

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**

**CITY OF HARTFORD, CONNECTICUT  
MAYOR-COUNCIL FORM OF GOVERNMENT**

*For the Fiscal Year*

*July 1, 2012 to June 30, 2013*

PREPARED BY:

**DEPARTMENT OF FINANCE**

Joseph A. Ruffo  
Acting Finance Director



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## **Introductory Section**





**PEDRO E. SEGARRA**  
MAYOR

## CITY OF HARTFORD

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**JOSEPH A. RUFFO**  
Acting Director of Finance

January 30, 2014

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

Dear Mayor and Members of the Council:

In accordance with Chapter VIII, Section Five of our Charter, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hartford (City) for the fiscal year ended June 30, 2013. This report was prepared in its entirety by the Department of Finance and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules, and statistical tables.

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

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

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

### **PROFILE OF THE CITY**

The City of Hartford was founded by Thomas Hooker and his followers in 1635 and was incorporated in 1784. It is the Capital of the State of Connecticut and the core of a metropolitan area with a population of over one million people. Hartford has an estimated 124,512 residents in an 18.4 square mile area. The City lies on the west bank of the Connecticut River, midway between New York and Boston.

Effective January 1, 2004, the adoption of a new City Charter replaced the Council-Manager form of government with the Mayor-Council form. Under the new structure, the City Manager became the Chief Operating Officer and department heads are now appointed by the Mayor; subject to confirmation by the City Council. As of January 1, 2004, the Mayor is the Chief Executive Officer. Nine Council members are elected at large for four-year term in odd

numbered years on a partisan basis; the Mayor, who is elected directly for a four-year term, acts upon ordinances and resolutions adopted by Council by approving, disapproving or taking no action. As of January 2006, the Board of Education (BOE) is composed of nine members; five appointed by the Mayor and four elected by the voters, all for four year term. The BOE operates independently of the Council, although the overall operating budget for the Hartford school system must be approved as to its total by the City Council as part of the annual City budget. The City Treasurer is independently elected and serves without vote as the Secretary of the Pension Commission. The Chief Operating Officer (principal administrative aide of the Mayor), Corporation Counsel, City Clerk, department heads and members of all boards, commissions, agencies and authorities are appointed by the Mayor subject to the City Council confirmation with the exception of the Pension Commission.

The City provides a broad range of services including public safety, street and road maintenance, flood control, solid waste collection, health, social services, parks and recreation, education, planning, development, zoning and general administrative services.

The Hartford Parking Authority (HPA) is included in the City's reporting as a discretely presented component unit in accordance with GAAP. The HPA was created pursuant to Chapter 100 of the General Statutes of Connecticut and is governed by five members appointed by the Mayor. The purpose of the HPA is to create, establish, finance, maintain, and operate the City dedicated parking facilities, and regulate the uses of parking rates to be charged at other regulated parking facilities.

The Metropolitan District Commission (MDC) provides water supply and sewage collection services to the City. The MDC was created by the Connecticut General Assembly in 1929, and operates as a quasi-municipal corporation of the State of Connecticut. The MDC primary purpose is to provide reliable systems of water supply and sewage collection, as well as, treatment and disposal for its member municipalities. The eight member municipalities include the City and the surrounding towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor. The MDC also provides sewage disposal facilities and supplies water under special agreements to certain other towns, or areas therein, which are not members of the MDC.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

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

The Hartford Capital Region ranks third in terms of Gross Domestic Product (GDP) per capita in the world. This ranking is only behind Brussels and Luxembourg. Evidence of the economic development activity and the revitalization of the City are clearly visible in the ongoing changes in Hartford's skyline and numerous neighborhoods much of which will be presented in this section.

Hartford continues to be the largest employment center in the State with more than 115,000 people working in the City daily and more than 300,000 vehicles passing through the city along Interstates 84 and 91. In addition to Hartford being a regional center for logistics and distribution companies, three Fortune One Hundred companies are headquartered in Hartford, taking advantage of the City's strategic location and highly productive workforce. While the sluggish economy continues to impact the pace of development activity, the City is well positioned to support a wide range of economic development and housing initiatives.

## Status of "Six Pillars" of Economic Development

The Connecticut General Assembly in 1998 created the Capital City Economic Development Authority ("CCEDA"). In 2012, CCEDA was re-organized as the Capital Region Development Authority (CRDA), a quasi-public authority charged with developing a cohesive strategy that connects local and state development efforts in order to return the capital city to its rightful position as a center of commerce and economic vitality. CRDA will spearhead the management of assets in the greater Hartford region, namely Rentschler Field, Convention Center and XL Center under one umbrella and provide new investment and opportunities for economic growth in the region. CRDA also offers funding assistance to cultural and entertainment venues and parks.

State funding was provided for projects located within a bounded downtown area within six categories, also known as the "Six Pillars" which include: Adriaen's Landing Convention Center; Connecticut Science Center, Capital Community College downtown campus; Morgan Street Garage; the Civic Center conversion; and the Riverfront infrastructure improvements. The Pillars are substantially complete and have been successful in achieving their goals of increasing foot-traffic, enhancing the vitality of the downtown and serving as a catalyst for additional private investment. There are also plans to add additional 1,000 housing units in downtown Hartford. The current status of the Six Pillars is as follows:

- Adriaen's Landing Convention Center — The Convention Center opened for operation in June of 2005, with its 145,000 square foot exhibition hall, a 40,000 square foot ballroom and 25,000 square feet of meeting rooms at a cost of \$190 million. Since the opening, the Center has hosted an average of 220 events and 250,000 visitors per year.
- Connecticut Science Center— Designed by Caesar Pelli, this 145,000 square foot facility was completed in June 2009, as the educational destination for Adriaen's Landing. With a regional appeal to families and tourists, the Center attracted over 350,000 visitors in FY 2011-2012, exceeding visitor projections.
- Capital Community College downtown campus — Enrollment at this institution continues to increase from year to year. The \$55 million Capital Community College campus now occupies the former G. Fox department store building at 950 Main Street. Recently, UConn's Greater Hartford campus announced plans to relocate from its current location in West Hartford to downtown Hartford. Within 12-18 months, the campus will relocate to the City's central business district which will bring with it nearly 2,100 full and part-time students as well as 60 full-time faculty.
- Morgan Street Garage— The garage opened in January 2002, and added 2,300 parking spaces for the Capital Community College students, downtown office workers and professional and leisure commuters. The facility was under the control of the HPA until August when the State of Connecticut purchased the garage for use by the state employees who will be located in the two River Plaza office towers. The HPA operates the Church Street and MAT Garages; both garages are operating at over 100 percent occupancy.
- Civic Center— State funds were used to renovate the former Civic Center mall. Retail space that previously faced inward now opens to Trumbull and Asylum Streets, and a new entrance was built to the XL Center coliseum, which hosts UConn basketball games, exhibits and concerts. In the fall of 2011, the new Saint Joseph School of Pharmacy began classes for the doctoral program in pharmacy. This 35,000 square foot facility on Trumbull Street will host 68 students initially and is expected to have 400 students at its peak. Other recent leases include the flagship Hartford office of First Niagara Bank, a Verizon retail store, and a TD Bank branch.
- Riverfront infrastructure— A large portion of this \$25 million project has been completed with the pedestrian walkway at Riverfront Plaza, boat launches at Charter Oak Landing, the community boathouse and boat ramps at Riverside Park, the Columbus Boulevard Walkway and the Riverwalk North. Only the Riverwalk South to the Colt Gateway remains to be completed.

## Major Projects

- Front Street — The HB Nitkin Group was selected by CCEDA as the developer for this project, which includes 60,000 square feet of retail, restaurant and entertainment space and a 286 space garage in its first phase. Construction on the first phase was completed in 2010, and 47 (higher) percent of the space is leased to three tenants. Fit-out is ongoing for several high profile tenants, including Ted's Montana Grille, Nix's Seafood, and Infinity Music Hall, Spotlight Theater and Front Street Bistro opened in November 2012

and were recently joined by Capitol Grille, which opened in summer 2013. Site preparation for Phase II began at the project's western entrance in December 2013. 115 market rate residential units will be completed by Spring 2015.

- UConn Downtown Relocation & One Government Center – The University of Connecticut has decided to locate a variety of programs in Downtown Hartford. This campus development will center around the former Hartford Times Building located on the corner of Prospect and Arch Streets. The new facility will be the base for over 2,000 students and faculty. Construction is anticipated to start in the Summer/Fall of 2014 and the University is expected to occupy the space sometime in 2017. Prior to completion of the facilities, the University is looking for space to begin the transition of classes to Hartford and is hoping that some classes may begin in the Fall of 2014.
- Coltsville — In July 2010, Colt Gateway LLC was announced as the project's new developer. All 50 completed residential lofts are leased. In addition, the campus is home to two Capital Regional Education Council (CREC) Regional Magnet Schools and Insurity, a software company. In the summer of 2012, Insurity extended the term of its lease at this facility by another seven years. Environmental remediation of the courtyard is scheduled for 2013, and a new streetscape will be funded with Federal dollars, City funds and the State of Connecticut Department of Transportation Assistance grant. The National Trust Community Investment Corporation provided a portion of its New Market Tax Credit ("NMTC") allocation to Chevron TCI, the historic tax credit investor, resulting in a combined \$23 million historic NMTC investment.

Colt Gateway is currently negotiating with existing creditors, the City and the State on a financial workout that will result in a resumption of the armory renovations that will result in a major mixed-use development. The City has closed with the developers on \$5 million in funding to assist with the renovation of 79 apartments within this complex. Coltsville itself was designated a National Historic Landmark in July 2008. The Coltsville Ad Hoc Committee was commissioned, which completed and submitted a Visitor Experience Study that describes how a National Park would function and what it would include. Several new tenants have recently secured commercial space at this site, including Foley Carrier Services, which brings in 110 jobs into the City, with expectations to add an additional 70 over the next three years. The ultimate goal of the Coltsville project is to achieve National Park status.. Marriott Convention Hotel — The twenty 22-story Hartford Marriott Downtown Hotel opened its doors for business in the summer of 2005. The Waterford Group is the private developer for the 409-room hotel as well as the manager of the Convention Center. This first phase of the project was completed at a cost of approximately \$77 million. The hotel was designed for the construction of a second phase addition that will include another 300 rooms. This project helped catalyze and sustain the Front Street development, located across the street.

- Legal Services Hartford — is a major regional center for legal services. Law firms and related services occupy over one million square feet of space in the Central Business District alone. In 2012, one of the largest tenants, Cantor Colburn LLP expanded its area by 60,000 square feet at 20 Church Street.
- Insurance and Financial Services Sector — Several important projects have been initiated and/or completed in this sector in the past several years.
  - Aetna has completed a \$150 million capital improvement program at its Farmington Avenue headquarters and relocated 3,400 employees from other locations. The project included significant interior and exterior renovations to campus buildings and the construction of two parking garages. Aetna is one of the largest employers in the Hartford area.
  - The Hartford Financial Services Group (The Hartford) completed the purchase of 140 Garden Street in June of 2008, adding 17 acres to its headquarter campus. This acquisition provides a unique opportunity for growth in Hartford. In addition, the corporation completed the construction of a new data center in June of 2012. Following a review of corporate-owned properties throughout the nation, The Hartford decided to locate these facilities here in the City. The project includes the renovation of 106,200 square feet of existing space and the construction of a 31,725 square foot building addition. This project will result in a minimum investment of \$150 million and the retention of 600 positions.
  - United Healthcare recently relocated its Hartford office to the newly renovated facility at CityPlace I and in the process retained 2,000 high paying positions downtown.
  - CareCentrix received "First Five" designation from the state and has relocated 200 jobs into the City at 20 Church Street. The provider of home health benefit management services occupies two floors totaling approximately 40,000 square feet.

- Prudential Retirement Services renewed its lease at 280 Trumbull Street and retained 750 high paying positions downtown.
  - Lincoln Financial Group renewed its lease at Metro Center for an additional five years thereby retaining its 800 high paying positions downtown.
  - Globe Op Financial Services was recruited to establish a Hartford operation. The company, based in New York, provides administrative and technology support to hedge funds and asset management firms and employs more than 100 individuals.
  - Virtus Investment Partners leased space and employs 165 persons at 100 Pearl Street. Virtus is a spin-off of The Phoenix Companies.
- The City's iConnect storefront revitalization program has re-purposed empty, street-level commercial spaces in Downtown Hartford to create temporary innovative retail and incubation spaces inspired by the creative industry. This includes the opening of Hartford Prints! store, the first letterpress studio of its kind in the Capital City. This program will continue to support small businesses across the city of Hartford with a focus on creative entrepreneurs.
  - New Country Mini - currently shares a site with New Country BMW. Mini is seeking to expand its operations and locate into a space uniquely suited to their needs. The \$3mm project will construct a 12,700 sf structure to be situated on 1.6 acres along Weston Street. The site will have a parking capacity for 121 cars. Approximately 15 new jobs are expected to be created.
  - Ty Law's Launch Trampoline Park – this facility reuses 25,000 sf at Restaurant Depot's former site. The project was entirely funded by private capital and opened just 4 months after construction began. The entertainment venue compliments the city's growing portfolio of family-friendly entertainment.
  - Public Safety Complex — The City's new \$77 million, state-of-the-art public safety complex on High Street, is open and in full operation. It serves as the new headquarters for the City's Police, Fire and Dispatch Departments. Commercial activity and interest in the surrounding area is increasing as a result of this project, located northwest of the central business district near the intersection of Main Street and Albany Avenue.

## Housing Initiatives

In the 1990s, Hartford adopted two objectives — reconstructing or renovating all of its public housing projects with the desire to increase home ownership and reduce rentals. The first objective is substantially complete. The second objective is well underway with approximately 2,100 homeownership units added since 2002. More recently, the City has prioritized the increase of housing opportunities in the downtown.

- Downtown housing units — Three residential developments have been completed with CCEDA's financial assistance as part of the Six Pillars. Trumbull on the Park, which includes 100 market-rate apartments, 7,600 square feet of retail and a 600-space garage, was completed in late 2005. This was followed in 2006 by the opening of Hartford 21- a thirty-six story, 262-unit tower. The project also includes 56,000 square feet of retail for shops and restaurants and is also the new home for the YMCA health club. Lastly, the Temple Street development opened in 2007, adding 78 market-rate lofts and 42 student/intern townhouses. Currently, the apartments at these residential developments boast a 90+ percent occupancy rate.
- 95-101 Pearl Street- This property consists of one 100,000 square feet of former office space. Lewis/Pearl Ventures LLC have been selected to redevelop the property into restaurant or retail on the first floor, office/commercial space on the second through sixth floors, and 66 market rate residences. Construction will commence in 2014.
- 915 Main Street — PMC Property Group recently completed the transformation of this 160,000 square-foot office building that once housed the American Airlines reservation center into a mixed-use apartment complex. The project includes 18,000 square feet of street-level retail space and 101 apartments.
- The Hollander —The Hollander is a mixed-income apartment building located downtown at 410 Asylum Street. The project, completed by Common Ground and closed out in 2012, is 100 percent occupied. The renovated building has the distinction of being among the first LEED certified residential buildings in the

State and the first building in Hartford to have a green roof. In addition to the residential component, the building includes ground floor retail opportunities.

- Dutch Point — The Hartford Housing Authority received a \$20 million HUD Hope VI grant to rebuild the Dutch Point Housing Project. Phase I, which included 73 rental units, was completed in 2006. Phase II was completed in the fall of 2008, and consists of 54 rental units and recreational areas. Construction of Phase III — the development of mixed-income condominium units at an estimated cost of \$16.5 million is underway and will add another 58 units to this \$73 million development. Currently, 23 units have been constructed and 20 units have sold in this Phase III.
- Goodwin Estates — Ginsburg Development Company restored the historic Goodwin Estates in the West End of the City with seven condominium flats and 56 new townhouses in Hartford's first new high-end residential development in 20 years. The project was completed at a cost of \$23 million and all units have been sold. The Goodwin townhouses vary in size from 1,500–3,000 square feet.
- Stowe Village — More than one 100 duplex units have been built and beautifully landscaped in the Northeast neighborhood. Thirty single-family units flank the units and a third phase of construction of additional single-family dwellings is planned.
- Nelton Court — The newly constructed Nelton Court will comprise of 80 modular and stick built two and three story townhouse style residential units. The development is currently 50 percent complete. All the modular units are in place, while five stick buildings are currently being framed. Completion of the entire project is anticipated in the summer of 2013.
- South Marshall/Laurel/Imlay Area Homeownership - Habitat for Humanity developed a \$4.1 million housing project consisting of 16 three-bedroom townhomes within four buildings. All units are Energy Star Certified, handicap adaptable and have been sold to first-time low-income homebuyers. An additional 13 owner-occupied housing units have recently been built and sold, or are under construction in the area by Habitat and two other non-profit developers.
- Capewell Townhomes: Phase I - CIL Affordable Housing, Inc. is constructing a \$5.4 million homeownership development consisting of 16 zero-lot line two and three-bedroom units at 40 Popieluszko Court and 110 Wyllys Street. Eight units are complete and eight units are under construction. Five units are sold, and two are under contract. Phase II, scheduled to start in spring 2014, will add an additional eight affordable homeownership units at 120 Wyllys Street.
- Capewell Factory Revitalization - Former Capewell Horse Nail Factory is a vacant blighted structure in need of environmental assessment, remediation and subsequent development. The 106,000 square foot industrial building is listed on the National Register of Historic Places. The developers have submitted a remedial action work plan to the US EPA for approval. Once the plan is approved, CIL, Inc., the developer, will purchase the property and begin the conversion of the former factory into approximately 75 units of market and affordable rental housing. It is anticipated that construction will begin in May 2014.
- Brackett Knoll: Phase I - Toraal Development, plans to develop a two-phase \$7.9 million dollar homeownership project of 20 new construction two-family homes on a 7.39-acre site. Phase I consists of 6 two-family homes on Westland Street - four are complete, two are under construction, and three units are sold. Phase II, consisting of 14 new homes, is on hold.
- Sargeant Street Stabilization - NINA continues to stabilize the Sargeant Street corridor. Within the last eight years, 12 properties were constructed or renovated on Ashley and Sargeant Streets. The City has been a major funder for these properties and is working with NINA to renovate four units of owner occupied housing as well as three new commercial/office spaces.
- Chester Bowles Park and Westbrook Village - The Authority owns and operates 770 units of State Moderate Rental units, known as Westbrook-Bowles located at 22 Mark Twain Drive and 3 Berkeley Drive, Hartford, CT. The parcels total approximately 140 acres. The State of Connecticut has demonstrated its commitment to transform Bowles and Westbrook by providing over \$4 million in predevelopment funding. The "Residents Participation Program," is currently underway and Technical Advisory Consultant has been selected. The City has agreed to partner with the HPA.
- CityScape Phase V: Homeownership Housing — Pope Park Zion, Inc. is developing five scattered site properties in Frog Hollow, which will add five new homeowners in the City. This project includes four vacant lots and a vacant blighted property at 52 Franklin Avenue. The vacant lots will be developed into two-family properties complementing the development work completed on School and Colonial Streets over the past

several years. All sites were strategic acquisitions by SINA with the goal to remove blight and control future homeownership development. All affordable homeownership units will be sold to low/moderate-income families. Construction began in January 2013 and is scheduled to complete in July 2014.

