,031	210,145
Long-Term Liabilities Outstanding	1,369,285	1,455,009	59,393	61,506	1,428,678	1,516,515
Total liabilities	1,586,576	1,663,411	61,133	63,249	1,647,709	1,726,660
Deferred Inflow of Resources	163,639	189,225	-	-	163,639	189,225
Net Position:						
Net investments in Capital Assets	1,327,948	1,291,944	16,260	16,591	1,344,208	1,308,535
Restricted	105,843	104,012	-	-	105,843	104,012
Unrestricted	(692,231)	(700,817)	2,981	2,279	(689,250)	(698,538)
Total Net Position	\$ 741,560	\$ 695,139	\$ 19,241	\$ 18,870	\$ 760,801	\$ 714,009

The City's government-wide net position of \$760.8 million represents an increase of \$46.8 million over last year's net position of \$714.0 million. This increase was largely due to an increase in current and other assets, more specifically non depreciable capital assets. 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 increased \$9.3 million over last year. Government activities unrestricted net position increased \$8.5 million while the unrestricted net position of the City's business-type activities increased \$700K in 2023. Reasons can be found in the following discussion.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

**TABLE 2
STATEMENT OF ACTIVITIES (IN THOUSANDS)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 22,410	\$ 18,361	\$ 6,382	\$ 5,602	\$ 28,792	\$ 23,963
Operating Grants and Contributions	557,242	541,001	-	-	557,242	541,001
Capital Grants and Contributions	27,275	23,870	-	-	27,275	23,870
General Revenues:						
Property Taxes	310,908	289,609	-	-	310,908	289,609
Grants Not Restricted to Specific Programs	153,101	141,576	-	-	153,101	141,576
Unrestricted Investment Earnings	12,457	(1,776)	47	49	12,504	(1,727)
Other General Revenues	3,107	2,611	-	-	3,107	2,611
Total Revenues	<u>1,086,500</u>	<u>1,015,252</u>	<u>6,429</u>	<u>5,651</u>	<u>1,092,929</u>	<u>1,020,903</u>
Expenses:						
General Government	195,904	187,195	-	-	195,904	187,195
Public Safety	105,822	100,698	-	-	105,822	100,698
Public Works	35,254	44,023	-	-	35,254	44,023
Development and Community Affairs	46,414	17,687	-	-	46,414	17,687
Human Services	95,573	75,391	-	-	95,573	75,391
Education	513,630	485,354	-	-	513,630	485,354
Recreation and Culture	30,502	25,862	-	-	30,502	25,862
Interest on Long-Term Debt	15,260	17,646	-	-	15,260	17,646
Hartford Parking Facilities	-	-	714	590	714	590
Hartford Stadium Authority	-	-	2,328	2,131	2,328	2,131
Golf Course	-	-	4,736	4,628	4,736	4,628
Total Expenses	<u>1,038,359</u>	<u>953,856</u>	<u>7,778</u>	<u>7,349</u>	<u>1,046,137</u>	<u>961,205</u>
Change in Net Position Before Transfers	48,141	61,396	(1,349)	(1,698)	46,792	59,698
Transfers	<u>(1,720)</u>	<u>(1,596)</u>	<u>1,720</u>	<u>1,596</u>	<u>-</u>	<u>-</u>
Change in Net Position	46,421	59,800	371	(102)	46,792	59,698
Net Position at Beginning of Year	<u>695,139</u>	<u>635,339</u>	<u>18,870</u>	<u>18,972</u>	<u>714,009</u>	<u>654,311</u>
Net Position at End of Year	<u>\$ 741,560</u>	<u>\$ 695,139</u>	<u>\$ 19,241</u>	<u>\$ 18,870</u>	<u>\$ 760,801</u>	<u>\$ 714,009</u>

The City's total revenue in 2023 of \$1,086.5 million represents an increase of \$71.2 million over last year mainly due to operating grants and tax revenue. The City underwent the state mandated revaluation for taxes for grand list 2021 which resulted in a 13.4% increase to the grand list. Operating grants and contributions increased \$16.2 million due mainly to the American Recovery Plan funding. The following sources of revenue also increased: capital grants \$3.4 million, other grants \$11.5 million, and investment earnings by \$14.0 million. Interest income far exceeded budget due to the favorable investment market.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

The City's total program expenses of \$1.0 billion represent an increase of \$84.5 million over last year. The increase in the Board of Education's Special Funds revenue and expenditures reflect increased use of Federal COVID relief fund grants. Other departments had increases in expenditures as vacant positions that were difficult to fill are gradually filled. There was also significant development activity happening City wide because of pandemic recovery.

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, public works, human services, education, recreation and culture and others (debt service and development and community affairs) - 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	
	2023	2022	2023	2022
General Government	\$ 195,904	\$ 187,195	\$ 167,893	\$ 146,030
Public Safety	105,822	100,698	93,358	91,013
Public Works	35,254	44,023	19,985	32,532
Human Services	95,573	75,391	76,262	56,910
Education	513,630	485,354	93,573	74,474
Recreation and Culture	30,502	25,862	3,827	7,672
All Others	61,674	35,333	(23,466)	(38,007)
Total	<u>\$ 1,038,359</u>	<u>\$ 953,856</u>	<u>\$ 431,432</u>	<u>\$ 370,624</u>

Business-Type Activities

Both revenues and expenses from the Hartford Parking Authority provided to the Hartford Parking Facilities Fund to finance debt service and capital improvement remained consistent over prior year's activity. Increased operations that occurred during the pandemic held consistent in 2023. The Golf Courses ended FY2023 with a slight deficit of \$127. Parking operations also held steady in 2023. The Hartford Stadium Authority had an increase to unrestricted net position in FY2023 of \$208 thousand.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

The City's combined General Fund reported an overall fund balance increase of \$20.7 million during 2023 as compared with an increase of \$6.9 million in 2022. This increase is mainly due to interest income far exceeding budgeted expectations. There was also increased license and permit revenues in 2023 due to large construction activity throughout the City. In addition to excess revenues on the expenditure side the City experiences significant savings in salaries and benefits due to vacancies throughout all departments in the City. The combined General Fund's unassigned fund balance at June 30, 2023 is \$36.4 million representing 6.0 percent of the General Fund's 2023 amended budgetary appropriations. Refer to RSI-1 and RSI-2 for details on other favorable and unfavorable variances in comparison to budgetary estimates.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

The Capital Improvement Fund reported a fund balance increase of \$1.3 million which is mainly related to increased general fund contributions to fund capital projects. The City shifted to a Pay-As-You-Go Capital Improvement Program, whereby the capital expenditure program is funded primarily from the General Fund. The City closely managed capital project spending throughout the fiscal year by prioritizing projects, completing, and closing out prior years' authorized projects. The Finance Department, Office of Management, Budget & Grants, Director of Capital Projects meet routinely with the staff of public works and development services departments to focus on the capital needs of the City mainly related to maintaining and preserving our capital infrastructure.

The Education Grant Fund had a decrease in fund balance of \$4.4 million. The decrease is timing related mainly due to the receipt of grant reimbursements.

Miscellaneous grant funds comprise of department specific grants. These are both federal and state grants. The deficit in this fund this year is related to timing of FEMA and other grant reimbursements.

The City's other governmental funds reported an increase of \$7.0 million in fund balance for the year, mainly due to increased revenues resulting from General Fund contributions to several projects.

Internal Service Funds

The net position of the City's self-insurance and technology programs increased \$2.0 million due to additional contributions to fund the incurred but not yet received health claims, increasing the total net position (deficit) of the City's internal service programs from \$(17.0) million to a \$(15.0) million deficit. The City will continue its efforts to develop a funding plan for its post-retirement benefits liabilities based on the actuaries' estimates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the City had \$1.7 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 \$52.9 million (Note 6 to the financial statements). Construction in progress additions represent the majority of capital additions recorded by the City other than capital activity related to vehicle and equipment purchases and infrastructure. The majority of active projects qualify for capitalization under the City's asset capitalization policy.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

**TABLE 4
CAPITAL ASSETS (IN THOUSANDS)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 87	\$ 87	\$ 6	\$ 6	\$ 93	\$ 93
Land Improvements	33	34	-	-	33	34
Buildings and Improvements	973	1,006	70	72	1,043	1,078
Machinery and Equipment	18	18	-	-	18	18
Right to use Leased Assets	6	8	-	-	6	8
Infrastructure	185	190	-	-	185	190
Construction in Progress	419	375	-	-	419	375
Total	<u>\$ 1,721</u>	<u>\$ 1,718</u>	<u>\$ 76</u>	<u>\$ 78</u>	<u>\$ 1,797</u>	<u>\$ 1,796</u>

There are approximately 290 active projects in the City's Capital Improvement Fund. Total expenditures for all projects during the fiscal year amounted to \$51.8 million. New and supplemental appropriations are reflected in the FY2023 adopted budget.

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

Long-Term Debt

In March 2018 the City entered into a Contract Assistance Agreement with the State of Connecticut to service \$540 million in current general obligation debt service until such debt was retired. This agreement is backed by the full faith and credit of the State of Connecticut. Under the contract assistance agreement, the City must meet certain financial requirements. Lack of compliance with such requirements would trigger a default, thus placing the City in Tier 4 full oversight by the State of Connecticut. As part of this agreement, the City of Hartford is subject to financial oversight, accept limitations on the issuance of new debt, and must refinance existing debt when the market conditions would produce significant savings. On April 26, 2023, in conjunction with the State of Connecticut, the City did refund \$125 million of existing debt producing \$13 million of savings.

At June 30, 2023, the City had \$376 million in governmental bonds outstanding versus \$424 million last year, a decrease of 12.5% as shown in Table 5. The City has approximately \$7.3 million of restricted cash and investments to offset this debt.

TABLE 5

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 376	\$ 424	\$ 1	\$ 2	\$ 377	\$ 426
Revenue Bonds	-	-	58	59	58	59
Total	<u>\$ 376</u>	<u>\$ 424</u>	<u>\$ 59</u>	<u>\$ 61</u>	<u>\$ 435</u>	<u>\$ 485</u>

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 below the formulaic \$2.1 billion State-imposed limit.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

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 3.5% for October 2023 (seasonally adjusted). This is 0.5% lower than November 2022 and 4.4% lower than the November 2020 rate of 7.9%. The October 2023 unemployment rate for Hartford of 5.1% is 0.3% lower than the 5.4% October 2022. The Consumer Price Index is 3.1 percent (unadjusted - all items) for the 12-months ended November 2023.

The FY2023 Adopted Budget is consistent with the Municipal Recovery Plan and reflects the City's commitment to fiscal discipline. In 2018, the State of Connecticut through PA 17-2, established a Municipal Accountability Review Board to support financially distressed municipalities in achieving fiscal sustainability. The City of Hartford provided a 5-year Municipal Recovery Plan to the MARB in March 2018 which comprised of revenue and expenditures assumptions, contract assistance for debt service, labor concessions, economic development goals and initiatives to generate grand list growth. The recovery plan required the City to shift to a Pay-As-You-Go Capital Improvement Program, whereby the capital expenditure program is funded primarily from the General Fund. The recovery plan was reviewed in detail by the full MARB and a subcommittee thereof and approved in June 2018 where the City received \$20 million in restructuring funds. Under the MARB, the City is required to submit an updated Municipal Recovery Plan annually in concert with the Mayor's Recommended General Fund Budget.

At its regular meeting on October 5, 2023, the MARB approved a motion to acknowledge and recognize that the City has met the required conditions to be released from Tier III designation. Furthermore, the motion included support of the City's intent to voluntarily continue its relationship with the MARB as a Tier II municipality. On December 13, 2023, the Municipal Finance Advisory Commission of the State of Connecticut voted to honor the City's request to be designated as Tier II. As a Tier II municipality, the City is now required to submit monthly financial statements and the annual budget to MARB. The revenue assumptions used to create the budget must be approved by MARB annually.

The City has been awarded \$112.2 million through the America Rescue Plan Act (ARPA) to assist with the recovery from the direct and indirect impact of the coronavirus pandemic. The America Rescue Plan gives us the resources to make investments that will help us build a stronger, more equitable and resilient city in the years ahead. Mayor Bronin proposed a multi-year allocation plan including funding for critical investments in the City's youth, the health and wellbeing of our residents and well as expanded economic development in our community. Further details of the City's ARPA plan can be found on the City's website .

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) 757-9670.

BASIC FINANCIAL STATEMENTS

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023
(IN THOUSANDS)

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Hartford Parking Authority
ASSETS				
Cash and Cash Equivalents	\$ 318,247	\$ 4,546	\$ 322,793	\$ 1,693
Investments	32,138	-	32,138	-
Restricted Cash and Cash Equivalents	983	2,869	3,852	-
Restricted Investments	6,327	-	6,327	-
Receivables, Net:				
Property Taxes	88,605	-	88,605	-
Accounts	121,283	382	121,665	2,014
Loans	34,191	-	34,191	-
Intergovernmental	51,847	-	51,847	-
Due from Component Unit	-	1,295	1,295	-
Internal Balances	4,371	(4,371)	-	-
Other Assets	608	-	608	4
Capital Assets, Nondepreciable	506,222	6,087	512,309	-
Capital Assets, Net of Accumulated Depreciation	1,215,107	69,566	1,284,673	-
Total Assets	2,379,929	80,374	2,460,303	3,711
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	2,125	-	2,125	-
Deferred Outflows Related to Pensions	74,236	-	74,236	-
Deferred Outflows Related to OPEB	35,485	-	35,485	-
Total Deferred Outflows of Resources	111,846	-	111,846	-
LIABILITIES				
Accounts Payable and Accrued Expenses	153,397	1,740	155,137	466
Due to Primary Government	-	-	-	1,295
Unearned Revenue	63,894	-	63,894	1,950
Noncurrent Liabilities:				
Due Within One Year	59,061	2,162	61,223	-
Due in More than One Year	1,310,224	57,231	1,367,455	-
Total Liabilities	1,586,576	61,133	1,647,709	3,711
DEFERRED INFLOWS OF RESOURCES				
Advance Property Tax Collections	2,651	-	2,651	-
Deferred Charge on Refunding	14,064	-	14,064	-
Deferred Inflows Related to Pensions	11,079	-	11,079	-
Deferred Inflows Related to OPEB	133,487	-	133,487	-
Deferred Inflows Related to Leases	2,358	-	2,358	-
Total Deferred Inflows of Resources	163,639	-	163,639	-
NET POSITION				
Net Investment in Capital Assets	1,327,948	16,260	1,344,208	-
Restricted:				
Debt Service	8,122	-	8,122	-
Housing Loans and Grants	3,360	-	3,360	-
Other Miscellaneous Grants	41,655	-	41,655	-
Education	20,573	-	20,573	-
Trust Purposes:				
Expendable	23,775	-	23,775	-
Nonexpendable	8,358	-	8,358	-
Unrestricted	(692,231)	2,981	(689,250)	-
Total Net Position	\$ 741,560	\$ 19,241	\$ 760,801	\$ -

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			Component Unit Hartford Parking Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
PRIMARY GOVERNMENT								
Governmental Activities:								
General Government	\$ 195,904	\$ 1,471	\$ 26,540	\$ -	\$ (167,893)	\$ -	\$ (167,893)	\$ -
Public Safety	105,822	6,431	5,210	823	(93,358)	-	(93,358)	-
Public Works	35,254	376	-	14,893	(19,985)	-	(19,985)	-
Development and Community Affairs	46,414	10,628	74,512	-	38,726	-	38,726	-
Human Services	95,573	316	18,995	-	(76,262)	-	(76,262)	-
Recreation and Culture	30,502	971	25,704	-	(3,827)	-	(3,827)	-
Education	513,630	2,217	406,281	11,559	(93,573)	-	(93,573)	-
Interest on Long-Term Debt	15,260	-	-	-	(15,260)	-	(15,260)	-
Total Governmental Activities	1,038,359	22,410	557,242	27,275	(431,432)	-	(431,432)	-
Business-Type Activities:								
Hartford Parking Facilities	714	3,082	-	-	-	2,368	2,368	-
Golf Course	2,328	2,134	-	-	-	(194)	(194)	-
Hartford Stadium Authority	4,736	1,166	-	-	-	(3,570)	(3,570)	-
Total Business-Type Activities	7,778	6,382	-	-	-	(1,396)	(1,396)	-
Total Primary Government	\$ 1,046,137	\$ 28,792	\$ 557,242	\$ 27,275	(431,432)	(1,396)	(432,828)	-
COMPONENT UNIT								
Hartford Parking Authority	\$ 6,966	\$ 6,966	\$ -	\$ -				
GENERAL REVENUES								
Property Taxes					310,908	-	310,908	-
Grants and Contributions not Restricted to Specific Programs					153,101	-	153,101	-
Unrestricted Investment Earnings					12,457	47	12,504	-
Miscellaneous					3,107	-	3,107	-
Transfers					(1,720)	1,720	-	-
Total General Revenues and Transfers					477,853	1,767	479,620	-
CHANGE IN NET POSITION								
					46,421	371	46,792	-
Net Position - Beginning of Year					695,139	18,870	714,009	-
NET POSITION - END OF YEAR								
					\$ 741,560	\$ 19,241	\$ 760,801	\$ -

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and Cash Equivalents	\$ 113,734	\$ 50,720	\$ 2,931	\$ -	\$ -	\$ 32,544	\$ 64,929	\$ 30,211	\$ 295,069
Restricted Cash	-	-	-	983	-	-	-	-	983
Investments	-	-	-	-	-	-	-	32,138	32,138
Restricted Investments	-	-	-	6,327	-	-	-	-	6,327
Receivables, Net	93,789	99,130	34,207	-	48,723	-	7,032	12,755	295,636
Due from Other Funds	19,386	-	-	812	-	-	-	-	20,198
Other Assets	-	-	-	-	-	-	-	608	608
Total Assets	<u>\$ 226,909</u>	<u>\$ 149,850</u>	<u>\$ 37,138</u>	<u>\$ 8,122</u>	<u>\$ 48,723</u>	<u>\$ 32,544</u>	<u>\$ 71,961</u>	<u>\$ 75,712</u>	<u>\$ 650,959</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable and Accrued Liabilities	\$ 75,291	\$ 11,410	\$ 129	\$ -	\$ 24,926	\$ 24	26,832	\$ 4,235	\$ 142,847
Due to Other Funds	-	-	-	-	14,514	-	-	1,313	15,827
Unearned Revenue	187	15,412	-	-	1,193	32,520	9,448	5,133	63,893
Total Liabilities	<u>75,478</u>	<u>26,822</u>	<u>129</u>	<u>-</u>	<u>40,633</u>	<u>32,544</u>	<u>36,280</u>	<u>10,681</u>	<u>222,567</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Property	84,046	-	-	-	-	-	-	-	84,046
Unavailable Revenue - Other Receivable	2,993	97,394	34,191	-	-	-	3,291	5,608	143,477
Deferred Inflows Related to Leases	2,358	-	-	-	-	-	-	-	2,358
Advance Property Tax Collections	2,651	-	-	-	-	-	-	-	2,651
Total Deferred Inflows of Resources	<u>92,048</u>	<u>97,394</u>	<u>34,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,291</u>	<u>5,608</u>	<u>232,532</u>
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	8,966	8,966
Restricted	-	25,634	2,818	8,122	8,090	-	32,390	46,067	123,121
Committed	5,680	-	-	-	-	-	-	6,085	11,765
Assigned	17,300	-	-	-	-	-	-	-	17,300
Unassigned	36,403	-	-	-	-	-	-	(1,695)	34,708
Total Fund Balances	<u>59,383</u>	<u>25,634</u>	<u>2,818</u>	<u>8,122</u>	<u>8,090</u>	<u>-</u>	<u>32,390</u>	<u>59,423</u>	<u>195,860</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 226,909</u>	<u>\$ 149,850</u>	<u>\$ 37,138</u>	<u>\$ 8,122</u>	<u>\$ 48,723</u>	<u>\$ 32,544</u>	<u>\$ 71,961</u>	<u>\$ 75,712</u>	<u>\$ 650,959</u>

See accompanying Notes to Financial Statements.

**CITY OF HARTFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$	195,860
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets		2,793,170
Less: Accumulated Depreciation		(1,071,841)
Net Capital Assets		1,721,329

Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property Tax Receivables Greater than 60 Days		49,286
Interest Receivable on Property Taxes		34,760
Housing Loans Receivable		34,191
Other Receivables		109,286
Deferred Outflows Related to Pensions		74,236
Deferred Outflows Related to OPEB		35,485

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.

(17,929)

Long-term liabilities and deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds:

Bonds Payable		(376,237)
Premium on Bonds		(36,012)
Deferred Charge on Refunding		(11,939)
Accrued Interest Payable		(5,527)
HUD Loans		(4,480)
Lease Liability		(6,948)
Clean Water Fund Notes		(444)
Compensated Absences		(26,103)
Claims and Judgements		(12,900)
Net OPEB Liability		(289,750)
Net Pension Liability - CMERS		(40,508)
Net Pension Liability - MERF		(538,476)
Net Pension Liability - RAF/PBF/FRF		(980)
Net Pension Liability - 415(m)		(74)
Deferred Inflows Related to Pensions		(11,079)
Deferred Inflows Related to OPEB		(133,487)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 741,560

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Property Taxes	\$ 307,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,851
Licenses, Permits, and Other Charges	10,466	-	-	-	-	-	-	-	10,466
Intergovernmental Revenues	388,709	25,787	-	-	189,713	36,576	20,977	109,211	770,973
Charges for Services	2,460	-	-	-	-	-	5,356	3,381	11,197
Use of Property	805	-	-	-	-	-	-	-	805
Investment Income	10,184	210	92	31	-	-	-	2,527	13,044
Miscellaneous	638	615	1,362	385	-	-	29	-	3,029
Total Revenues	721,113	26,612	1,454	416	189,713	36,576	26,362	115,119	1,117,365
EXPENDITURES									
Current:									
General Government	14,457	-	-	-	-	10,832	6,172	993	32,454
Public Safety	91,998	-	-	-	-	-	7,499	170	99,667
Public Works	18,035	-	-	-	-	-	547	4	18,586
Development and Community Affairs	5,819	-	1,203	-	-	-	33,567	6,357	46,946
Human Services	4,165	-	-	-	-	14,790	1	76,662	95,618
Education	328,374	-	-	-	196,032	-	-	21,947	546,353
Recreation and Culture	10,107	-	-	-	-	-	17,778	2,146	30,031
Benefits and Insurance	72,936	-	-	-	-	-	-	-	72,936
Other	40,923	-	-	-	-	-	-	-	40,923
Capital Outlay	-	51,767	-	-	-	-	-	3,511	55,278
Debt Service	220	-	-	55,305	-	-	-	1,017	56,542
Total Expenditures	587,034	51,767	1,203	55,305	196,032	25,622	65,564	112,807	1,095,334
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	134,079	(25,155)	251	(54,889)	(6,319)	10,954	(39,202)	2,312	22,031
OTHER FINANCING SOURCES (USES)									
Issuance of Refunding Bonds	-	-	-	124,950	-	-	-	-	124,950
Premium on Refunding Bonds	-	-	-	13,896	-	-	-	-	13,896
Payments to Refunded Bond Escrow Agent	-	-	-	(137,784)	-	-	-	-	(137,784)
Proceeds from Leases	-	789	-	-	-	-	-	-	789
Transfers in from Other Funds	4,353	26,270	-	54,214	1,909	-	40,105	4,188	131,039
Transfers Out to Other Funds	(117,774)	(600)	-	-	-	(10,954)	(3,335)	(96)	(132,759)
Total Other Financing Sources (Uses)	(113,421)	26,459	-	55,276	1,909	(10,954)	36,770	4,092	131
NET CHANGE IN FUND BALANCES	20,658	1,304	251	387	(4,410)	-	(2,432)	6,404	22,162
Fund Balances - Beginning of Year	38,725	24,330	2,567	7,735	12,500	-	34,822	53,019	173,698
FUND BALANCES - END OF YEAR	<u>\$ 59,383</u>	<u>\$ 25,634</u>	<u>\$ 2,818</u>	<u>\$ 8,122</u>	<u>\$ 8,090</u>	<u>\$ -</u>	<u>\$ 32,390</u>	<u>\$ 59,423</u>	<u>\$ 195,860</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV)	\$	22,162
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Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay		52,667
Depreciation Expense		(49,290)
Loss on Disposition of Capital Assets		(50)