- 179 Allyn Street – this project converts former vacant commercial space into 63 market rate residential units.

## Planned Projects

- 3 Constitution Plaza — AI Engineers of Middletown, CT purchased the former WFSB-Broadcast House in July of 2008. Located at the corner of Columbus and State Streets, 3 Constitution Plaza is a signature downtown site. AI Engineers has received financing commitments and is designing a 12 story LEED Platinum tower containing 48 market and affordable residential units and 20,000 square feet of retail and office space. AI Engineers will move their corporate offices to the office space bringing over 100 jobs to the city. The demolition and cleaning of the site is complete.
- 5 Constitution Plaza — Wonderworks of New York City purchased the long vacant Sonesta Hotel in February of 2011, with plans to convert the building into 199 market-rate apartments and commercial space. The developer has secured funding for this \$20 million project. Site preparation and asbestos remediation began in December 2013.
- Swift Factory— Revitalization of the former Swift Factory gold leafing complex in the Northeast neighborhood is underway. The property consists of a 65,000 square foot manufacturing factory, two houses and vacant land. The project will offer affordable workspaces for occupancy by small manufacturing enterprises that will employ Northeast residents, and an urban farm employing and teaching local adults and youth farming skills. Northeast Neighborhood Partners, Inc. (NNPI) has secured \$2,145,000 to date from local, state and private charitable foundations. A recent application for \$1 million was submitted to the U.S. Economic Development Administration (EDA) for the project. This development is one of the major projects listed in the regional Comprehensive Economic Development Strategy (CEDS).
- I-Quilt —The I-Quilt Partnership is a public/private partnership for promoting cultural assets, improving walkability, and fostering innovation in downtown Hartford. The Partnership will provide the City with a framework for connecting its assets through improved public spaces. Since its inception much forward movement has occurred. In March 2012, the City applied for a grant from the U.S. Department of Transportation to implement a portion of the plan through the Intermodal Triangle Project and was notified of a \$10 million award in June (for a project totaling about \$21 million). In September 2012, the Hartford Business Improvement District, Greater Hartford Arts Council, and the City partnered to install pedestrian-oriented way-finding signage to cultural destinations and civic spaces on each corner of nearly every downtown intersection. This installation coincided with the City's first Envisionfest, which included a symposium at the Bushnell Center of the Performing Arts about Placemaking, an Innovation Awards ceremony sponsored by United Technologies Corporation, and a downtown-wide festival celebrating walking culture and innovation. In November, the Winterfest Hartford kicked off its third year of free public ice-skating in Bushnell Park. Currently, the City is preparing to launch into full design and engineering of the Intermodal Triangle, for an expected start to construction in the spring of 2014.
- EDA Strong Cities, Strong Communities Grant - The City applied for and received a \$1 million grant from the EDA for the purpose of creating and implementing a plan that fosters entrepreneurship. Emphasis is placed on attracting start-ups and providing support services necessary to help them grow into viable businesses and establish a presence in Hartford. Incubator space is identified at 260 Constitution Plaza for use when the program launches in January 2014.

## **Redevelopment Opportunities**

Downtown Redevelopment Initiative - On January 26, 2009, the Court of Common Council adopted three separate Redevelopment Plans in accordance with state statutes. Each Plan was designed to target blighted buildings and/or underutilized land areas in and surrounding the downtown core. The purpose of each Plan is to stimulate private investment and create better physical connections with the central business district. Acquisition strategies are critical components of each Plan. They are as follows:

- The Constitution Plaza East Project is the smallest of the three Plans and focuses on the former WFSB Broadcast House and the long-closed Sonesta Hotel. As noted above, both AI Engineers and Wonderworks are proceeding with redevelopment plans for the respective properties.
- The Downtown North Project area is currently separated from the central business district by Interstate 84. The 123-acre plan area is predominately underutilized land. The Plan calls for the acquisition of one blighted structure and two vacant parcels of land to create a substantial assemblage to spur a large-scale mixed-use development to connect downtown and the Clay Arsenal neighborhood. To date, the City has acquired and demolished the blighted H.B. Davis building and is negotiating the purchase of the other targeted properties. The Project was also awarded a Regional Sustainable Communities Planning Grant from HUD that will be used to create development guidelines in the area.
- The Downtown West-Section II Union Station-Walnut Street Project aims to create a linkage between Union Station and Asylum Hill, home to major insurance companies and thousands of workers. A blighted former office building and a small parcel of land are included in the acquisition strategy. In November 2011, the City, with financial assistance from the Hartford Financial Services group acquired the property at 1-7 Myrtle Street and completed the demolition of the property in 2012. With a new State focus on utilizing Union Station as a commuter rail hub, the area presents a unique opportunity for transit-oriented development.

## **LONG TERM FINANCIAL PLANNING**

The City's long-term financial planning is carried out along six primary dimensions: Capital Planning, Debt Planning, Vehicle & Heavy Equipment Replacement, General Fund, Pension Planning and Internal Service Funds.

Capital planning and debt planning are by nature closely tied together with future capital needs and ongoing construction providing the input for the debt planning process. Large public works projects are identified and tracked using a five-year Capital Improvement Plan. Projects are selected and reviewed by a capital planning committee led by the Planning Director and comprised of department heads and their designees. The capital plan and projects undergo the annual budget review process and approval of both the Mayor and the Court of Common Council. Once approved the Capital Improvement Program is tracked and monitored by the DPW's Capital Project Director, and a quarterly report is prepared and submitted to the Mayor and Council.

Along with the selection of capital projects, sources of funding are identified; state and federal grants as well as bonding or City contributions. Based upon the cumulative cash flow projections of the approved capital plan, bond issuance is planned and debt service requirements quantified.

In addition to a 10-year capital and debt service plan, a ten-year vehicle and equipment replacement plan is formulated and reviewed annually. The requested items are reviewed and approved by committee and the appropriate funding sources are identified: City contributions, capital leases or bonding.

These discrete planning cycles provide inputs to the General Fund long-term planning process. General Fund revenues and expenditures are forecast over five years by both function and category. The long-term planning process is driven by the City's core strategy to increase long-term economic growth, to promote education, safety and health, and to nurture the City's cultural vitality through the implementation of the Mayor's goals and objectives. In addition, the City continually strives to secure a stronger bond rating through strong fiscal administration and the maintenance of an adequate fund balance. The City is working closely with financial advisors on a plan to improve its bond rating over the near-term and long-term horizons.

In addition, the City has contracted with an outside actuarial firm to assist in pension planning. The Municipal Employees' Retirement Fund (MERF) is financially strong and the City and Pension Commission are closely monitoring contributions, investment returns, and assumptions, to maintain the continued viability of the MERF.

The City has identified and developed a strategy for funding the liability for other post-employment benefits (OPEB), which include health and other insurance to retirees. The City has developed a long-term plan to fully fund this liability and recognize, on a current basis, the cost associated with these employee benefits. Finally, our internal service funds for workers' compensation benefits and property & casualty self-insured activities have been targeted by the City for additional contributions over a multi-year period. This added funding, in conjunction with the implementation of new risk management program strategies and assistance from our insurance advisors, will continue to systematically control and reduce the long-term liabilities in these funds.

## **RELEVANT FINANCIAL POLICIES**

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

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

### **Internal Controls**

All financial transactions are subject to pre-audit before processing as well as to an annual audit by an independent auditing firm selected by the City Council. The independent auditor and staff from the department's Accounting and Control Division monitor financial policies and procedures prescribed by the Director of Finance for various departments. Within this framework, we believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial activity.

### **Budgetary Control**

Centralized budgetary control of disbursements and encumbrances against appropriations is maintained by department, by major program or activity and by principal object of expenditure. The Hartford Board of Education (BOE) budget is controlled only as to its total appropriation. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

### **Pension Administration**

There are four defined benefit pension plans for employees of the City. Two are single-employer plans, one is a cost sharing multiple-employer plan with the State of Connecticut and one is a plan with the State of Connecticut for certified teachers at the BOE in which the City is a noncontributing employer. The City also administers an excess benefits plan established to fund that portion of certain retirees' pension benefits that exceed the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

### **Debt Administration**

During the fiscal year ended June 30, 2013, the City issued \$48.1 million of general obligation bonds to fund \$42.6 million of general-purpose projects and \$5.5 million of school projects. Standard & Poors assigned a rating of "A" to the bonds. The bonds carry interest rates from 4.0- 5.0 percent with a final maturity date of 2032.

In April 2013, the City issued a total of \$64.7 million of bond anticipation notes comprised of \$43.1 million for general obligation projects and \$-21.6 million for school projects. The notes will mature in April 2014 and were issued with an interest rate yield of .28 percent. It is expected that the notes will be retired by future bonding and from the receipt of State of Connecticut school construction grants.

## Cash Management

During the fiscal year, idle cash was invested in legally permitted investments on a short-term basis. Connecticut Statutes restrict the investment of municipal funds to direct and indirect securities of the United States Government and certificates of deposit issued by commercial banks located within the State. Bank CD's are a component of the City's short-term investment portfolio. However, money market fund investments in a portfolio of U.S. Treasury securities, and the Short Term Investment Fund (STIF) operated by the Office of the State Treasurer comprise the major share of the City's short-term investments.

## Risk Management

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

## SIGNIFICANT ONGOING DEVELOPMENTS DURING FY11-12

### Marketing, Events & Cultural Affairs Division (MECA)

The mission of (MECA) is to enhance the quality of life in Hartford and to support the cultural development of the City by assisting, promoting and encouraging artists, arts and cultural organizations and events in Hartford Through its mission, MECA will create meaningful experiences that motivate residence and tourism in Hartford, Connecticut.

On-going Projects:

- **iConnect Hartford- Pop Up Retail.** iConnect re-purposes empty, street-level commercial spaces to create temporary retail and incubation spaces inspired by the creative industry. iConnect's mixed-use storefront spaces features studios, retail stores, workshops, exhibits, interactive displays and forums for ongoing community conversations around the arts and other local issues. The program is partially funded through a grant from the Connecticut Department of Economic and Community Development (DECD) Office of the Arts for the purpose of converting empty storefronts into mixed use spaces. The City's Marketing Events and Cultural Affairs Department, who administers the project, received over 40 applications from which a total of 5 businesses were selected. Selected businesses receive up to \$2,000 for build-out and set up assistance and free rent in a Downtown storefront for 6 months. The City is currently working on a plan for permanent expansion. NPR's *Where We Live* and *The Colin McEnroe* show do a monthly broadcast from one of the Downtown locations.
- **Winterfest Hartford** is a festival with free, public ice-skating in historic Bushnell Park that runs from the day after Thanksgiving through February 1. The festival includes food vendors, free photos with Santa in the Bushnell Pump House, and a winter clothing drive. Last year, over 100,000 visitors came to Hartford for Winterfest driving business to local venues in the Downtown area. In partnership with iQuilt, the festival generates statewide publicity and brings in traffic from all over the region.
- **Business Development Grant.** A program designed by Mayor Segarra in partnership with the Greater Hartford Arts Council in 2009 to spur job growth and innovation in the creative industry. Sixteen local artists and small businesses have received more than \$100,000 from the City of Hartford through the Hartford Arts & Heritage Jobs Businesses Development Grant program. The grants range up to \$10,000 and are funded by federal Community Development Block Grant (CDBG) dollars and are used for business-related operational costs and equipment purchases.
- **Partnership with Access Health.** MECA has partnered with Access Health CT to implement a series of curated musical events targeting artists and the artistic community who may typically go uninsured. The events will culminate in a one-day seminar at Hartt School to discuss health equity for the artistic community.

- **City of Hartford Marketing Brochure.** Aligned with the Hartford Has It campaign, MECA is designing a 12-14 page piece highlighting that will highlight the living, working and playing element in the City of Hartford. The primary target is developers and the City is partnering with tourism companies for promotion.

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

The Mayor's Livable and Sustainable Neighborhoods Initiative (LSNI) is an interdepartmental effort to improve Hartford's neighborhoods by enforcing the Anti-Blight Ordinance, implementing community development projects, coordinating capital improvements, and engaging neighborhood stakeholders.

#### On-going Projects:

- **Hartford Restoration Project** is a housing program designed to provide financial assistance in the form of a deferred loan for low to moderate income property owners. Properties must be owner-occupied and up to date on their taxes. Funds used for the loans are monies recouped from services the City provides to combat blight.
- **Rebuilding Together Day.** A partnership to help the City's senior citizens and up-coming Veterans with free home repairs.
- **Big Belly Compactors.** LSNI has placed an additional 76 units on the city streets. Thus far, DPW were only placing them in parks.
- **City-wide planters.** As part our efforts to improve the visual appearance of the City, LSNI in collaboration with Knox Parks has implemented a beautification effort by placing over 120 planters throughout the city.
- **Community Clean-Up Days.** LSNI partners with community organizations and volunteers in cleaning the City of Hartford of litter, overgrown vegetation and other forms of blight conditions. LSNI sponsors clean-up day events that are community-based with the goals of (1) cleaning our environment (2) raising community awareness (3) inspiring and empowering our citizenry to conserve our environment.)
- **Education & Prevention Projects.** In collaboration with Keep America Beautiful (KAB) the City has implemented a pilot program to incorporate litter prevention & solid waste management curriculum into Hartford Public Schools. Alfred E. Burr elementary school was the first school to participate by distributing curriculum materials to students and teachers; other schools within the City will receive training in November 2013.

### **Opportunities Hartford**

The program has been in existence for about almost 2 years and is being led by a work group of 8 and a steering committee of 40 from various sectors across Hartford. The goals of Opportunities Hartford are to continue increasing educational attainment, bridging the gap between self-sufficiency and the median income and increasing the supply of jobs that pay a fair wage and provide benefits. The steering committee has recently requested a refinement of vision, goals and accountability prompting Mayor Segarra to be launch a 6 month review to deliver a final strategy and work plan.

Recently, Opportunities Hartford in collaboration with the Grants Department received a \$1 million dollar Cities of award from Bloomberg Philanthropies to assist with the implementation of the VITA (volunteer income tax assistance) program. In partnership with such nonprofits as the United Way of Central and Northeastern Connecticut, and The Village for Families and Children, The City of Hartford will help ensure the success of VITA by providing technical assistance, and outreach to all eligible residents. VITA provides free tax preparation services through certified, IRS-trained volunteers that prepare simple tax returns and screen customers for special tax credits, such as the Earned Income Tax Credit (EITC).

## **AWARDS AND ACKNOWLEDGEMENTS**

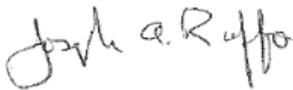
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efforts of the entire staff of the Finance Department. I would like to express my appreciation to all the members of the Finance Department, especially the Accounting and Control Division personnel who assisted and contributed to the preparation of this report. In addition to acknowledging the efforts of the Office of the City Treasurer, Department of Development Services, Hartford Public Schools, Hartford Public Library, and the Hartford Parking Authority, special thanks is extended to Controller Leigh Ann Ralls for her efforts during this challenging fiscal year.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph A. Ruffo". The signature is written in a cursive, slightly slanted style.