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

Property Taxes Collected After 60 Days		1,322
Interest Income on Property Taxes		1,735
Housing Loans Receivable		20
Other Receivables		14,204
Change in Deferred Outflows Related to Pensions		(75,484)
Change in Deferred Outflows Related to OPEB		(33,323)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Premium on Refunding Bonds		(13,896)
Issuance of Refunding Bonds		(124,950)
Payment to Bond Escrow Agent		137,784
Bond Principal Payments		35,254
HUD Loans Principal Payments		70
Lease Financing Arrangements Principal Payments		540
Clean Water Fund Notes Principal Payments		106
Amortization of Lease Liability		1,343
Issuance of Leases		(789)

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

Amortization of Deferred Charges in Refunding		(381)
Amortization of Premium		3,364
Accrued Interest		993
Change in Long-Term Compensated Absences		(208)
Change in Claims and Judgements		(9,900)
Change in Net OPEB Liability		3,679
Change in Net Pension Liability - CMERS		(17,979)
Change in Net Pension Liability - MERF		57,945
Change in Net Pension Liability - RAF/PBF/FRF		345
Change in Net Pension Liability - 415(m)		63
Change in Deferred Inflows Related to Pensions		2,662
Change in Deferred Inflows Related to OPEB		37,346

The Net Expense of the Internal Service Funds is Reported with Governmental Activities.		(933)
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Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$	46,421
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See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities Enterprise Funds			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 4,546	\$ 4,546	\$ 23,178
Restricted Cash	2,869	-	2,869	-
Receivables, Net	366	16	382	287
Due from Component Unit	-	1,295	1,295	-
Total Current Assets	<u>3,235</u>	<u>5,857</u>	<u>9,092</u>	<u>23,465</u>
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated	-	6,087	6,087	-
Being Depreciated, Net	57,502	12,064	69,566	-
Total Noncurrent Assets	<u>57,502</u>	<u>18,151</u>	<u>75,653</u>	<u>-</u>
Total Assets	60,737	24,008	84,745	23,465
LIABILITIES				
Current Liabilities:				
Accounts Payable and Other Payables	1,115	625	1,740	5,021
Due to Other Funds	150	4,221	4,371	-
Current Maturities of Risk Management Claims	-	-	-	21,573
Current Maturities of Bonds Payable	1,940	222	2,162	-
Total Current Liabilities	<u>3,205</u>	<u>5,068</u>	<u>8,273</u>	<u>26,594</u>
Noncurrent Liabilities:				
Risk Management Claims	-	-	-	14,800
Bonds Payable	56,115	1,116	57,231	-
Total Noncurrent Liabilities	<u>56,115</u>	<u>1,116</u>	<u>57,231</u>	<u>14,800</u>
Total Liabilities	59,320	6,184	65,504	41,394
NET POSITION				
Net Investment in Capital Assets	(553)	16,813	16,260	-
Unrestricted	1,970	1,011	2,981	(17,929)
Total Net Position	<u>\$ 1,417</u>	<u>\$ 17,824</u>	<u>\$ 19,241</u>	<u>\$ (17,929)</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 1,166	\$ 5,216	\$ 6,382	\$ 69,875
Employee and Pensioners Charges for Insurance	-	-	-	17,509
Other	-	-	-	1,319
Total Operating Revenues	1,166	5,216	6,382	88,703
OPERATING EXPENSES				
Administrative	253	-	253	3,991
Operations	-	2,254	2,254	8,991
Insurance Benefits and Claims	-	-	-	76,654
Depreciation	1,723	721	2,444	-
Total Operating Expenses	1,976	2,975	4,951	89,636
OPERATING INCOME (LOSS)	(810)	2,241	1,431	(933)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	47	-	47	-
Interest Expense	(2,760)	(67)	(2,827)	-
Total Nonoperating Revenues (Expenses)	(2,713)	(67)	(2,780)	-
INCOME (LOSS) BEFORE TRANSFERS	(3,523)	2,174	(1,349)	(933)
Transfers In	4,647	-	4,647	-
Transfers Out	(916)	(2,011)	(2,927)	-
CHANGE IN NET POSITION	208	163	371	(933)
Net Position - Beginning of Year	1,209	17,661	18,870	(16,996)
NET POSITION - END OF YEAR	<u>\$ 1,417</u>	<u>\$ 17,824</u>	<u>\$ 19,241</u>	<u>\$ (17,929)</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
City's Contribution	\$ -	\$ -	\$ -	\$ 69,875
Receipts from Customers and Users	1,169	5,218	6,387	19,110
Payments to Suppliers	(345)	(2,211)	(2,556)	-
Payments for Benefits and Claims	-	-	-	(86,382)
Payments (Receipts) for Interfund Services Used	(13)	1,470	1,457	-
Net Cash Provided by Operating Activities	811	4,477	5,288	2,603
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer In	4,647	-	4,647	-
Transfer Out	(916)	(2,011)	(2,927)	-
Principal Paid on Bonds	(1,850)	(216)	(2,066)	-
Interest Paid on Bonds	(2,760)	(67)	(2,827)	-
Net Cash Used by Capital Financing Activities	(879)	(2,294)	(3,173)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	47	-	47	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(21)	2,183	2,162	2,603
Cash and Cash Equivalents - Beginning of Year	2,890	2,363	5,253	20,575
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,869</u>	<u>\$ 4,546</u>	<u>\$ 7,415</u>	<u>\$ 23,178</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (810)	\$ 2,241	\$ 1,431	\$ (933)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	1,723	721	2,444	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	3	2	5	282
(Increase) Decrease in Due from Other Funds	(13)	(147)	(160)	-
Increase (Decrease) in Accounts Payable	(92)	43	(49)	2,143
Increase (Decrease) in Due to Other Funds	-	1,617	1,617	-
Increase (Decrease) in Unearned Revenue	-	-	-	-
Increase (Decrease) in Claims Payable	-	-	-	1,111
Total Adjustments	1,621	2,236	3,857	3,536
Net Cash Provided by Operating Activities	<u>\$ 811</u>	<u>\$ 4,477</u>	<u>\$ 5,288</u>	<u>\$ 2,603</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Pension and OPEB Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 51,428	\$ -
Investments, at Fair Value:		
U.S. Government Agencies	34,176	-
U.S. Government Securities	15,611	-
Corporate Bonds	56,387	-
Municipal Bonds	1,145	-
Mutual Funds	15,624	-
Alternative Investments	295,072	-
Common and Collective Trusts	294,711	-
Land	5,000	-
Real Estate Funds	78,583	-
Equities	254,561	-
Total Investments	1,050,870	-
Receivables:		
Accounts Receivable	3,363	-
Total Assets	1,105,661	-
LIABILITIES		
Accounts Payable and Accrued Liabilities	3,364	-
Total Liabilities	3,364	-
NET POSITION		
Restricted for Pension Benefits	1,075,493	-
Restricted for OPEB Benefits	26,804	-
Total Net Position	\$ 1,102,297	\$ -

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Pension and OPEB Trust Funds	Custodial Funds
ADDITIONS:		
Contributions:		
Employer	\$ 70,553	\$ -
Plan Members	16,251	-
Collections from Other Governments	-	1,084
Total Contributions and Other Revenues	<u>86,804</u>	<u>1,084</u>
Investment Income:		
Net Increase in Fair Value of Investments	83,493	-
Interest and Dividends	26,631	-
Total Investment Income	<u>110,124</u>	<u>-</u>
Less: Investment Expenses		
Investment Management Fees	402	-
Net Investment Income	<u>109,722</u>	<u>-</u>
Total Additions	196,526	1,084
DEDUCTIONS:		
Benefits	136,291	-
Administrative Expense	2,867	-
Payments to Other Governments	-	1,084
Total Deductions	<u>139,158</u>	<u>1,084</u>
CHANGE IN NET POSITION	57,368	-
Net Position - Beginning of Year	<u>1,044,929</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,102,297</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hartford, Connecticut (the City) 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.

During the fiscal year ended June 30, 2018, the City was designated a Tier III municipality by the State of Connecticut in accordance with CGS § 7-576c which included oversight by the State of Connecticut Municipal Accountability Review Board (MARB). See Note 15 for additional information.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant accounting policies:

A. Financial Reporting Entity

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the component units as detailed below.

Fiduciary Component Units

The City has established three single-employer defined benefit pension plans and a postretirement retiree health plan (OPEB) to provide retirement benefits and postretirement health care benefits to employees and their beneficiaries. The City appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Discretely Presented Component Unit

The Hartford Parking Authority (the Parking Authority) has been included in the City's financial statements as a discretely presented component unit. A 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. The Parking Authority was created pursuant to Chapter 100 of the General Statutes of Connecticut and is governed by five members appointed by the Mayor and approved by the Court of Common Council. The purpose of the Parking 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. Separately issued financial statements of the Parking Authority are available at www.hartfordparkingauthority.com.

Blended Component Unit

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

B. Government-Wide Financial Statements

The government wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. 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.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial position of the City at the end of its fiscal year. The statement of activities demonstrates the degree to which 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 or services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, and 3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the statement of activities.

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and certain other revenues are considered to be available if collected within 60 days of the fiscal year-end. Construction grant revenue is considered to be available if collected within 90 days of year-end.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period, if available. Licenses and fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures including lease payments, as well as expenditures related to compensated absences, other postemployment benefit obligations, pension obligations, and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

The City reports the following major governmental funds:

General Fund

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 and reported in another fund.

Capital Improvement Fund

The Capital Improvement Fund accounts for the pay as you go General Fund contributions, proceeds of general obligation bonds and grants for various construction projects.

Community Development Loan and Grant Fund

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

Debt Service Fund

The 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.

Educational Grants Fund

The Educational Grants Fund accounts for state and federal grants received and expended for educational purposes.

American Rescue Plan Fund

The American Rescue Plan Fund accounts for the American Rescue Plan Act Federal grant received and expended.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Miscellaneous Grants

The Miscellaneous Grants Fund accounts for the state and federal grants received and expended for various programs.

The City reports the following major proprietary funds:

Hartford Stadium Authority Fund

The Hartford Stadium Authority Fund accounts for the operations of the City's Dunkin' Donuts Park, a double A minor league ballpark, which is a blended component unit of the City.

Additionally, the City reports the following fund types:

Internal Service Funds

The Internal Service Funds are used to account for the risk management activities of the City and the centralized operations of the Metro Hartford Information Services.

Pension and Other Postemployment Benefit

The Pension and Other Postemployment Benefit (OPEB) Trust Funds account for the activities of the Hartford Retirement System, which accumulates resources for pension benefit payment to qualified City employees and the activities of the OPEB Fund, which accounts for the health and other benefits provided to eligible retirees and their spouses.

Custodial Funds

The Custodial Funds are primarily utilized to account for monies held as custodian for other governments.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for services.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Custodial Funds (Continued)

Operating expenses for the Enterprise funds and the internal service funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

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

D. Deposits, Investments, and Risk Disclosure

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand deposit accounts and short-term investments with original maturities of less than three months.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the Cash Management Division of the State Treasurer's Office, created by Section 3-27 of the General Statutes of Connecticut. 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 the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Investments

Investments are stated at fair value.

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager 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.

Restricted Cash and Investments

Certain assets are classified as restricted because their use is limited. Restricted asset cash and investment are to be used for construction purposes and the repayment of the 2015 refunded bonds.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Taxes Receivable

The City's property tax is levied each May on the assessed value listed as of the prior October 1 for all taxable real and personal property located in the City. Assessed values are established by the City Assessor at 70% of fair market value for all properties, except residential real estate, on the grand list as of October 1 each year. Residential real estate, defined as three living units or less, is currently assessed at 35% of value. The assessment ratio is calculated annually by the City Assessor. Taxes due for elderly residents who participate in the Elderly Tax Credit program are due in four installments: July 1, October 1, January 1, and April 1. Taxes under \$100 (amount not rounded) are due in one installment July 1; taxes of over \$100 (amount not rounded) are due in two installments July 1 and January 1. Motor vehicle taxes on the Supplemental list are due in one installment January 1. Delinquent taxes are assessed interest of 1.5% per month.

Loans Receivable

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 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 one outstanding loan under the HUD Section 108 Program.

Other Receivables

All other receivables, including charges for services and intergovernmental receivables, are reported net of an allowance for doubtful accounts, when appropriate.

Allowance for Doubtful Accounts

The allowance for doubtful accounts represents those accounts which are deemed uncollectible is based upon collection history and analysis of creditor's ability to pay. The majority of the amount related to taxes receivable, housing loans (for which the City develops an allowance for doubtful accounts on a loan-by-loan basis) and police special duty charges for services.

Due from/to 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) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories

All inventories are valued at cost on a first-in, first-out basis, and consist of certain expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

G. 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 City 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. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated 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 fund and business-type capital assets.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the City as well as the discretely presented component unit, are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	20 Years
Buildings and Building Improvements	40 Years
Other Structures	15 Years
Office Furniture, Equipment, and PC Hardware	5 Years
Computer Equipment	5 Years
Shop, Playground, and Grounds Maintenance	
Equipment	10 to 20 Years
Autos, Trucks, and Construction Vehicles	5 to 15 Years
Infrastructure	20 to 99 Years

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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 assets 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 a deferred charge on refunding in the government-wide statement of net position and deferred outflows for pensions and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 and OPEB plans (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 assets 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 deferred inflows of resources for pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 and OPEB plans (active employees and inactive employees). The City also reports a deferred inflow of resources related to advanced property tax collections in the government-wide statement of net position. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, 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 that the amounts become available.

I. Compensated Absences

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 are reported net of the applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 debt payments, are reported as debt service expenditures.

K. 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.

L. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB 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.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases

Lessee

The City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

Lessor

The City determines if an arrangement is a lease at inception. Leases are included in other current and noncurrent assets and deferred inflows of resources related to leases in the statement of net position.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases (Continued)

Lessor

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The City has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows of resources related to leases on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

N. Fund Equity

Equity in the government-wide financial statements is defined as "net position." Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The components of net position are detailed below:

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Restricted Net Position – These amounts are restricted to specific purposes when constraint 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 legislation.

Unrestricted – All other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form (inventories, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted Fund Balance – These amounts are restricted to specific purposes when constraint 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 legislation.

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 represent 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 the Common Council, Mayor and Finance Department, who have been delegated authority to assign amounts by City Charter.

Unassigned Fund Balance – In the General Fund, this includes residual positive fund balance which has not been classified within the other abovementioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the City considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

O. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

P. Use of Estimates

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

Q. Adoption of New Accounting Standards

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective July 1, 2022 and has concluded that there was no material impact on the entity's net position and changes in net position as a result of adoption of this standard.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City adopted the legal budget for the 2022-2023 General Fund in accordance with the procedures summarized below:

- On or before the third Monday in April, the Mayor must submit to the Court of Common Council a recommended operating budget as well as a capital 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 Court of Common Council, open meetings and public hearings are held to obtain residents' and taxpayers' comments on the recommended budget.
- The Court of Common 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.
- The General Fund budget, including all components of the property tax and municipal aid assumptions, must be approved by the Municipal Accountability Review Board before final adoption. Each year an updated Municipal Recovery Plan must be submitted to the MARB for approval and such annual budget must be in conformity with the Plan.
- Upon action by the Mayor, the Court of Common 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.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- Supplemental appropriations are made on the recommendation of the Mayor upon certification by the Director of Finance that there exists an available general fund cash surplus to meet this appropriation.
- Budgets for General Fund are presented on a basis consistent with generally accepted accounting principles except that encumbrances and transfers out are shown as budgetary obligations and transfers in are shown as revenues. 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.
- The Community Development Block Grant (Special Revenue) project budgets are approved by Court of Common 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.

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Fund Deficits

At June 30, 2023, the City reported deficit fund balance/net position for the following funds:

Governmental Funds:

Nonmajor Funds:

Health Grants	\$ 499
Community Development Act	692
Home Program	504

Internal Service Funds:

Workers' Compensation	\$ 22,110
Liability and Property Damage	3,920

The Internal Service Funds deficit will be covered through future charges for services from the General Fund. The grant fund deficit is a result of revenue recognition in accordance with the modified accrual basis of accounting and will be repaid with future grant revenues.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. The investment pool is under the 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 Accounts. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. 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.

A. Deposits

Deposit 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.

City - The City's custodial credit risk policy includes policies on the safety of principal, prudence, and financial dealings with institutions designed to mitigate custodial credit risk. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures* \$231,877 of the City's bank balance of \$233,626 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 208,514
Uninsured and Collateral Held by the Pledging	
Bank's Trust Department, Not in the City's Name	<u>23,363</u>
Total Amount Subject to Custodial	
Credit Risk	<u><u>\$ 231,877</u></u>

Parking Authority - The Parking Authority follows the City's deposit policies of safety of principal, prudence, and financial dealings with institutions designed to mitigate custodial credit risk. As of June 30, , \$4,168 of the Parking Authority's bank balance of \$4,631 was uninsured and uncollateralized.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2023, the cash equivalent amounted to \$152,490. The following table provides summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard and Poor's
State Short-Term Investment Fund (STIF)	AAAm

B. Investments

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 the Pension and OPEB Plan's formal investment policy limits investment maturities as a means of managing 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.

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1-10 Years	Over 10 Years
U.S. Government Securities	\$ 34,869	\$ 48	\$ 24,541	\$ 10,280
U.S. Government Agencies	21,933	6	9,402	12,525
Foreign Bonds	-	-	-	-
Corporate Bonds	57,118	289	48,599	8,230
Municipal Bonds	1,146	-	1,042	104
Total	115,066	\$ 343	\$ 83,584	\$ 31,139
Other Investments:				
Mutual Funds	45,793			
Equities	255,040			
Common and Collective Trusts	294,711			
Land	5,000			
Real Estate Funds	78,583			
Alternative Investments	295,142			
Total Investments	<u>\$ 1,089,335</u>			

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Foreign Currency Risk (Not in Thousands)

The City of Hartford's Municipal Employee Retirement Fund - (MERF)'s formal investment policy limits at any point in time, the exact level of investment in international equities to between 13% and 23% of the total MERF portfolio. The Plan's exposure to foreign currency risk related to equities and fixed income securities as of June 30, 2023, is as follows:

Currency	Fair Value
Brazilian Real	\$ 8,473
Canadian Dollar	(93)
Colombian Peso	719
Danish Krone	11,130
Euro	6,497,908
Japanese Yen	41,659
Mexican Peso	189,543
Peruvian Sol	(6,116)
Polish Zloty	950
Pound Sterling	20,286
Swedish Krona	16,608
Swiss Franc	66,717

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk

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 the 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. Presented below are the ratings:

Average Rating	U.S. Government Securities	U.S. Government Agencies	Foreign Bonds	Corporate Bonds	Municipal Bonds	Total
AAA	\$ -	\$ -	\$ -	\$ 615	\$ -	\$ 615
AA+	34,175	15,611	-	1,355	382	51,523
AA	-	-	-	366	288	654
AA-	-	-	-	469	191	660
Aaa	694	6,322	-	-	-	7,016
A+	-	-	-	1,024	-	1,024
A	-	-	-	1,365	-	1,365
A-	-	-	-	4,047	-	4,047
A2	-	-	-	182	-	182
A3	-	-	-	114	-	114
Baa1	-	-	-	141	-	141
BBB+	-	-	-	5,751	-	5,751
BBB	-	-	-	3,496	-	3,496
BBB-	-	-	-	5,124	-	5,124
BB+	-	-	-	4,226	-	4,226
BB	-	-	-	4,107	-	4,107
BB-	-	-	-	7,016	-	7,016
B+	-	-	-	4,068	-	4,068
B	-	-	-	2,158	-	2,158
B-	-	-	-	2,155	-	2,155
CCC+	-	-	-	1,883	-	1,883
CCC	-	-	-	546	-	546
CCC-	-	-	-	75	-	75
D	-	-	-	97	-	97
Unrated	-	-	-	6,738	285	7,023
Total	<u>\$ 34,869</u>	<u>\$ 21,933</u>	<u>\$ -</u>	<u>\$ 57,118</u>	<u>\$ 1,146</u>	<u>\$ 115,066</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Concentration of Credit Risk

The City's OPEB and Pension Funds' policy does not allow for an investment in securities that is not readily marketable in any one issuer that is in excess of 5% 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 investment 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.

As of June 30, 2023, the following investments in the pension plans each had fair market values that represented more than 5% of the plan's net position as of June 30, 2023:

Prudential Emerging Markets Debt Fund	\$	62,086
Grosvenor Hedge Fund		60,057

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 investment 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 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 in the City's or Pension Plan's name. The City's other investments are held in alternative investment which because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination.

Fair Value

The City and its fiduciary funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value (Continued)

The City and its fiduciary funds have the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 34,869	\$ 34,869	\$ -	\$ -
U.S. Government Agencies	21,933	6,322	15,611	-
Foreign Bonds	-	-	-	-
Corporate Bonds	57,118	731	54,379	2,008
Municipal Bonds	1,146	-	1,146	-
Mutual Funds	45,793	45,793	-	-
Equities	255,040	253,662	126	1,252
Common and Collective Trusts	294,711	-	-	294,711
Land	5,000	-	-	5,000
Alternative Investments	70	70	-	-
Total Investments by Fair Value Level	715,680	<u>\$ 341,447</u>	<u>\$ 71,262</u>	<u>\$ 302,971</u>
Investments Measured at Net Asset Value (NAV):				
Real Estate Funds	78,583			
Alternative Investments	<u>295,072</u>			
Total Investments Measured at NAV	<u>373,655</u>			
Total Investments	<u>\$ 1,089,335</u>			

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. The alternative investments classified in Level 3 are not actively traded and significant observable inputs are not available; therefore, a degree of judgment is necessary to estimate fair value. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value (Continued)

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured Using NAV:				
Real Estate Funds	\$ 78,583	\$ 14,653	Various	Various
Multi-Strategy Hedge Funds	60,057	-	Quarterly	45 Days
Private Equity	235,015	70,765	None	None

Real Estate Funds

These funds invest primarily in U.S. commercial real estate. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Some of these investments can be redeemed quarterly and have various redemption notice periods ranging from zero to 90 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. They 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

These funds invest primarily in domestic middle market companies. Distributions are only 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
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NOTE 4 RECEIVABLES

Receivables at June 30, 2023 for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for doubtful accounts, consisted of the following:

	General	Capital Improvement Fund	Community Development Loan and Grant Fund	Educational Grants	Miscellaneous Grants	Hartford Stadium Authority	Aggregate Remaining Funds	Total
Receivables:								
Taxes	\$ 68,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,119
Accrued Interest on Taxes	46,346	-	-	-	-	-	-	46,346
Intergovernmental	8	1,736	-	48,970	7,032	-	5,443	63,189
Accounts	6,087	97,394	-	-	-	366	7,618	111,465
Housing Loans	-	-	67,048	-	-	-	4,480	71,528
Leases	2,136	-	-	-	-	-	-	2,136
Gross Receivables	122,696	99,130	67,048	48,970	7,032	366	17,541	362,783
Less Allowance for Uncollectibles:								
Taxes	(14,274)	-	-	-	-	-	-	(14,274)
Accrued Interest on Taxes	(11,587)	-	-	-	-	-	-	(11,587)
Intergovernmental	-	-	-	(247)	-	-	-	(247)
Accounts	(3,046)	-	-	-	-	-	-	(3,046)
Housing Loans	-	-	(32,841)	-	-	-	(1,120)	(33,961)
Total	(28,907)	-	(32,841)	(247)	-	-	(1,120)	(63,115)
Net Total Receivables	\$ 93,789	\$ 99,130	\$ 34,207	\$ 48,723	\$ 7,032	\$ 366	\$ 16,421	\$ 299,668

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The balances reflected as due from/to other funds at June 30, 2023 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Hartford Stadium Authority	\$ 150
	Educational Grants Fund	14,514
	Nonmajor Enterprise Funds	3,409
	Nonmajor Governmental Funds	1,313
Debt Service Fund	Nonmajor Enterprise Funds	812
Total		<u>\$ 20,198</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 expected to be collected in the subsequent year.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return.