Joseph A. Ruffo  
Acting Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

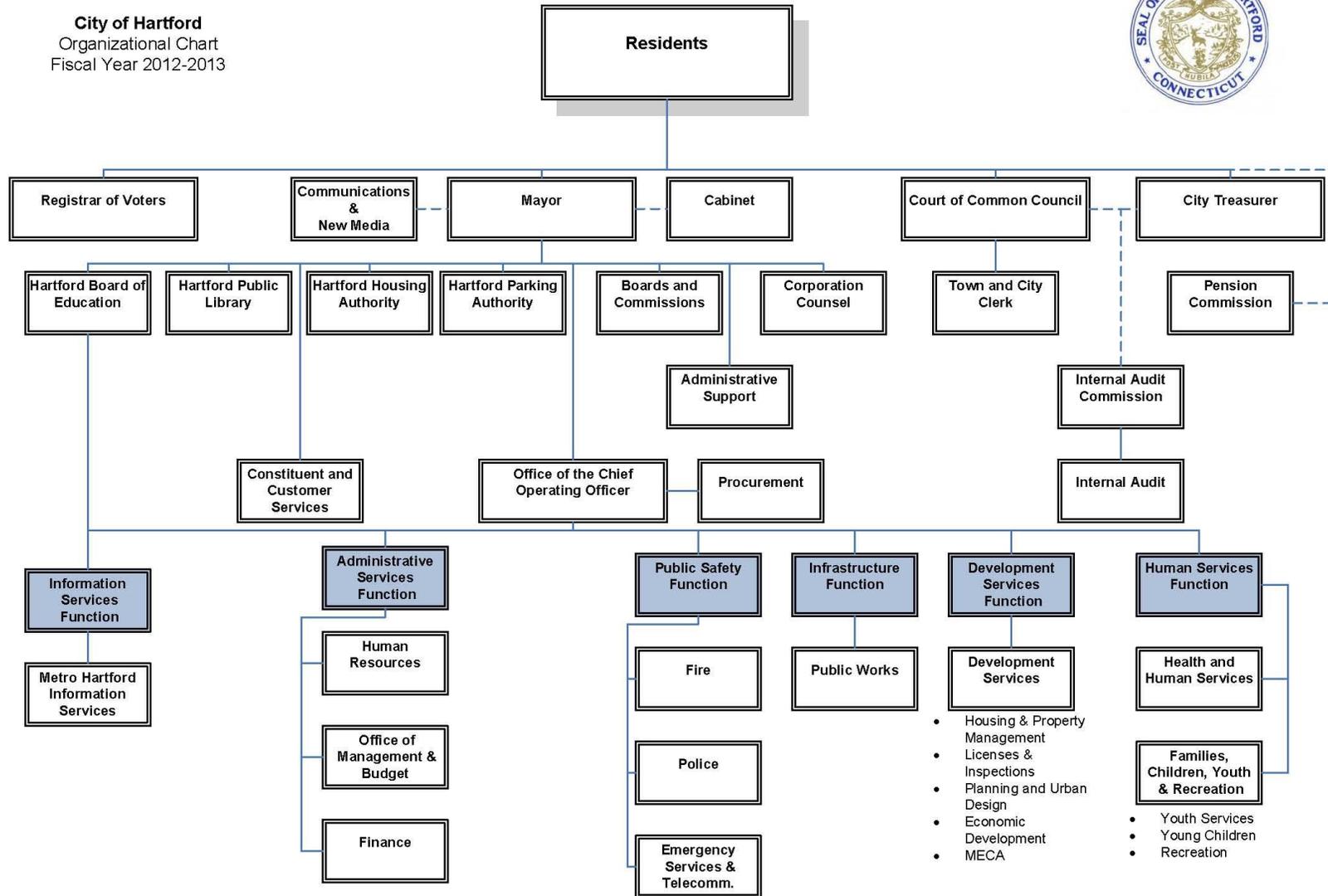
**City of Hartford  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**City of Hartford**  
Organizational Chart  
Fiscal Year 2012-2013



**CITY OF HARTFORD, CONNECTICUT**  
Mayor-Council Form of Government  
List of Elected and Principal Officials - As of June 30, 2013

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

**The Honorable Court of Common Council**  
Council President – Shawn T. Wooden

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

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

**The Honorable Adam Cloud, City Treasurer**

**Appointed and Other Municipal Officials**

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

Sandra Kee Borges, Esq.  
L John Van Norden  
John V. Bazzano  
Julio C. Molleda  
Leigh Ann Ralls, CPA  
John Phillip  
Marc S. Nelson  
Tara Washington  
Thomas E., Deller, AICP  
Jose L. Sanchez  
James C. Rovella  
Carlos Huertas  
Raul Pino, Ph.D.  
Sandra Kee Borges, Esq.  
Kevin E. Burnham

**Hartford Public Schools**

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

**Board of Education**

Mathew K. Poland, Chairman

Lori L. Hudson, Vice Chair  
Cherita L. McIntye, Second Vice Chair  
Robert Cotto Jr., Secretary

Jose Colon-Rivas  
Elizabeth Brad Noel  
Luis Rodriguez-Davila  
Richard F. Wareing

Honorable Mayor Pedro E. Segarra

**Registrars of Voters**

Olga Vasquez (D)

Sheila Hall (R)

Urania Petit (WF)

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**Financial Section**





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut (the "City") as of and for the fiscal year ended June 30, 2013, and the related notes thereto which collectively comprise the City's basic financial statements as listed in the table of content.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3-10, the schedules of funding progress and contributions on pages 70-72 and budgetary comparison information on pages 65-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hartford Connecticut's basic financial statements. The introductory section, the individual and combining fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



New Haven, Connecticut  
January 30, 2014

**CITY OF HARTFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - unaudited  
JUNE 30, 2013**

This discussion and analysis of the City of Hartford, Connecticut's (City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read this MD&A in conjunction with the transmittal letter beginning on page i and the City's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- The City's total net position increased \$26.8 million as a result of this year's operations. The net position of our governmental activities increased by \$28.2 million, or nearly 2.4%. The net position of our business-type activities decreased by \$1.3 million.
- The City received \$65.8 million in capital grants and contributions related to school building construction grants from the State in support of the City's school renovation and construction projects, and for various public works projects.
- The total cost of the City's programs for the year was \$850.8 million with no new programs added.
- The General Fund reported a fund balance this year of \$30.4 million including an assignment of \$2.9 million.
- The revenues available for appropriation were \$6.0 million less than budgeted for the General Fund and expenditures were \$5.4 million less than budgeted amount. The unassigned balance of \$27.5 million increased \$1.7 million.
- Major items that contributed to the revenue deficit are: decreased amount received from intergovernmental revenues, which were under budget by \$15.4 million. This is partially offset by a favorable variance in the bond premium to budget of \$6.0 million and tax revenue of \$3.3 million.
- Major items that contributed to the expenditure surplus of \$5.4 million are: favorable surplus in debt service of \$3.2 million due to a refunding in the current year and City departments carefully monitoring their appropriated budgeted expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

***Government-Wide Financial Statements***

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

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

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

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

### **Fund Financial Statements**

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

- *Governmental funds (Exhibits III and IV)* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI, and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Self-Insurance Internal Service Funds and the City's Metro Hartford Information Services Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate

statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position increased from a year ago by \$26.8 million to \$1.2 billion. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

### Summary Schedule of Net Position

**TABLE 1**  
**SUMMARY SCHEDULE OF NET POSITION**  
**(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Government</b>	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 559,469	\$ 421,838	\$ 1,803	\$ 2,400	\$ 561,272	\$ 424,238
Capital assets, net of accumulated depreciation	1,400,730	1,321,494	57,786	59,784	1,458,516	1,381,278
<b>Total assets</b>	<b>1,960,199</b>	<b>1,743,332</b>	<b>59,589</b>	<b>62,184</b>	<b>2,019,788</b>	<b>1,805,516</b>
Long-term liabilities outstanding	609,975	432,333	22,311	23,676	632,286	456,009
Other liabilities	234,513	223,450	1,569	1,485	236,082	224,935
<b>Total liabilities</b>	<b>844,488</b>	<b>655,783</b>	<b>23,880</b>	<b>25,161</b>	<b>868,368</b>	<b>680,944</b>
<b>Net Position:</b>						
Net investment in capital assets	1,006,633	966,580	33,910	34,623	1,040,543	1,001,203
Restricted	73,049	70,155	-	-	73,049	70,155
Unrestricted	36,029	50,814	1,799	2,400	37,828	53,214
<b>Total net position</b>	<b>\$ 1,115,711</b>	<b>\$ 1,087,549</b>	<b>\$ 35,709</b>	<b>\$ 37,023</b>	<b>\$ 1,151,420</b>	<b>\$ 1,124,572</b>

The City's government-wide net position of \$1.2 billion represents an increase of \$26.8 million over last year's net position of \$1.1 billion. The City was able to generate an overall increase in the City's governmental activities net position principally due to the receipt of \$65.8 million in capital grants and contributions from the State in support of the City's school renovation and construction capital program and various public works projects. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - is \$36.8 million at the end of this year as compared with a \$53.2 million at the end of last year. Government activities unrestricted net position decreased \$14.8 million. Unrestricted net position of the City's business-type activities decreased \$.6 million in 2013. Changes are mainly due to increase in revenue collections and stronger controls over citywide expenditures.

TABLE 2

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

	Governmental Activities		Business-Type Activities		Total Government	
	2013	2012	2013	2012	2013	2012
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charge for services	\$ 22,674	\$ 20,463	\$ 4,511	\$ 4,054	\$ 27,185	\$ 24,517
Operating grants and contributions	465,918	445,168	-	-	465,918	445,168
Capital grants and contributions	65,774	25,912	-	-	65,774	25,912
<b>General Revenues:</b>						
Property taxes	256,943	290,165	-	-	256,943	290,165
Grants and contributions not restricted to specific programs	56,696	58,767	-	-	56,696	58,767
Unrestricted investment earnings	2,781	2,205	4	3	2,785	2,208
Other general revenues	2,317	2,377	-	-	2,317	2,377
<b>Total revenues</b>	<b>873,103</b>	<b>845,057</b>	<b>4,515</b>	<b>4,057</b>	<b>877,618</b>	<b>849,114</b>
<b>EXPENSES</b>						
General government	72,050	72,165	-	-	72,050	72,165
Public safety	106,619	101,603	-	-	106,619	101,603
Public works	44,280	42,428	-	-	44,280	42,428
Development and community affairs	61,652	63,779	-	-	61,652	63,779
Human services	27,561	30,146	-	-	27,561	30,146
Education	503,475	487,717	-	-	503,475	487,717
Recreation and culture	10,106	9,728	-	-	10,106	9,728
Interest on long-term debt	21,358	14,743	-	-	21,358	14,743
Hartford Parking Facilities	-	-	3,669	3,729	3,669	3,729
<b>Total expenses</b>	<b>847,101</b>	<b>822,309</b>	<b>3,669</b>	<b>3,729</b>	<b>850,770</b>	<b>826,038</b>
<b>Excess before transfers</b>	<b>26,002</b>	<b>22,748</b>	<b>846</b>	<b>328</b>	<b>26,848</b>	<b>23,076</b>
Transfers	2,160	400	(2,160)	(400)	-	-
<b>Change in net position</b>	<b>28,162</b>	<b>23,148</b>	<b>(1,314)</b>	<b>(72)</b>	<b>26,848</b>	<b>23,076</b>
<b>Net Position, beginning</b>	<b>1,087,549</b>	<b>1,064,401</b>	<b>37,023</b>	<b>37,095</b>	<b>1,124,572</b>	<b>1,101,496</b>
<b>Net Position, ending</b>	<b>\$ 1,115,711</b>	<b>\$ 1,087,549</b>	<b>\$ 35,709</b>	<b>\$ 37,023</b>	<b>\$ 1,151,420</b>	<b>\$ 1,124,572</b>

The City's total revenue in 2013 of \$877.6 million represents an increase of \$28.5 million over last year. Capital grants and contributions increased \$39.9 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program increased compared with the previous year. Operating grants and contributions increased \$29.9 million due to additional grants for various purposes.

The City's total program expenses of \$850.8 million represent an increase of \$24.7 million over last year. The increase in Public Safety, Public Works and Education is related to the receipt of additional grants.

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

### **Governmental Activities**

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

**TABLE 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
General government	\$ 72,050	\$ 72,165	\$ 63,051	\$ 62,651
Public safety	106,619	101,603	93,110	92,286
Development and community affairs	61,652	63,779	1,125	10,223
Human services	27,561	30,146	12,191	6,114
Education	503,475	487,717	59,601	110,818
All other	75,744	66,899	63,657	48,674
<b>Total</b>	\$ 847,101	\$ 822,309	\$ 292,735	\$ 330,766

### **Business-Type Activities**

Revenues from the Hartford Parking Authority provided to the Hartford Parking Facilities Fund to finance debt service and capital improvement, as well as revenues to the City's General Fund, remained consistent at \$4.5 million. Expenses (including debt service and depreciation) for the City's dedicated parking facilities remained consistent with the prior year. Net transfers to the City's governmental activities increased from \$.4 million in 2012 to \$2.2 million in 2013 as the Parking Authority's revenues increased due to current economic conditions.

## **CITY FUNDS FINANCIAL ANALYSIS**

### **Governmental Funds**

The City's General Fund reported a fund balance increase of \$0.3 million during 2013 as compared with an increase of \$5.0 million in 2012. The General Fund's unassigned fund balance at June 30, 2013 is \$27.5 million representing 5.1 percent of the General Fund's 2013 amended budgetary appropriations. Actual revenues were \$6.0 million below the amended budgetary revenue estimate as intergovernmental revenues were \$15.4 million under budget. Expenditures were \$5.4 million below the final budgeted appropriation of \$540.3 million. Refer to RSI-1 and RSI-2 for details on other favorable and unfavorable variances in comparison to budgetary estimates.

As the City completed the year, its Capital Improvement Fund reported a fund balance decrease of \$7.9 million. The decrease is the result of capital outlays on various projects. In addition, the City had \$64.7 million in outstanding bond anticipation notes. The City has four (4) outstanding school construction audits with the State of Connecticut and anticipates future reimbursements to offset increased capital outlays.

The Debt Service Fund had a restricted fund balance as of June 30, 2013 of \$137.3 million due to an escrow deposit.

The Education Grant Fund had a decrease in fund balance of \$0.5 million due to an increase in expenditures.

The Community Development Loan and Grant Fund had a decrease in fund balance of \$0.3 million due to the financing of new loans in fiscal year 2013.

The City's other governmental funds reported an increase of \$127.8 million in fund balance for the year. The increase is mainly due to prior year weather related storms and the corresponding delay in receiving the reimbursements in 2013 and the issuance of bonds. See the Long-term debt section for more information.

### **Internal Service Funds**

The net position of the City's self-insurance programs increased \$1.5 million, increasing the total net position of the City's internal service programs from \$20.1 million to a \$21.6 million surplus. This is a result of the City's continued efforts to fund its post-retirement benefits at the actuaries' recommended level as well as a consistent management strategy directed toward the reduction of deficit net position balances in these funds.

### **General Fund Budgetary Highlights**

There were no supplemental appropriations.

The City's General Fund unassigned fund balance and budgetary fund balances are both \$27.5 million at year end.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2013, the City had \$1.4 billion invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment and infrastructure - Table 4.

Capital asset additions during the year totaled \$120.5 million (Note 6 to the financial statements). Construction in progress additions represent the majority of capital additions recorded by the City other than capital activity related to vehicle and equipment purchases. Refer to current period expenditures reported in Exhibit C for a detail of capital project expenditures by project in the City's Capital Improvement Fund. The majority of active projects as reported in Exhibit C qualify for capitalization under the City's asset capitalization policy.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Land	\$ 63.5	\$ 63.7	\$ 8.4	\$ 8.4	\$ 72.0	\$ 72.1
Land improvements	9.5	6.6	-	-	9.5	6.6
Buildings	899.8	846.4	-	-	899.8	846.4
Other structures	17.2	14.5	49.3	51.3	66.6	65.8
Furniture and equipment	2.6	2.7	-	-	2.6	2.7
Rolling equipment	13.3	11.9	-	-	13.3	11.9
Infrastructure	218.7	219.3	-	-	218.7	219.3
Construction in progress	176.0	156.3	-	-	176.0	156.3
	<u>\$ 1,400.7</u>	<u>\$ 1,321.5</u>	<u>\$ 57.8</u>	<u>\$ 59.8</u>	<u>\$ 1,458.5</u>	<u>\$ 1,381.3</u>

There are 171 active projects in the City's Capital Improvement Fund with appropriations of \$1,329.0 million, cumulative active project expenditures of \$1,051.1 million and outstanding encumbrances of \$54.0 million, resulting in an unencumbered balance of \$223.9 million. Total expenditures for all projects

during the fiscal year amounted to \$119.2 million. New and supplemental appropriations are reflected in the FY 2014 budget.

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

**Long-term debt**

The City issued \$48.2 million in general obligation bonds and \$124.6 million in refunding bonds during 2013. Additionally, the City issued \$64.7 million in bond anticipation notes.

At June 30, 2013, the City had \$494.8 million in bonds outstanding versus \$348.4 million last year - an increase of 42.0% - as shown in Table 5. The City has approximately \$137 million of restricted cash and investments to offset this debt. This increase in cash and debt is due to the refunding of debt in the amount of \$124.6 million meeting statutory requirements for the State of Connecticut, but not in accordance with generally accepted accounting principles. Thus the debt remains on the City's financial statements and is not considered defeased.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
General obligation bonds	\$ 469.7	\$ 321.8	\$ 25.1	\$ 26.6	\$ 494.8	\$ 348.4
Serial notes payable	1.4	1.5	-	-	1.4	1.5
<b>Total</b>	<b>\$ 471.1</b>	<b>\$ 323.3</b>	<b>\$ 25.1</b>	<b>\$ 26.6</b>	<b>\$ 496.2</b>	<b>\$ 349.9</b>

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The City's outstanding general obligation debt is significantly below this \$1.8 billion state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's number of unemployed decreased from 8,031 in calendar year 2011 to 7,748 in calendar year 2012 while the unemployment rate decreased from 15.5 percent to 15.4 percent. This compares to the State's rate of 8.4 percent and the nation's rate of 7.4 percent.

The consumer price index in the northeast urban areas was lower than the national consumer price index. Inflation from June 2012 to June 2013 in the Northeast was 1.7 percent while the rate was 1.8 percent for all urban areas in the U.S.

In developing the fiscal year 2013-2014 budget, the City continues to feel it is critical to examine the size and cost of government and the ability of the taxpayers to meet that burden. With costs escalating, government must evaluate services in terms of affordability and quality. Cost effectiveness, innovative approach and customer service are the standards for this evaluation.

The City feels that it is essential, given the current financial climate, to control the cost of each service provided. In developing the 2013-2014 budget, we constantly questioned how we are spending the taxpayers' money. Our goal is to offer basic services to our citizens that improve their quality of life at a price affordable to them. Our budget philosophy is not directed at cutting the cost of government by cutting services. It is directed toward cutting costs and improving services.

We must be innovative in our approach to the work that we do. The City cannot afford to follow the Business As Usual rule. It is our responsibility to challenge our employees and ourselves to find better ways to provide governmental services. Education and goal setting are the keys to innovation. Encouraging our employees' growth and development will foster innovation. The City of Hartford should be in the vanguard of how cities do business.

The adopted budget for fiscal year 2013-2014 of \$538.8 million is a decrease of \$1.5 million over the revised 2012-2013 budget due to the slow growth of the City of Hartford's Grand List. In developing the City's 2014-2015 budget, various options are being explored to reduce City expenditures and maximize revenues.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Hartford, 550 Main Street, Hartford, Connecticut 06103, or by telephone (860) 757-9600.

## **Basic Financial Statements**



**STATEMENT OF NET POSITION**  
**June 30, 2013**  
(In Thousands)

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Hartford Parking Authority
<b>Assets</b>				
Cash and cash equivalents	\$ 180,582	\$ 2,701	\$ 183,283	\$ 459
Investments	24,588	-	24,588	-
Receivables, net	169,903	-	169,903	1,576
Internal balances	960	(960)	-	-
Due from component unit	-	62	62	-
Other assets	413	-	413	-
Restricted cash	60,626	-	60,626	-
Restricted investments	122,397	-	122,397	-
Capital assets:				
Assets not being depreciated	239,492	8,428	247,920	-
Assets being depreciated, net	1,161,238	49,358	1,210,596	-
<b>Total assets</b>	<b>1,960,199</b>	<b>59,589</b>	<b>2,019,788</b>	<b>2,035</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	104,453	4	104,457	502
Due to primary government	-	-	-	62
Bond anticipation notes payable	64,650	-	64,650	-
Deferred revenue	-	-	-	1,471
Unearned revenue	14,476	-	14,476	-
Noncurrent liabilities:				
Due within one year	50,934	1,565	52,499	-
Due in more than one year	609,975	22,311	632,286	-
<b>Total liabilities</b>	<b>844,488</b>	<b>23,880</b>	<b>868,368</b>	<b>2,035</b>
<b>Net Position</b>				
Net investment in capital assets	1,006,633	33,910	1,040,543	-
Restricted for:				
Housing loans and grants	48,653	-	48,653	-
Trust purposes:				
Expendable	16,037	-	16,037	-
Nonexpendable	8,359	-	8,359	-
Unrestricted	36,029	1,799	37,828	-
<b>Total net position</b>	<b>\$ 1,115,711</b>	<b>\$ 35,709</b>	<b>\$ 1,151,420</b>	<b>\$ -</b>

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



## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2013

(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 71,924	\$ 64,690	\$ 2,307	\$ 902	\$ 20,623	\$ 16,705	\$ 177,151
Restricted cash	-	-	-	14,918	-	-	14,918
Investments	-	-	-	-	-	24,588	24,588
Restricted investments	-	-	-	122,397	-	-	122,397
Receivables, net	75,108	37,617	30,754	-	2,780	22,993	169,252
Due from other funds	4,179	1,001	-	-	-	-	5,180
Inventories and other assets	-	-	-	-	-	413	413
<b>Total assets</b>	<b>\$ 151,211</b>	<b>\$ 103,308</b>	<b>\$ 33,061</b>	<b>\$ 138,217</b>	<b>\$ 23,403</b>	<b>\$ 64,699</b>	<b>\$ 513,899</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	53,654	18,982	243	-	7,460	15,228	95,567
Due to other funds	61	3,219	-	-	-	1,001	4,281
Deferred/unearned revenue	67,118	22,168	30,743	-	5,430	15,833	141,292
Bond anticipation notes	-	64,650	-	-	-	-	64,650
<b>Total liabilities</b>	<b>120,833</b>	<b>109,019</b>	<b>30,986</b>	<b>-</b>	<b>12,890</b>	<b>32,062</b>	<b>305,790</b>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	8,772	8,772
Restricted	-	-	2,075	137,315	1,046	30,815	171,251
Committed	-	-	-	902	-	1,718	2,620
Assigned	2,850	-	-	-	9,467	-	12,317
Unassigned	27,528	(5,711)	-	-	-	(8,668)	13,149
<b>Total fund balances (deficits)</b>	<b>30,378</b>	<b>(5,711)</b>	<b>2,075</b>	<b>138,217</b>	<b>10,513</b>	<b>32,637</b>	<b>208,109</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 151,211</b>	<b>\$ 103,308</b>	<b>\$ 33,061</b>	<b>\$ 138,217</b>	<b>\$ 23,403</b>	<b>\$ 64,699</b>	<b>\$ 513,899</b>

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

(Continued on Next Page)

**BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)**  
**June 30, 2013**  
**(In Thousands)**

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

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

Fund balances - total governmental funds (Exhibit III)	\$	208,109
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	2,063,368
Less accumulated depreciation		<u>(662,638)</u>
Net capital assets		1,400,730
Assets not available to pay for current-period expenditures and, therefore, are recorded as deferred revenue in the funds:		
Property tax receivables		42,215
Interest receivable on property taxes		14,422
Receivable from the State for school construction projects		9,209
Housing loans		30,743
Other receivables		30,227
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.		21,614
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable		(469,685)
Interest payable on bonds and notes		(6,671)
Compensated absences		(35,674)
HUD loans		(12,268)
Capital leases		(4,181)
Clean Water Fund serial note		(1,412)
Net OPEB obligation		(64,398)
Net pension obligation		(3,955)
Claims and judgments		(2,600)
Bond premium		(41,344)
Deferred charges on refunding		<u>630</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$</u>	<u>1,115,711</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2013  
(In Thousands)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 255,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,546
Licenses, permits, and other charges	5,661	-	-	-	-	-	5,661
Intergovernmental revenues	280,695	65,189	-	-	102,567	122,798	571,249
Charges for services	2,829	-	-	-	-	11,709	14,538
Use of property	2,283	-	-	-	-	-	2,283
Investment income	312	1	169	(1,905)	-	4,204	2,781
Miscellaneous	2,317	-	727	-	10,556	2,327	15,927
<b>Total revenues</b>	<b>549,643</b>	<b>65,190</b>	<b>896</b>	<b>(1,905)</b>	<b>113,123</b>	<b>141,038</b>	<b>867,985</b>
<b>EXPENDITURES</b>							
Current:							
General government	19,206	-	-	-	-	21,031	40,237
Public safety	72,691	-	-	-	-	12,757	85,448
Public works	12,866	2,075	-	-	-	941	15,882
Development and community affairs	4,592	-	1,240	-	-	54,712	60,544
Human services	4,588	-	-	-	-	22,114	26,702
Education	314,620	-	-	-	115,720	16,904	447,244
Recreation and culture	8,215	-	-	-	-	1,637	9,852
Benefits and insurance	66,941	-	-	-	-	-	66,941
Other	17,858	-	-	-	-	-	17,858
Capital outlay	-	119,168	-	-	-	6,622	125,790
Debt service	-	538	-	43,107	-	1,600	45,245
<b>Total expenditures</b>	<b>521,577</b>	<b>121,781</b>	<b>1,240</b>	<b>43,107</b>	<b>115,720</b>	<b>138,318</b>	<b>941,743</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>28,066</b>	<b>(56,591)</b>	<b>(344)</b>	<b>(45,012)</b>	<b>(2,597)</b>	<b>2,720</b>	<b>(73,758)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	5,928	-	-	39,237	2,109	1,003	48,277
Transfers out	(40,240)	-	-	-	-	(5,877)	(46,117)
Issuance of bonds	-	48,160	-	124,605	-	-	172,765
Lease proceeds	-	-	-	-	-	3,990	3,990
Bond premium	6,511	538	-	15,576	-	-	22,625
<b>Total other financing sources (uses)</b>	<b>(27,801)</b>	<b>48,698</b>	<b>-</b>	<b>179,418</b>	<b>2,109</b>	<b>(884)</b>	<b>201,540</b>
<b>Net change in fund balances</b>	<b>265</b>	<b>(7,893)</b>	<b>(344)</b>	<b>134,406</b>	<b>(488)</b>	<b>1,836</b>	<b>127,782</b>
<b>FUND BALANCES, beginning of year</b>	<b>30,113</b>	<b>2,182</b>	<b>2,419</b>	<b>3,811</b>	<b>11,001</b>	<b>30,801</b>	<b>80,327</b>
<b>FUND BALANCES (DEFICITS), end of year</b>	<b>\$ 30,378</b>	<b>\$ (5,711)</b>	<b>\$ 2,075</b>	<b>\$ 138,217</b>	<b>\$ 10,513</b>	<b>\$ 32,637</b>	<b>\$ 208,109</b>

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

(Continued on Next Page)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS, (Continued)**  
For the Year Ended June 30, 2013  
(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 127,782
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	120,499
Loss on disposal	(1,852)
Depreciation expense	(39,411)

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

School building grant	(1,788)
Property tax receivable	(688)
Property tax interest and lien revenue	2,085
Housing loans	5,607
Intergovernmental revenue on school bonds and other	(98)

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

Bond and series note principal payments	24,890
Issuance of bonds	(48,160)
Lease proceeds	(3,990)
Statutory bond refunding proceeds	(124,605)
Accrued interest on bonds - accrual basis change	(110)
HUD loan principal payments	346
CWF serial note	85
Capital lease payments	968
Amortization of deferred charge on refunding	(235)
Bond premium	(25,765)
Amortization of bond premium	1,083

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

Claims and judgments	(1,770)
Compensated absences	112
Change in pension and other postemployment benefit liabilities	(8,288)

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

1,465
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Change in Net Position of Governmental Activities (Exhibit II)

<u>\$ 28,162</u>
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The notes to the financial statements are an integral part of this statement.

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2013

(In Thousands)

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Hartford Parking Facilities</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,701	\$ 49,139
Receivables, net	-	651
Due from component unit	62	-
<b>Total current assets</b>	<u>2,763</u>	<u>49,790</u>
<b>CAPITAL ASSETS, NET</b>		
	<u>57,786</u>	<u>-</u>
<b>Total assets</b>	<u>60,549</u>	<u>49,790</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and other payables	4	2,154
Due to other funds	960	-
Risk management claims	-	13,322
Bonds payable	1,565	-
<b>Total current liabilities</b>	<u>2,529</u>	<u>15,476</u>
<b>NONCURRENT LIABILITIES</b>		
Risk management claims	-	12,700
Bonds payable	22,311	-
<b>Total noncurrent liabilities</b>	<u>22,311</u>	<u>12,700</u>
<b>Total liabilities</b>	<u>24,840</u>	<u>28,176</u>
<b>NET POSITION</b>		
Net investment in capital assets	33,910	-
Unrestricted	1,799	21,614
<b>Total net position</b>	<u>\$ 35,709</u>	<u>\$ 21,614</u>

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - PROPRIETARY FUNDS**  
For the Year Ended June 30, 2013  
(In Thousands)

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Hartford Parking Facilities</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
City's contribution for insurance	\$ -	\$ 75,263
Employee and pensioners contributions for insurance	-	23,736
Hartford Parking Authority - operations	4,511	-
Other	-	2,187
<b>Total operating revenues</b>	<b>4,511</b>	<b>101,186</b>
<b>OPERATING EXPENSES</b>		
Administrative	191	6,683
Operations	-	4,982
Insurance benefits and claims	-	88,056
Depreciation and amortization	2,005	-
<b>Total operating expenses</b>	<b>2,196</b>	<b>99,721</b>
<b>Operating income</b>	<b>2,315</b>	<b>1,465</b>
<b>NONOPERATING INCOME (EXPENSE)</b>		
Interest earnings	4	-
Interest expense	(1,473)	-
<b>Total nonoperating income (expense)</b>	<b>(1,469)</b>	<b>-</b>
<b>Net income before transfers</b>	<b>846</b>	<b>1,465</b>
Transfers out	(2,160)	-
<b>Change in net position</b>	<b>(1,314)</b>	<b>1,465</b>
<b>FUND NET POSITION, beginning</b>	<b>37,023</b>	<b>20,149</b>
<b>FUND NET POSITION, ending</b>	<b>\$ 35,709</b>	<b>\$ 21,614</b>

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

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2013

(In Thousands)

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Hartford Parking Facilities</b>	<b>Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>		
City's contribution	\$ -	\$ 75,690
Cash paid by participants	-	25,693
Cash received from Hartford Parking Authority	4,492	-
Cash paid for salaries and benefits	-	(6,177)
Cash paid for claims	-	(98,162)
Cash paid to other funds	374	-
<b>Net cash provided by (used in) operating activities</b>	<u>4,866</u>	<u>(2,956)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Transfer to General Fund	(1,485)	-
Interest paid on bonds	(1,277)	-
<b>Net cash (used in) capital and related financing activities</b>	<u>(2,762)</u>	<u>-</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>		
Principal paid on bonds	(2,160)	-
<b>Net cash (used in) noncapital and related financing activities</b>	<u>(2,160)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>		
Income on investments	1	-
<b>Net cash provided by (used in) investing activities</b>	<u>1</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	(55)	(2,956)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,756</u>	<u>52,095</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 2,701</u>	<u>\$ 49,139</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>		
Operating income	\$ 2,315	\$ 1,465
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,005	-
(Increase) in other receivables	-	197
Increase (decrease) in accounts payable and accrued liabilities	4	(328)
Increase in due to other funds	560	-
Decrease in insurance claims payable	-	(4,290)
Increase in due from component unit	(18)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 4,866</u>	<u>\$ (2,956)</u>

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

## STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

June 30, 2013

(In Thousands)

	<b>Pension Trust Funds</b>	<b>School Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 92,719	\$ 944
Investments:		
U.S. Government Agencies	65,732	-
U.S. Treasury	72,448	-
Corporate Bonds	95,148	-
Foreign Bonds	22,445	-
Common Trusts	94,197	-
Alternative Investments	118,387	-
Common stock	427,568	-
<b>Total investments</b>	<b>895,925</b>	<b>-</b>
Loan receivable	134	-
Accrued investment earnings	2,937	-
<b>Total assets</b>	<b>991,715</b>	<b>944</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	165	-
Net settlement due on investments purchased/sold	20,312	-
Due to student groups and other	-	944
<b>Total liabilities</b>	<b>20,477</b>	<b>944</b>
<b>Net Position Held in Trust for Pension Benefits</b>	<b>\$ 971,238</b>	<b>\$ -</b>

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



## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2013

(In Thousands)

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#### Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Hartford, Connecticut (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the City are described below.

##### Reporting entity

The City of Hartford, Connecticut was incorporated May 29, 1784 and the City consolidated in April, 1896. The City operates under a Mayor-Council form of government and provides a full range of services including public safety, roads, solid waste collection, health, social services, culture and recreation, education, planning, development, zoning and general administrative services.

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

##### Discretely presented component unit

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

**The Hartford Parking Authority (the Authority)** was created pursuant to Chapter 100 of the General Statutes of Connecticut and is governed by five members appointed by the Mayor. The purpose of the Authority is to create, establish, finance, maintain, and operate the City of Hartford's dedicated parking facilities, and regulate the uses and parking rates to be charged at other regulated parking facilities.

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of certain of the basic financial statements to a statement of net position format.

The City also adopted GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. GASB

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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62 does not have any impact on the City's financial statements. This adoption had no effect on the City's financial statements.

#### Government-wide and fund financial statements

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

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

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

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

#### **Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed.

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

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

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

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

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

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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#### Proprietary Funds

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

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

*Internal Service Funds* - account for the financing of goods or services provided by one department to other departments or agencies of the City on a cost-reimbursement basis. The reported internal service funds of the City include self-insured funds for Employee Benefits, Workers' Compensation, and Liability and Property Damage and a fund used to account for the centralized operations of the Metro Hartford Information Services.

#### Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

*Pension Trust Funds* - account for the Municipal Employees' Retirement System.

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

#### Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (generally 90 days). A 180 day availability period is used for revenue recognition for all construction grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension obligations, other post-employment obligations, and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. Only the

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, primarily licenses and fees, are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

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

The *Capital Improvement Fund* accounts for the proceeds of general obligation bonds and grants for various construction and reconstruction projects.

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

The *Debt Service Fund* accounts for the payment of principal and interest on general long-term debt of the City. This fund is considered major for public interest purposes.

The *Educational Grants Fund* accounts for State and Federal grants received and expended for educational purposes.

The City reports the following major enterprise fund:

The *Hartford Parking Facilities Fund* accounts for the operations of the City's dedicated parking facilities in conjunction with the Hartford Parking Authority.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for the risk management program of the City and the centralized operations of the Metro Hartford Information Services.

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund is net revenues from operations of the parking facilities and of the City's internal

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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service funds are charges from participants and premiums from the City. Operating expenses for the enterprise fund include operating expenses, administrative expenses, and depreciation on capital assets. for the internal service funds, expenses represent claims paid. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### Accounting estimates

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

#### Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

#### Restricted cash and investments

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

#### Investments

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

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

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

#### Due To/From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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#### Receivables

All trade and property tax receivables, including those for component units, are reported net of an allowance for uncollectibles. The property tax receivable allowance of \$10.4 million is equal to approximately 25% of outstanding property taxes at June 30, 2013.

The City's property tax is levied each May on the assessed value listed as of the prior October 1 for all taxable real and personal property located in the City. The lien date is July 1 on the May 1 levy. Assessed values are established by the City Assessor at 70% of fair market value for all properties on the grand list as of October 1 each year. Taxes under \$100 (amount not rounded) are due in one installment July 1; real and personal property taxes of over \$100 (amount not rounded) are due in two installments July 1 and January 1. Motor vehicle taxes in excess of \$100 (amount not rounded) are due in two installments July 1 and January 1. Delinquent taxes are assessed interest of 1.5% per month.

The City has also entered into various loan agreements with third parties related to its public housing programs. These loan agreements have been recorded as notes receivable within the Community Development Loan and Grant Fund. Under these agreements, the City has loaned money for the purpose of establishing and/or improving public housing units. The loans are secured by an interest in the property being acquired and/or improved. The programs consist of the House Hartford Program, the Home Ownership Appraisal GAP Financing Program, Home Program and the Housing Preservation Loan Program. In addition, the City has made several loans under the HUD Section 108 Program. The City develops an allowance for uncollectible amounts on a loan-by-loan basis.

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

#### Allowances for doubtful accounts

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

#### Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

#### Capital assets

Capital assets, which include land, buildings, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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

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

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

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

Compensated absences

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

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable as reported include unamortized bond premiums and discounts. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and bond principal payments, are reported as debt service expenditures.

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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#### Fund equity and net position

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

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

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

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

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

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

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

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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#### Pension accounting

##### ***Pension Trust Funds:***

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

##### ***Governmental Funds and Governmental Activities:***

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

##### ***Funding Policy:***

The City makes annual contributions based on the Common Council's decisions using actuaries' recommendation.

#### Other Post Employment Obligations ("OPEB") accounting

##### ***Governmental Funds and Governmental Activities:***

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

##### ***Funding Policy:***

The City makes annual contributions based on the Common Council's decisions using the actuaries' recommendation.

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

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

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

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment funds are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the value of the position in the pool is the same as the value of the pool shares.

The City pension plan asset allocation parameters are as follows:

Equities	50%
Fixed income securities	48.5%
Cash	1.5%

The City has additional commitments to invest in certain alternative investments of approximately \$40.5 million at June 30, 2013.