	Transfers Out							Total Transfers In
	General Fund	Capital Improvement Fund	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Hartford Stadium Authority	Nonmajor Enterprise Funds	
Transfers In:								
General Fund	\$ -	\$ -	\$ -	\$ 1,426	\$ -	\$ 916	\$ 2,011	\$ 4,353
Capital Improvement Fund	26,174	-	-	-	96	-	-	26,270
Debt Service Fund	54,214	-	-	-	-	-	-	54,214
Educational Grants Fund	-	-	-	1,909	-	-	-	1,909
Miscellaneous Grants	29,407	-	10,698	-	-	-	-	40,105
Nonmajor Governmental Funds	3,332	600	256	-	-	-	-	4,188
Hartford Stadium Authority	4,647	-	-	-	-	-	-	4,647
Total Transfers Out	<u>\$ 117,774</u>	<u>\$ 600</u>	<u>\$ 10,954</u>	<u>\$ 3,335</u>	<u>\$ 96</u>	<u>\$ 916</u>	<u>\$ 2,011</u>	<u>\$ 135,686</u>

Transfers from the General Fund to the Debt Service Fund represent the City's payment towards debt service on outstanding bonds. Transfers from the Hartford Parking facilities enterprise fund to the General Fund represent 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. Transfers from the General Fund to the Stadium Authority related to payment of debt while transfers from the Stadium Authority to the General Fund represent operating revenue from the Stadium to offset debt payment. Transfers from American Rescue Fund to Miscellaneous Grants relate to funding for the health expenses.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 CAPITAL ASSETS

Changes in the City's capital assets are as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated or Amortized:					
Land	\$ 86,509	\$ 625	\$ 212	\$ -	\$ 86,922
Construction in Progress	375,431	47,849	-	(3,980)	419,300
Total Capital Assets Not Being Depreciated or Amortized	461,940	48,474	212	(3,980)	506,222
Capital Assets Being Depreciated and Amortized:					
Land Improvements	60,662	-	-	-	60,662
Buildings	1,591,712	389	698	2,495	1,593,898
Other Structures	44,826	60	-	1,315	46,201
Furniture and Equipment	31,625	461	1,463	170	30,793
Rolling Equipment	49,727	2,706	2,173	-	50,260
Right-to-Use - Leased Equipment	9,135	789	475	-	9,449
Infrastructure	495,685	-	-	-	495,685
Total Capital Assets Being Depreciated and Amortized	2,283,372	4,405	4,809	3,980	2,286,948
Less Accumulated Depreciation and Amortization for:					
Land Improvements	26,451	896	-	-	27,347
Buildings	606,983	37,241	703	-	643,521
Other Structures	23,202	959	-	-	24,161
Furniture and Equipment	25,328	827	1,463	-	24,692
Rolling Equipment	38,086	2,033	2,118	-	38,001
Right-to-Use - Leased Equipment	1,620	1,623	-	-	3,243
Infrastructure	305,640	5,711	475	-	310,876
Total Accumulated Depreciation	1,027,310	49,290	4,759	-	1,071,841
Total Capital Assets Being Depreciated and Amortized, Net	1,256,062	(44,885)	50	3,980	1,215,107
Governmental Activities Capital Assets, Net	<u>\$ 1,718,002</u>	<u>\$ 3,589</u>	<u>\$ 262</u>	<u>\$ -</u>	<u>\$ 1,721,329</u>

CITY OF HARTFORD, CONNECTICUT
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NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 6,087	\$ -	\$ -	\$ -	\$ 6,087
Total Capital Assets Not Being Depreciated	6,087	-	-	-	6,087
Capital Assets Being Depreciated:					
Land Improvements	29	-	-	-	29
Building and Improvements	73,431	-	-	-	73,431
Parking Garages	20,710	-	-	-	20,710
Other Structures	3,699	-	-	-	3,699
Furniture, Fixtures, and Equipment	664	-	-	-	664
Total Capital Assets Being Depreciated	98,533	-	-	-	98,533
Less Accumulated Depreciation for:					
Land Improvements	25	1	-	-	26
Building and Improvements	10,163	1,836	-	-	11,999
Parking Garages	12,292	471	-	-	12,763
Other Structures	3,379	136	-	-	3,515
Furniture, Fixtures, and Equipment	664	-	-	-	664
Total Accumulated Depreciation	26,523	2,444	-	-	28,967
Total Capital Assets Being Depreciated, Net	72,010	(2,444)	-	-	69,566
Business-Type Activities Capital Assets, Net	<u>\$ 78,097</u>	<u>\$ (2,444)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,653</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
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NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Government Activities:

General Government	\$ 7,472
Public Safety	4,259
Public Works	22,600
Development and Community Affairs	330
Education	14,344
Recreation and Culture	285
Total Depreciation and Amortization	
Expense - Governmental Activities	<u>\$ 49,290</u>

Business-Type Activities:

Golf Course	\$ 210
Stadium Authority	1,723
Hartford Parking Facilities	511
Total Depreciation Expense -	
Business-Type Activities	<u>\$ 2,444</u>

Construction Commitments

The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2023. The projects include school and general construction and facility improvements, land and structure improvements to parks and cultural facilities, transportation improvement projects, and other capital improvements. At June 30, 2023, the City had outstanding appropriations of approximately \$550.9 million of which \$96.6 million is encumbered. The City however is on a pay-as-you-go Capital Improvement Program. Within the authorized \$550.9 million, the City has committed to spend \$222 million over the next five years for specific critical projects, including school construction and renovation, flood control, traffic signalization, bridge repairs, sidewalks, and milling and paving. The commitments are being financed with general fund contributions, remaining general obligation bonds previously issued, and state and federal grants.

NOTE 7 LEASES

Lessor

The City leases certain building, land and air space rights to other parties under long-term noncancellable lease agreements. The agreements provide for minimum annual rentals plus contingent rentals based on a percentage of cash flow from the properties. The leases expire at various dates through 2067 and provide for renewal options ranging from one to five years. During the year ended June 30, 2023, the City recognized \$455 and \$70 in lease revenue and interest revenue, respectively, pursuant to these contracts.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 7 LEASES (CONTINUED)

Lessor (Continued)

Total future minimum payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 278	\$ 60	\$ 338
2025	287	52	339
2026	296	43	339
2027	167	36	203
2028	80	33	113
2029-2033	329	131	460
2034-2038	196	90	286
2039-2043	142	68	210
2044-2048	172	41	213
2049-2053	50	24	74
2054-2058	58	16	74
2059-2063	67	7	74
2064-2068	13	-	13
Total	<u>\$ 2,135</u>	<u>\$ 601</u>	<u>\$ 2,736</u>

NOTE 8 LONG-TERM LIABILITIES

Governmental Activities

The following table summarizes changes in the City's governmental activities' long-term liabilities for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 423,576	\$ 124,950	\$ 172,289	\$ 376,237	\$ 33,618
Premium	40,293	13,896	18,177	36,012	-
Total Bonds Payable	463,869	138,846	190,466	412,249	33,618
Other Long-Term Liabilities:					
Compensated Absences	25,895	2,118	1,910	26,103	1,746
CWF Serial Note	550	-	106	444	108
HUD Section 108 Loans	4,550	-	70	4,480	385
Financed Purchase	540	-	540	-	-
Lease Liability	7,502	789	1,343	6,948	1,631
Net OPEB Liability	293,429	-	3,679	289,750	-
Net Pension Liability - CMERS	22,529	17,979	-	40,508	-
Net Pension Liability - MERF	596,421	-	57,945	538,476	-
Net Pension Liability - RAF/PBF/FRF	1,325	-	345	980	-
Net Pension Liability - 415(m)	137	-	63	74	-
Claims and Other	3,000	9,900	-	12,900	-
Risk Management Claims	35,262	77,765	76,654	36,373	21,573
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,455,009</u>	<u>\$ 247,397</u>	<u>\$ 333,121</u>	<u>\$ 1,369,285</u>	<u>\$ 59,061</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Governmental activities liabilities for bonds and notes are liquidated by the Debt Service Fund, which is funded primarily by the General Fund. The pension liability, other postemployment benefit liability and compensated absences of the governmental activities are liquidated primarily from the General Fund. Claims are liquidated primarily by the Internal Service Funds.

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2023, consisted of the following:

Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2023	Amounts to be Paid from Escrow
2012	2023	2.00-5.00	21,280	1,595	-
2014	2026	2.00-5.00	36,385	14,545	-
2014	2034	3.00-5.00	82,000	60,015	6,355
2015	2030	3.00-5.00	20,845	10,445	-
2015	2034	4.00-5.00	57,215	50,415	-
2015	2035	3.00-5.00	125,000	99,735	-
2016	2029	2.00-5.00	26,805	14,537	-
2023	2033	5.00	124,950	124,950	-
Total				<u>\$ 376,237</u>	<u>\$ 6,355</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 33,618	\$ 16,020	\$ 49,638
2025	31,315	15,089	46,404
2026	32,319	13,476	45,795
2027	35,554	11,894	47,448
2028	33,365	10,346	43,711
2029-2032	156,901	29,026	185,927
2033-2037	53,165	2,460	55,625
Total	<u>\$ 376,237</u>	<u>\$ 98,311</u>	<u>\$ 474,548</u>

In May of 2023, the State of Connecticut issued \$124,950 in General Obligation Refunding Bonds with an interest rate of 5% maturing 2033 in conjunction with their agreement to service the City's general obligation debt. The bonds were issued to advance refund \$6,345, Series 2009A, \$5,145, Series 2010A, \$1,325 Series 2011A, \$14,540, Series 2012A, \$78,235, Series 2013A, and \$31,445, Series 2013B bonds. The net proceeds of \$137,784 (after an original premium of \$13,896 and payment of \$1,062 in underwriter's fees and other issuance costs) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligation of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The refunded bonds of \$137,035 were considered defeased and the liability for those bonds have been removed from the statement of net assets. The transaction generated a cash flow savings of \$13,920 and a present value savings of \$12,281.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Prior Years' Debt Refunding

In prior years, the City refunded general obligation bond by placing the proceeds of the new bonds in an irrevocable trust account, invested in U.S. Government Agencies, which are subject to credit risk, to provide for all future debt service payments on the old bonds. While this transaction qualifies as a statutory defeasance of debt, it does not, however, meet the generally accepted accounting principle definition of an in-substance defeasance due to the portfolio consisting of mostly Government Agency Securities. Accordingly, the trust account assets and the liability for the defeased bonds are included in the City's financial statements. The balance at June 30, 2023, of the bonds was \$6,355 and the amount held in escrow to pay down these bonds was \$6,327.

Contract Assistance

As further disclosed in Note 15, the City entered into an agreement with the State of Connecticut (the State) to service the general obligation debt until such debt was retired. This agreement is backed by the full faith and credit of the State and is irrevocable. As the City is legally obligated for the debt, it remains a liability of the City. During the year, \$54,098 was paid by the State to the paying agent for City debt service.

Clean Water Fund - Serial Notes Payable

The City has entered into a Clean Water Fund serial note payable to the State as part of the Towner Brook Conduit Extension Project administered by the Metropolitan District Commission. Future annual requirements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 108	\$ 8
2025	110	6
2026	112	3
2027	114	1
Total	<u>\$ 444</u>	<u>\$ 18</u>

Housing and Urban Development (HUD) Section 108 Loans

The City has entered into a loan with HUD under the Section 108 Loan Guarantee Program which provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and other physical development projects. Future annual requirements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 385	\$ 129
2025	385	119
2026	385	108
2027	385	98
2028	385	87
2029-2031	2,555	172
Total	<u>\$ 4,480</u>	<u>\$ 713</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Lease Liability

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Lease Principal</u>	<u>Lease Interest</u>
2024	\$ 1,631	\$ 183
2025	1,465	134
2026	1,538	87
2027	1,137	51
2028	1,177	16
Total	<u>\$ 6,948</u>	<u>\$ 471</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Amount</u>
Equipment	\$ 9,449
Accumulated Depreciation	<u>(3,243)</u>
Net Leased Equipment	<u>\$ 6,206</u>

Business-Type Activities

The following table summarizes changes in the City's business-type activities' long-term liabilities for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 1,554	\$ -	\$ 216	\$ 1,338	\$ 222
Lease Revenue Bonds	59,390	-	1,850	57,540	1,940
Premium on Bonds	562	-	47	515	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 61,506</u>	<u>\$ -</u>	<u>\$ 2,113</u>	<u>\$ 59,393</u>	<u>\$ 2,162</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
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NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2023, consisted of the following:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2023
Garage - GO	2015	2030	3.00-5.00	\$ 2,259	\$ 1,338
Total					<u>\$ 1,338</u>
Stadium - Lease Revenue A	2015	2025	3.00-5.00	\$ 39,055	\$ 32,585
Stadium - Lease Revenue B	2015	2042	5.375	23,395	19,825
Stadium - Lease Revenue	2016	2042	2.25-3.00	6,195	5,130
Total					<u>\$ 57,540</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2023, are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,162	\$ 2,707	\$ 4,869
2025	2,125	2,635	4,760
2026	2,416	2,559	4,975
2027	2,516	2,456	4,972
2028	2,415	2,347	4,762
2029-2033	13,564	9,886	23,450
2034-2038	17,015	6,207	23,222
2039-2042	16,665	1,913	18,578
Total	<u>\$ 58,878</u>	<u>\$ 30,710</u>	<u>\$ 89,588</u>

Legal Debt Limit

The City's indebtedness (including authorized but unissued bonds), net of principal reimbursements expected from the State, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 674,044	\$ 332,822	\$ 341,222
Schools	1,348,088	140,291	1,207,797
Sewers	1,123,406	226,607	896,799
Urban Renewal	973,619	-	973,619
Pension Deficit	898,725	-	898,725

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2.1 billion. The authorized/unissued debt has been reduced by grant proceeds of \$37,554 relative to general purpose and school construction projects.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Overlapping Debt

The City is a member of the Metropolitan District (MDC) (a quasi-municipal corporation that provides water supply, sewerage collection and disposal facilities for members). Member towns are assessed a percentage of MDC's net outstanding debt. As such, the City's overlapping share of debt issued by the MDC is \$226,173 as of June 30, 2023.

Bonds Authorized but Unissued

As of June 30, 2023, the City had \$37,554 of authorized but unissued debt.

NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2023, are as follows:

	General Fund	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Total
Nonspendable:									
Permanent Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,358	\$ 8,358
Inventories	-	-	-	-	-	-	-	608	608
Total Nonspendable	-	-	-	-	-	-	-	8,966	8,966
Restricted for:									
Development and Community Affairs	-	-	2,818	-	-	-	-	3,360	6,178
Debt Service	-	-	-	8,122	-	-	-	-	8,122
Recreation and Culture	-	-	-	-	-	-	32,390	24,330	56,720
Public Safety	-	-	-	-	-	-	-	2	2
Human Services	-	-	-	-	-	-	-	5,713	5,713
Education	-	-	-	-	8,090	-	-	12,662	20,752
Capital Projects	-	25,634	-	-	-	-	-	-	25,634
Total Restricted	-	25,634	2,818	8,122	8,090	-	32,390	46,067	123,121
Committed to:									
Education	5,680	-	-	-	-	-	-	-	5,680
Capital Projects	-	-	-	-	-	-	-	6,085	6,085
Total Committed	5,680	-	-	-	-	-	-	6,085	11,765
Assigned to:									
Legal Settlement	9,900	-	-	-	-	-	-	-	9,900
Other	7,400	-	-	-	-	-	-	-	7,400
Total Assigned	17,300	-	-	-	-	-	-	-	17,300
Unassigned	36,403	-	-	-	-	-	-	(1,695)	34,708
Total Fund Balances	\$ 59,383	\$ 25,634	\$ 2,818	\$ 8,122	\$ 8,090	\$ -	\$ 32,390	\$ 59,423	\$ 195,860

The City has \$228 of education encumbrances reported in the General Fund.

NOTE 10 TAX ABATEMENTS

As of June 30, 2023, 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 CGS or elderly or disabled.

CITY OF HARTFORD, CONNECTICUT
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NOTE 10 TAX ABATEMENTS (CONTINUED)

The City also provides tax abatements in accordance with Section 32-666a of the Connecticut General Statutes (CGS). The City is authorized to enter into contracts to fix assessments on improvements for retail, commercial and housing for up to 15 years on City capital projects or Adrian's Landing developments.

The City also provides tax abatements in accordance with Section 12-65 of the Connecticut General Statutes (CGS). The City is authorized to enter into contracts to fix assessments on improvements and defer the increase in the assessed value attributable to the construction/renovation over a period of 7 to 15 years.

A tax abatement agreement is a contractual agreement between the City and the owner of the 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 to fifteen 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, 2023, taxes abated through these programs totaled \$14,207. There are some provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients participating in this program.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plans

Description of Plans

There are four defined benefit pension plans for employees of the City of Hartford:

- The City Municipal Employees' Retirement Fund (City MERF), a contributory, single-employer defined benefit plan. The City provides retirement benefits for employees hired since 1947 through the City MERF Plan.
- The Retirement Allowance Fund/Police Benevolent Fund/Firemen's Relief Fund Plan (RAF/PBF/FRF), an unfunded, single-employer plan. Employees hired before May 1, 1947 are paid from the RAF/PBF/FRF Plan. There are no remaining active members, and the unfunded liability is decreasing rapidly.
- The State of Connecticut Municipal Employee Retirement System (CMERS), a cost sharing multiple-employer plan with the State.
- The State of Connecticut Teachers Retirement System (CTTRS), a plan with the State for certified teachers at the Board of Education in which the City is a noncontributing employer.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

Description of Plans (Continued)

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. Administrative fees are paid through the plans.

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).

An actuarial valuation survey is made annually on the City MERF and the Section 415 Plan, and at least every five years for the RAF/PBF/FRF Plan.

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

A. Plan Description

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.

B. Management of the City MERF

The City's charter mandates that there shall be a pension commission of three (3) members, none of whom shall hold any other office in the City government and one (1) of whom shall be a fellow or associate of either the Actuarial Society of America or the American Institute of Actuaries, appointed by the Mayor, one (1) each year for a term of three (3) years commencing on the first Monday of February. Vacancies shall be filled by the Mayor for the unexpired portion of the term. The City Treasurer shall act as secretary of the pension commission and the personnel director shall attend all meetings of the pension commission but neither shall have a vote. The pension commission shall continue to administer the retirement system for City employees as provided in Section 233 of "An Act Revising the Charter of the city of Hartford," approved June 24, 1941, as amended, and shall succeed to all the powers and duties of the board of police commissioners as trustees of the police benefit fund and of the board of fire commissioners as member of the board of trustees of the firemen's relief fund. The pension commission shall administer the municipal employees' retirement fund as hereinafter established. In addition to the three (3) voting members, there shall be one (1) nonvoting member of the pension commission elected by members of the municipal employees' retirement fund.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

C. Actuarial Assumptions and Benefits Provided

The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2023:

Actuarial Method Used: Entry age normal cost method

Mortality Basis: RP-2014, fully projected (projected to the year of decrement), with separate male and female tables and separate rates for annuitants and nonannuitants, with occupational adjustment.

Mortality Improvement: Pre and postretirement: projected to date of decrement using Scale MP-2021 (generational mortality).

Investment Return: 6.75% per year, net of investment expenses.

Salary Scale: 2.40% for inflationary salary increases plus a percentage for promotion or merit increases as follows:

<u>Age</u>	<u>Police</u>	<u>Fire</u>	<u>BOE</u>	<u>Muni Svc and Lib</u>
25	6.11%	4.00%	3.50%	4.76%
30	4.23%	2.25%	3.00%	4.00%
35	2.72%	1.75%	2.50%	2.56%
40	1.71%	1.25%	1.50%	1.80%
45	1.31%	0.75%	1.00%	1.49%
50	1.07%	0.50%	0.75%	1.12%
55+	0.97%	0.50%	0.50%	0.82%

Salaries are adjusted for groups by 2.40% per year and 0% for City groups for the period of each open contract, for one full fiscal year from the measurement date. Any wage increases negotiated beyond the valuation date have been reflected in the projections.

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, 67%; Post 7/1/1999 hires, 19%; for employees remaining in the pre-2012 plan, 27%; for employees moving to the 7/1/2012 plan.

The salary scale assumptions above are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

C. Actuarial Assumptions and Benefits Provided (Continued)

Retirement Dates:	Police: 100% retire at age 65, regardless of service, must be age 45 to retire.
	Fire: 100% retire at age 65.
	Board of Education: 100% retire at age 75.
	Municipal Services and Library: 100% retire at age 75 with less than 20 years of service.
Disability:	Benefits were explicitly valued using the DP-85 Class 1 male and female disability incidence rate table increased 150% for the police, 10% for all other groups.
	Benefits were explicitly valued using the DP-85 Class 3 male and female disability incidence rate table for firefighters.
Social Security:	Future tax wage bases are developed by projecting the 2021 base of \$143 forward at 2.40% per year.

D. Plan Changes

There were no significant plan changes since the last valuation.

E. 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. Each year the plan sponsor pays the normal cost plus an amortization of the plan's unfunded actuarial liability. The unfunded liability developed with the July 1, 2020 valuation is amortized over a 25-year closed level dollar period. As of July 1, 2022, there are 23 years remaining. Gains and losses after July 1, 2020 will be amortized of a 15-year level dollar, open period.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

RAF/PBF/FRF Plan

A. Plan Description

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

B. Actuarial Assumptions and Benefits Provided

The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2023:

Investment Rate 3.65%
of Return:

Mortality Basis: RP-2014 fully projected (projected to the year of decrement),
with separate male and female tables and separate rates for
annuitants and nonannuitants, with occupational adjustment.

Mortality improvement based on MP-2021 scale.

Assumed Retirement: Immediate as all are retired.

Survivors Benefits: The actuarial liability and projected pension payments
include provision for these benefits 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
and an assumed active pay increase of 2.4% per year. For
RAF, the table of projected annual benefits makes no
provision for future escalation.

C. Plan Changes

There were no significant plan changes since the last valuation.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

RAF/PBF/FRF Plan (Continued)

D. Funding Policy

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

City of Hartford 415(m) Fund

A. Plan Description

The Plan is administered by the City and was adopted by the Court of Common Council on March 24, 1997. The Plan was established to fund that portion of certain retirees' pension benefits that exceeded the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

B. Actuarial Assumptions and Benefits Provided

The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2023:

Investment Rate of Return:	3.65%
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Inflation:	2.40%
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Mortality Basis:	RP-2014 fully projected (projected to the year of decrement), with separate male and female tables and separate rates for annuitants and nonannuitants, with occupational adjustment.
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Mortality improvement based on MP-2021 scale.

Assumed retirement	Immediate as all are retired.
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C. Plan Changes

There were no significant plan changes since the last valuation.

D. Funding Policy

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
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements

The City MERF, RAF/PBF/FRF and 415(m) Plan 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.

As of the actuarial valuation date, July 1, 2022, membership in the City pension plans consisted of:

	(Not Rounded)		
	City MERF	RAF/PBF/FRF	415(m)
Retirees and Beneficiaries Currently			
Receiving Benefits	3,200	14	1
Active Members	2,037	-	-
Inactive Plan Members Entitled to			
But Not Yet Receiving Benefits	238	-	-
Total	<u>5,475</u>	<u>14</u>	<u>1</u>

A. Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

B. Investments

Investment Policy

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
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

B. Investments (Continued)

Investment Policy (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and the best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighted
Cash	2.00 %	(0.30)%	(0.01)%
Large Cap Equities	14.00	4.10	0.57
Small/Mid Cap Equities	6.00	4.10	0.25
Non-US Developed Equity	14.00	4.30	0.60
Emerging Market Equity	5.00	6.20	0.31
Emerging Market Small-Cap Equity	3.00	6.20	0.19
Private Equity	9.00	7.90	0.71
TIPS	4.00	(0.10)	-
Aggregate Bonds	4.00	0.50	0.02
High-Yield Bonds	2.00	2.80	0.06
EMD (External)	3.00	3.25	0.10
EMD (Local Currency)	3.00	3.75	0.11
Diversified Fixed Income	6.00	5.30	0.32
Private Debt	5.00	5.30	0.27
US Long-Term Government/Credit	2.00	2.14	0.04
Core Real Estate	7.00	3.40	0.24
Private Real Assets - Energy / Metals	3.00	1.30	0.04
Hedge Funds	5.00	3.00	0.15
Invesco GTR	3.00	4.80	0.14
Total Allocation	100.00 %		4.11
Long-Term Inflation Expectation			2.40
Long-Term Expected Normal Return			6.51 %

Money-Weighted Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changes in amounts actually invested.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

C. Discount Rate Calculation

The discount rate used to measure the total pension liability at June 30, 2023 was as follows:

	City MERF	RAF/PBF/FRF	415(m)
Discount Rate	6.75 %	3.65 %	3.65 %

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.