#### Deposits

##### City

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy includes policies on the safety of principal, prudence, and financial dealings with institutions designed to mitigate custodial credit risk. As of June 30, 2013, \$242,345 of the City's bank balance of \$311,160 was uninsured and uncollateralized.

##### Hartford Parking Authority

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority follows the City's deposit policies which include policies on the safety of principal, prudence, and financial dealings with institutions to mitigate custodial credit risk. As of June 30, 2013, \$0 of the Authority's bank balance of \$446 was uninsured and uncollateralized.

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

Cash and investments of the City consist of the following at June 30, 2013:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 296,143
State of Connecticut Short-Term Investment fund	41,888
<b>Total cash and cash equivalents</b>	<u>338,031</u>
<b>Investments</b>	
Debt Service Fund:	
U.S. Government Agencies	103,465 *
U.S. Treasury	18,932 *
<b>Total debt service fund</b>	<u>122,397</u>
Non-Major Funds:	
U.S. Government Agencies	591 *
U.S. Treasury	142 *
Corporate Bonds	1,182 *
Foreign Bonds	103 *
Common Stock	2,360 *
Mutual Funds	497
Common Trusts	19,712
<b>Total non-major funds</b>	<u>24,587</u>
Pension Trust Funds:	
U.S. Government Agencies	65,732 *
U.S. Treasury	72,448 *
Corporate Bonds	95,148 *
Foreign Bonds	22,445 *
Common Trusts	94,197
Alternative Investments	118,387
Common stock	427,568 *
<b>Total pension trust funds</b>	<u>895,925</u>
<b>Total investments</b>	<u>1,042,909</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 1,380,940</u>

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

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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

**Statement of Net Position**

Cash and cash equivalents	\$ 183,742
Restricted cash	60,626
Investments	24,587
Restricted investments	122,397
<b>Total statement of net position</b>	<b>391,352</b>

**Fiduciary Funds:**

Cash and cash equivalents	93,663
Investments	895,925
	<b>989,588</b>

**Total cash, cash equivalents and investments** **\$ 1,380,940**

*Interest rate risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's and Pension Plan's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's formal investment policy includes asset allocation percentage ranges to assist in limiting interest rate risk.

*Foreign currency risk:* The City's and Pension Plan's formal investment policy limits at any point in time, the exact level of investment in international equities to between seventeen percent and twenty-one percent of the total MERF portfolio. The City's exposure to foreign currency related to equities, fixed income securities as of June 30, 2013, is as follows:

	Currency	Fair Value
Fixed Income Securities:	Euro Currency Unit	\$ 5,298
	Japanese Yen	5,501
	Polish Zloty	2,306
	Peso	1,755
	Australian Dollar	2,780
	Other foreign currencies	4,908
Equities:	Japanese Yen	15,939
	Euro Currency Unit	11,143
	British Pound Sterling	2,400
	South Korean Won	1,410
	Hong Kong Dollar	956
	Singapore Dollar	2,121
	Swiss Franc	2,166
	Other foreign currencies	4,461

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
Foreign Bonds	\$ 22,548	\$ 597	\$ 9,192	\$ 9,134	\$ 3,625
U.S. Government Agencies	169,788	1,462	109,953	19,782	38,591
U.S. Treasury	91,522	20,963	15,071	19,388	36,100
Corporate Bonds	96,330	3,325	16,250	37,954	38,801
Common Trusts	113,909	19,713	45,236	32,584	16,376
Pooled Fixed Income	41,888	41,888	-	-	-
<b>TOTAL</b>	<b>\$ 535,985</b>	<b>\$ 87,948</b>	<b>\$ 195,702</b>	<b>\$ 118,842</b>	<b>\$ 133,493</b>

Credit risk - investments: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City's and Pension Plan's investment policy further limits its investment choices including prohibiting investments in derivatives that are not used for the specific purposes identified in the City's Funding and Investment Policy Statement. Other prohibited transactions are identified in Article X of the Funding and Investment Policy Statement. The following are the actual ratings by Standard and Poor's.

Actual Rating	Foreign Bonds	U.S. Gov't Agencies	Common Trusts	Corporate Bonds	Pooled Fixed Income
AAA	\$ 2,956	\$ 3,297	\$ 32,226	\$ 3,960	\$ -
AAA <sub>m</sub>	-	-	-	5,529	41,888
AA+	-	75,354	-	1,910	-
AA	-	2,023	15,208	1,055	-
AA-	863	48,922	-	3,302	-
A+	697	2,482	-	6,058	-
A	3,257	4,034	4,184	15,015	-
A-	2,459	1,448	-	6,577	-
BBB+	563	1,700	-	12,701	-
BBB	-	3,425	35,130	5,831	-
BBB-	-	1,628	-	4,201	-
BB+	-	2,712	-	4,125	-
BB	-	2,315	11,608	6,657	-
BB-	-	3,078	-	5,224	-
B+	-	1,908	-	4,700	-
B	-	1,410	4,070	3,105	-
B-	-	1,113	-	2,559	-
CCC+	-	1,240	-	785	-
CCC	-	-	157	-	-
CCC-	-	-	-	-	-
CC	-	-	37	-	-
D	-	-	-	395	-
Unrated	11,753	11,699	11,289	2,641	-
	<b>\$ 22,548</b>	<b>\$ 169,788</b>	<b>\$ 113,909</b>	<b>\$ 96,330</b>	<b>\$ 41,888</b>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

Concentration of Credit Risk - The City's and Pension Plan's investment policy does not allow for an investment in securities that are not readily marketable in any one issuer that is in excess of five percent of the City's total portfolio. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Additionally, investment manager guidelines require that investments be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's individual investments in fixed income securities, equities, U.S treasury securities, domestic corporate bonds, foreign bonds, and U.S government agency securities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the City's name. The City's other investments are held in common trusts and alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination.

**Note 3. Receivables**

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

	General	Capital Improvement Fund	Community Development Loan and Grant Fund	Educational Grants	Nonmajor and Other Funds	Internal Service Fund	Total Governmental Funds
<b>Receivables</b>							
Taxes	\$ 53,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,678
Accrued interest on taxes	19,230	-	-	-	-	-	19,230
Intergovernmental	9,209	44,768	-	2,780	15,032	-	71,789
Accounts	10,539	-	-	-	553	651	11,743
Housing loans	-	-	67,208	-	-	-	67,208
Section 108-business loans	-	-	-	-	12,268	-	12,268
Gross receivables	<u>92,656</u>	<u>44,768</u>	<u>67,208</u>	<u>2,780</u>	<u>27,853</u>	<u>651</u>	<u>235,916</u>
Less:							
Allowance for uncollectibles:							
Taxes	(10,407)	-	-	-	-	-	(10,407)
Accrued interest on taxes	(4,808)	-	-	-	-	-	(4,808)
Accounts	(2,333)	(7,151)	-	-	(1,860)	-	(11,344)
Housing loans	-	-	(36,454)	-	-	-	(36,454)
Section 108-business loans	-	-	-	-	(3,000)	-	(3,000)
Total allowance	<u>(17,548)</u>	<u>(7,151)</u>	<u>(36,454)</u>	<u>-</u>	<u>(4,860)</u>	<u>-</u>	<u>(66,013)</u>
Net total receivables	<u>\$ 75,108</u>	<u>\$ 37,617</u>	<u>\$ 30,754</u>	<u>\$ 2,780</u>	<u>\$ 22,993</u>	<u>\$ 651</u>	<u>\$ 169,903</u>

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
 June 30, 2013  
 (In Thousands)

**Note 4. Deferred Revenue/Unearned Revenue**

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

<u>Primary Government</u>	<u>Deferred</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Delinquent property taxes	\$ 42,215	\$ -	\$ 42,215
Accrued interest on delinquent property taxes	14,422	-	14,422
School building construction grant receivables	9,209	-	9,209
Other receivables	1,272	-	1,272
Capital Improvement Fund:			
Intergovernmental grants receivable	22,168	-	22,168
Community Development Loan and Grant:			
Housing loans and interest	30,743	-	30,743
Educational Grants:			
Grant drawdowns prior to meeting all eligibility requirements	784	4,646	5,430
Nonmajor and other funds:			
Grant drawdowns prior to meeting all eligibility requirements and other	6,003	9,830	15,833
Total deferred/unearned revenue for governmental funds, and/or governmental activities	<u>\$ 126,816</u>	<u>\$ 14,476</u>	<u>\$ 141,292</u>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2013 is presented below:

	Due From Other Funds	Due To Other Funds
Capital Improvement	\$ 1,001	\$ 3,219
General Fund	4,179	-
Parking Facilities	-	960
Nonmajor Governmental Funds	-	1,001
	<u>\$ 5,180</u>	<u>\$ 5,180</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 balance is scheduled to be collected in the subsequent year.

A summary of interfund transfers is presented below:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 5,928	\$ 40,240
Debt Service Fund	39,237	-
Educational Grants	2,109	-
Nonmajor Governmental Funds	1,003	5,877
Hartford Parking Facilities	-	2,160
Total	<u>\$ 48,277</u>	<u>\$ 48,277</u>

Transfers from the General Fund to the Debt Service Fund represent the City's payment toward debt service on bonds outstanding. Transfers from the Hartford Parking Facilities enterprise fund to the General Fund represents a portion of net activity derived from the City's parking facilities. Transfers from the Nonmajor Governmental Funds to the General Fund primarily include net income derived from the City's police private duty services program. Transfers from Nonmajor Governmental Funds to the Educational Grants Fund represent monies collected on behalf of the Educational Grants Fund.

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 63,668	\$ -	\$ (133)	\$ -	\$ 63,535
Construction in progress	156,310	106,307	(49)	(86,611)	175,957
Total capital assets, not being depreciated	219,978	106,307	(182)	(86,611)	239,492
Capital assets, being depreciated:					
Land improvements	23,929	1,716	-	2,032	27,677
Buildings	1,131,850	4,967	-	75,365	1,212,182
Other structures	28,591	906	-	2,617	32,114
Furniture and equipment	39,925	683	(824)	-	39,784
Rolling equipment	42,539	4,127	(2,475)	-	44,191
Infrastructure	461,198	1,793	(1,660)	6,597	467,928
Total capital assets being depreciated	1,728,032	14,192	(4,959)	86,611	1,823,876
Less accumulated depreciation for:					
Land improvements	(17,285)	(934)	-	-	(18,219)
Buildings	(285,420)	(26,943)	-	-	(312,363)
Other structures	(14,074)	(806)	-	-	(14,880)
Furniture and equipment	(37,185)	(778)	824	-	(37,139)
Rolling equipment	(30,659)	(2,653)	2,465	-	(30,847)
Infrastructure	(241,893)	(7,297)	-	-	(249,190)
Total accumulated depreciation	(626,516)	(39,411)	3,289	-	(662,638)
Total capital assets, being depreciated, net	1,101,516	(25,219)	(1,670)	86,611	1,161,238
Governmental activities capital assets, net	\$ 1,321,494	\$ 81,088	\$ (1,852)	\$ -	\$ 1,400,730

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,428	\$ -	\$ -	\$ 8,428
Total capital assets, not being depreciated	8,428	-	-	8,428
Capital assets, being depreciated:				
Land improvements	29	-	-	29
Parking garages	69,988	7	-	69,995
Other structures	3,202	-	-	3,202
Furniture, fixtures and equipment	272	-	-	272
Total capital assets, being depreciated	73,491	7	-	73,498
Less accumulated depreciation for:				
Land improvements	(11)	(1)	-	(12)
Parking garages	(20,637)	(1,717)	-	(22,354)
Other structures	(1,215)	(287)	-	(1,502)
Furniture, fixtures and equipment	(272)	-	-	(272)
Total accumulated depreciation	(22,135)	(2,005)	-	(24,140)
Total capital assets, being depreciated, net	51,356	(1,998)	-	49,358
Business-type activities capital assets, net	\$ 59,784	\$ (1,998)	\$ -	\$ 57,786

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

<b>Governmental Activities:</b>	
General government	\$ 5,975
Public safety	3,405
Public works	18,070
Development and community affairs	263
Education	11,469
Recreation and culture	229
Total depreciation expense – governmental activities	<u>\$ 39,411</u>
<b>Business-type activities:</b>	
Hartford Parking Facilities	<u>\$ 2,005</u>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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Construction Commitments

The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2013. The projects include building construction and facility improvements, land and structure improvements to parks and cultural facilities, transportation improvement projects, and other capital improvement projects. At year-end, the City had outstanding commitments of approximately \$54.0 million.

**Note 7. Leases**

Operating leases

***Lease Agreements as Lessor***

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

The total rental income from operating leases during 2013 amounted to \$2,282 million. The cost of the buildings and land associated with these rental income amounts is estimated at \$162,842 million with a carrying value of \$127,728 million. Depreciation expense related to these properties was \$2,627 million during the year.

***Lease Agreements as Lessee***

The City entered into a 15 year lease commencing on July 1, 2002 for the rental of office space from the Connecticut Constitution Associates, LLC for the various City departments and agencies. At the beginning of year six and year eleven, the base rent will be increased by an amount equal to the product of the base rent times 100% of the percentage increase, if any, of the CPI over the CPI at the commencement date or the first day of the sixth lease year, as the case may be. Future minimum lease payments are projected as follows.

2014 - 2017	\$1,115
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In addition to the base rent of \$1,115, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. During the fiscal year ended June 30, 2013, base rent and additional rent amounted to \$2,419.

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

2014	\$	4,422
2015		4,439
2016		1,752
2017		1,338

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

**Note 8. Long-Term Liabilities**

Governmental Activities

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
<b>Bonds payable:</b>					
General obligation bonds	\$ 321,810	\$ 172,765	\$ (24,890)	\$ 469,685	\$ 24,835
Less: deferred amounts	15,797	25,765	(848)	40,714	-
<b>Total bonds payable</b>	<b>337,607</b>	<b>198,530</b>	<b>(25,738)</b>	<b>510,399</b>	<b>24,835</b>
<b>Other long-term liabilities:</b>					
Compensated absences	35,786	8,353	(8,465)	35,674	9,083
HUD Section 108 loans	12,614	-	(346)	12,268	365
Capital leases	1,159	3,990	(968)	4,181	1,563
CWF Serial Note	1,497	-	(85)	1,412	88
Net OPEB obligation	55,996	8,402	-	64,398	-
Net pension obligation	4,069	-	(114)	3,955	-
Claim and judgments	830	1,770	-	2,600	-
Risk management claims	30,312	83,766	(88,056)	26,022	15,000
<b>Total other long-term liabilities</b>	<b>142,263</b>	<b>106,281</b>	<b>(98,034)</b>	<b>150,510</b>	<b>26,099</b>
<b>Total governmental activities long-term liabilities</b>	<b>\$ 479,870</b>	<b>\$ 304,811</b>	<b>\$ (123,772)</b>	<b>\$ 660,909</b>	<b>\$ 50,934</b>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

2013 General Obligation Refunding Bonds

On April 11, 2013, the City issued \$124,605 of general obligation refunding bonds with interest rates ranging from 2.5% to 5.0%. Of the net proceeds of \$140,177 (after payment of \$956 in underwriters fees and other costs), \$139,221 was placed in an irrevocable trust fund under an Escrow Agreement dated April 11, 2013 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations") and other Government Agencies. This transaction qualifies as a statutory defeasance of debt, however, it does not meet the generally accepted accounting principal definition of an in-substance defeasement due to the portfolio consisting of mostly Government Agency Securities. As such, the general obligation bonds remain in long-term debt. The bonds were issued with the intent to refund several issuances ranging from 2004-2012. The balance in the escrow fund was approximately \$137,315 at June 30, 2013 and is restricted as it is to be used to pay down the bonds.

**General Obligation Bonds**

General obligation bonds represent long-term indebtedness backed by the full faith and credit of the City and are comprised of the following issues:

Date of Issue	Interest Rate (%)	Original Amounts	Maturity Dates	Annual Payment	Balance June 30, 2013
March 2003	4.25-5.25	\$ 30,225	2016	\$1,250-2,340	\$ 8,090
July 2004	3.50-5.50	34,000	2023	1,600-1,800	1,800
June 2005	4.50-5.00	29,510	2020	1,050-3,600	20,875
June 2005	3.00-5.00	32,300	2024	1,700	20,400
June 2006	4.00-5.00	70,000	2025	3,685	47,905
June 2007	4.00-5.25	70,000	2026	3,680-3,685	51,575
February 2009	2.50-5.00	40,225	2022	2,115-2,120	33,865
September 2009	2.00-5.00	12,150	2018	1,325-1,435	7,970
April 2010	2.00-4.30	14,000	2029	735-740	12,520
April 2011	3.00-5.25	25,000	2024	1300-1325	23,700
April 2012	2.00-5.00	50,000	2032	2,500	47,500
April 2012	2.00-5.00	21,280	2023	100-1,895	20,720
April 2013	4.00-5.00	48,160	2033	1,800-3,825	48,160
March 2013	4.00-5.00	124,605	2032	4,960-10,420	124,605
					<u>\$ 469,685</u>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

The annual requirements to amortize all bonded debt outstanding as of June 30, 2013 are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	\$ 24,835	\$ 21,491	\$ 46,326
2015	24,785	20,636	45,421
2016	31,535	19,493	51,028
2017	30,815	18,053	48,868
2018	29,865	16,643	46,508
2019-2023	136,460	63,517	199,977
2024-2028	117,390	32,409	149,799
2029-2033	74,000	8,761	82,761
	<u>\$ 469,685</u>	<u>\$ 201,003</u>	<u>\$ 670,688</u>

**Clean Water Fund - Serial Notes Payable**

The City has entered into a Clean Water Fund serial note payable to the State of Connecticut as part of a tower brook conduit extension project administered by the Metropolitan District. Principal in the amount of \$85 and interest in the amount of \$29 was paid in the 2012-13 fiscal year. Future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	\$ 88	\$ 27	\$ 115
2015	90	26	116
2016	92	24	116
2017	94	24	118
2018	96	20	116
2019-2023	507	71	578
2024-2028	445	18	463
	<u>\$ 1,412</u>	<u>\$ 210</u>	<u>\$ 1,622</u>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

The City's indebtedness (\$800.2 million) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 576,542	\$ 366,669	\$ 209,873
Schools	1,153,085	376,352	776,733
Sewer	960,904	57,185	903,719
Urban renewal	832,783	-	832,783
Pension deficit	768,723	-	768,723

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

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued. School building grants totaling \$9.2 million are applicable to outstanding bond issues.

Total bonds authorized and unissued as of June 30, 2013 were:

Description	Authorized/ Unissued
General Purpose	\$ 66,116
Schools	264,386
Sewers	8,578
<b>Total</b>	<b>\$ 339,080</b>

**Housing and Urban Development (HUD) Section 108 Loans and Subsequent Event**

The future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	\$ 365	\$ 217	\$ 582
2015	389	210	599
2016	764	200	964
2017	784	187	971
2018	580	90	670
2019-2023	3,087	800	3,887
2024-2028	3,455	567	4,022
2029-2033	2,844	212	3,056
	\$ 12,268	\$ 2,483	\$ 14,751

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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On September 5, 2013, the City repaid a portion of the loan balance above in the amount of \$4,293 for its Front Street loan.

**Capital Leases**

The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2013 were \$968. The following is a summary of capital lease commitments as of June 30, 2013:

<u>Year Ended June 30,</u>	<u>Amount</u>
2014	\$ 1,563
2015	913
2016	913
2017	913
Total lease payments	<u>4,302</u>
Less: amount representing interest	<u>(121)</u>
Present value of minimum lease payments	<u><u>\$ 4,181</u></u>

The City issues capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated book value of \$3,708 approximates the principal balance payable of \$4,181 million at June 30, 2013.

**Compensated Absences**

Employees can accumulate amounts of unused vacation and sick leave (as determined by individual union contracts) until termination of their employment. At termination pay-out provisions as determined by individual union contract provides for payments to vested employees net of provisions to exchange selected amounts of accumulated sick time for pension service years. Payments to employees are appropriated from the General Fund.

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

	<u>June 30, 2013</u>
BOE:	
Sick	\$ 14,583
Vacation	2,405
CITY:	
Sick	13,257
Vacation	<u>5,429</u>
Total	<u><u>\$ 35,674</u></u>

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

Business-Type Activities

**Changes in Long-Term Liabilities**

Long-term liabilities for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 26,615	\$ -	\$ (1,485)	\$ 25,130	\$ 1,565
Less: deferred amounts	(1,454)	-	200	(1,254)	-
<b>Total bonds payable</b>	<b>\$ 25,161</b>	<b>\$ -</b>	<b>\$ (1,285)</b>	<b>\$ 23,876</b>	<b>\$ 1,565</b>

The annual requirements to amortize all general obligation bond debt outstanding as of June 30, 2013 are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	\$ 1,565	\$ 1,197	\$ 2,762
2015	1,645	1,117	2,762
2016	1,730	1,031	2,761
2017	1,820	939	2,759
2018	1,915	844	2,759
2019-2023	11,180	2,619	13,799
2024-2028	5,275	242	5,517
	<b>\$ 25,130</b>	<b>\$ 7,989</b>	<b>\$ 33,119</b>

General obligation bonds represent long-term indebtedness backed by the full faith and credit of the City. Parking facility bonds recorded in the Hartford Parking facilities enterprise fund are comprised of the following:

Morgan Street Garage - Refunding bonds issued 2005; final maturity August 1, 2024; interest at 3.0% to 5.5%	<u><u>\$ 25,130</u></u>
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On August 23, 2013 the City sold the Morgan Street Garage to the State of Connecticut. With the proceeds of the sale the City defeased that portion of the Refunding Bonds of 2005 that were issued to construct the garage and the bonds issued subsequent to 2005 for capital improvements to the garage.

**Bond Anticipation Notes**

Bond Anticipation Notes activity was as follows:

Beginning balance, July 1, 2012	\$ 52,500
Issuances	64,650
Retired/Matured	(52,500)
Ending balance, June 30, 2013	<u><u>\$ 64,650</u></u>

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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The bond anticipation note outstanding at year-end was issued April 11, 2013 and is due April 10, 2014 with interest at 2.0%. The purpose of the bond anticipation note is to finance various ongoing City construction projects.

#### Note 9. Deficit Fund Equity

Major Fund:		
Capital Improvement Fund	\$	5,711
Nonmajor Funds:		
Vehicle Equipment & Technology		2,220
Miscellaneous Grants		4,022
Health Grants		10
ARRA Capital Grants		144
Capital Lease		2,264
Library Grants		8
Internal Service Funds:		
Workers' Compensation		12,206
Liability and Property Damage		4,952

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

#### Note 10. Risk Management

The City has established a risk management program (Internal Service Funds) to account for and finance its uninsured risks of loss for employee benefits, workers' compensation, and liability and property damage. Under this program, the fund provides coverage for up to a maximum of \$250 thousand in health insurance claims for each individual per claim year, \$2 million for each worker's compensation claim, \$500 thousand for each auto and general liability claim, \$100 thousand for each property damage claim and \$250 thousand per occurrence for public officials' claims. The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded either the self insured retention or the commercial coverage in any of the past three fiscal years. Workers' compensation salary continuation is paid from the employee's respective department budget.

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

The General Fund makes payments to the Self Insurance Fund based on actuarial or underwriting estimates of the amounts needed to pay current-year claims and administrative expenses and to maintain a reserve for unanticipated and future losses. The claims liability of \$26.0 million, reported in the fund at June 30, 2013 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 2013 and 2012 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self-Insurance Fund:				
2011-2012	\$ 26,655	\$ 97,393	\$ 93,736	\$ 30,312
2012-2013	30,312	83,766	88,056	26,022

**Note 11. Commitments and Contingencies**

Contractual commitments

On November 20, 2012, the City entered into a service agreement with the Connecticut Resources Recovery Authority (CRRA) to which it is estimated a service fee of \$2.1 million per year for five years of solid waste for processing. The service fee is subject to annual revision based on the net cost of operating the facility. The service agreement expires in 2017.

Statutory commitments

The City is a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), and is contingently liable for \$47.2 million or 28.6% of the debt of the District.

Contingencies

The City, its officers and employees, are defendants in numerous lawsuits. The City is insured for damages (see Note 10). Judgments or settlements for less than the deductible are paid from the General Fund. Corporation Counsel expects that none of the cases currently in litigation, if adversely decided, would have a negative impact on the finances of the City. The City has recorded \$2.6 million in the government-wide financial statements to cover probable claims.

**Note 12. Other Postemployment Benefits**

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Benefits are established and amended through negotiations between the City and the various unions representing City employees. The City pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts towards the cost of

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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receiving benefits under the City's self-insured medical benefits program. The City provides post-retirement benefits through a single-employer defined benefit plan. The post-retirement plan does not issue stand-alone financial reports.

#### Funding policy

The City currently funds claims and administrative costs for postemployment benefits through its self-insured internal service funds. The City has worked in conjunction with health benefits consultants to establish a health benefits fund structure that is both premium-based, similar to a fully insured process, and isolates legacy costs versus ongoing employees while combining actives and retirees into one process. In order to isolate legacy costs from ongoing employees, three groups were created that support a phased strategy to funding where the first group is retirees before June 30, 2009 which remains pay-as-you-go with no amortization of prior service cost. The second group includes actives hired prior to July 1, 2009 and retired since then and provides funding of normal cost, including an accrual for future benefits, but no amortization of prior service cost. Finally, the third group is new hires since July 1, 2009 and is actuarially funded and claims paid, both current and future benefits. Groups 2 and 3 envision that a trust fund will be established while all 3 groups have distinct discount rates as provide for by GASB.

The City has not implemented a trust fund, as of June 30, 2013, to irrevocably segregate assets to fund the liability associated with postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The following is the current census of City benefit participants as of July 1, 2012:

	Life <i>(not rounded)</i>	Medical <i>(not rounded)</i>
Active members	2,420	4,028
Retirees and spouses	2,988	2,209
Total	<u>5,408</u>	<u>6,237</u>

Postemployment retiree benefit payments for the year ended June 30, 2013, net of retiree and other contributions, amounted to \$10,916.

#### **Annual OPEB Cost and Net OPEB Obligations**

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

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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

	<u>Other Post- Employment Benefits (OPEB)</u>
Annual required contribution (ARC)	\$ 18,937
Interest on net OPEB obligation	3,181
Adjustment for Net OPEB obligation	<u>(2,800)</u>
Annual OPEB cost	19,318
Contributions made	<u>(10,916)</u>
Increase in net OPEB obligation	8,402
Net OPEB obligation, beginning of year	<u>55,996</u>
Net OPEB obligation, end of year	<u><u>\$ 64,398</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2011, 2012 and 2013 is presented below.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	\$ 16,254	\$ 11,078	68.2%	\$ 48,083
6/30/12	18,641	10,728	57.6%	55,996
6/30/13	19,318	10,916	56.5%	64,398

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

**ACTUARIAL ASSUMPTIONS - OPEB**

Valuation Date:	July 1, 2012
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Percent, Closed
Remaining Amortization Period:	30 Years Decreasing

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

Actuarial Assumptions:	
Discount Rate:	Group 1 – 5% per annum; Group 2 – 6.5% per annum; Group 3 – 8.0% per annum
Projected salary increase:	Group 1 – 5% per annum; Group 2 – 6.5% per annum; Group 3 – 8.0% per annum
Inflation Rate:	3.0%
Health Cost Trend Rates:	Annual increases in premium for retired medical and benefits are assumed to be as follows:

Year After Valuation Date	Blended Increase
2011	9.0%
2012	8.5%
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019 & after	5.0%

Dental Trend Rate: 5.0%

The schedule of funding progress is as follows:

SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/12	-	273,326	273,326	0.0%	\$ 338,608	80.7%

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

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

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

The two single employer plans are administered by the City. The plans provide retirement, disability and survivorship benefits for all retired employees, in accordance with provisions which are subject to bargaining with unions representing most of the employees. The City provides retirement benefits for employees hired since 1947, through the City MERF, a contributory, defined benefit plan. Employees

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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hired before the current City MERF went into effect on May 1, 1947 are paid from an unfunded program known as the RAF/PBF/FRF Plan. There are no remaining active members and the unfunded liability is decreasing rapidly.

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

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

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

##### Plan Description

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

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

As of the actuarial valuation date, July 1, 2012, City MERF membership consisted of:

	<i>(not rounded)</i>
Retirees and beneficiaries currently receiving benefits	2,902
Terminated employees entitled to benefits but not yet receiving them	140
Active plan members	<u>2,228</u>
Total	<u><u>5,270</u></u>

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

##### Summary of Significant Accounting Policies, Plan Changes and Plan Asset Matters

**Basis of Accounting:** City MERF financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which employee services are performed and are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual

## CITY OF HARTFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements.

#### Plan Changes

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

There were no investments in, loans to or leases with any City MERF official, City of Hartford official, party related to a City MERF official or City of Hartford official, or organization included in the City of Hartford reporting entity.

#### Funding Policy

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

#### Annual Pension Cost and Net Pension Obligations

The City's annual pension cost and net pension obligation to the City MERF for the current year was as follows:

Annual required contribution, July 1, 2012 valuation	\$	34,338
Interest on net pension obligation		326
Adjustment to annual required contribution		(440)
Annual pension cost		<u>34,224</u>
Contributions made		<u>34,338</u>
Decrease in net pension obligation		(114)
Net pension obligation, beginning of year		<u>4,069</u>
Net pension obligation, end of year	\$	<u><u>3,955</u></u>

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

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

The annual required contribution for the current year was determined as part of the MERF actuarial valuation dated July 1, 2012. The actuarial method and assumptions used in the July 1, 2012 valuation are presented below:

Valuation date	July 1, 2012
Actuarial Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Dollar Amount
Remaining Amortization Method	15 years – open period
Asset Valuation Method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	Projected salary which vary by age and group
Inflation Rate	3.00%
Cost of Living Adjustments	None

Trend Information

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/11	\$ 18,846	\$ 18,846	100.00%	\$ 4,154
06/30/12	27,515	27,600	100.31%	4,069
06/30/13	34,224	34,338	100.33%	3,955

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

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

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/12	\$ 977,146	\$ 1,237,136	\$ 259,990	79.0%	\$ 137,919	188.5%

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

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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**RAF/PBF/FRF Plan**

Plan Description

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

The annual required contribution (ARC) and the annual pension cost represent the actual benefits paid during the year. The annual required contribution is based upon actuarial calculations. The Plan was closed to new members on May 1, 1947 and there are no remaining active members. The unfunded liability for this Plan is rapidly decreasing. The City has determined that the Plan did not have a net pension obligation (NPO) as calculated in accordance with the transition requirements of GASB Statement No. 27. All contributions since the transition have been made in accordance with the actuarial required contribution and are based upon actuarially sound funding methodology.

Funding Policy

Funds are budgeted in the General Fund to cover pension benefits paid each year. Annual contributions are equal to the annual benefit payments. Retired policemen contribute 1% of pension payments. Benefits and contributions were established by City Charter and are not subject to amendment.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost, which is equal to the annual benefit payments, for the current year amounted to \$992. The Plan did not have a net pension obligation as of June 30, 2013.

The actuarial method and assumptions are presented below:

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

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

Trend Information

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/11	\$ 1,354	\$ 1,354	100.00%	\$ -
06/30/12	1,097	1,097	100.00%	-
06/30/13	992	992	100.00%	-

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

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/12	\$ -	\$ 6,030	\$ 6,030	0.0%	N/A	N/A

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

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

Plan Description

This plan currently covers eleven (11) retirees and no active employees as of June 30, 2013 and is administered by the City. This unfunded plan is an excess benefit plan and was adopted by the Common Council on March 24, 1997. The plan was established to fund that portion of certain retirees' pension benefits that exceed the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

Funding Policy

Funds are budgeted in the General Fund to cover pension benefits paid each year. Annual contributions are equal to the annual benefit payments. The Plan was adopted on March 24, 1997 and there are no active members. The unfunded liability for this Plan is rapidly decreasing. Since the effective date for the plan was March 24, 1997, the Plan did not have a net pension obligation (NPO) as calculated in accordance with the transition requirements of GASB Statement No. 27. Benefits and contributions were established by City Charter and are not subject to amendment.

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

Annual Pension Cost and Net Pension Obligation.

The City's annual pension cost, which is equal to the annual benefit payments, for the current year amounted to \$102. The Plan does not have a net pension obligation. The City's annual pension cost is equal to the actual contribution made (annual benefit payments).

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

Trend Information

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/13	\$ 102	\$ 102	100.00%	\$ -

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

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/12	\$ -	\$ 431	\$ 431	0.0%	N/A	N/A

**State MERF-B**

Members of City AFSCME Local 1716 and members of Local 566, which consisted of 524 members on June 30, 2010, participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State

## **CITY OF HARTFORD, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

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of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

Funding Policy - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the City are established and may be amended by the State Retirement Commission. Total contributions to MERF for the years ended June 30, 2013, 2012 and 2011 were \$5.4 million, \$5.8 million and, \$3.4 million, respectively, equal to the City's required contributions for each year.

#### **Teachers' Retirement System**

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

The Board of Education withholds 7.25% of all teachers' annual salaries, \$10,580 in fiscal year 2013, and transmits the funds to the State Teachers' Retirement Board.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The City does not have any liability for teacher pensions. For the year ended June 30, 2013 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$30,616 as payments made by the State of Connecticut on-behalf of the City.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

**CITY OF HARTFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2013**

**(In Thousands)**

**Pension Trust Funds**

The City maintains two pension trust funds (Municipal Employees' Retirement Fund and the RAF/PBF/FRF) to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2013 and the changes in net position for the year then ended.

	Municipal Employees' Retirement Fund	RAF/PBF FRF Plan	Total Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 92,719	\$ -	\$ 92,719
Investments:			
U.S. Treasury	72,448	-	72,448
Alternative Investments	118,387	-	118,387
Common Stock	427,568	-	427,568
Corporate Bonds	95,148	-	95,148
Foreign Bonds	22,445	-	22,445
Common Trust	94,197	-	94,197
U.S. Government Agencies	65,732	-	65,732
Accrued investment earnings	2,937	-	2,937
Loan receivable	134	-	134
<b>Total assets</b>	<b>991,715</b>	<b>-</b>	<b>991,715</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	165	-	165
Net settlement due on investments purchased/sold	20,312	-	20,312
<b>Total liabilities</b>	<b>20,477</b>	<b>-</b>	<b>20,477</b>
<b>Net Position- Held in Trust for Pension Benefits</b>	<b>\$ 971,238</b>	<b>\$ -</b>	<b>\$ 971,238</b>

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

	Municipal Employees' Retirement Fund	RAF/PBF/FRF Plan	Total Trust Funds
<b>Addition</b>			
Contributions:			
Employer - ARC	\$ 34,338	\$ 992	\$ 35,330
Employer - other	818	-	818
Plan members	10,199	-	10,199
<b>Total contributions</b>	<b>45,355</b>	<b>992</b>	<b>46,347</b>
Investment Income:			
Net appreciation in fair value of investments	63,318	-	63,318
Interest and dividends	15,448	-	15,448
<b>Total investment income</b>	<b>78,766</b>	<b>-</b>	<b>78,766</b>
Less investment expense	6,134	-	6,134
<b>Net investment income</b>	<b>72,632</b>	<b>-</b>	<b>72,632</b>
<b>Deductions</b>			
Benefits	91,126	992	92,118
Administration	1,978	-	1,978
Other	117	-	117
<b>Total deductions</b>	<b>93,221</b>	<b>992</b>	<b>94,213</b>
<b>Net decrease</b>	<b>24,766</b>	<b>-</b>	<b>24,766</b>
<b>Net Position - Held in Trust for</b>			
<b>Pension Benefits</b>			
Beginning of year	946,472	-	946,472
End of year	<b>\$ 971,238</b>	<b>\$ -</b>	<b>\$ 971,238</b>

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
 June 30, 2013  
 (In Thousands)

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

Below is a table of fund balance categories and classifications at June 30, 2013 for the City governmental funds:

	General Fund	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds
Fund balances:						
Non-spendable:						
Permanent funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,359
Inventory	-	-	-	-	-	413
<b>Total non-spendable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,772</b>
Restricted:						
Development and community affairs	-	-	2,075	-	-	2,201
Debt Service	-	-	-	137,315	-	-
Recreation and Culture	-	-	-	-	-	12,344
Human services	-	-	-	-	-	3,889
Education	-	-	-	-	1,046	3,113
Capital projects	-	-	-	-	-	9,268
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>2,075</b>	<b>137,315</b>	<b>1,046</b>	<b>30,815</b>
Committed:						
Capital projects	-	-	-	-	-	1,718
Debt service	-	-	-	902	-	-
Education	-	-	-	-	-	-
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>902</b>	<b>-</b>	<b>1,718</b>
Assigned:						
Recreation	3	-	-	-	-	-
Benefits	-	-	-	-	-	-
Education	2,847	-	-	-	9,467	-
<b>Total assigned</b>	<b>2,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,467</b>	<b>-</b>
Unassigned:						
<b>Total unassigned</b>	<b>27,528</b>	<b>(5,711)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,668)</b>
<b>Total fund balance (deficit)</b>	<b>\$ 30,378</b>	<b>\$ (5,711)</b>	<b>\$ 2,075</b>	<b>\$ 138,217</b>	<b>\$ 10,513</b>	<b>\$ 32,637</b>

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

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

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

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, was issued March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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- **GASB Statement No. 66, *Technical Corrections—2012***, was issued in March 2012. *The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25***, was issued in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.
- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27***, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2015.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
  - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
  - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
  - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
  - Reporting the disposal of government operations that have been transferred or sold.