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 contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' 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. The discount rate on the unfunded plans were based on the municipal bond rate at the time of the valuation.

D. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2023 are as follows:

	City MERF	RAF/PBF/FRF	415(m)
Total Pension Liability	\$ 1,613,969	\$ 980	\$ 74
Fund Fiduciary Net Position	1,075,493	-	-
Net Pension Liability	<u>\$ 538,476</u>	<u>\$ 980</u>	<u>\$ 74</u>

Fund Fiduciary Net Position as a Percentage of the Total Pension Liability	66.64%	0.00%	0.00%
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CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

E. Changes in Net Pension Liability

	City MERF		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 1,616,481	\$ 1,020,060	\$ 596,421
Changes for the Year:			
Service Cost	21,085	-	21,085
Interest on Total Pension Liability	106,591	-	106,591
Differences Between Expected and Actual Experience	(11,382)	-	(11,382)
Employer Contributions	-	53,697	(53,697)
Member Contributions	-	15,337	(15,337)
Net Investment Income	-	107,825	(107,825)
Benefit Payments, Including Refund to Employee Contributions	(118,806)	(118,806)	-
Administrative Expenses	-	(2,620)	2,620
Net Changes	(2,512)	55,433	(57,945)
Balances - June 30, 2023	\$ 1,613,969	\$ 1,075,493	\$ 538,476
	RAF/PBF/FRF		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 1,325	\$ -	\$ 1,325
Changes for the Year:			
Interest on Total Pension Liability	44	-	44
Differences Between Expected and Actual Experience	(224)	-	(224)
Changes in Assumptions	(8)	-	(8)
Employer Contributions	-	157	(157)
Benefit Payments, Including Refund to Employee Contributions	(157)	(157)	-
Net Changes	(345)	-	(345)
Balances - June 30, 2023	\$ 980	\$ -	\$ 980

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

E. Changes in Net Pension Liability (Continued)

	415(m)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 137	\$ -	\$ 137
Changes for the Year:			
Interest on Total Pension Liability	4	-	4
Differences Between Expected and Actual Experience	(51)	-	(51)
Employer Contributions	-	16	(16)
Benefit Payments, Including Refund to Employee Contributions	(16)	(16)	-
Net Changes	(63)	-	(63)
Balances - June 30, 2023	\$ 74	\$ -	\$ 74

F. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the current discount rate, 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 or 1 percentage point higher than the current rate, as noted below:

	City MERF		
	Current		
	1% Decrease to 5.75%	Discount Rate 6.75%	1% Increase to 7.75%
Net Pension Liability	\$ 716,119	\$ 538,476	\$ 389,477

	RAF/PBF/FRF		
	Current		
	1% Decrease to 2.65%	Discount Rate 3.65%	1% Increase to 4.65%
Net Pension Liability	\$ 1,061	\$ 980	\$ 909

	415(m)		
	Current		
	1% Decrease to 2.65%	Discount Rate 3.65%	1% Increase to 4.65%
Net Pension Liability	\$ 76	\$ 74	\$ 72

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense (revenue) as follows:

	Pension Expense (Revenue)
City MERF	\$ 83,801
RAF/PBF/FRF	(188)
415(m)	(47)
Total	<u>\$ 83,566</u>

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	City MERF	RAF/PBF/FRF	415(m)	Total
Deferred Outflows of Resources:				
Differences Between Expected and Actual Experience	\$ 3,508	\$ -	\$ -	\$ 3,508
Changes of Assumptions	22,162	-	-	22,162
Net Difference Between Projected and Actual Earning on Pension Plan Investments	34,184			34,184
Total	<u>\$ 59,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,854</u>
Deferred Inflows of Resources:				
Differences Between Expected and Actual Experience	\$ 8,034	\$ -	\$ -	\$ 8,034
Total	<u>\$ 8,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,034</u>

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

<u>Year Ending June 30,</u>	City MERF	RAF/PBF/FRF	415(m)	Total
2024	\$ 29,312	\$ -	\$ -	\$ 29,312
2025	(1,626)	-	-	(1,626)
2026	32,276	-	-	32,276
2027	(8,142)	-	-	(8,142)
Total	<u>\$ 51,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,820</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The combining financial statements for the City pension plans are as follows:

	Pension Trust Funds				
	Municipal Employees' Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 47,428	\$ -	\$ -	\$ -	\$ 47,428
Investments, at Fair Value:					
U.S. Government Agencies	34,176	-	-	-	34,176
U.S. Government Securities	15,611	-	-	-	15,611
Corporate Bonds	56,387	-	-	-	56,387
Municipal Bonds	1,145	-	-	-	1,145
Alternative Investments	295,072	-	-	-	295,072
Common and Collective					
Trusts	294,711	-	-	-	294,711
Land	5,000	-	-	-	5,000
Real Estate Funds	78,583	-	-	-	78,583
Equities	247,329	-	-	-	247,329
Total Investments	1,028,014	-	-	-	1,028,014
Receivables:					
Accounts	3,363	-	-	-	3,363
Total Assets	1,078,805	-	-	-	1,078,805
LIABILITIES					
Accounts Payable	3,312	-	-	-	3,312
NET POSITION					
Restricted for Pension Benefits	<u>\$ 1,075,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,493</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans - Combining Information and Financial Statements (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions(Continued)

	Pension Trust Funds				
	Municipal Employees' Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	Total
ADDITIONS					
Contributions:					
Employer - ARC	\$ 53,697	\$ 7	\$ 25	\$ 125	\$ 53,854
Plan Members	15,337	-	-	-	15,337
Total Contributions	69,034	7	25	125	69,191
Investment Earnings:					
Net Increase in Fair Value of Investments	82,121	-	-	-	82,121
Interest and Dividends	26,098	-	-	-	26,098
Total Investment Earnings	108,219	-	-	-	108,219
Less Investment Expenses:					
Investment Management Fees	394	-	-	-	394
Net Investment Income	107,825	-	-	-	107,825
Total Additions	176,859	7	25	125	177,016
DEDUCTIONS					
Benefits	118,806	7	25	125	118,963
Administration	2,620	-	-	-	2,620
Other	-	-	-	-	-
Total Deductions	121,426	7	25	125	121,583
CHANGE IN NET POSITION	55,433	-	-	-	55,433
Net Position - Beginning of Year	1,020,060	-	-	-	1,020,060
NET POSITION - END OF YEAR	<u>\$ 1,075,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,493</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan - State of Connecticut Municipal Employees' Retirement System (CMERS)

A. Plan Description

All full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

B. Benefit Provisions

The plan provides retirement, disability, and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

Normal Retirement (Not Rounded)

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan - State of Connecticut Municipal Employees' Retirement System (CMERS) (Continued)

B. Benefit Provisions (Continued)

Disability Retirement - Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are 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 disability.

Disability Retirement – Non-Service Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

C. Contributions

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years. City contributions in the year ended June 30, 2022 total \$4,272.

Employer

Participating employers 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 MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The City's required contribution rate for the year ended June 30, 2023 was 17.57% of the annual payroll. Contributions to the pension plan from the City were \$4,966 for the year ended June 30, 2023.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan - State of Connecticut Municipal Employees' Retirement System (CMERS) (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the City reports a total liability of \$40,508 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. 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 the projected contributions of all participants, actuarially determined. At June 30, 2023, the City's proportion was 2.95%. The decrease in proportion from the prior year is 0.22%.

For the year ended June 30, 2023, the City recognized pension expense of \$7,936. At June 30, 2023, the City reported deferred inflow of resources and deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,044	\$ 1,710
Changes of Assumptions	-	-
Change in Proportionate Share	410	1,335
City Contributions after the Measurement Date	4,966	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	5,962	-
Total	\$ 14,382	\$ 3,045

Amounts reported as deferred outflows of resources related to City contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 564
2025	1,272
2026	883
2027	3,652
Total	\$ 6,371

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

**Pension Plan - State of Connecticut Municipal Employees' Retirement System
(CMERS) (Continued)**

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary Increase	3.50-10.00%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Including Inflation

Mortality rates were based on:

- RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.
- RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.
- For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.
- Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan - State of Connecticut Municipal Employees' Retirement System (CMERS) (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a statistical 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. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0 %	6.9 %
Public Credit	2.0	2.9 %
Core Fixed Income	13.0	0.4 %
Liquidity Fund	1.0	(0.4)%
Risk Mitigation	5.0	0.1 %
Private Equity	15.0	11.2 %
Private Credit	10.0	6.2 %
Real Estate	10.0	6.3 %
Infra. and Natural Resources	7.0	7.7 %
Total	100.0 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 contribution rates in the 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.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan - State of Connecticut Municipal Employees' Retirement System (CMERS) (Continued)

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 56,013	\$ 40,508	\$ 27,504

Connecticut Teachers Retirement System - Pension

A. Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

B. Benefit Provisions

The plan provides retirement, disability, and death benefits. Employees are eligible to retire 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.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$43,932 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	557,204
Total	<u>\$ 557,204</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the City recognized pension expense and revenue of \$53,854 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2019.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

The long-term expected rate of return on pension plan 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 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 current capital market assumptions and the target asset allocations as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

Asset Class	Expected Return	Target Allocation
Domestic Equity	5.40 %	20.00 %
Developed Market Intl. Stock Fund	6.40	11.00
Emerging Market Intl. Stock Fund	8.60	9.00
Core Fixed Income Fund	0.80	13.00
Private Credit	6.50	5.00
Emerging Market Debt Fund	3.80	5.00
High Yield Bond Fund	3.40	3.00
Real Estate Fund	5.20	19.00
Private Equity	9.40	10.00
Alternative Investments	3.10	3.00
Liquidity Fund	(0.40)	2.00
Total		<u>100.00 %</u>

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 State contributions will be made at the actuarially determined contribution rates in the 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.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The City's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

Aggregated Pension Information

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2023:

	City MERF	RAF/PBF/ FRF	415(m)	CMERS	CTRS	Total
Deferred Outflows of Resources						
Related to Pensions	\$ 59,854	\$ -	\$ -	\$ 14,382	\$ -	\$ 74,236
Net Pension Liability	538,476	980	74	40,508	-	580,038
Deferred Inflows of Resources						
Related to Pensions	8,034	-	-	3,045	-	11,079
Pension Expense (Income)	83,801	(188)	(47)	7,936	53,854	145,356

Defined Contribution Plans

401(a) Defined Contribution Plan

The City of Hartford offers a 401(a) defined contribution plan to nonunion City employees. The plan allows eligible employees to contribute between 3% and 7% of tax deferred salary into the plan for which the City will match up to 7%. Employer match contribution has a five-year vesting schedule as follows:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
1	- %
2	20
3	50
4	80
5+	100

Employees will have the right to self-direct their contributions to the defined contribution plan from among the investment options offered by the plan selected by the City.

Total contributions to the plan for the year ended June 30, 2023 were \$226 for employees and \$225 for the City.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Contribution Plans (Continued)

Deferred Compensation Plan

The City of Hartford adopted an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code of 1986 (IRC) as amended and restated effective August 1, 2019. Under this plan any employee of the City or Board of Education on either a full-time or part-time basis who is not a participant in another deferred compensation plan can contribute the maximum amount allowed under the Code up to 100% of compensation. Each plan year the City or Board of Education may make employer contributions in accordance with their contract or employment agreements. Participants shall be fully vested at all times for all contributions. Employees will self-direct contributions based on investment vehicles provided by the City. Contributions to this plan for employees and employers are \$6,904 and \$-0-, respectively.

Section 403(b) Retirement Plan

The Hartford Public Schools established a section 403(b) retirement plan as amended and restated effective August 1, 2019 for any employee of Hartford Public Schools who wishes to participate except an employee who provides services as a teacher's aide on a temporary basis while attending school, college, or university on account of performing services described in Code Section 3121(b)(10). Hartford Public Schools shall make nonelective contributions at their discretion and shall equal an amount based on a particular collective bargaining agreement. Contributions to this plan for employees and employers are \$6,341 and \$201 respectively.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

City and Board of Education Plans

A. Description of Plan

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 postretirement benefits through a single-employer defined benefit plan. The postretirement plan does not issue stand-alone financial reports.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

A. Description of Plan

The number of participants as of June 30, 2023 was as follows:

	(Not Rounded)		
	City	Board of Education	Total
Active Employees	1,405	2,916	4,321
Retired Employees	1,570	176	1,746
Total	<u>2,975</u>	<u>3,092</u>	<u>6,067</u>

B. Investments

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB Committee which is comprised of the voting members of the Pension Commission together with the City Treasurer, who serves as Secretary, as well as the Mayor and the Superintendent or their designees. 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.

Funding Policy

The City continues the commitment to meet its obligations for postemployment benefits for retirees entitled to receive benefits through the annual General Fund budget process. The obligations of the plan members are established pursuant to applicable collective bargaining and employment agreements. The City currently contributes to the plan on a pay-as-you-go basis to satisfy current obligations and, when able, contributes to future benefits. The costs of administering the plan are paid by the City.

Money-Weighted Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was as follows:

City	-7.95%
Board of Education	8.69%

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

C. Net OPEB Liability of the City

The City's net OPEB liability was measured as of June 30, 2023. The components of the net OPEB liability of the City at June 30, 2023 were as follows:

	City	Board of Education	Total
Total OPEB Liability	\$ 289,992	\$ 26,562	\$ 316,554
Plan Fiduciary Net Position	2,825	23,979	26,804
Net OPEB Liability	<u>\$ 287,167</u>	<u>\$ 2,583</u>	<u>\$ 289,750</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.97%	90.28%	8.47%
Covered Payroll	106,695	196,692	303,387
Net OPEB Liability	269.15%	1.31%	95.51%

D. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	July 1, 2021
Actuarial Cost Method:	Entry age normal (level percentage of salary)
Investment Rate of Return:	City – 3.65%, net of investment related expense BOE – 6.75%, net of investment related expense
Inflation:	2.40%
Mortality:	City Plan - Fire and Police - RP-2014 adjusted to 2006 blue collar mortality table projected to valuation date with scale MP-2021 All Others - RP-2014 Adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2021

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

D. Actuarial Assumptions (Continued)

Disabled Mortality:	City Plan - Fire and Police - RP-2014 Adjusted to 2006 disabled retiree mortality table with scale MP-2021
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All Others - N/A

Mortality Improvement:	Projected to date of decrement using Scale MP-2021 (generational)
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The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019 for all groups except Local 1716, Local 566 and BOE Certified. The actuarial assumptions used in the valuation for Local 1716, Local 566 and BOE Certified were based on assumptions used by the State of Connecticut Municipal Employee Retirement System actuaries, the Connecticut State Teachers' Retirement System actuaries, where applicable and input from the plan sponsor.

For the City Plan and the BOE Plan, the July 1, 2021 valuation reflects changes in assumptions related to mortality improvement scale, retirement and withdrawal rates for Local 1716 (City plan), retirement and withdrawal rates for Local 566 (BOE Plan), investment rate of return, inflation, and healthcare cost trend rates.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

D. Actuarial Assumptions (Continued)

Long-Term Expected 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 return 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, 2023, 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
Large Cap Equities	30.00 %	4.30 %	1.29 %
Int'l Equities (Unhedged)	20.00	4.60	0.92
Core Bonds	20.00	1.00	0.20
High-Yield Bonds	5.00	3.20	0.16
EMD (External)	5.00	3.20	0.16
Real Assets	10.00	4.30	0.43
Cash	10.00	-	-
Total Allocation	<u>100.00 %</u>		<u>3.16</u>
Long-Term Inflation Expectation			<u>2.40</u>
Total			<u>5.56 %</u>

E. Discount Rate

The discount rate used to measure the total OPEB liability for the City and the BOE was 3.65% and 6.75%, 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 rate 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
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

F. Changes in the Net OPEB Liability

	City Plan		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances - July 1, 2022	\$ 292,254	\$ 2,802	\$ 289,452
Changes for the Year:			
Service Cost	4,594	-	4,594
Interest on Total OPEB Liability	10,243	-	10,243
Differences Between Expected and Actual Experience	1,903	-	1,903
Changes in Assumptions	(3,865)	-	(3,865)
Employer Contributions	-	15,137	(15,137)
Member Contributions	-	255	(255)
Net Investment Income	-	(232)	232
Benefit Payments	(15,137)	(15,137)	-
Net Changes	(2,262)	23	(2,285)
Balances - June 30, 2023	\$ 289,992	\$ 2,825	\$ 287,167

Changes in assumptions within the fiscal year were attributable to a change in the mortality improvement scale, retirement and withdrawal rates for Local 1716, investment rate of return, inflation and healthcare cost trend rate.

	BOE Plan		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances - July 1, 2022	\$ 26,044	\$ 22,067	\$ 3,977
Changes for the Year:			
Service Cost	426	-	426
Interest on Total OPEB Liability	1,714	-	1,714
Differences Between Expected and Actual Experience	569	-	569
Employer Contributions	-	1,562	(1,562)
Contributions - TRB Subsidy	-	659	(659)
Net Investment Income	-	1,912	(1,912)
Benefit Payments	(2,191)	(2,191)	-
Administrative Expenses	-	(30)	30
Net Changes	518	1,912	(1,394)
Balances - June 30, 2023	\$ 26,562	\$ 23,979	\$ 2,583

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

F. Changes in the Net OPEB Liability (Continued)

Changes in assumptions within the fiscal year were attributable to a change in the mortality improvement scale, retirement and withdrawal rates for Local 566, investment rate of return, inflation and healthcare cost trend rate.

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City and the BOE, as well as what the City's and the BOE's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB Liability - City	<u>\$ 325,499</u>	<u>\$ 287,167</u>	<u>\$ 255,418</u>
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB Liability - BOE	<u>\$ 5,099</u>	<u>\$ 2,583</u>	<u>\$ 397</u>

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City and the BOE, as well as what the City's and the BOE's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.50%) Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50%) Decreasing to 4.40%)	1% Increase (7.50%) Decreasing to 5.40%)
Net OPEB Liability - City	<u>\$ 249,928</u>	<u>\$ 287,167</u>	<u>\$ 332,316</u>
	1% Decrease (5.50%) Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50%) Decreasing to 4.40%)	1% Increase (7.50%) Decreasing to 5.40%)
Net OPEB Liability - BOE	<u>\$ 170</u>	<u>\$ 2,583</u>	<u>\$ 5,385</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense (revenue) of \$9,942 for the City Plan and \$-946 for the BOE Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City Plan:		
Differences Between Expected and Actual Experience	\$ 1,563	\$ 75,372
Changes of Assumptions	28,072	37,692
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	597	-
BOE Plan:		
Differences Between Expected and Actual Experience	2,251	16,253
Changes of Assumptions	1,608	4,170
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,394	-
Total	<u>\$ 35,485</u>	<u>\$ 133,487</u>

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

<u>Year Ending June 30,</u>	<u>City Plan</u>	<u>BOE Plan</u>
2024	\$ (22,748)	\$ (1,019)
2025	(25,605)	(1,290)
2026	(21,932)	(619)
2027	(12,337)	(1,553)
2028	(210)	(1,469)
Thereafter	-	(9,220)
Total	<u>\$ (82,832)</u>	<u>\$ (15,170)</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The following schedules present the net position held in trust for OPEB benefits at June 30, 2023 and the changes in net position for the year ended:

	<u>Statement of Net Position</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,000
Investments, at Fair Value:	
Mutual Funds	15,624
Equities	7,232
Total Investments	<u>22,856</u>
Total Assets	26,856
LIABILITIES	
Accounts Payable	<u>52</u>
NET POSITION	
Restricted for OPEB Benefits	<u><u>\$ 26,804</u></u>
	<u>Statement of Changes in Net Position</u>
ADDITIONS	
Contributions:	
Employer	\$ 16,699
Plan Members	914
Other Revenue	-
Total Contributions	<u>17,613</u>
Investment Earnings:	
Net Decrease in Fair Value of Investments	1,372
Interest and Dividends	533
Total Investment Earnings	<u>1,905</u>
Less Investment Expenses:	
Investment Management Fees	8
Net Investment Income (Loss)	<u>1,897</u>
Total Additions	19,510
DEDUCTIONS	
Benefits	17,328
Administration	247
Total Deductions	<u>17,575</u>
CHANGE IN NET POSITION	1,935
Net Position - Beginning of Year	<u>24,869</u>
NET POSITION - END OF YEAR	<u><u>\$ 26,804</u></u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions (Not in Thousands)

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

B. Benefit Provisions (Not in Thousands) (Continued)

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option, must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility (Not in Thousands)

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

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.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Pro-Ratable Retirement

Age 60 with 10 years of Credited Service.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

C. Eligibility (Not in Thousands) (Continued)

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$621 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	48,798
Total	<u>\$ 48,798</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the City recognized OPEB expense and revenue of \$2,941 in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Costs Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, including inflation
Investment Rate of Return	3.53%, net of OPEB plan investment expense, including inflation
Year Fund Net Position will be Depleted	2027

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

F. Actuarial Assumptions (Continued)

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%
- Expected annual per capita claims costs were updated to better reflect anticipated Medical and prescription drug claim experience.
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2020, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of State contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State.

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 13 CONTINGENCIES, COMMITMENTS, AND RISK MANAGEMENT

A. Litigation

The City, its officers and employees, are defendants in various lawsuits including personal injury, property damage, civil rights violations and other miscellaneous claims. The City is insured for damages (see section C. below). 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 \$12.9 million in the government-wide financial statement to cover probable claims.

B. Contingencies

The City participates in various federal and state grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, to be immaterial.

C. Contractual Commitments

On July 1, 2017, the City extended an existing service agreement with the Materials Innovation and Recycling Authority (MIRA), for which there is an estimated service fee of \$2.1 million per year for 10 years of solid waste processing. The service fee is subject to annual revision based on the net cost of operating the facility.

D. Risk Management (Not Rounded)

The City has established a risk management program to account for and finance its uninsured risk 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 \$2.0 million self-insurance retention for workers' compensation claims for the City (\$1.5 million for the BOE), \$500,000 self-insurance retention for auto and general liability claims as well as public officials, law enforcement and school board claims, \$100,000 self-insurance retention for property damage claims. In addition, there is a crime policy with multiple deductibles from \$5,000 to \$300,000. 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
JUNE 30, 2023
(IN THOUSANDS)

NOTE 13 CONTINGENCIES, COMMITMENTS, AND RISK MANAGEMENT (CONTINUED)

D. Risk Management (Not Rounded) (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.

Claims Payable

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, and amount to cover incurred but not reported claims and administrative expenses. The claims liability of \$36,373, reported in the fund at June 30, 2023, 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 2023 and 2022 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
Self -Insurance Fund:				
2021-2022	\$ 36,811	\$ 74,996	\$ 76,545	\$ 35,262
2022-2023	35,262	77,765	76,654	36,373

NOTE 14 FISCAL AGENT AGREEMENT

Three major taxpayers in the City entered into an agreement with the City (the Agreement), dated June 12, 2018, whereby they committed to contribute \$50,000 over a period of five years, as part of a comprehensive sustainable response to the City's fiscal challenges for the purpose of supporting the City's public libraries, public safety, and public recreation.

Two taxpayers contribute their funds directly to the City while the third taxpayer uses a public foundation that will act as the City's fiscal agent to receive and hold the contributed funds and to disburse such funds to the City, consistent with the charitable purposes of the foundation and the terms of the agreement.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 14 FISCAL AGENT AGREEMENT (CONTINUED)

The agreement is subject to certain terms and conditions and may be terminated should the foundation deem that the funds are for any purpose other than the purposes as described above.

NOTE 15 CONTRACT ASSISTANCE AND MUNICIPAL OVERSIGHT

In December 2017, the City of Hartford requested Tier III designation under the State of Connecticut Municipal Accountability Review Board (MARB) in order to access additional tools in achieving long term fiscal sustainability in exchange for significant accountability and oversight. The City was approved as a Tier III municipality in 2018. As a Tier III municipality under MARB oversight, the City is required to submit and present at a public meeting monthly financial reports to ensure the City is operating with fiscal diligence in conformity with the annual budget and broader financial plan. The City's General Fund recommended budget must be reviewed by the MARB on an annual basis and the revenue assumptions must be approved by the MARB. Any union tentative agreements must also be reviewed by the MARB.

In addition, during March 2018 the City entered into a Contract Assistance Agreement with the State to service the approximately \$540 million in current general obligation debt service until such debt was retired. This agreement is backed by the full faith and credit of the State. As part of this agreement, the City of Hartford is subject to considerable financial oversight and is precluded from going into the bond market for at least the next five years. There are also limitations on the issuance of new debt for a 10-year period following the end of MARB oversight. Under the contract assistance agreement, the City must fully fund the Municipal Employee Retirement Fund (MERF) actuarially determined employer contribution (ADEC), is precluded from accumulating general fund operating deficits above 1% or more of general fund revenue per the most recently completed fiscal year's independent audit or has an operating general fund deficit 1.5% or greater of average general fund revenue over two consecutive years, or has a cumulative unassigned fund balance deficit of 1.5% or more of its general fund revenues and operating transfers in. Lack of compliance with such requirements would trigger a default, thus placing the City in Tier IV full oversight.

The City provided a five-year Municipal Recovery Plan to the MARB in March 2018, comprised of revenue and expenditures assumptions, contract assistance for debt service, labor concessions, economic development goals and initiatives to generate grand list growth, as well as revenue and expenditure initiatives, the combination of which provided a pathway to fiscal balance. Such plan required the City to shift to a Pay-As-You-Go Capital Improvement Program, whereby the capital expenditure program is funded primarily from the General Fund. Such plan was reviewed in detail by the full MARB and a subcommittee thereof and approved in June 2018. The City submits an updated Municipal Recovery Plan annually in concert with the Mayor's Recommended General Fund Budget.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 16 SUBSEQUENT EVENTS

At its regular meeting on October 5, 2023, the Municipal Accountability Review Board approved a motion to acknowledge and recognize that the City has met all the conditions to be released from Tier III designation and to support the City's intent to voluntarily continue its relationship with the MARB as a Tier II municipality. On December 13, 2023, in accordance with the process set forth in Statute, the Municipal Finance Advisory Commission voted to support the City's voluntary request and to recommend the City be designated a Tier II municipality. As a Tier II municipality, the City is required to submit monthly financial statements and the annual budget to the MARB. The revenue assumptions for the budget must be approved by the MARB annually as well.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Property Tax:				
Current Year's Levy	\$ 285,792	\$ 295,792	\$ 291,648	\$ (4,144)
Levy of Prior Years	5,155	5,155	8,484	3,329
Interest and Liens	3,800	3,800	5,014	1,214
Proceeds from Lien Sales	-	-	194	194
Total General Property Tax	294,747	304,747	305,340	593
Other Local Taxes:				
Current Year's Levy	1,300	1,300	2,510	1,210
Licenses, Permits, Fees, and Other:				
Street Use	-	-	-	-
Business Licenses:				
Health Licenses	140	140	270	130
Police and Protection Licenses	58	58	376	318
Professional and Occupational Licenses	2	2	119	117
Total Business Licenses	200	200	765	565
Non-Business Licenses and Permits:				
Building Structure and Equipment Permits	5,634	5,634	9,108	3,474
Other Non-Business Licenses and Permits	285	285	469	184
Total Business Licenses	5,919	5,919	9,577	3,658
Total Licenses, Permits, Fees and Other	6,119	6,119	10,342	4,223
Fines, Forfeits, and Penalties	154	154	124	(30)
Revenue from Use of Money and Property:				
Income from Investments	362	362	10,184	9,822
Income from Use of Property	378	378	414	36
Income from Development Properties	431	431	391	(40)
Total Revenue from Use of Money and Property	1,171	1,171	10,989	9,818
Intergovernmental Revenue:				
State of Connecticut:				
Education	188,030	188,030	186,515	(1,515)
Housing	3	3	3	-
Public Works	1,186	1,186	1,166	(20)
Payment on Lieu of Taxes	88,221	90,921	91,221	300
Shared Taxes	166	166	160	(6)
Other	10,926	10,926	10,993	67
Total Intergovernmental Revenue	288,532	291,232	290,058	(1,174)
Charges for Services:				
General Government:				
Recording Legal Instruments	318	318	332	14
All Other	1,191	1,191	1,654	463
Total General Government	1,509	1,509	1,986	477
Public Safety:				
Police Charges	8	8	5	(3)
Fire Protection Services	174	174	312	138
Total Public Safety	182	182	317	135

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works:				
Highways and Streets	\$ 1	\$ 1	\$ 1	\$ -
Sanitation	105	105	115	10
Total Public Works	106	106	116	10
Other:				
Health	3	3	3	-
Miscellaneous	48	48	38	(10)
Total Other	51	51	41	(10)
Total Charges for Services	1,848	1,848	2,460	612
Reimbursements:				
Other	3	3	10	7
Reimbursements from Other Funds	87	87	95	8
Total Reimbursements	90	90	105	15
Other Revenues:				
Settlements	3	3	-	(3)
Miscellaneous	52	52	534	482
Total Other Revenues	55	55	534	479
Other Financing Sources:				
Transfers in from Other Funds:				
Revenue from Hartford Parking Authority	2,011	2,011	2,011	-
Downtown North (Dono)	795	795	916	121
Special Police Services	2,750	2,750	1,426	(1,324)
Total Other Financing Sources	5,556	5,556	4,353	(1,203)
Total	\$ 599,572	\$ 612,272	626,815	\$ 14,543

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf pension contributions to the State Teachers' Retirement System for City teachers are not budgeted	43,932
State of Connecticut on-behalf OPEB contributions to the State Teachers' Retirement System for City teachers are not budgeted	621
State of Connecticut contract assistance agreement	54,098
Amount Available from Current Year Operations	<u>\$ 725,466</u>

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor	\$ 792	\$ 792	\$ 701	\$ 91
Court of Common Council	988	779	669	110
City Treasurer	553	553	369	184
Registrars of Voters	507	814	684	130
Corporation Counsel	1,502	1,502	1,255	247
Town and City Clerk	833	833	805	28
Internal Audit	523	523	522	1
Chief Operating Officer	1,820	1,820	1,551	269
Metro Hartford Information	4,393	5,293	5,293	-
Finance	3,901	3,901	3,208	693
Personnel	1,920	1,920	1,629	291
Office of Management and Budget	1,289	1,289	918	371
Office of Young Children	3,663	3,663	3,553	110
Total General Government	22,684	23,682	21,157	2,525
Public Safety:				
Fire	40,371	40,371	38,503	1,868
Police	49,586	49,586	49,031	555
Emergency Services and Telecommunications	4,406	4,466	4,464	2
Total Public Safety	94,363	94,423	91,998	2,425
Infrastructure and Leisure Services:				
Public Works	19,125	19,125	18,035	1,090
Development and Community Affairs:				
Development Services	6,268	6,231	6,139	92
Human Services:				
Health and Human Services	5,467	5,567	5,049	518
Education:				
Education	284,013	284,013	284,013	-
Benefits and Insurance				
Benefits and Insurance	98,049	69,376	67,643	1,733

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Sundry:				
Debt Service	\$ 15,455	\$ 58,480	\$ 58,480	\$ -
Hartford Public Library	8,663	8,663	8,663	-
Other Sundry Items	45,485	47,370	45,284	2,086
Total Sundry	69,603	114,513	112,427	2,086
 Total	 \$ 599,572	 \$ 616,930	 606,461	 \$ 10,469
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf pension contributions to the State Teachers' Retirement System for City teachers are not budgeted			43,932	
State of Connecticut on-behalf OPEB contributions to the State Teachers' Retirement System for City teachers are not budgeted			621	
State of Connecticut contract assistance agreement			54,098	
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes			35	
Encumbrances for purchases and commitments ordered but not received are reported in the in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			(228)	
Effect of GASB Statement No. 54			(111)	
Amount Available from Current Year Operations			\$ 704,808	

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY OF HARTFORD MUNICIPAL EMPLOYEES' RETIREMENT FUND (CITY MERF) PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 21,085	\$ 21,265	\$ 19,268	\$ 18,886	\$ 19,594	\$ 21,250	\$ 21,934	\$ 21,995	\$ 22,612	\$ 21,954
Interest	106,591	105,599	106,751	106,620	106,170	105,620	105,283	102,350	99,934	98,033
Change in Benefit Terms	-	-	-	-	-	(627)	-	-	-	-
Differences Between Expected and Actual Experience	(11,382)	4,078	6,118	3,945	18,799	4,786	6,155	18,454	(11,737)	-
Changes of Assumptions	-	2,514	76,148	14,644	3,062	(7,557)	27,543	-	21,176	-
Benefit Payments, Including Refunds of Member Contributions	(118,806)	(118,333)	(118,123)	(117,332)	(116,283)	(112,768)	(108,145)	(101,778)	(98,654)	(93,683)
Net Change in Total Pension Liability	(2,512)	15,123	90,162	26,763	31,342	10,704	52,770	41,021	33,331	26,304
Total Pension Liability - Beginning	1,616,481	1,601,358	1,511,196	1,484,433	1,453,091	1,442,387	1,389,617	1,348,596	1,315,265	1,288,961
Total Pension Liability - Ending	1,613,969	1,616,481	1,601,358	1,511,196	1,484,433	1,453,091	1,442,387	1,389,617	1,348,596	1,315,265
Plan Fiduciary Net Position:										
Contributions - Employer	53,697	55,633	51,040	46,602	44,455	44,574	37,650	43,891	42,874	42,710
Contributions - Member	15,337	15,133	14,017	13,647	13,942	14,355	13,175	13,042	13,360	12,816
Net Investment Income (Loss)	107,825	(129,469)	244,680	21,068	65,756	59,906	104,204	8,696	20,779	133,645
Benefit Payments, Including Refunds of Member Contributions	(118,806)	(118,333)	(118,123)	(117,332)	(116,283)	(112,768)	(108,145)	(101,778)	(98,654)	(93,683)
Administrative Expense	(2,620)	(2,760)	(2,485)	(2,516)	(2,487)	(2,958)	(2,653)	(2,433)	(2,715)	(2,774)
Other	-	-	-	-	-	9	(3,087)	-	-	-
Net Change in Plan Fiduciary Net Position	55,433	(179,796)	189,129	(38,531)	5,383	3,118	41,144	(38,582)	(24,356)	92,714
Plan Fiduciary Net Position - Beginning	1,020,060	1,199,856	1,010,727	1,049,258	1,043,875	1,040,757	999,613	1,038,195	1,062,551	969,837
Plan Fiduciary Net Position - Ending	1,075,493	1,020,060	1,199,856	1,010,727	1,049,258	1,043,875	1,040,757	999,613	1,038,195	1,062,551
Net Pension Liability - Ending	<u>\$ 538,476</u>	<u>\$ 596,421</u>	<u>\$ 401,502</u>	<u>\$ 500,469</u>	<u>\$ 435,175</u>	<u>\$ 409,216</u>	<u>\$ 401,630</u>	<u>\$ 390,004</u>	<u>\$ 310,401</u>	<u>\$ 252,714</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.64%	63.10%	74.93%	66.88%	70.68%	71.84%	72.16%	71.93%	76.98%	80.79%
Covered Payroll	\$ 153,334	\$ 148,341	\$ 147,405	\$ 147,709	\$ 145,103	\$ 141,067	\$ 144,122	\$ 151,305	\$ 144,227	\$ 144,648
Net Pension Liability as a Percentage of Covered Payroll	351.18%	402.06%	272.38%	338.82%	299.91%	290.09%	278.67%	257.76%	215.22%	174.71%

Notes to Schedule:

Assumption Changes:

2022:

Investment Rate of Return
Mortality

6.75% Per Year, Net of Investment Expenses
Mortality Improvement is Based on the Scale MP-2021

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
RAF/PBF/FRF PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Interest	\$ 44	\$ 31	\$ 40	\$ 54	\$ 68	\$ 122	\$ 119	\$ 228	\$ 218	\$ 238
Change in Benefit Terms										
Differences Between Expected and Actual Experience	(224)	58	(196)	339	7	(1,264)	(134)	(1,124)	(229)	-
Changes of Assumptions	(8)	(115)	(26)	133	29	(117)	(671)	414	587	-
Benefit Payments, Including Refunds of Member Contributions	(157)	(191)	(202)	(278)	(356)	(452)	(525)	(660)	(755)	(837)
Net Change in Total Pension Liability	(345)	(217)	(384)	248	(252)	(1,711)	(1,211)	(1,142)	(179)	(599)
Total Pension Liability - Beginning	1,325	1,542	1,926	1,678	1,930	3,641	4,852	5,994	6,173	6,772
Total Pension Liability - Ending	980	1,325	1,542	1,926	1,678	1,930	3,641	4,852	5,994	6,173
Plan Fiduciary Net Position:										
Contributions - Employer	157	191	202	278	356	452	525	660	755	837
Benefit Payments, Including Refunds of Member Contributions	(157)	(191)	(202)	(278)	(356)	(452)	(525)	(660)	(755)	(837)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-	-	-	-
Net Pension Liability - Ending	<u>\$ 980</u>	<u>\$ 1,325</u>	<u>\$ 1,542</u>	<u>\$ 1,926</u>	<u>\$ 1,678</u>	<u>\$ 1,930</u>	<u>\$ 3,641</u>	<u>\$ 4,852</u>	<u>\$ 5,994</u>	<u>\$ 6,173</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Assumption Changes:

2023:

Investment Rate of Return
Mortality

3.65%, Net of Investment-Related Expenses; Prior Valuation: 3.54%, Net of Investment-Related Expenses
Mortality Improvement - MP-2021 Scale

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
415(M) PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Interest	\$ 4	\$ 3	\$ 3	\$ 6	\$ 9	\$ 10	\$ 6	\$ 9	\$ 11	\$ 14
Differences Between Expected and Actual Experience	(51)	34	8	(3)	(45)	-	67	66	4	-
Changes of Assumptions	-	(6)	5	7	17	(3)	17	11	(1)	-
Benefit Payments, Including Refunds of Member Contributions	(16)	(28)	(36)	(38)	(45)	(58)	(73)	(79)	(79)	(87)
Net Change in Total Pension Liability	(63)	3	(20)	(28)	(64)	(51)	17	7	(65)	(73)
Total Pension Liability - Beginning	137	134	154	182	246	297	280	273	338	411
Total Pension Liability - Ending	74	137	134	154	182	246	297	280	273	338
Plan Fiduciary Net Position:										
Contributions - Employer	16	28	36	38	45	58	73	79	79	87
Benefit Payments, Including Refunds of Member Contributions	(16)	(28)	(36)	(38)	(45)	(58)	(73)	(79)	(79)	(87)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-	-	-	-
Net Pension Liability - Ending	<u>\$ 74</u>	<u>\$ 137</u>	<u>\$ 134</u>	<u>\$ 154</u>	<u>\$ 182</u>	<u>\$ 246</u>	<u>\$ 297</u>	<u>\$ 280</u>	<u>\$ 273</u>	<u>\$ 338</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Assumption Changes:

2023:

Investment Rate of Return
Mortality

3.65% Net of Investment-Related Expenses; Prior Valuation: 3.54%
Mortality Improvement is based on the Scale MP-2021

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF HARTFORD PENSION PLANS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	City of Hartford Municipal Employees' Retirement Fund (City MERF)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 53,685	\$ 55,633	\$ 51,040	\$ 46,602	\$ 44,455	\$ 44,574	\$ 37,650	\$ 43,891	\$ 42,874	\$ 42,710
Contributions in Relation to the Actuarially Determined Contribution	53,697	55,633	51,040	46,602	44,455	44,574	37,650	43,891	42,874	42,710
Contribution Deficiency (Excess)	<u>\$ (12)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 153,334	\$ 148,341	\$ 147,405	\$ 147,709	\$ 145,103	\$ 141,067	\$ 144,122	\$ 151,305	\$ 144,227	\$ 144,648
Contributions as a Percentage of Covered Payroll	35.02%	37.50%	34.63%	31.55%	30.64%	31.60%	26.12%	29.01%	29.73%	29.53%
	City of Hartford RAF/PBF/FRF Plan									
	2023	2021	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 157	\$ 191	\$ 202	\$ 278	\$ 356	\$ 452	\$ 525	\$ 659	\$ 755	\$ 837
Contributions in Relation to the Actuarially Determined Contribution	157	191	202	278	356	452	525	659	755	837
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	City of Hartford 415(m) Plan									
	2023	2021	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 16	\$ 28	\$ 36	\$ 38	\$ 45	\$ 58	\$ 73	\$ 79	\$ 79	\$ 87
Contributions in Relation to the Actuarially Determined Contribution	16	28	36	38	45	58	73	79	79	87
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date: July 1, 2022

Measurement Date: June 30, 2023

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method

Remaining Amortization Period

Asset Valuation Method

Inflation

Salary Increases

Investment Rate of Return

Retirement Age

Mortality

Mortality Improvement

Entry Age Normal

25 Years, Level Dollar, Closed

5-Year Smoothed Market

2.40%

2.40% for Inflationary Salary Increases

6.75%, Net of Investment-Related and Administrative Expenses

Police - 100% retire at 65, regardless of service and must be age 45 to retire; Fire - 100% retire at age 65; BOE 100% retire at age 75;

Municipal Services and Library - If less than 20 years of service, 100% retire at 75

RP-2014 fully projected with separate male and female tables and separate rates for annuitants and non-annuitants with occupational adjustment

Scale MP-2021;

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
CITY OF HARTFORD PENSION PLANS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense:										
City of Hartford MERF	10.86%	-11.00%	24.91%	2.07%	6.49%	5.97%	10.44%	.86%	2.00%	14.05%
City of Hartford RAF/PBF/FRF Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City of Hartford 415(m) Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (CMERS)
LAST NINE FISCAL YEARS*
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	2.95%	3.17%	3.27%	3.38%	3.84%	7.04%	6.23%	7.80%	4.00%
City's Proportionate Share of the Net Pension Liability	\$ 40,508	\$ 22,529	\$ 36,373	\$ 34,903	\$ 36,691	\$ 17,468	\$ 20,742	\$ 15,062	\$ 10,678
City's Covered Payroll	\$ 25,380	\$ 25,756	\$ 24,339	\$ 24,342	\$ 25,156	\$ 27,785	\$ 27,342	\$ 27,342	\$ 27,342
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.61%	87.47%	149.44%	143.39%	145.85%	62.87%	75.86%	55.09%	39.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

***Notes:**

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (CMERS)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 4,966	\$ 4,272	\$ 3,849	\$ 3,130	\$ 2,856	\$ 2,851	\$ 3,162	\$ 3,681	\$ 3,681	\$ 3,539
Contributions in Relation to the Actuarially Determined Contribution	4,966	4,272	3,849	3,130	2,856	2,851	3,162	3,681	3,681	3,539
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 28,269	\$ 25,577	\$ 25,756	\$ 24,339	\$ 24,342	\$ 25,156	\$ 27,785	\$ 27,342	\$ 27,342	\$ 27,342
Contributions as a Percentage of Covered Payroll	17.57%	16.70%	14.94%	12.86%	11.73%	11.33%	11.38%	13.46%	13.46%	12.94%

Notes to Schedule:

Valuation Date: June 30, 2022

Measurement Date: June 30, 2022

The actuarially determined contributions are calculated as of June 30, for the fiscal year ending two years after the valuation date.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method

Entry Age

Amortization Method

Level Dollar, Closed

Single Equivalent Amortization Period

20 Years

Asset Valuation Method

5-Years Smoothed Market

Inflation

2.50%

Salary Increases

3.50% - 10%, Including Inflation

Investment Rate of Return

7%, Net of Investment Related Expense

Changes in Assumptions

In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017.

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST NINE FISCAL YEARS*
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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	557,204	471,982	595,931	577,962	445,642	528,969	558,067	435,145	401,684
Total	<u>\$ 557,204</u>	<u>\$ 471,982</u>	<u>\$ 595,931</u>	<u>\$ 577,962</u>	<u>\$ 445,642</u>	<u>\$ 528,969</u>	<u>\$ 558,067</u>	<u>\$ 435,145</u>	<u>\$ 401,684</u>
City's Covered Payroll	\$ 137,727	\$ 137,272	\$ 136,709	\$ 135,090	\$ 135,085	\$ 157,332	\$ 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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Plan Information:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	27.8 Years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – CITY PLAN
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 4,594	\$ 8,957	\$ 8,499	\$ 6,211	\$ 6,468	\$ 12,913	\$ 9,297
Interest	10,243	8,725	8,851	15,127	15,628	13,535	14,072
Changes in Benefit Terms	-	-	-	(8,095)	-	(96,632)	-
Differences Between Expected and Actual Experience	1,903	(58,705)	(2,899)	(98,041)	(2,111)	131,191	4,640
Changes of Assumptions	(3,865)	(53,694)	2,672	64,484	20,523	(13,956)	51,221
Benefit Payments, Including Refunds of Member Contributions	(15,137)	(15,888)	(12,429)	(12,427)	(13,786)	(15,981)	(14,303)
Net Change in Total OPEB Liability	(2,262)	(110,605)	4,694	(32,741)	26,722	31,070	64,927
Total OPEB Liability - Beginning	292,254	402,859	398,165	430,906	404,184	373,114	308,187
Total OPEB Liability - Ending	289,992	292,254	402,859	398,165	430,906	404,184	373,114
Plan Fiduciary Net Position:							
Contributions - Employer	15,137	15,888	12,429	12,427	13,786	18,156	14,303
Contributions - Member	255	249	246	243	249	170	36
Net Investment Income	(232)	(217)	(216)	(145)	12	-	-
Benefit Payments, Including Refunds of Member Contributions	(15,137)	(15,888)	(12,429)	(12,427)	(13,786)	(15,981)	(14,303)
Net Change in Plan Fiduciary Net Position	23	32	30	98	261	2,345	36
Plan Fiduciary Net Position - Beginning	2,802	2,770	2,740	2,642	2,381	36	-
Plan Fiduciary Net Position - Ending	2,825	2,802	2,770	2,740	2,642	2,381	36
Net OPEB Liability - Ending	<u>\$ 287,167</u>	<u>\$ 289,452</u>	<u>\$ 400,089</u>	<u>\$ 395,425</u>	<u>\$ 428,264</u>	<u>\$ 401,803</u>	<u>\$ 373,078</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.97%	0.96%	0.69%	0.69%	0.61%	0.59%	0.01%
Covered Payroll	\$ 106,695	\$ 104,195	\$ 101,403	\$ 98,930	\$ 93,221	\$ 90,726	\$ 115,952
Net OPEB Liability as a Percentage of Covered Payroll	269.15%	277.80%	394.55%	399.70%	459.41%	442.88%	321.75%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – BOE PLAN
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 426	\$ 1,003	\$ 962	\$ 722	\$ 693	\$ 464	\$ 435
Interest	1,714	3,253	3,047	3,096	2,980	2,832	2,753
Changes in Benefit Terms	-	-	-	-	-	(2,223)	-
Differences Between Expected and Actual Experience	569	(16,929)	124	(2,864)	339	2,662	333
Changes of Assumptions	-	(4,949)	-	1,946	-	478	-
Benefit Payments, Including Refunds of Member Contributions	(2,191)	(398)	(2,243)	(2,506)	(2,516)	(2,397)	(2,310)
Net Change in Total OPEB Liability	518	(18,020)	1,890	394	1,496	1,816	1,211
Total OPEB Liability - Beginning	26,044	44,064	42,174	41,780	40,284	38,468	37,257
Total OPEB Liability - Ending	26,562	26,044	44,064	42,174	41,780	40,284	38,468
Plan Fiduciary Net Position:							
Contributions - Employer	1,562	3	1,781	2,093	2,062	1,853	556
TRB Subsidy	659	423	495	441	481	544	621
Net Investment Income	1,912	(2,864)	4,814	142	1,150	662	112
Benefit Payments, Including Refunds of Member Contributions	(2,191)	(398)	(2,243)	(2,506)	(2,516)	(2,397)	(2,310)
Administrative Expense	(30)	(28)	(33)	(27)	(27)	(25)	-
Net Change in Plan Fiduciary Net Position	1,912	(2,864)	4,814	143	1,150	637	(1,021)
Plan Fiduciary Net Position - Beginning	22,067	24,931	20,117	19,974	18,824	18,187	19,208
Plan Fiduciary Net Position - Ending	23,979	22,067	24,931	20,117	19,974	18,824	18,187
Net OPEB Liability - Ending	<u>\$ 2,583</u>	<u>\$ 3,977</u>	<u>\$ 19,133</u>	<u>\$ 22,057</u>	<u>\$ 21,806</u>	<u>\$ 21,460</u>	<u>\$ 20,281</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	90.28%	84.73%	56.58%	47.70%	47.81%	46.73%	47.28%
Covered Payroll	\$ 196,692	\$ 192,082	\$ 204,272	\$ 199,289	\$ 202,917	\$ 197,486	\$ 213,458
Net OPEB Liability as a Percentage of Covered Payroll	1.31%	2.07%	9.37%	11.07%	10.75%	10.87%	9.50%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – CITY PLAN
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 24,422	\$ 25,983	\$ 25,698	\$ 30,485	\$ 30,154	\$ 27,025	\$ 26,583
Contributions in Relation to the Actuarially Determined Contribution	15,137	15,888	12,429	12,428	13,786	18,156	14,303
Contribution Deficiency (Excess)	<u>\$ 9,285</u>	<u>\$ 10,095</u>	<u>\$ 13,269</u>	<u>\$ 18,057</u>	<u>\$ 16,368</u>	<u>\$ 8,869</u>	<u>\$ 12,280</u>
Covered Payroll	\$ 106,695	\$ 104,195	\$ 101,403	\$ 98,930	\$ 93,221	\$ 90,726	\$ 115,952
Contributions as a Percentage of Covered Payroll	14.19%	15.25%	12.26%	12.56%	14.79%	20.01%	12.34%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Notes to Schedule:

Measurement Date: June 30, 2023
Valuation Date: July 1, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Remaining Amortization Period	24 Years, Closed
Asset Valuation Method	Market Value
Inflation	2.40%
Healthcare Cost Trend Rates	6.5% for 2021, Decreasing 0.2% Each Year, to an Ultimate Rate of 4.50% for 2032 and Later.
Salary Increases	2.40%
Investment Rate of Return	3.54%
Retirement Age	Aged Base Table
Mortality:	
Fire and Police	RP-2014 Mortality Table Adjusted to 2006 BlueCollar Projected to Valuation Date with Scale MP-2021.
All Others	RP-2014 Mortality Table Adjusted to 2006 Total Dataset Projected to Valuation Date with Scale MP-2021.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – BOE PLAN
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 645	\$ 2,722	\$ 2,678	\$ 2,462	\$ 2,428	\$ 1,973	\$ 1,928
Contributions in Relation to the Actuarially Determined Contribution	1,562	3	1,781	2,093	2,062	1,853	556
Contribution Deficiency (Excess)	<u>\$ (917)</u>	<u>\$ 2,719</u>	<u>\$ 897</u>	<u>\$ 369</u>	<u>\$ 366</u>	<u>\$ 120</u>	<u>\$ 1,372</u>
Covered Payroll	\$ 196,692	\$ 192,082	\$ 204,272	\$ 199,289	\$ 202,917	\$ 197,486	\$ 213,458
Contributions as a Percentage of Covered Payroll	0.79%	0.00%	0.87%	1.05%	1.02%	0.94%	0.26%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Notes to Schedule:

Measurement Date: June 30, 2023
Valuation Date: July 1, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Remaining Amortization Period	24 Years, Closed
Asset Valuation Method	Market Value
Inflation	2.40%
Healthcare Cost Trend Rates	6.5% in 2021, Decreasing 0.2% Each Year, to an Ultimate Rate of 4.50% for 2032 and Later.
Salary Increases	2.40%
Investment Rate of Return	6.75%
Retirement Age	Aged Base Table
Mortality	RP-2014 Mortality Table Adjusted to 2006 Total Dataset Projected to Valuation Date with Scale MP-2021.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
LAST SEVEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017
City Plan:							
Annual Money-Weighted Rate of Return, Net of Investment Expense	-7.95%	-7.52%	-7.57%	-5.28%	0.48%	0.00%	0.00%
BOE Plan:							
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.69%	-11.47%	24.01%	0.72%	6.11%	3.64%	0.59%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the City	48,798	51,422	88,883	90,136	89,087	136,151
Total	<u>\$ 48,798</u>	<u>\$ 51,422</u>	<u>\$ 88,883</u>	<u>\$ 90,136</u>	<u>\$ 89,087</u>	<u>\$ 136,151</u>
City's Covered Payroll	\$ 137,724	\$ 137,272	\$ 136,709	\$ 135,085	\$ 135,085	\$ 157,332
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022.

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.

The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated.

Long-term health care cost trend rates were updated.

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method

Amortization Method

Remaining Amortization Period

Asset Valuation Method

Investment Rate of Return

Price Inflation

Entry Age

Level Percent of Payroll Over an Open Period

30-Years

Market Value of Assets

3.00%, Net of Investment Related Expense, Including Price Inflation

2.50%

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

CITY OF HARTFORD, CONNECTICUT
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2023
(IN THOUSANDS)

	General Fund	Hartford Public Library	Total
ASSETS			
Cash and Cash Equivalents	\$ 113,166	\$ 568	\$ 113,734
Receivables, Net	93,789	-	93,789
Due from Other Funds	19,386	-	19,386
	<u>226,341</u>	<u>568</u>	<u>226,909</u>
Total Assets	<u>\$ 226,341</u>	<u>\$ 568</u>	<u>\$ 226,909</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts and Other Payables	\$ 74,894	\$ 397	\$ 75,291
Unearned Revenue	187	-	187
Total Liabilities	<u>75,081</u>	<u>397</u>	<u>75,478</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property	84,046	-	84,046
Unavailable Revenue - Other Receivable	2,993	-	2,993
Deferred Inflows Related to Leases	2,358	-	2,358
Advance Property Tax Collections	2,651	-	2,651
Total Deferred Inflows of Resources	<u>92,048</u>	<u>-</u>	<u>92,048</u>
FUND BALANCES			
Committed	5,680	-	5,680
Assigned	17,300	-	17,300
Unassigned	36,232	171	36,403
Total Fund Balances	<u>59,212</u>	<u>171</u>	<u>59,383</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 226,341</u>	<u>\$ 568</u>	<u>\$ 226,909</u>

CITY OF HARTFORD, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE GENERAL FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	General Fund	Hartford Public Library	Eliminate Interfund Transfers	Total
REVENUES				
Property Taxes	\$ 307,851	\$ -	\$ -	\$ 307,851
Licenses and Permits	10,466	-	-	10,466
Intergovernmental	388,709	-	-	388,709
Charges for Services	2,460	-	-	2,460
Use of Property	805	-	-	805
Investment Income	10,184	-	-	10,184
Miscellaneous	638	-	-	638
Total Revenues	721,113	-	-	721,113
EXPENDITURES				
Current:				
General Government	14,457	-	-	14,457
Public Safety	91,998	-	-	91,998
Public Works	18,035	-	-	18,035
Development and Community Affairs	5,819	-	-	5,819
Human Services	4,165	-	-	4,165
Education	328,374	-	-	328,374
Recreation and Culture	1,555	8,552	-	10,107
Benefits and Insurance	72,936	-	-	72,936
Other	40,923	-	-	40,923
Debt Service	220	-	-	220
Total Expenditures	578,482	8,552	-	587,034
REVENUES OVER (UNDER) EXPENDITURES	142,631	(8,552)	-	134,079
OTHER FINANCING SOURCES (USES)				
Transfers In	4,353	8,663	(8,663)	4,353
Transfers Out	(126,437)	-	8,663	(117,774)
Total Other Financing Sources (Uses)	(122,084)	8,663	-	(113,421)
NET CHANGE IN FUND BALANCES	20,547	111	-	20,658
Fund Balances - Beginning of Year	38,665	60	-	38,725
FUND BALANCES - END OF YEAR	<u>\$ 59,212</u>	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 59,383</u>

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTION, AND OUTSTANDING
GENERAL FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

Grand List Year	Taxes Receivable July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Collections				Taxes Receivable June 30, 2023
			Additions	Deletions			Taxes	Interest	Liens	Total	
2020	\$ -	\$ 313,146	\$ 3,317	\$ 8,953	\$ -	\$ 307,510	\$ 291,446	\$ 1,490	\$ 76	\$ 293,012	\$ 16,064
2020	12,521	-	682	256	46	12,901	4,762	1,071	350	6,183	8,139
2019	6,851	-	33	194	101	6,589	1,849	739	115	2,703	4,740
2018	4,717	-	265	297	158	4,527	141	477	62	680	4,386
2017	3,932	-	9	98	106	3,737	452	359	28	839	3,285
2016	2,805	-	3	70	173	2,565	383	223	15	621	2,182
2015	2,048	-	-	31	177	1,840	118	135	12	265	1,722
2014	2,592	-	2	35	143	2,416	100	117	15	232	2,316
2013	2,289	-	-	21	45	2,223	64	95	14	173	2,159
2012	2,064	-	2	26	67	1,973	59	79	11	149	1,914
2011	2,015	-	2	14	62	1,941	38	65	9	112	1,903
2010	1,994	-	9	12	88	1,903	59	89	9	157	1,844
2009	1,775	-	1	22	101	1,653	23	37	5	65	1,630
2008	1,838	-	1	9	116	1,714	22	50	6	78	1,692
2007	1,662	-	1	10	4	1,649	17	47	6	70	1,632
2006	1,461	-	-	1,461	-	-	-	-	-	-	-
Total	<u>\$ 50,564</u>	<u>\$ 313,146</u>	<u>\$ 4,327</u>	<u>\$ 11,509</u>	<u>\$ 1,387</u>	<u>\$ 355,141</u>	<u>\$ 299,533</u>	<u>\$ 5,073</u>	<u>\$ 733</u>	<u>\$ 305,339</u>	<u>\$ 55,608</u>

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
Food Services Program	State and Federal Grants, and Sales of Food	School Lunch and Breakfast Programs
Health Grants	State and Federal Grants	Health and Human Services
Library Grants	Grants and Contributions	Public Library System
Community Development	Federal Block Grants	Housing and Development
Home Program	Federal Grants	Affordable Housing
Great Path Academy	State Grants	Education
Parks and Recreation Trusts	Donation and Trust Income	Park and Recreation
Special Activities	Fees for Community Use of Schools	Education
Student Activities	Charges for Services for Student Activities	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 Equipment and HUD Special Projects Fund. The Redevelopment Fund accounts for the acquisition and improvement of properties for future development. The Capital Equipment 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.

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023
(IN THOUSANDS)**

	Special Revenue Funds								
	Section 8	Food Service Program	Health Grants	Community Development Act	HOME Program	Library Grants	Parks and Recreation Trusts	Great Path Academy	Special Activities
ASSETS									
Cash and Cash Equivalents	\$ 1,865	\$ 5,157	\$ 2,238	\$ -	\$ -	\$ 7,144	\$ -	\$ 4,727	\$ 1,393
Investments	-	-	-	-	-	-	494	-	-
Intergovernmental Receivable	17	2,765	463	1,449	504	233	-	12	-
Other Receivables, Net	-	-	2,245	980	-	593	-	-	134
Other Assets	-	608	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,882</u>	<u>\$ 8,530</u>	<u>\$ 4,946</u>	<u>\$ 2,429</u>	<u>\$ 504</u>	<u>\$ 7,970</u>	<u>\$ 494</u>	<u>\$ 4,739</u>	<u>\$ 1,527</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Accrued Liabilities	156	507	1,016	1,295	8	409	-	499	-
Due to Other Funds	-	-	-	846	467	-	-	-	-
Due to Component Unit	-	-	-	-	-	-	-	-	-
Unearned Revenue	1,726	-	2,307	-	29	1,050	-	-	-
Total Liabilities	<u>1,882</u>	<u>507</u>	<u>3,323</u>	<u>2,141</u>	<u>504</u>	<u>1,459</u>	<u>-</u>	<u>499</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue	-	-	2,122	980	504	64	-	-	92
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,122</u>	<u>980</u>	<u>504</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>92</u>
FUND BALANCES									
Nonspendable	-	608	-	-	-	-	-	-	-
Restricted	-	7,415	-	-	-	6,447	494	4,240	-
Committed	-	-	-	-	-	-	-	-	1,435
Unassigned	-	-	(499)	(692)	(504)	-	-	-	-
Total Fund Balances	<u>-</u>	<u>8,023</u>	<u>(499)</u>	<u>(692)</u>	<u>(504)</u>	<u>6,447</u>	<u>494</u>	<u>4,240</u>	<u>1,435</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,882</u>	<u>\$ 8,530</u>	<u>\$ 4,946</u>	<u>\$ 2,429</u>	<u>\$ 504</u>	<u>\$ 7,970</u>	<u>\$ 494</u>	<u>\$ 4,739</u>	<u>\$ 1,527</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

	Special Revenue	Capital Project Funds			Permanent Funds					
	Student Activities	Capital Equipment	Redevelopment Fund	HUD Special Projects Fund	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Eliminations	Total
ASSETS										
Cash and Cash Equivalents	\$ 828	\$ 2,746	\$ 4,020	\$ -	\$ -	\$ -	\$ 93	\$ -	\$ -	\$ 30,211
Investments	-	-	-	-	2	25,635	5,817	190	-	32,138
Intergovernmental Receivable	-	-	-	3,360	-	-	-	-	-	5,443
Other Receivables, Net	-	-	-	-	-	-	-	-	-	7,312
Other Assets	-	-	-	-	-	-	-	-	-	608
Total Assets	<u>\$ 828</u>	<u>\$ 2,746</u>	<u>\$ 4,020</u>	<u>\$ 3,360</u>	<u>\$ 2</u>	<u>\$ 25,635</u>	<u>\$ 5,910</u>	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ 75,712</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Accrued Liabilities	-	247	2	-	-	96	-	-	-	4,235
Due to Other Funds	-	-	-	-	-	-	-	-	-	1,313
Due to Component Unit	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	21	-	-	-	-	-	-	-	5,133
Total Liabilities	<u>-</u>	<u>268</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,681</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenue	-	-	1,846	-	-	-	-	-	-	5,608
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,608</u>
FUND BALANCES										
Nonspendable	-	-	-	-	-	8,150	197	11	-	8,966
Restricted	828	-	-	3,360	2	17,389	5,713	179	-	46,067
Committed	-	2,478	2,172	-	-	-	-	-	-	6,085
Unassigned	-	-	-	-	-	-	-	-	-	(1,695)
Total Fund Balances	<u>828</u>	<u>2,478</u>	<u>2,172</u>	<u>3,360</u>	<u>2</u>	<u>25,539</u>	<u>5,910</u>	<u>190</u>	<u>-</u>	<u>59,423</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 828</u>	<u>\$ 2,746</u>	<u>\$ 4,020</u>	<u>\$ 3,360</u>	<u>\$ 2</u>	<u>\$ 25,635</u>	<u>\$ 5,910</u>	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ 75,712</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Special Revenue Funds								
	Section 8	Food Service Program	Health Grants	Community Development Act	HOME Program	Library Grants	Parks and Recreation Trusts	Great Path Academy	Special Activities
REVENUES									
Intergovernmental	\$ 59,139	\$ 14,799	\$ 15,881	\$ 4,915	\$ 725	\$ 8,879	\$ -	\$ 4,777	\$ -
Charges for Services	-	1,692	-	-	-	876	2	-	215
Investment Income	-	-	-	13	-	-	17	-	11
Contribution and Donations	-	-	-	-	-	-	-	-	-
Total Revenues	59,139	16,491	15,881	4,928	725	9,755	19	4,777	226
EXPENDITURES									
Current:									
General Government	-	-	-	659	-	-	-	-	-
Public Safety	-	-	-	170	-	-	-	-	-
Public Works	-	-	-	4	-	-	-	-	-
Development and Community Affairs	1,692	-	-	1,684	1,028	1,939	-	-	-
Human Services	57,447	-	16,867	2,295	-	-	-	-	-
Education	-	16,913	-	325	-	-	-	4,152	-
Recreation and Culture	-	-	-	165	-	1,960	7	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Total Expenditures	59,139	16,913	16,867	5,302	1,028	3,899	7	4,152	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES									
	-	(422)	(986)	(374)	(303)	5,856	12	625	226
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	856	-	-	-	-	-	-
Transfers Out	-	-	-	(228)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	856	(228)	-	-	-	-	-
NET CHANGE IN FUND BALANCES									
	-	(422)	(130)	(602)	(303)	5,856	12	625	226
Fund Balances - Beginning of Year	-	8,445	(369)	(90)	(201)	591	482	3,615	1,209
FUND BALANCES - END OF YEAR									
	\$ -	\$ 8,023	\$ (499)	\$ (692)	\$ (504)	\$ 6,447	\$ 494	\$ 4,240	\$ 1,435

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Special Revenue	Capital Project Funds			Permanent Funds					
	Student Activities	Capital Equipment	Redevelopment Fund	HUD Special Projects Fund	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Eliminations	Total
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,211
Charges for Services	524	50	22	-	-	-	-	-	-	3,381
Investment Income	-	-	73	80	-	1,825	492	16	-	2,527
Contribution and Donations	-	-	-	-	-	-	-	-	-	-
Total Revenues	524	50	95	176	-	1,825	492	16	-	115,119
EXPENDITURES										
Current:										
General Government	-	334	-	-	-	-	-	-	-	993
Public Safety	-	-	-	-	-	-	-	-	-	170
Public Works	-	-	-	-	-	-	-	-	-	4
Development and Community Affairs	-	-	14	-	-	-	-	-	-	6,357
Human Services	-	-	-	-	-	-	53	-	-	76,662
Education	503	50	-	-	-	-	-	4	-	21,947
Recreation and Culture	-	-	-	-	-	14	-	-	-	2,146
Capital Outlay	-	3,511	-	-	-	-	-	-	-	3,511
Debt Service	-	552	-	465	-	-	-	-	-	1,017
Total Expenditures	503	4,447	14	465	-	14	53	4	-	112,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21	(4,397)	81	(289)	-	1,811	439	12	-	2,312
OTHER FINANCING SOURCES (USES)										
Transfers In	-	3,560	-	-	-	-	-	-	(228)	4,188
Transfers Out	-	-	-	-	-	(96)	-	-	228	(96)
Total Other Financing Sources (Uses)	-	3,560	-	-	-	(96)	-	-	-	4,092
NET CHANGE IN FUND BALANCES	21	(837)	81	(289)	-	1,715	439	12	-	6,404
Fund Balances - Beginning of Year	807	3,315	2,091	3,649	2	23,824	5,471	178	-	53,019
FUND BALANCES - END OF YEAR	\$ 828	\$ 2,478	\$ 2,172	\$ 3,360	\$ 2	\$ 25,539	\$ 5,910	\$ 190	\$ -	\$ 59,423

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
FINANCIAL DATA SCHEDULE SECTION 8 BALANCE SHEET SUMMARY
YEAR ENDED JUNE 30, 2023
(NOT ROUNDED)**

	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.856 Lower Income Assistance Program - Section 8 Moderate	Total
ASSETS				
Cash - Unrestricted	\$ 1,122,510	\$ -	\$ -	\$ 1,122,510
Cash - Other Restricted	16,563	4,169	721,869	742,601
Total Cash	<u>1,139,073</u>	<u>4,169</u>	<u>721,869</u>	<u>1,865,111</u>
Accounts Receivable - Other Government	17,484	-	-	17,484
Total Receivable, Net of Allowances for Doubtful Accounts	17,484	-	-	17,484
Total Current Assets	<u>1,156,557</u>	<u>4,169</u>	<u>721,869</u>	<u>1,882,595</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,156,557</u>	<u>\$ 4,169</u>	<u>\$ 721,869</u>	<u>\$ 1,882,595</u>
LIABILITIES				
Accounts Payable <= 90 Days	\$ 156,924	\$ -	\$ -	\$ 156,924
Unearned Revenue	999,633	4,169	721,869	1,725,671
Total Current Liabilities	<u>1,156,557</u>	<u>4,169</u>	<u>721,869</u>	<u>1,882,595</u>
Total Liabilities	<u>1,156,557</u>	<u>4,169</u>	<u>721,869</u>	<u>1,882,595</u>
Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ 1,156,557</u>	<u>\$ 4,169</u>	<u>\$ 721,869</u>	<u>\$ 1,882,595</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
FINANCIAL DATA SCHEDULE SECTION 8 REVENUE AND EXPENSE SUMMARY
YEAR ENDED JUNE 30, 2023
(NOT ROUNDED)**

Line Item		14.871	14.EHV	14.856	Total
		Housing Choice Vouchers	Emergency Housing Voucher	Lower Income Assistance Program - Section 8 Moderate	
REVENUES					
70600	HUD PHA Operating Grants	\$ 55,956,495	\$ 748,345	\$ 1,689,645	\$ 58,394,485
71400	Fraud Recovery	202,785	-	1,867	204,652
71500	Other Revenue	540,283	-	-	540,283
70000	Total Revenue	56,699,563	748,345	1,691,512	59,139,420
EXPENDITURES					
91100	Administrative Salaries	178,618	53,886	200,712	433,216
91200	Auditing Fees	18,500	-	5,000	23,500
91300	Management Fee	5,256,288	-	-	5,256,288
91600	Office Expenses	63,061	-	-	63,061
91810	Allocated Overhead	185,870	-	-	185,870
91900	Other	105,842	5,329	19,851	131,022
91000	Total Operating Administrative	5,808,179	59,215	225,563	6,092,957
96900	Total Operating Expenses	5,808,179	59,215	225,563	6,092,957
97000	Excess of Operating Revenue over Operating Expenses	50,891,384	689,130	1,465,949	53,046,463
97300	Housing Assistance Payments	50,526,625	584,749	1,465,949	52,577,323
97350	HAP Portability In	469,140			469,140
90000	Total Expenses	56,803,944	643,964	1,691,512	59,139,420
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(104,381)	104,381	-	-
11190	Unit Months Available	60,177	600	2,076	62,853
11210	Number of Unit Months Leased	55,134	565	1,326	57,025

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's Golf Courses.

CITY OF HARTFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023
(IN THOUSANDS)

	Hartford Parking Facilities	Golf Course	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,550	\$ 996	\$ 4,546
Receivables, Net	-	16	16
Due from Component Unit	1,295	-	1,295
Total Current Assets	<u>4,845</u>	<u>1,012</u>	<u>5,857</u>
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	5,935	152	6,087
Being Depreciated, Net	7,974	4,090	12,064
Total Noncurrent Assets	<u>13,909</u>	<u>4,242</u>	<u>18,151</u>
Total Assets	<u>18,754</u>	<u>5,254</u>	<u>24,008</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	102	523	625
Due to Other Funds	2,811	1,410	4,221
Current Maturities of Bonds Payable	222	-	222
Total Current Liabilities	<u>3,135</u>	<u>1,933</u>	<u>5,068</u>
Noncurrent Liabilities:			
Bonds Payable	1,116	-	1,116
Total Noncurrent Liabilities	<u>1,116</u>	<u>-</u>	<u>1,116</u>
Total Liabilities	<u>4,251</u>	<u>1,933</u>	<u>6,184</u>
NET POSITION			
Net Investment in Capital Assets	12,571	4,242	16,813
Unrestricted	1,932	(921)	1,011
Total Net Position	<u>\$ 14,503</u>	<u>\$ 3,321</u>	<u>\$ 17,824</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Hartford Parking Facilities	Golf Course	Total
OPERATING REVENUES			
Charges for Services	\$ 3,082	\$ 2,134	\$ 5,216
Total Operating Revenues	3,082	2,134	5,216
OPERATING EXPENSES			
Operations	203	2,051	2,254
Depreciation and Amortization	511	210	721
Total Operating Expenses	714	2,261	2,975
OPERATING INCOME (LOSS)	2,368	(127)	2,241
NONOPERATING REVENUE (EXPENSES):			
Interest Expense	(67)	-	(67)
Total Nonoperating Revenue (Expenses)	(67)	-	(67)
INCOME (LOSS) BEFORE TRANSFERS	2,301	(127)	2,174
Transfers Out	(2,011)	-	(2,011)
CHANGE IN NET POSITION	290	(127)	163
Net Position - Beginning of Year	14,213	3,448	17,661
NET POSITION - END OF YEAR	<u>\$ 14,503</u>	<u>\$ 3,321</u>	<u>\$ 17,824</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Hartford Parking Facilities	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 3,082	\$ 2,136	\$ 5,218
Payments to Suppliers	(233)	(1,978)	(2,211)
Receipts from Interfund Services Used	1,470	-	1,470
Net Cash Provided by Operating Activities	4,319	158	4,477
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer to General Fund	(2,011)	-	(2,011)
Principal Paid on Bonds	(216)	-	(216)
Interest Paid on Bonds	(67)	-	(67)
Net Cash Used by Noncapital Financing Activities	(2,294)	-	(2,294)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,025	158	2,183
Cash and Cash Equivalents - Beginning of Year	1,525	838	2,363
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,550</u>	<u>\$ 996</u>	<u>\$ 4,546</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 2,368	\$ (127)	\$ 2,241
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	511	210	721
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	2	2
(Increase) Decrease in Due from Other Funds	(147)	-	(147)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(30)	73	43
Increase in Due to Other Funds	1,617	-	1,617
Total Adjustments	1,951	285	2,236
Net Cash Provided by Operating Activities	<u>\$ 4,319</u>	<u>\$ 158</u>	<u>\$ 4,477</u>

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 four (4) internal service funds to account for the risk management program for employee benefits including retirees, actives, 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.