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

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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- **GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.** This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.
- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement date, an amendment of GASB Statement No. 68*.** The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, Accounting and Financial Reporting for Pensions, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2014.

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**Required Supplementary  
Information**



**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
**(NON-GAAP BASIS) - GENERAL FUND**  
**For the Year Ended June 30, 2013**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>GENERAL PROPERTY TAX</b>				
Current year's levy	\$ 232,289	\$ 232,289	\$ 232,870	\$ 581
Levy of prior years	8,500	8,500	12,993	4,493
Interest and liens	3,450	3,450	5,056	1,606
Proceeds from lien sales	7,000	7,000	3,750	(3,250)
<b>Total general property tax</b>	<b>251,239</b>	<b>251,239</b>	<b>254,669</b>	<b>3,430</b>
<b>OTHER LOCAL TAXES</b>				
Business taxes	900	900	877	(23)
<b>LICENSES, PERMITS, FEES AND OTHER</b>				
Street use	27	27	31	4
Business Licenses:				
Health licenses	350	350	283	(67)
Police and protection licenses	43	43	51	8
Professional and occupational licenses	6	6	5	(1)
<b>Total business licenses</b>	<b>399</b>	<b>399</b>	<b>339</b>	<b>(60)</b>
Non-Business Licenses and Permits:				
Building structure and equipment permits	5,414	5,414	4,995	(419)
Other non-business licenses and permits	78	78	85	7
<b>Total non-business licenses and permits</b>	<b>5,492</b>	<b>5,492</b>	<b>5,080</b>	<b>(412)</b>
<b>Total licenses and permits</b>	<b>5,918</b>	<b>5,918</b>	<b>5,450</b>	<b>(468)</b>
<b>FINES, FORFEITS AND PENALTIES</b>	<b>221</b>	<b>221</b>	<b>211</b>	<b>(10)</b>
<b>REVENUE FROM USE OF MONEY AND PROPERTY</b>				
Income from investments	356	356	312	(44)
Income from use of property	636	636	848	212
Income from development properties	1,243	1,243	1,435	192
<b>Total revenue from use of money and property</b>	<b>2,235</b>	<b>2,235</b>	<b>2,595</b>	<b>360</b>

See Note to Required Supplementary Information.

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
 SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
 (NON-GAAP BASIS) - GENERAL FUND, Continued  
 For the Year Ended June 30, 2013  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>INTERGOVERNMENTAL REVENUE</b>				
Federal Government	60	60	45	(15)
State of Connecticut:				
Education	204,121	204,121	192,100	(12,021)
Housing	505	505	367	(138)
Public Works	609	609	603	(6)
Elderly Services	260	260	277	17
Mashantucket Pequot Fund	7,437	7,437	6,690	(747)
Payment in Lieu of Taxes	46,025	46,025	46,701	676
Shared Taxes	275	275	268	(7)
Other	6,159	6,159	3,038	(3,121)
<b>Total State of Connecticut</b>	<b>265,391</b>	<b>265,391</b>	<b>250,044</b>	<b>(15,347)</b>
<b>Total intergovernmental revenue</b>	<b>265,451</b>	<b>265,451</b>	<b>250,089</b>	<b>(15,362)</b>
<b>CHARGES FOR SERVICES</b>				
General Government:				
Recording legal instruments	250	250	311	61
All other	1,165	1,165	1,212	47
<b>Total general government</b>	<b>1,415</b>	<b>1,415</b>	<b>1,523</b>	<b>108</b>
Public Safety:				
Police charges	61	61	31	(30)
Fire protection services	173	173	213	40
<b>Total public safety</b>	<b>234</b>	<b>234</b>	<b>244</b>	<b>10</b>
Public Works:				
Highways and streets	1	1	2	1
Sanitation	71	71	67	(4)
<b>Total public works</b>	<b>72</b>	<b>72</b>	<b>69</b>	<b>(3)</b>

See Note to Required Supplementary Information.

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
**(NON-GAAP BASIS) - GENERAL FUND, Continued**  
**For the Year Ended June 30, 2013**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>CHARGES FOR SERVICES, Cont'd.</b>				
Other:				
Health	6	6	18	12
Social Services	-	-	-	-
Recreation	10	10	8	(2)
Miscellaneous	318	318	43	(275)
<b>Total other</b>	<u>334</u>	<u>334</u>	<u>69</u>	<u>(265)</u>
<b>Total charges for services</b>	<u>2,055</u>	<u>2,055</u>	<u>1,905</u>	<u>(150)</u>
<b>REIMBURSEMENTS</b>				
Other	1,369	1,369	368	(1,001)
Reimbursements from other funds	3,275	3,275	3,708	433
<b>Total reimbursements</b>	<u>4,644</u>	<u>4,644</u>	<u>4,076</u>	<u>(568)</u>
<b>OTHER REVENUES</b>				
Settlements	25	25	4	(21)
Miscellaneous	3,258	3,258	1,812	(1,446)
<b>Total other revenues</b>	<u>3,283</u>	<u>3,283</u>	<u>1,816</u>	<u>(1,467)</u>
<b>OTHER FINANCING SOURCES</b>				
Premium from Bond Sale	555	555	6,511	5,956
Transfers in from other funds:				
Hartford Parking Facilities Fund	1,373	1,373	2,160	787
Operating Transfers In	-	-	676	676
Special Police Services	2,200	2,200	3,092	892
Capital Improvement Fund	200	200	133	(67)
<b>Total other financing sources</b>	<u>4,328</u>	<u>4,328</u>	<u>12,572</u>	<u>8,244</u>
<b>TOTAL</b>	<u>\$ 540,274</u>	<u>\$ 540,274</u>	534,260	<u>\$ (6,014)</u>

Budgetary revenues are different than GAAP revenues because:

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

30,606

Effect of GASB No. 54.

924

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

(3,708)

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

\$ 562,082

See Note to Required Supplementary Information.

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES  
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013  
(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
Mayor	\$ 630	\$ 630	\$ 629	\$ 1
Court of Common Council	554	554	511	43
City Treasurer	470	470	365	105
Registrars of Voters	584	791	791	-
Corporation Counsel	1,874	1,874	1,589	285
Town and City Clerk	876	876	795	81
Internal Audit	474	474	373	101
Chief Operating Officer	1,195	795	741	54
Finance	3,581	2,594	2,581	13
Human Resources	1,229	1,229	943	286
Communications and New Media	852	852	812	40
Office of Management and Budget	911	784	690	94
Metro Hartford Information	3,413	3,143	2,810	333
Office of Young Children	5,581	5,581	5,576	5
<b>Total general government</b>	<b>22,224</b>	<b>20,647</b>	<b>19,206</b>	<b>1,441</b>
<b>PUBLIC SAFETY</b>				
Fire	32,292	32,292	32,278	14
Police	36,794	36,794	36,239	555
Emergency Services and Telecommunications	4,870	4,190	4,174	16
<b>Total public safety</b>	<b>73,956</b>	<b>73,276</b>	<b>72,691</b>	<b>585</b>
<b>INFRASTRUCTURE AND LEISURE SERVICES</b>				
Public Works	13,457	12,887	12,866	21
<b>DEVELOPMENT AND COMMUNITY AFFAIRS</b>				
Development Services	5,067	4,607	4,592	15
<b>HUMAN SERVICES</b>				
Health and Human Services	5,554	4,604	4,588	16
<b>EDUCATION</b>				
Board of Education	284,008	284,008	284,008	-
<b>BENEFITS AND INSURANCE</b>				
Benefits and insurance	59,402	66,949	66,941	8

See Note to Required Supplementary Information.

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES**  
**(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL, Continued**  
**For the Year Ended June 30, 2013**  
**(In Thousands)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>SUNDRY</b>				
Debt service	36,620	36,620	33,402	3,218
Hartford public library	8,215	8,215	8,215	-
Other sundry items	32,038	28,458	28,404	54
<b>Total sundry</b>	<b>76,873</b>	<b>73,293</b>	<b>70,021</b>	<b>3,272</b>
<b>Total</b>	<b>540,541</b>	<b>540,271</b>	<b>534,913</b>	<b>5,358</b>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teacher's Retirement System for City teachers are not budgeted.

30,606

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

(3,708)

Effect of GASB No. 54.

5

Encumbrances

June 30, 2012

58

June 30, 2013

(57)

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

\$ 561,817

See Note to Required Supplementary Information.

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
PENSIONS AND OTHER POST RETIREMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
June 30, 2013  
(In Thousands)**

**Schedules of Funding Progress**

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/07	\$ 1,092,128	\$ 1,090,715	\$ (1,413)	100.1%	\$ 133,280	(1.1%)
07/01/08	1,123,379	1,099,441	(23,938)	102.2%	139,243	(17.3%)
07/01/09	1,089,184	1,126,965	37,781	96.6%	134,143	28.2%
07/01/10	1,041,572	1,175,040	133,468	88.6%	132,529	100.7%
07/01/11	1,017,602	1,218,900	201,298	83.5%	136,555	147.4%
07/01/12	977,146	1,237,136	259,990	79.0%	137,919	188.5%

***RAF/PBF/FRF Plan***

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/07	\$ -	\$ 8,276	\$ 8,276	0.0%	N/A	N/A
07/01/08	-	7,700	7,700	0.0%	N/A	N/A
07/01/09	-	7,249	7,249	0.0%	N/A	N/A
07/01/10	-	6,155	6,155	0.0%	N/A	N/A
07/01/11	-	6,653	6,653	0.0%	N/A	N/A
07/01/12	-	6,030	6,030	0.0%	N/A	N/A

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/07	\$ -	\$ 260	\$ 260	0.0%	N/A	N/A
07/01/08	-	213	213	0.0%	N/A	N/A
07/01/09	-	143	143	0.0%	N/A	N/A
07/01/10	-	180	180	0.0%	N/A	N/A
07/01/11	-	521	521	0.0%	N/A	N/A
07/01/12	-	431	431	0.0%	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
PENSIONS AND OTHER POST RETIREMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS, Continued  
June 30, 2013  
(In Thousands)**

<i>OPEB</i>							
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	
07/01/07	\$ -	\$ 373,386	\$ 373,386	0.0%	N/A	N/A	
07/01/08	-	302,988	302,988	0.0%	N/A	N/A	
07/01/09	-	241,511	241,511	0.0%	307,857	78.4%	
07/01/10	-	247,852	247,852	0.0%	307,857	81.0%	
07/01/11	-	261,782	261,782	0.0%	326,820	80.1%	
07/01/12	-	273,326	273,326	0.0%	338,608	80.7%	

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
PENSIONS AND OTHER POST RETIREMENT BENEFITS  
SCHEDULE OF CONTRIBUTIONS  
June 30, 2013  
(In Thousands)**

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<i>City of Hartford Municipal Employees' Retirement Fund (City MERF)</i>			<i>RAF/PBF/FRF Plan</i>		
Year Ended	Annual Required Contribution	Percentage Contributed	Year Ended	Annual Required Contribution	Percentage Contributed
06/30/08	\$ 13,253	125.0%	06/30/08	\$ 1,967	100.0%
06/30/09	11,797	109.0%	06/30/09	1,700	100.0%
06/30/10	9,602	113.0%	06/30/10	1,521	100.0%
06/30/11	18,846	100.0%	06/30/11	1,354	100.0%
06/30/12	27,600	100.0%	06/30/12	1,097	100.0%
06/30/13	34,338	100.0%	06/30/13	992	100.0%

<i>City of Hartford 415(M) Fund</i>			<i>OPEB</i>		
Year Ended	Annual Required Contribution	Percentage Contributed	Year Ended	Annual Required Contribution	Percentage Contributed
06/30/08	\$ 61	100.0%	06/30/2009	\$ 24,500	52.8%
06/30/09	50	100.0%	06/30/2010	24,744	41.8%
06/30/10	43	100.0%	06/30/2011	15,759	70.3%
06/30/11	84	100.0%	06/30/2012	18,322	58.6%
06/30/12	121	100.0%	06/30/2013	10,916	57.6%
06/30/13	102	100.0%			

**CITY OF HARTFORD, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2013  
(In Thousands)**

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

Budgetary information

The City adopted the legal budget for the 2012-2013 General Fund in accordance with the procedures summarized below:

By the third Monday in April, the Mayor must submit to the City Council a recommended operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.

Through direction of the Mayor and the City Council, open meetings and public hearings are held to obtain residents' and taxpayers' comments on the recommended budget.

The City Council modifies the budget by resolution (except revenues, debt service and pension requirements) and then submits the budget as amended to the Mayor for certification no later than May 21.

The Mayor may approve, reduce, and/or disapprove the budget within 48 hours, but no later than May 23.

Upon action by the Mayor, Council has until May 31 to adopt the budget, the appropriation ordinance and the tax levy ordinance. If it fails to adopt the budget by that date the budget as certified by the Mayor shall be deemed to be the budget of the City for the ensuing fiscal year and expenditures shall be made in accordance therewith (Hartford Municipal Code Sec. 9).

After the budget has been adopted and the new fiscal year begins, an appropriation may be amended. The Mayor may, at any time, transfer any unencumbered balance or portion thereof, from one classification of expenditures to another within the same department.

At the request of the Mayor, but only within the last three months of the fiscal year, the Court of Common Council may transfer by resolution, any unencumbered appropriation balance or portion thereof from one department or agency to another.

Supplemental appropriations are made on the recommendation of the Mayor upon certification by the Director of Finance that there exists an available general fund cash surplus to meet this appropriation.

Budgets for General Fund are presented on a basis consistent with generally accepted accounting principles except that encumbrances and transfers out are shown as budgetary obligations, transfers in are shown as revenues, State of Connecticut on-behalf contributions are shown as revenues and expenses, and reimbursements to and from other funds are shown as reductions of revenues and expenses.

The General Fund budget is the City's only legally adopted annual budget. Budgets for Special Revenue and Capital Projects Funds are adopted on a project length basis in accordance with related grant or funding agreements.

The level of control for the General Fund budget is at the department/major activity level which are authorized by ordinance. The level of control for Capital Projects Funds is appropriations at the project level. Total expenditures cannot exceed total appropriations by project, over the length of the project.

**CITY OF HARTFORD, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued**  
**June 30, 2013**  
**(In Thousands)**

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

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

During the fiscal year ended June 30, 2013 there were no supplemental budget appropriations and there were no additional appropriations against fund balance.