**CITY OF HARTFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023
(IN THOUSANDS)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services	Retirees	Actives	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 4,649	\$ 1,304	\$ 1,661	\$ 2,449	\$ 13,115	\$ 23,178
Accounts Receivable, Net	-	-	-	162	125	287
Total Assets	<u>4,649</u>	<u>1,304</u>	<u>1,661</u>	<u>2,611</u>	<u>13,240</u>	<u>23,465</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	559	1,024	1,432	462	1,544	5,021
Insurance Claims Payable	14,200	1,400	-	-	-	15,600
Claims Incurred but Not Reported	-	-	-	1,292	4,681	5,973
Total Current Liabilities	<u>14,759</u>	<u>2,424</u>	<u>1,432</u>	<u>1,754</u>	<u>6,225</u>	<u>26,594</u>
Noncurrent Liabilities:						
Claims Incurred but Not Reported	<u>12,000</u>	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,800</u>
Total Liabilities	<u>26,759</u>	<u>5,224</u>	<u>1,432</u>	<u>1,754</u>	<u>6,225</u>	<u>41,394</u>
NET POSITION						
Unrestricted	<u>\$ (22,110)</u>	<u>\$ (3,920)</u>	<u>\$ 229</u>	<u>\$ 857</u>	<u>\$ 7,015</u>	<u>\$ (17,929)</u>

CITY OF HARTFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services	Retirees	Actives	Total
OPERATING REVENUES						
Charges for Services - Employer	\$ 7,438	\$ 1,957	\$ 8,868	\$ -	\$ 51,612	\$ 69,875
Charges for Services - Employees	-	-	-	5,653	11,856	17,509
Other	-	201	-	382	736	1,319
Total Operating Revenues	<u>7,438</u>	<u>2,158</u>	<u>8,868</u>	<u>6,035</u>	<u>64,204</u>	<u>88,703</u>
OPERATING EXPENSES						
Administrative	4	881	-	822	2,284	3,991
Operations	-	-	8,991	-	-	8,991
Insurance Benefits and Claims	7,634	1,477	-	5,635	61,908	76,654
Total Operating Expenses	<u>7,638</u>	<u>2,358</u>	<u>8,991</u>	<u>6,457</u>	<u>64,192</u>	<u>89,636</u>
INCOME (LOSS) FROM OPERATIONS	(200)	(200)	(123)	(422)	12	(933)
CHANGE IN NET POSITION	(200)	(200)	(123)	(422)	12	(933)
Net Position - Beginning of Year	<u>(21,910)</u>	<u>(3,720)</u>	<u>352</u>	<u>1,279</u>	<u>7,003</u>	<u>(16,996)</u>
NET POSITION - END OF YEAR	<u>\$ (22,110)</u>	<u>\$ (3,920)</u>	<u>\$ 229</u>	<u>\$ 857</u>	<u>\$ 7,015</u>	<u>\$ (17,929)</u>

**CITY OF HARTFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services	Retirees	Actives	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
City's Contribution	\$ 7,438	\$ 1,957	\$ 8,868	\$ -	\$ 51,612	\$ 69,875
Cash Received from Other	-	201	-	239	1,161	1,601
Cash Received from Users	-	-	-	5,653	11,856	17,509
Cash Payments for Claims and Operations	(7,309)	(1,199)	(7,853)	(6,011)	(64,010)	(86,382)
Net Cash Provided (Used) by Operating Activities	129	959	1,015	(119)	619	2,603
NET CHANGE IN CASH	129	959	1,015	(119)	619	2,603
Cash and Cash Equivalents - Beginning of Year	4,520	345	646	2,568	12,496	20,575
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,649</u>	<u>\$ 1,304</u>	<u>\$ 1,661</u>	<u>\$ 2,449</u>	<u>\$ 13,115</u>	<u>\$ 23,178</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Income (Loss) from Operations	\$ (200)	\$ (200)	\$ (123)	\$ (422)	\$ 12	\$ (933)
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:						
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	-	-	-	(143)	425	282
Increase (Decrease) in Accounts Payable	129	959	1,138	24	(107)	2,143
Increase (Decrease) in Unearned Revenues	-	-	-	-	-	-
Increase (Decrease) in Claims Payable	200	200	-	422	289	1,111
Net Cash Provided (Used) by Operating Activities	<u>\$ 129</u>	<u>\$ 959</u>	<u>\$ 1,015</u>	<u>\$ (119)</u>	<u>\$ 619</u>	<u>\$ 2,603</u>

FIDUCIARY TRUST FUNDS

FIDUCIARY TRUST FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS

The pension and other postemployment benefits (OPEB) trust funds are used to 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 OPEB trust fund, which accounts for the health and other postemployment benefits provided to eligible retirees and their spouses.

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
TRUST FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Pension Trust Funds					
	Municipal Employees' Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	OPEB Trust Fund	Total
ASSETS						
Cash and Cash Equivalents	\$ 47,428	\$ -	\$ -	\$ -	\$ 4,000	\$ 51,428
Investments, at Fair Value:						
U.S. Government Agencies	34,176	-	-	-	-	34,176
U.S. Government Securities	15,611	-	-	-	-	15,611
Corporate Bonds	56,387	-	-	-	-	56,387
Municipal Bonds	1,145	-	-	-	-	1,145
Mutual Funds	-	-	-	-	15,624	15,624
Alternative Investments	295,072	-	-	-	-	295,072
Common and Collective Trusts	294,711	-	-	-	-	294,711
Land	5,000	-	-	-	-	5,000
Real Estate Funds	78,583	-	-	-	-	78,583
Equities	247,329	-	-	-	7,232	254,561
Total Investments	1,028,014	-	-	-	22,856	1,050,870
Receivables:						
Accounts Receivable	3,363	-	-	-	-	3,363
Total Receivables	3,363	-	-	-	-	3,363
Total Assets	1,078,805	-	-	-	26,856	1,105,661
LIABILITIES						
Accounts Payable and Accrued Liabilities	3,312	-	-	-	52	3,364
NET POSITION						
Restricted for Pension and OPEB Benefits	\$ 1,075,493	\$ -	\$ -	\$ -	\$ 26,804	\$ 1,102,297

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
TRUST FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Pension Trust Funds					
	Municipal Employees Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	OPEB Trust Fund	Total
ADDITIONS						
Contributions:						
Employer	\$ 53,697	\$ 7	\$ 25	\$ 125	\$ 16,699	\$ 70,553
Plan Members	15,337	-	-	-	914	16,251
Total Contributions and Other Revenue	69,034	7	25	125	17,613	86,804
Investment Earnings:						
Net Increase in Fair Value of Investments	82,121	-	-	-	1,372	83,493
Interest and Dividends	26,098	-	-	-	533	26,631
Total Investment Earnings	108,219	-	-	-	1,905	110,124
Less Investment Expenses:						
Investment Management Fees	394	-	-	-	8	402
Net Investment Income	107,825	-	-	-	1,897	109,722
Total Additions	176,859	7	25	125	19,510	196,526
DEDUCTIONS						
Benefits	118,806	7	25	125	17,328	136,291
Administration	2,620	-	-	-	247	2,867
Total Deductions	121,426	7	25	125	17,575	139,158
INCOME BEFORE TRANSFERS	55,433	-	-	-	1,935	57,368
CHANGE IN NET POSITION	55,433	-	-	-	1,935	57,368
Net Position - Beginning of Year	1,020,060	-	-	-	24,869	1,044,929
NET POSITION - END OF YEAR	<u>\$ 1,075,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,804</u>	<u>\$ 1,102,297</u>

CUSTODIAL FUNDS

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

The City collects funds in a custodial capacity through tax collection for Park Street Special District Fund, Columbia District Fund and Downtown Business District Fund.

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Park Street Special District Fund	Downtown Business District Fund	Columbia District Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Due to Other Governments	-	-	-	-
NET POSITION				
Restricted for Other Governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Park Street Special District Fund	Downtown Business District Fund	Columbia District Fund	Total
ADDITIONS				
Property Tax Collections for Other Governments	\$ 91	\$ 978	\$ 15	\$ 1,084
Payments Collected for Other Governments	-	-	-	-
Total Additions	91	978	15	1,084
DEDUCTIONS				
Payments of Property Taxes to Other Governments	91	978	15	1,084
Payments Paid to Other Governments	-	-	-	-
Total Deductions	91	978	15	1,084
CHANGE IN NET POSITION	-	-	-	-
Net Position - Beginning of Year	-	-	-	-
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

The objectives of the 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 annual comprehensive financial reports for the relevant year.

CITY OF HARTFORD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,327,948	\$ 1,291,944	\$ 1,241,108	\$ 1,158,555	\$ 1,007,839	\$ 933,475	\$ 903,318	\$ 898,847	\$ 939,951	\$ 983,461
Restricted	105,843	104,012	106,199	40,124	67,554	81,961	79,842	73,285	75,640	75,720
Unrestricted	(692,231)	(700,817)	(711,968)	(639,593)	(642,000)	(629,525)	(380,721)	(317,247)	(247,809)	25,662
Total Governmental Activities										
Net Position	<u>\$ 741,560</u>	<u>\$ 695,139</u>	<u>\$ 635,339</u>	<u>\$ 559,086</u>	<u>\$ 433,393</u>	<u>\$ 385,911</u>	<u>\$ 602,439</u>	<u>\$ 654,885</u>	<u>\$ 767,782</u>	<u>\$ 1,084,843</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 16,260	\$ 16,591	\$ 17,130	\$ 17,769	\$ 18,375	\$ 18,815	\$ 15,792	\$ 15,923	\$ 15,316	\$ 26,732
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,981	2,279	1,842	1,214	1,131	819	(953)	(1,552)	(577)	820
Total Business-Type Activities										
Net Position	<u>\$ 19,241</u>	<u>\$ 18,870</u>	<u>\$ 18,972</u>	<u>\$ 18,983</u>	<u>\$ 19,506</u>	<u>\$ 19,634</u>	<u>\$ 14,839</u>	<u>\$ 14,371</u>	<u>\$ 14,739</u>	<u>\$ 27,552</u>
Primary Government:										
Net Investment in Capital Assets	\$ 1,344,208	\$ 1,308,535	\$ 1,258,238	\$ 1,176,324	\$ 1,026,214	\$ 952,290	\$ 919,110	\$ 914,770	\$ 955,267	\$ 1,010,193
Restricted	105,843	104,012	106,199	40,124	67,554	81,961	79,842	73,285	75,640	75,720
Unrestricted	(689,250)	(698,538)	(710,126)	(638,379)	(640,869)	(628,706)	(381,674)	(318,799)	(248,386)	26,482
Total Primary Government										
Net Position	<u>\$ 760,801</u>	<u>\$ 714,009</u>	<u>\$ 654,311</u>	<u>\$ 578,069</u>	<u>\$ 452,899</u>	<u>\$ 405,545</u>	<u>\$ 617,278</u>	<u>\$ 669,256</u>	<u>\$ 782,521</u>	<u>\$ 1,112,395</u>

TABLE 2

**CITY OF HARTFORD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities:										
General Government	\$ 195,904	\$ 187,195	\$ 162,805	\$ 156,557	\$ 199,352	\$ 127,405	\$ 106,179	\$ 101,834	\$ 86,715	\$ 69,912
Public Safety	105,822	100,698	109,800	103,228	104,077	72,492	110,468	118,433	114,610	119,995
Public Works	35,254	44,023	32,006	33,310	45,617	35,350	42,650	70,219	62,095	37,310
Development and Community Affairs	46,414	17,687	12,173	12,845	12,459	12,471	56,504	58,474	58,001	61,626
Human Services	95,573	75,391	66,840	64,917	59,678	61,015	30,581	31,142	30,652	29,697
Education	30,502	25,862	21,999	21,402	21,757	22,677	558,270	571,999	563,815	544,398
Recreation and Culture	513,630	485,354	454,754	438,226	449,116	443,410	10,113	11,858	12,135	10,064
Interest on Long-Term Debt	15,260	17,646	18,579	20,532	25,258	24,218	18,733	41,613	20,850	20,665
Total Governmental Activities Expenses	1,038,359	953,856	878,956	851,017	917,314	799,038	933,498	1,005,572	948,873	893,667
Business-Type Activities:										
Hartford Parking Facilities	714	590	658	816	955	822	933	998	1,850	8,640
Golf Course	2,328	2,131	2,389	2,429	2,102	2,284	1,841	1,810	893	200
Stadium Authority	4,736	4,628	4,731	4,742	4,817	1,730	2,153	332	846	-
Total Business-Type Activities Expenses	7,778	7,349	7,778	7,987	7,874	4,836	4,927	3,140	3,589	8,840
Total Primary Government Expenses	\$ 1,046,137	\$ 961,205	\$ 886,734	\$ 859,004	\$ 925,188	\$ 803,874	\$ 938,425	\$ 1,008,712	\$ 952,462	\$ 902,507
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,471	\$ 1,458	\$ 1,706	\$ 1,536	\$ 1,772	\$ 1,827	\$ 5,567	\$ 7,568	\$ 9,464	\$ 5,265
Public Safety	6,431	5,898	8,532	8,643	8,513	7,097	2,601	2,977	3,761	6,132
Public Works	376	342	190	171	187	195	7,157	9,353	9,257	9,289
Development and Community Affairs	10,628	7,937	10,539	4,222	7,107	9,066	-	-	127	861
Human Services	316	305	229	183	344	464	56	2,941	3,669	3,953
Education	971	176	139	305	402	693	4,435	4,293	2,208	2,241
Recreation and Culture	2,217	2,245	2,152	1,767	1,523	1,565	1,844	130	132	139
Operating Grants and Contributions:										
General Government	26,540	39,707	10,926	5,426	2,021	5,291	7,595	18,618	19,710	7,854
Public Safety	5,210	3,784	5,537	8,498	10,531	5,837	6,626	12,820	13,255	20,233
Public Works	-	-	-	603	-	-	1,212	1,568	1,311	1,321
Development and Community Affairs	74,512	65,403	54,759	53,107	52,106	51,401	50,403	55,324	53,999	52,744
Human Services	18,995	18,176	15,030	13,563	10,370	11,629	22,994	21,546	23,390	23,275
Education	25,704	18,014	14,044	15,004	13,827	14,530	398,812	394,426	389,889	375,369
Recreation and Culture	406,281	395,917	356,426	351,131	374,178	301,130	1,861	1,592	1,822	1,952
Capital Grants and Contributions:										
Public Safety	823	3	344	3,371	-	-	-	-	-	-
Public Works	14,893	11,149	9,584	12,043	1,499	17,291	11,452	8,169	5,469	7,053
Development and Community Affairs	-	-	-	-	-	247	-	-	-	3
Education	11,559	12,718	25,170	106,131	64,375	22,744	8,049	28,339	29,544	11,497
Recreation and Culture	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	606,927	583,232	515,307	585,704	548,755	451,007	530,664	569,664	567,007	529,181

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**TABLE 2
(CONTINUED)**

**CITY OF HARTFORD, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES (CONTINUED)										
Business-Type Activities:										
Charges for Services:										
Parking Facilities	\$ 3,082	\$ 2,680	\$ 2,390	\$ 3,123	\$ 4,109	\$ 3,579	\$ 2,744	\$ 2,561	\$ 3,783	\$ 4,932
Golf Course	2,134	1,784	2,356	1,894	1,535	6,288	2,220	1,453	398	758
Stadium Authority	1,166	1,138	950	792	909	1,367	-	-	-	-
Total Business-Type Activities										
Program Revenues	6,382	5,602	5,696	5,809	6,553	11,234	4,964	4,014	4,181	5,690
Total Primary Government										
Program Revenues	613,309	588,834	521,003	591,513	555,308	462,241	535,628	573,678	571,188	534,871
Net Revenues (Expenses):										
Governmental Activities	(431,432)	(370,624)	(363,649)	(265,313)	(368,559)	(348,031)	(402,834)	(435,908)	(381,866)	(364,486)
Business-Type Activities	(1,396)	(1,747)	(2,082)	(2,178)	(1,321)	6,398	37	874	592	(3,150)
Total Primary Government										
Net Expense	<u>\$ (432,828)</u>	<u>\$ (372,371)</u>	<u>\$ (365,731)</u>	<u>\$ (267,491)</u>	<u>\$ (369,880)</u>	<u>\$ (341,633)</u>	<u>\$ (402,797)</u>	<u>\$ (435,034)</u>	<u>\$ (381,274)</u>	<u>\$ (367,636)</u>
GENERAL REVENUES AND OTHER										
Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 310,908	\$ 289,609	\$ 295,201	\$ 285,052	\$ 285,346	\$ 292,067	\$ 267,921	\$ 269,989	\$ 260,063	\$ 267,234
Grants and Contributions Not										
Restricted to Specific Programs	153,101	141,576	121,640	111,748	114,353	98,102	75,852	50,758	56,484	55,364
Unrestricted Investment Earnings	12,457	(1,776)	10,680	3,235	5,469	4,136	6,854	847	948	5,512
Other General Revenues	3,107	2,611	13,523	(7,429)	12,003	10,861	115	109	128	498
Transfers	(1,720)	(1,596)	(2,016)	(1,600)	(1,130)	(1,574)	(354)	1,308	16,754	5,010
Total Governmental Activities	477,853	430,424	439,028	391,006	416,041	403,592	350,388	323,011	334,377	333,618
Business-Type Activities:										
Unrestricted Investment Earnings	47	49	50	55	63	(3,177)	61	66	4	3
Other General Revenues	-	-	5	-	-	-	16	-	-	-
Transfers	1,720	1,596	2,016	1,600	1,130	1,574	354	(1,308)	(16,754)	(5,010)
Special Item - Net Loss on Sale of Property	-	-	-	-	-	-	-	-	3,345	-
Total Business-Type Activities	1,767	1,645	2,071	1,655	1,193	(1,603)	431	(1,242)	(13,405)	(5,007)
Total Primary Government										
General Revenues	<u>\$ 479,620</u>	<u>\$ 432,069</u>	<u>\$ 441,099</u>	<u>\$ 392,661</u>	<u>\$ 417,234</u>	<u>\$ 401,989</u>	<u>\$ 350,819</u>	<u>\$ 321,769</u>	<u>\$ 320,972</u>	<u>\$ 328,611</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 46,421	\$ 59,800	\$ 75,379	\$ 125,693	\$ 47,482	\$ 55,561	\$ (52,446)	\$ (112,897)	\$ (47,489)	\$ (30,868)
Business-Type Activities	371	(102)	(11)	(523)	(128)	4,795	468	(368)	(12,813)	(8,157)
Total Primary Government	<u>\$ 46,792</u>	<u>\$ 59,698</u>	<u>\$ 75,368</u>	<u>\$ 125,170</u>	<u>\$ 47,354</u>	<u>\$ 60,356</u>	<u>\$ (51,978)</u>	<u>\$ (113,265)</u>	<u>\$ (60,302)</u>	<u>\$ (39,025)</u>

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**CITY OF HARTFORD, CONNECTICUT
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Committed	\$ 5,680	\$ 5,680	\$ 5,680	\$ 5,680	\$ 2,933	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	17,300	-	-	5,262	-	-	583	8,663	1,712	3,859
Unassigned	36,403	33,045	26,166	18,880	9,652	4,884	4,510	5,468	20,214	13,022
Total General Fund	<u>\$ 59,383</u>	<u>\$ 38,725</u>	<u>\$ 31,846</u>	<u>\$ 29,822</u>	<u>\$ 12,585</u>	<u>\$ 4,884</u>	<u>\$ 5,093</u>	<u>\$ 14,131</u>	<u>\$ 21,926</u>	<u>\$ 16,881</u>
All Other Governmental Funds:										
Nonspendable	\$ 8,966	\$ 9,034	\$ 8,816	\$ 9,090	\$ 8,798	\$ 8,822	\$ 8,882	\$ 8,970	\$ 8,817	\$ 8,712
Restricted	123,121	95,654	60,350	47,782	69,619	82,880	103,321	165,287	137,001	159,398
Committed	6,085	30,945	17,763	8,408	11,479	3,135	2,150	1,867	2,435	2,352
Assigned	-	-	-	1,008	830	603	-	8,663	-	3,198
Unassigned	(1,695)	(660)	(230)	(3,977)	(307)	(3,220)	(10,669)	(775)	(7,425)	(8,495)
Total All Other Governmental Funds	<u>\$ 136,477</u>	<u>\$ 134,973</u>	<u>\$ 86,699</u>	<u>\$ 62,311</u>	<u>\$ 90,419</u>	<u>\$ 92,220</u>	<u>\$ 103,684</u>	<u>\$ 184,012</u>	<u>\$ 140,828</u>	<u>\$ 165,165</u>
Total Governmental Funds	<u>\$ 195,860</u>	<u>\$ 173,698</u>	<u>\$ 118,545</u>	<u>\$ 92,133</u>	<u>\$ 103,004</u>	<u>\$ 97,104</u>	<u>\$ 108,777</u>	<u>\$ 198,143</u>	<u>\$ 162,754</u>	<u>\$ 182,046</u>

TABLE 4

CITY OF HARTFORD, CONNECTICUT
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes, Interest, and Liens, Net	\$ 307,851	\$ 297,771	\$ 299,217	\$ 280,410	\$ 278,967	\$ 283,758	\$ 260,363	\$ 266,870	\$ 260,640	\$ 256,765
Licenses, Permits, and Other Charges	10,466	6,419	8,459	6,579	6,630	6,218	5,376	7,613	7,778	6,555
Intergovernmental	770,973	744,282	643,409	697,761	655,506	596,632	579,357	566,745	572,213	539,420
Charges for Services	11,197	10,408	12,867	12,593	12,722	11,267	13,013	12,902	17,826	17,827
Use of Property	805	413	694	943	1,153	979	1,925	2,265	1,920	3,227
Investment Income (Loss)	13,044	(1,627)	10,835	3,397	5,637	4,305	6,840	847	948	5,512
Miscellaneous	3,029	2,545	13,646	11,973	11,972	10,708	18,325	18,380	18,238	15,293
Total Revenues	1,117,365	1,060,211	989,127	1,013,656	972,587	913,867	885,199	875,622	879,563	844,599
EXPENDITURES										
Current:										
General Government	32,454	41,448	16,457	14,336	13,913	14,047	22,574	41,938	38,877	27,846
Public Safety	99,667	98,253	93,484	92,575	89,959	92,543	88,067	93,837	91,413	96,695
Public Works	18,586	18,353	17,679	14,193	13,179	12,236	32,342	32,905	31,105	12,329
Development and Community Affairs	46,946	16,142	12,834	11,660	11,128	11,106	55,131	56,617	56,493	60,155
Human Services	95,618	75,738	66,913	65,112	59,832	61,113	29,523	29,585	29,460	28,569
Education	546,353	513,696	479,934	471,435	479,187	470,686	496,259	482,112	488,221	470,445
Recreation and Culture	30,031	25,851	21,710	21,280	21,553	22,155	9,901	11,701	10,961	10,127
Benefits and Insurance	72,936	70,963	88,895	81,326	87,260	93,366	78,172	81,255	85,690	86,898
Other	40,923	37,265	33,294	30,668	33,525	31,286	33,121	29,969	32,403	21,019
Capital Outlay	55,278	46,258	72,009	153,375	91,686	46,650	21,916	93,477	93,969	76,279
Debit Service:										
Principal Retirement	172,465	37,726	34,829	41,258	33,998	32,276	76,341	35,891	26,575	27,775
Interest	(115,923)	21,769	23,535	25,709	30,337	36,502	19,488	41,613	22,727	26,543
Total Expenditures	1,095,334	1,003,462	961,573	1,022,927	965,557	923,966	962,835	1,030,900	1,007,894	944,680
SURPLUS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	22,031	56,749	27,554	(9,271)	7,030	(10,099)	(77,636)	(155,278)	(128,331)	(100,081)
OTHER FINANCING SOURCES (USES)										
Transfers in from Other Funds	131,039	183,336	122,278	90,676	96,261	73,881	40,499	22,279	35,918	38,972
Transfers Out to Other Funds	(132,759)	(184,932)	(124,294)	(92,276)	(97,391)	(75,455)	(40,853)	(20,971)	(19,164)	(33,962)
Leases	789	-	-	-	-	-	2,634	5,917	2,090	2,758
Payment to Refunded Bond Escrow Agent	(137,784)	-	-	-	-	-	-	(27,653)	(40,169)	-
Bonds Issued	-	-	-	-	-	-	-	203,010	26,000	10,250
Refunding Bonds Issued	124,950	-	-	-	-	-	-	24,596	36,385	-
Bond Premium	-	-	-	-	-	-	-	19,358	17,979	-
Refunding Premium	13,896	-	-	-	-	-	-	-	-	-
BANS	-	-	-	-	-	-	-	(50,000)	50,000	56,000
Total Other Financing Sources (Uses)	131	(1,596)	(2,016)	(1,600)	(1,130)	(1,574)	2,280	176,536	109,039	74,018
NET CHANGE IN FUND BALANCES	<u>\$ 22,162</u>	<u>\$ 55,153</u>	<u>\$ 25,538</u>	<u>\$ (10,871)</u>	<u>\$ 5,900</u>	<u>\$ (11,673)</u>	<u>\$ (75,356)</u>	<u>\$ 21,258</u>	<u>\$ (19,292)</u>	<u>\$ (26,063)</u>
Debt Service as a Percentage to Noncapital Expenditures	5.42%	6.19%	6.55%	7.81%	7.54%	7.77%	10.33%	8.26%	5.38%	6.23%

TABLE 5

CITY OF HARTFORD, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mills)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2023	2021	\$ 8,403,176	\$ 844,866	\$ 488,338	9,736,380	\$ 4,939,198	\$ 4,797,182	74.29 and 32.46	\$ 8,542,604	(1)
2022	2020	7,072,867	836,131	378,953	8,287,951	4,142,711	4,145,240	74.29 and 45.00	7,249,752	(1)
2021	2019	7,042,012	803,564	359,307	8,204,883	4,146,935	4,057,948	74.29 and 45.00	7,223,797	(1)
2020	2018	7,082,967	753,638	346,519	8,183,124	4,152,825	4,030,299	74.29 and 45.00	7,186,704	(1)
2019	2017	7,219,553	743,698	330,709	8,293,960	4,215,755	4,078,205	74.29 and 45.00	7,136,364	(1)
2018	2016	7,048,936	754,836	316,839	8,120,611	4,047,467	4,073,144	74.29 and 45.00	7,150,314	(1)
2017	2015	6,440,703	741,215	307,830	7,489,748	3,787,843	3,701,905	74.29	6,691,444	(1)
2016	2014	6,352,555	732,125	298,349	7,383,029	3,759,957	3,623,072	74.29	6,664,914	(1)
2015	2013	6,309,174	697,908	292,686	7,299,767	3,764,364	3,535,403	74.29	6,640,460	(1)
2014	2012	6,252,718	666,455	284,621	7,203,794	3,716,013	3,487,781	74.29	6,605,457	(1)

Source: City of Hartford, Assessor's Office

Note:

(1) Beginning in 2006 Assessed Value - not all property at 70%.

TABLE 6

**CITY OF HARTFORD, CONNECTICUT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(IN THOUSANDS)
(UNAUDITED)**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eversource Energy Co. (formerly CLP)	\$ 208,535	1	4.30 %	\$ 135,274	1	3.88 %
Travelers Indemnity Co. & Standard Fire Ins.	134,692	2	2.80	120,238	3	3.45
Aetna Life Ins. Co.	119,993	3	2.50	105,919	4	3.04
Hartford Fire Ins. & Twin City Ins.	100,673	4	2.10	126,508	2	3.63
Shelburne Entities	81,749	5	1.70	-		
RP Asylum LLC	57,638	6	1.20	-		
Hartford Hospital	53,462	7	1.10	35,126	10	1.02
Mac-State Square LLC	47,060	8	1.00	49,967	5	1.43
Constitution Plaza Holding LLC	47,995	9	1.00	-		
LS Gold, LLC	43,636	10	0.90	-		
Talcott II Gold LLC	-		-	45,354	7	1.30
Conn Natural Gas	-		-	35,769	9	1.03
FGA Trumbull, LLC	-		-	35,948	8	1.03
HUB Properties	-		-	48,978	6	1.40
Total	<u>\$ 895,433</u>		18.60 %	<u>\$ 739,081</u>		21.21 %

Source: City of Hartford Assessor's Office

TABLE 7

**CITY OF HARTFORD, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ended June 30	Grand List Year (1)	Adjusted Net Taxable Grand List	Mill Rates	Original Tax Levy	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Tax Collections in Subsequent Years	Total Collections To Date	
						Tax Collections First Year of Levy	Percentage of Adjusted Levy (2)		Total Collections to Date (4)	Percentage of Adjusted Levy (3)
2023	2021	\$ 4,843,500	74.29 and 32.46	\$ 313,146	\$ 307,510	\$ 292,363	95.07 %	\$ 4,528	\$ 296,892	96.55 %
2022	2020	4,214,077	74.29 and 45.00	299,459	293,764	282,280	96.09	10,757	293,037	99.75
2021	2019	4,109,294	74.29 and 45.00	292,708	287,960	276,963	96.18	11,931	288,894	100.32
2020	2018	4,109,294	74.29 and 45.00	292,708	284,124	270,217	95.11	4,181	274,398	96.58
2019	2017	4,106,248	74.29 and 45.00	293,266	279,414	268,369	96.05	4,586	272,955	97.69
2018	2016	4,133,801	74.29 and 45.00	292,215	282,465	270,517	95.77	5,787	276,304	97.82
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	253,206	96.32	5,595	258,801	98.45
2015	2013	3,520,695	74.29	264,923	253,545	245,520	96.83	4,881	250,401	98.76
2014	2012	3,484,647	74.29	262,101	248,851	238,532	95.85	7,636	246,168	98.92

Source: City of Hartford Tax Collector's Office, Nancy Raich, CCMC Acting Tax Collector, Audited Tax Collector Reports

Notes:

- (1) Taxes are collectible in the year after they are levied.
- (2) Percentage of adjusted levy - amounts for prior years was recalculated using adjusted levy.
- (3) Includes collections of tax written off.
- (4) Tax Collections are taxes only.

TABLE 8

**CITY OF HARTFORD, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

Fiscal Year	(1) General Obligation Bonds	(2) Hartford Parking Facilities	(3) Debt Payable from Enterprise Revenues	Loans and Notes Payable	(4) Leases	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
2023	\$ 425,251	\$ 1,338	\$ 58,055	\$ 4,924	\$ 6,948	\$ 496,516	8.78 %	4.114 %	13.249 %
2022	463,869	1,554	59,952	5,640	7,502	538,517	11.01	4.466	14.895
2021	504,492	1,651	61,765	5,553	5,959	579,420	12.28	4.781	14.293
2020	542,381	1,743	63,495	6,004	2,479	616,102	13.20	5.026	17.942
2019	586,779	1,830	65,146	6,454	4,007	664,216	14.29	5.389	19.628
2018	623,785	2,274	66,723	6,901	5,664	705,347	15.09	5.716	21.977
2017	658,861	2,688	68,232	7,346	12,551	749,678	17.58	6.083	23.358
2016	748,070	3,078	69,516	8,005	7,444	836,113	20.65	6.743	27.297
2015	613,855	3,970	63,372	8,652	10,111	699,960	17.44	5.613	23.879
2014	549,987	67,342	-	8,932	7,879	634,140	15.78	5.072	21.547

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

- (1) Revenue bonds refunded in 2005 with the issuance of general obligation refund bonds.
- (2) These amounts are the general obligation bonds that are being repaid by the Parking Fund.
- (3) These amounts are the general obligation bonds that are being repaid by the Stadium Fund.
- (4) GASB 87 Leases was implemented in Fiscal Year 2022 .

CITY OF HARTFORD, CONNECTICUT
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2023
(IN THOUSANDS)
(UNAUDITED)

Total Fiscal Year 2022 Tax Collections
(Taxes, Interest, and Fees)
Tax Relief for the Elderly

\$ 299,167
408

Base for Establishing Debt Limit

\$ 299,575

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt Limitation by Purpose						
2-1/4 Times Base	\$ 674,044	\$ -	\$ -	\$ -	\$ -	\$ 674,044
4-1/2 Times Base	-	1,348,088	-	-	-	1,348,088
3-3/4 Times Base	-	-	1,123,406	-	-	1,123,406
3-1/4 Times Base	-	-	-	973,619	-	973,619
3 Times Base	-	-	-	-	898,725	898,725
Total Debt Limitation	<u>674,044</u>	<u>1,348,088</u>	<u>1,123,406</u>	<u>973,619</u>	<u>898,725</u>	<u>5,017,881</u>
Debt, as Defined by Statute:						
Bonds Payable	311,611	123,948	-	-	-	435,559
Bonds Authorized-Unissued	21,211	16,343	-	-	-	37,554
Serial Notes Payable	-	-	444	-	-	444
Overlapping Debt	-	-	226,163	-	-	226,163
Total Indebtedness	<u>332,822</u>	<u>140,291</u>	<u>226,607</u>	<u>-</u>	<u>-</u>	<u>699,720</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 341,222</u></u>	<u><u>\$ 1,207,797</u></u>	<u><u>\$ 896,799</u></u>	<u><u>\$ 973,619</u></u>	<u><u>\$ 898,725</u></u>	<u><u>\$ 4,318,161</u></u>

**CITY OF HARTFORD, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 2,097,025	\$ 2,097,025	\$ 1,974,520	\$ 1,974,368	\$ 1,966,083	\$ 1,799,014	\$ 1,799,742	\$ 1,875,615	\$ 1,829,667	\$ 1,804,222
Total Net Debt Applicable to Limit	699,720	667,921	784,560	832,435	958,949	1,181,014	846,864	859,443	1,168,278	976,059
Legal Debt Margin	<u>\$ 1,397,305</u>	<u>\$ 1,429,104</u>	<u>\$ 1,189,960</u>	<u>\$ 1,141,933</u>	<u>\$ 1,007,134</u>	<u>\$ 618,000</u>	<u>\$ 952,878</u>	<u>\$ 1,016,172</u>	<u>\$ 661,389</u>	<u>\$ 828,163</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>33.37%</u>	<u>31.85%</u>	<u>39.73%</u>	<u>42.16%</u>	<u>48.77%</u>	<u>65.65%</u>	<u>47.05%</u>	<u>45.82%</u>	<u>63.85%</u>	<u>54.10%</u>

TABLE 11

**CITY OF HARTFORD, CONNECTICUT
STATEMENT OF DIRECT AND OVERLAPPING DEBT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

Fiscal Year	Governmental Activities Total Debt Outstanding	MDC Bonded Debt	MDC Self Funded Debt	MDC Overlapping Debt All Participating Governments	City's Percentage Share of MDC Debt	City's Share of MDC Debt	City's Total Direct Debt	City's Total Overlapping Debt	City's Total Direct and Overlapping Debt	Ratio of Debt to Taxable Assessed Value	Debt per Capita
2023	\$ 437,123	\$ 1,376,440	\$ 652,278	\$ 862,267	26 %	226,173	\$ 437,123	\$ 226,173	\$ 663,296	16.35 %	\$ 5,496
2022	477,011	1,376,090	651,611	794,313	27	210,493	477,011	210,493	687,504	16.59	5,701
2021	504,492	1,286,621	587,726	866,704	26	221,703	504,492	221,703	726,195	18.83	6,304
2020	542,381	1,298,107	505,059	903,187	25	228,687	542,381	228,687	771,068	18.91	6,256
2019	586,779	1,260,606	495,342	922,227	26	236,736	586,779	236,736	823,515	20.20	6,684
2018	623,785	1,084,327	526,010	972,976	26	249,763	623,785	249,763	873,548	21.45	7,079
2017	658,861	1,041,026	523,917	949,066	26	249,699	658,861	249,699	908,560	24.54	7,372
2016	748,070	904,360	497,737	914,104	26	238,855	748,070	238,855	986,925	27.24	7,959
2015	613,855	799,951	453,352	601,753	28	165,482	613,855	165,482	779,337	22.04	6,249
2014	549,987	493,066	309,625	650,055	29	186,501	549,987	186,501	736,488	21.12	5,891

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) MDC'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 percentage share of the overall annual town tax levy.

**CITY OF HARTFORD, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Fiscal Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Market Area (LMA)	State of Connecticut	United States (1)
2023	120,686	17,874	33.0	\$ 37,477	2022	49,527	3,464	6.5 %	4.2 %	4.2 %	3.8 %
2022	120,593	16,757	32.9	36,154	2021	48,966	3,144	6.0	4.9	5.0	4.9
2021	121,203	17,304	32.1	40,540	2020	45,341	5,695	11.2	7.8	6.1	5.2
2020	122,587	18,880	31.5	34,338	2019	48,165	7,554	13.6	7.3	7.8	7.9
2019	123,243	19,765	30.0	33,841	2018	50,467	3,707	11.0	6.8	3.6	3.7
2018	123,400	20,142	30.6	32,095	2017	50,082	3,462	6.9	3.8	4.4	4.0
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	21,487	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

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

(2) State Department of Education

(3) State of Connecticut, Department of Labor (Calendar Year).

**CITY OF HARTFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
2023 AND 2014
(UNAUDITED)**

Business Name	Nature of Business	2023		2014	
		Employees	Percentage of Total Town Employment	Employees	Percentage of Total Town Employment
Aetna Inc.	Insurance	1,000 - 4,999	2.05 %	1,000 - 4,999	2.36 %
Connecticut Children's Med Ctr	Hospitals	1,000 - 4,999	2.05	1,000 - 4,999	2.36
St. Francis Hospital Medical Ctr	Hospitals	1,000 - 4,999	2.05	1,000 - 4,999	2.36
State of Connecticut	Government Offices	5,000 - 9,999	10.24	5,000 - 9,999	11.79
Hartford Hospital	Hospitals	5,000 - 9,999	10.24	5,000 - 9,999	11.79
Hartford Financial Svc Group	Insurance	5,000 - 9,999	10.24	5,000 - 9,999	11.79
Travelers Indemnity Co	Insurance	1,000 - 4,999	2.05	1,000 - 4,999	2.36
Institute of Living	Mental Health Services	1,000 - 4,999	2.05	1,000 - 4,999	2.36
Cib/Neat	Restaurants	1,000 - 4,999	2.05		
The City of Hartford	Government Offices	1,000 - 4,999	2.05	1,000 - 4,999	2.36
Lincoln Waste Solutions	Waste Reduction			1,000 - 4,999	2.36

Source: Connecticut Department of Labor
US Department of Census

TABLE 14

**CITY OF HARTFORD, CONNECTICUT
BUDGETED FULL-TIME EQUIVALENT EMPLOYEES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Department (General Fund Only):										
Mayor's Office	6	8	7	11	11	11	7	8	9	10
Court of Common Council	8	9	7	7	7	7	9	10	10	9
Treasurer	6	9	9	9	9	9	9	10	10	9
Registrars of Voters	7	7	7	7	6	6	6	6	6	5
Corporation Counsel	12	15	16	16	17	16	16	19	20	23
Town & City Clerk	10	11	10	10	11	11	11	13	13	13
Internal Audit	5	5	5	5	5	5	5	5	5	5
Office of Chief Operating Officer*	13	17	14	6	6	6	4	14	13	17
Communications & New Media*	-	-	-	-	-	-	3	7	6	7
Metro Hartford Information System	10	17	14	14	14	14	17	21	21	16
Finance	41	45	44	45	46	46	46	44	45	42
Human Resources	12	16	14	13	13	13	13	17	16	14
Office of Management, Budget & Grants	12	13	13	13	11	8	9	8	8	10
Fire	351	366	365	368	362	372	340	361	389	373
Police	432	512	507	537	540	529	523	521	494	523
Emergency Services & Telecommunications	37	51	51	49	49	49	51	52	54	72
Public Works	188	211	206	197	185	178	177	207	209	238
Development Services	50	61	56	52	54	42	42	49	57	63
Health & Human Services	26	37	34	33	31	28	26	39	37	40
Families, Children, Youth and Recreation*	10	15	12	11	11	11	12	18	17	18
Total	1,236	1,425	1,391	1,403	1,388	1,361	1,326	1,429	1,439	1,507
Board of Education:										
Teachers	1,455	1,582	1,455	1,338	1,483	1,496	1,570	1,700	1,786	1,709
Administrators	141	199	182	176	181	185	194	219	196	154
Paraprofessionals	378	474	425	422	484	479	494	496	473	471
Clerical	101	107	103	95	100	101	103	119	124	123
Nurses	60	46	46	46	49	47	55	55	60	60
Security	148	118	103	88	87	85	96	96	97	92
Custodial	242	218	205	206	206	201	207	207	209	184
Guidance Counselors	37	39	36	36	33	31	30	34	35	36
Social Workers	101	110	92	81	84	84	62	62	62	54
Psychologists	19	22	19	18	19	19	22	21	23	20
Support Staff	327	301	234	222	204	217	215	243	297	367
Others	515	159	166	161	182	176	187	214	129	210
Total	3,524	3,375	3,066	2,889	3,112	3,121	3,235	3,466	3,488	3,480
Grand Total	4,760	4,800	4,457	4,292	4,500	4,482	4,561	4,895	4,927	4,987

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

TABLE 15

**CITY OF HARTFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST NINE FISCAL YEARS
(UNAUDITED)**

		Fiscal Year								
		2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Finance										
	Number of Bills Mailed*	99,239	103,130	102,798	109,185	105,236	108,264	108,171	123,691	115,872
	Number of Invoices Approved for Payment	62,987	60,496	55,016	57,300	55,072	63,781	66,736	69,137	68,673
	Number of Internal Control Reviews Performed	20	20	18	18	21	20	21	21	20
	* Excludes Tax Bills Delivered Electronically and Second Installment Mailing									
Assessor										
	Number of Deeds Processed	5,186	3,251	2,586	2,426	2,583	2,367	2,147	2,337	2,373
	Number of Veterans Exemptions	1,168	1,123	1,504	1,482	1,438	1,385	1,303	1,185	1,137
	Board of Assessment Appeals Adjustments	\$ (11,269,220)	\$ 264	\$ (5,694,809)	\$ (4,728,705)	\$ (4,818,555)	\$ (8,876,090)	\$ (2,200,398)	\$ (3,728,457)	\$ (4,078,657)
Personnel										
	Number of Applications Processed	2,413	2,492	2,032	2,852	1,097	2,517	1,114	1,838	1,650
	Vacancies Filled through Promotion	103	144	62	108	141	130	118	124	102
	Vacancies Filled through New Hires	225	199	100	166	300	232	39	61	110
City Clerk										
	Land Records Recorded	15,758	20,550	16,490	16,333	17,274	14,562	13,968	13,105	12,791
	Marriage Licenses Issued	1,273	1,090	990	804	982	1,166	*	*	*
	Death Certificates Issued	2,096	3,343	15,229	13,118	15,527	10,814	*	*	*
	Birth Certificates Issued	13,954	11,255	11,509	10,513	15,050	19,078	*	*	*
Management Information Systems										
	Help Desk Calls:									
	City	2,731	3,195	7,178	3,990	3,498	3,065	*	4,346	*
	Schools	6,849	8,170	13,538	9,216	10,502	8,850	*	8,165	*
	Availability, All Systems	99.9%	98.5%	97.2%	99%	99%	99%	*	1	*
	Federal E-Rate Funds Received	2,358,279	2,358,279	1,844,755	726,958	979,398	1,134,345	*	2,774,811	*
Election										
	Voters Added	5,182	5,399	1,240	11,429	5,038	4,814	11,271	*	*
	Voters Removed	9,022	12,015	5,490	8,833	4,447	4,141	10,285	*	*
	Voter Changes	8,537	24,287	2,456	14,779	10,954	5,092	14,862	*	*
	Total Voters	62,389	62,961	64,733	70,425	71,808	69,563	68,958	*	*
Public Safety:										
Police										
	911 Calls	140,136	142,057	111,491	32,946	33,150	33,627	31,807 (1)	4,492	3,723
	Non-Emergency Calls	276,360	356,402	305,145	58,601	66,003	66,319	72,713	104,114	98,976
	DWI Arrests	295	133	264	279	221	206	424	326	376
Fire										
	Fire	603	570	546	627	523	568	642	731	635
	No Fire	-	7	6	4	12	7	14	7	10
	Rescue and Emergency Medical Services	19,376	19,718	18,968	20,273	20,487	21,454	20,175	18,110	15,696
	Hazardous Conditions	279	467	413	540	583	609	541	633	611
	Service Calls	4,182	4,321	3,724	3,713	5,753	3,675	2,719	2,390	2,236
	Good Intent Calls	1,965	2,316	1,919	2,039	2,333	1,969	1,835	1,700	1,371
	False Alarm and False Calls	2,346	2,349	1,827	2,034	2,062	1,948	1,912	1,900	1,833
	Severe Weather and Natural Disaster	-	1	-	-	1	-	-	-	-
	Special Incident Type	161	74	41	60	58	422	301	68	60

TABLE 15
(CONTINUED)

CITY OF HARTFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST NINE FISCAL YEARS
(UNAUDITED)

		Fiscal Year								
		2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Works:										
Engineering and Administration										
Lane Miles Paved		24	24	28	41	-	38	38	38	38
Development and Community Affairs:										
Development Services										
Housing Vouchers, Residential Assistance (Families)		5,100	5,002	5,002	4,992	4,992	4,805	4,835	*	55,411
Zoning Board Appeals		6	13	25	37	25	33	30	16	17
Code Inspections		20,499	15,802	11,758	3,026	4,778	3,586	6,985	6,388	6,264
Citations Issued		42	148	-	-	-	1,153	2,193	*	1,985
Education:										
Average Class Size - Kindergarten		17.6	15.9	*	*	*	*	*	*	20.0
Average Class Size - Grade 2		18.6	17.6	*	*	*	*	*	*	18.6
Average Class Size - Grade 5		21.6	18.1	*	*	*	*	*	*	19.5
Average Class Size - Grade 7		19.6	17.9	*	*	*	*	*	*	19.4

(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.

TABLE 16

**CITY OF HARTFORD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety:										
Police:										
Number of Stations	6	6	6	6	6	6	6	7	6	6
Vehicles	355	294	272	241	278	263	269	287	295	312
Fire:										
Number of Stations	11	11	12	12	12	12	12	12	12	12
Vehicles	95	92	92	87	87	95	81	95	83	87
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	151	151	151	151
Bridges	15	15	15	15	9	9	9	9	9	9
Traffic Lights	248	248	248	248	248	248	248	247	245	245
Conduit System (Miles)	8	8	8	8	8	8	8	8	8	8
Street Maintenance Vehicles	66	63	69	38	38	38	38	38	40	53
Parks and Cemeteries:										
Parks	29	29	29	29	29	29	29	29	29	29
Cemeteries	5	5	5	5	5	5	5	5	5	5
Building Maintenance:										
Parking Lots	3	3	3	3	3	3	3	3	3	3
Parking Garages	2	2	2	2	2	2	2	2	2	2
Education:										
Number of Buildings	41	41	47	47	47	47	47	47	47	47
Recreation and Culture:										
Recreation:										
Number of Athletic Fields	76	74	73	73	73	73	73	73	73	72
Number of Playscapes/Grounds	22	22	22	22	22	22	22	22	22	22
Number of Vehicles	30	30	26	31	77	77	77	77	77	75
Library:										
Number of Branches	7	7	7	7	7	7	10	10	10	10