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

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND OTHER SCHEDULES**



**General Fund**

## **GENERAL FUND**

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

**BALANCE SHEET - BY ACCOUNT - GENERAL FUND**  
**June 30, 2013**

	General Fund	Hartford Public Library	Special Activities	Combined General Fund Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 69,025	\$ 111	\$ 2,788	\$ 71,924
Receivables, net	75,037	-	71	75,108
Due from other funds	4,179	-	-	4,179
<b>Total assets</b>	<b>\$ 148,241</b>	<b>\$ 111</b>	<b>\$ 2,859</b>	<b>\$ 151,211</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts and other payables	\$ 53,546	\$ 108	\$ -	\$ 53,654
Due to other funds	61	-	-	61
Deferred/unearned revenue	67,049	-	69	67,118
<b>Total liabilities</b>	<b>120,656</b>	<b>108</b>	<b>69</b>	<b>120,833</b>
<b>FUND BALANCES</b>				
Assigned	57	3	2,790	2,850
Unassigned	27,528	-	-	27,528
<b>Total fund balances</b>	<b>27,585</b>	<b>3</b>	<b>2,790</b>	<b>30,378</b>
<b>Total liabilities and fund balances</b>	<b>\$ 148,241</b>	<b>\$ 111</b>	<b>\$ 2,859</b>	<b>\$ 151,211</b>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND**  
**For the Year Ended June 30, 2013**

	General Fund	Hartford Public Library	Special Activities	Eliminate Interfund Transfers	Totals
<b>REVENUES</b>					
Property taxes	\$ 255,546	\$ -	\$ -	\$ -	\$ 255,546
Licenses and permits	5,661	-	-	-	5,661
Intergovernmental	280,695	-	-	-	280,695
Charges for services	1,905	-	924	-	2,829
Use of property	2,283	-	-	-	2,283
Investment income	312	-	-	-	312
Miscellaneous	2,317	-	-	-	2,317
<b>Total revenues</b>	<b>548,719</b>	<b>-</b>	<b>924</b>	<b>-</b>	<b>549,643</b>
<b>EXPENDITURES</b>					
Current:					
General government	19,206	-	-	-	19,206
Public safety	72,691	-	-	-	72,691
Public works	12,866	-	-	-	12,866
Development and community affairs	4,592	-	-	-	4,592
Human services	4,588	-	-	-	4,588
Education	314,615	-	5	-	314,620
Recreation and culture	-	8,215	-	-	8,215
Benefits and insurance	66,941	-	-	-	66,941
Other	17,858	-	-	-	17,858
<b>Total expenditures</b>	<b>513,357</b>	<b>8,215</b>	<b>5</b>	<b>-</b>	<b>521,577</b>
<b>Revenues over (under) expenditures</b>	<b>35,362</b>	<b>(8,215)</b>	<b>919</b>	<b>-</b>	<b>28,066</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond premium	6,511	-	-	-	6,511
Transfers in	5,928	8,215	-	(8,215)	5,928
Transfers out	(48,455)	-	-	8,215	(40,240)
<b>Net other financing sources (uses)</b>	<b>(36,016)</b>	<b>8,215</b>	<b>-</b>	<b>-</b>	<b>(27,801)</b>
<b>Net change in fund balances</b>	<b>(654)</b>	<b>-</b>	<b>919</b>	<b>-</b>	<b>265</b>
<b>FUND BALANCES, beginning of year</b>	<b>28,239</b>	<b>3</b>	<b>1,871</b>	<b>-</b>	<b>30,113</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 27,585</b>	<b>\$ 3</b>	<b>\$ 2,790</b>	<b>\$ -</b>	<b>\$ 30,378</b>

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CITY OF HARTFORD, CONNECTICUT

REPORT OF TAX COLLECTOR

GENERAL FUND

For the Year Ended June 30, 2013

(In Thousands)

Grand List Year	Taxes Collectible July 1, 2012	Lawful Corrections		Suspense Transfers
		Additions	Deletions	
1995	\$ -	\$ -	\$ -	\$ -
1996	-	-	-	-
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	4	4	-
2004	1,539	91	102	-
2005	2,959	198	61	1,080
2006	3,552	219	82	-
2007	3,775	255	60	-
2008	5,844	164	160	-
2009	8,458	922	738	-
2010	17,196	456	2,479	-
Prior Years	43,323	2,309	3,686	1,080
2011	256,456	1,422	10,358	-
Total Grand List	\$ 299,779	\$ 3,731	\$ 14,044	\$ 1,080

Lien Sales

Suspense

Total Tax Collections

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

Adjusted Tax Levy	Collections				Taxes Receivable June 30, 2013
	Taxes	Interest	Liens	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,528	39	54	-	93	1,489
2,016	134	85	-	219	1,882
3,689	192	132	-	324	3,497
3,970	420	197	-	617	3,550
5,848	1,346	396	2	1,744	4,502
8,642	2,962	1,037	10	4,009	5,680
15,173	7,448	1,665	22	9,135	7,725
40,866	12,541	3,566	34	16,141	28,325
247,520	234,216	1,399		235,615	13,304
<u>\$ 288,386</u>	246,757	4,965	34	251,756	<u>\$ 41,629</u>
	-	-	-	3,751	
	155	242	-	397	
	<u>\$ 246,912</u>	<u>\$ 5,207</u>	<u>\$ 34</u>	<u>\$ 255,904</u>	

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**Nonmajor  
Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

Fund	Funding Source	Function
Section 8	Federal grants	Housing assistance
Miscellaneous Grants	State, federal, other grants	Various programs
Food Services Program	State and federal grants, and sales of food	School lunch and breakfast programs
Health Grants	State and federal grants	Health and human services
Library Grants	Grants & contributions	Public library system
Community Development	Federal block grants	Housing and development
Home Program	Federal grants	Affordable housing
Parks & Recreation Trusts	Donation & trust income	Park and recreation
Human Services Trust	Donation & trust income	Human services
Education Trusts	Donation & trust income	Education and scholarships
ARRA Stimulus Grants	Federal grants	Public safety
ARRA Capital Grants	Federal grants	Public works
Great Path Academy	Grants and fees	Education

### Capital Projects Funds

Capital Projects Funds are used to account for financial resource to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds). The City's four nonmajor capital projects funds include the Vehicle Equipment and Technology Fund, Redevelopment Fund, Capital Leases and HUD Special Projects Fund. The Vehicle Equipment and Technology Fund accounts for the acquisition and financing of public safety and public works vehicles and heavy equipment as well as technology purchases. The Redevelopment Fund accounts for the acquisition and improvement of properties for future development. The Capital Leases Fund accounts for the financing and acquisition of city vehicles and heavy equipment. The HUD Special Projects Fund accounts for special project funding used for urban development.

### Permanent Funds

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

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CITY OF HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2013  
 (In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,567	\$ 6,965	\$ 2,405	\$ 7	\$ 398
Investments	-	-	-	-	-
Receivables:					
Intergovernmental receivable	-	8,914	1,921	983	1,052
Other receivables	-	-	-	-	-
Inventories and other assets	-	-	413	-	-
<b>Total assets</b>	<b>\$ 1,567</b>	<b>\$ 15,879</b>	<b>\$ 4,739</b>	<b>\$ 990</b>	<b>\$ 1,450</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 17	\$ 6,317	\$ 1,463	\$ 682	\$ 799
Due to other funds	-	-	-	-	-
Deferred revenue/uneared revenue	-	13,584	-	318	-
<b>Total liabilities</b>	<b>17</b>	<b>19,901</b>	<b>1,463</b>	<b>1,000</b>	<b>799</b>
Fund Balances					
Nonspendable	-	-	413	-	-
Restricted	1,550	-	2,863	-	651
Committed	-	-	-	-	-
Unassigned	-	(4,022)	-	(10)	-
<b>Total fund balances (deficits)</b>	<b>1,550</b>	<b>(4,022)</b>	<b>3,276</b>	<b>(10)</b>	<b>651</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 1,567</b>	<b>\$ 15,879</b>	<b>\$ 4,739</b>	<b>\$ 990</b>	<b>\$ 1,450</b>

Special Revenue Funds							Capital Projects Funds	
HOME Program	Library Grants	Parks and Recreation Trusts	ARRA Stimulus Grants	ARRA Capital Grants	Great Path Academy	Total	Capital Lease	Vehicle Equipment & Technology
\$ -	\$ 524	\$ 40	\$ -	\$ -	\$ 337	\$ 12,243	\$ 66	\$ 4
-	-	260	-	-	-	260	-	-
134	17	-	-	144	7	13,172	-	-
-	-	-	-	-	-	-	553	-
-	-	-	-	-	-	413	-	-
<u>\$ 134</u>	<u>\$ 541</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ 344</u>	<u>\$ 26,088</u>	<u>\$ 619</u>	<u>\$ 4</u>
\$ 132	\$ 136	\$ -	\$ -	\$ 144	\$ 198	9,888	\$ 2,883	\$ 2,224
-	-	-	-	-	-	-	-	-
2	413	-	-	144	-	14,461	-	-
<u>134</u>	<u>549</u>	<u>-</u>	<u>-</u>	<u>288</u>	<u>198</u>	<u>24,349</u>	<u>2,883</u>	<u>2,224</u>
-	-	-	-	-	-	413	-	-
-	-	300	-	-	146	5,510	-	-
-	-	-	-	-	-	-	-	-
-	(8)	-	-	(144)	-	(4,184)	(2,264)	(2,220)
-	(8)	300	-	(144)	146	1,739	(2,264)	(2,220)
<u>\$ 134</u>	<u>\$ 541</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ 344</u>	<u>\$ 26,088</u>	<u>\$ 619</u>	<u>\$ 4</u>

(Continued)

CITY OF HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2013  
 (In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,090	\$ 233	\$ 3,393
Investments	-	-	-
Receivables:			
Intergovernmental receivable	-	9,268	9,268
Other receivables	-	-	553
Inventories and other assets	-	-	-
<b>Total assets</b>	<b>\$ 3,090</b>	<b>\$ 9,501</b>	<b>\$ 13,214</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 233	5,340
Due to other funds	-	-	-
Deferred revenue/unearned revenue	1,372	-	1,372
<b>Total liabilities</b>	<b>1,372</b>	<b>233</b>	<b>6,712</b>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	9,268	9,268
Committed	1,718	-	1,718
Unassigned	-	-	(4,484)
<b>Total fund balances (deficits)</b>	<b>1,718</b>	<b>9,268</b>	<b>6,502</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 3,090</b>	<b>\$ 9,501</b>	<b>\$ 13,214</b>

Permanent Funds						
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Total	
\$ -	\$ 339	\$ 729	\$ 1	\$ 1,069	\$ 16,705	
1	20,856	3,357	114	24,328	24,588	
-	-	-	-	-	22,440	
-	-	-	-	-	553	
-	-	-	-	-	413	
<u>\$ 1</u>	<u>\$ 21,195</u>	<u>\$ 4,086</u>	<u>\$ 115</u>	<u>\$ 25,397</u>	<u>\$ 64,699</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,228	
-	1,001	-	-	1,001	1,001	
-	-	-	-	-	15,833	
-	1,001	-	-	1,001	32,062	
1	8,150	197	11	8,359	8,772	
-	12,044	3,889	104	16,037	30,815	
-	-	-	-	-	1,718	
-	-	-	-	-	(8,668)	
<u>1</u>	<u>20,194</u>	<u>4,086</u>	<u>115</u>	<u>24,396</u>	<u>32,637</u>	
<u>\$ 1</u>	<u>\$ 21,195</u>	<u>\$ 4,086</u>	<u>\$ 115</u>	<u>\$ 25,397</u>	<u>\$ 64,699</u>	

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

(In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
<b>REVENUES</b>					
Intergovernmental revenues	\$ 48,353	\$ 41,385	\$ 11,551	\$ 9,290	\$ 5,098
Charges for services	230	9,647	830	-	-
Investment income (loss)	4	-	-	-	2
Other revenues	-	519	646	321	27
<b>Total revenues</b>	<b>48,587</b>	<b>51,551</b>	<b>13,027</b>	<b>9,611</b>	<b>5,127</b>
<b>EXPENDITURES</b>					
General government	-	20,314	-	-	717
Public safety	-	11,993	-	-	58
Public works	-	152	-	-	152
Development and community affairs	48,508	1,757	-	-	2,132
Human services	-	10,604	-	9,604	1,802
Education	-	-	12,930	-	194
Recreation and culture	-	14	-	-	151
Capital outlay	-	224	-	-	-
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>48,508</b>	<b>45,058</b>	<b>12,930</b>	<b>9,604</b>	<b>5,206</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>79</b>	<b>6,493</b>	<b>97</b>	<b>7</b>	<b>(79)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	(676)	(5,201)	-	-	-
Lease proceeds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(676)</b>	<b>(5,201)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in fund balance (deficits)</b>	<b>(597)</b>	<b>1,292</b>	<b>97</b>	<b>7</b>	<b>(79)</b>
<b>FUND BALANCE (DEFICITS), beginning,</b>	<b>2,147</b>	<b>(5,314)</b>	<b>3,179</b>	<b>(17)</b>	<b>730</b>
<b>FUND BALANCE (DEFICITS), ending</b>	<b>\$ 1,550</b>	<b>\$ (4,022)</b>	<b>\$ 3,276</b>	<b>\$ (10)</b>	<b>\$ 651</b>

Special Revenue Funds							Capital Projects Funds		
HOME Program	Library Grants	Parks and Recreation Trusts	ARRA Stimulus Grants	ARRA Capital Grants	Great Path Academy	Total	Capital Lease	Vehicle Equipment & Technology	
\$ 2,312	\$ 463	\$ -	\$ 706	\$ 583	\$ 3,055	\$ 122,796	\$ -	\$ -	
-	84	-	-	-	871	11,662	-	-	
-	-	25	-	-	-	31	-	-	
-	791	-	-	-	-	2,304	23	-	
2,312	1,338	25	706	583	3,926	136,793	23	-	
-	-	-	-	-	-	21,031	-	-	
-	-	-	706	-	-	12,757	-	-	
-	-	-	-	635	-	939	-	-	
2,312	-	-	-	-	-	54,709	-	-	
-	-	-	-	-	-	22,010	-	-	
-	-	-	-	-	3,780	16,904	-	-	
-	1,346	3	-	-	-	1,514	-	-	
-	-	-	-	-	-	224	5,698	700	
-	-	-	-	-	-	-	1,003	-	
2,312	1,346	3	706	635	3,780	130,088	6,701	700	
-	(8)	22	-	(52)	146	6,705	(6,678)	(700)	
-	-	-	-	-	-	-	1,003	-	
-	-	-	-	-	-	(5,877)	-	-	
-	-	-	-	-	-	-	3,990	-	
-	-	-	-	-	-	(5,877)	4,993	-	
-	(8)	22	-	(52)	146	828	(1,685)	(700)	
-	-	278	-	(92)	-	911	(579)	(1,520)	
\$ -	\$ (8)	\$ 300	\$ -	\$ (144)	\$ 146	\$ 1,739	\$ (2,264)	\$ (2,220)	

(Continued)

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2013  
 (In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
<b>REVENUES</b>			
Intergovernmental revenues	\$ 2	\$ -	\$ 2
Charges for services	47	-	47
Investment income (loss)	2	253	255
Other revenues	-	-	23
<b>Total revenues</b>	<b>51</b>	<b>253</b>	<b>327</b>
<b>EXPENDITURES</b>			
General government	-	-	-
Public safety	-	-	-
Public works	-	2	2
Development and community affairs	3	-	3
Human services	-	-	-
Education	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	6,398
Debt service	-	597	1,600
<b>Total expenditures</b>	<b>3</b>	<b>599</b>	<b>8,003</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>48</b>	<b>(346)</b>	<b>(7,676)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	1,003
Transfers out	-	-	-
Lease proceeds	-	-	3,990
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>4,993</b>
<b>Changes in fund balance (deficits)</b>	<b>48</b>	<b>(346)</b>	<b>(2,683)</b>
<b>FUND BALANCE (DEFICITS), beginning,</b>	<b>1,670</b>	<b>9,614</b>	<b>9,185</b>
<b>FUND BALANCE (DEFICITS), ending</b>	<b>\$ 1,718</b>	<b>\$ 9,268</b>	<b>\$ 6,502</b>

Permanent Funds							
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total		Total	
\$ -	\$ -	\$ -	\$ -	\$ -		\$ 122,798	
-	-	-	-	-		11,709	
-	3,524	380	14	3,918		4,204	
-	-	-	-	-		2,327	
-	3,524	380	14	3,918		141,038	
-	-	-	-	-		21,031	
-	-	-	-	-		12,757	
-	-	-	-	-		941	
-	-	-	-	-		54,712	
-	-	104	-	104		22,114	
-	-	-	-	-		16,904	
-	123	-	-	123		1,637	
-	-	-	-	-		6,622	
-	-	-	-	-		1,600	
-	123	104	-	227		138,318	
-	3,401	276	14	3,691		2,720	
-	-	-	-	-		1,003	
-	-	-	-	-		(5,877)	
-	-	-	-	-		3,990	
-	-	-	-	-		(884)	
-	3,401	276	14	3,691		1,836	
1	16,793	3,810	101	20,705		30,801	
\$ 1	\$ 20,194	\$ 4,086	\$ 115	\$ 24,396		\$ 32,637	

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**Capital Improvement Fund**

## **CAPITAL IMPROVEMENT FUND**

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND  
For the Year Ended June 30, 2013  
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
<u>Facility Services</u>										
Public Works Projects:										
Z5001	Telecommunications Equipment and Software. Includes the 311 System, Tax Collectors System, and Communications and Radios for the Police and Fire Departments	03/29/2005	\$ 1,000	\$ -	\$ 1,000	\$ 944	\$ -	\$ 944	\$ -	56
W5265	Roof Replacement at the Public Works Facilities Building	01/12/2005	325	-	325	171	-	171	-	154
W6263	City Buildings Environmental Compliance	11/12/2005	600	-	600	582	18	600	-	-
W6264	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	600	-	600	595	4	599	-	1
W6269	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,800	-	1,800	1,724	20	1,744	30	26
W6565	Rising Star Block, Pride Block, Infrastructure Structural Repairs	01/12/2005	3,000	-	3,000	2,974	14	2,988	-	12
A6501	Church Street Façade Restoration	01/12/2005	1,810	-	1,810	1,386	30	1,416	-	394
A6502	MAT Street Garage Façade Restoration	01/12/2005	2,300	-	2,300	1,187	80	1,267	-	1,033
A6503	Remainder of Construction Contract at Morgan St Garage	01/12/2005	1,590	-	1,590	1,451	73	1,524	-	66
A6504	Remainder of Repair Contracts at MAT Garage	01/12/2005	500	-	500	104	-	104	-	396
A6505	Remainder of Repairs Contracts at Church St Garage	01/12/2005	1,000	-	1,000	-	853	853	6	141
A6506	Streetscape Improvements at MAT Garage	01/12/2005	125	-	125	-	-	-	-	125
A6507	Streetscape Improvements at Church St Garage	01/12/2005	280	-	280	34	179	213	-	67
A6508	Landscaping/Lighting Improvements opposite Morgan St Garage	01/12/2005	432	-	432	227	7	234	-	198
W7268	Long Term Document Archive and Storage	07/1/2006	200	-	200	101	107	208	6	(14)
D6576	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325	-	1,325	1,317	-	1,317	-	8
D7576	Economic Development Site Acquisition	07/1/2006	1,450	-	1,450	587	30	617	1	832

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W8262	City Buildings ADA Modifications FYE 2008 Appropriation	08/14/2007	950	-	950	947	-	947	3	-
W8264	City Buildings Energy Conservation Security Technology and Communication FYE 2008 Appropriation	08/14/2007	600	-	600	596	-	596	-	4
W8270	Salt, Sand & Truck Wash at 40 Jennings Road	08/14/2007	500	-	500	-	140	140	146	214
W8279	525 Main St. Building Renovations	08/14/2007	550	-	550	255	2	257	-	293
W8281	City Hall Entrance Plaza Improvements	08/14/2007	950	-	950	878	41	919	5	26
W8282	Burgdorf Environmental Clean-up & Campus Planning	08/14/2007	250	-	250	50	26	76	39	135
W8202	Energy Projects	11/27/2007	2,000	-	2,000	856	283	1,139	580	281
D8576	Economic Development Site Acquisition, FYE 2008 Appropriation	08/14/2007	750	-	750	74	676	750	-	-
D9514	Acquisition of Property for Development	5/29/2008	1,000	-	1,000	532	467	999	2	(1)
D9515	Downtown North/West Redevelopment	5/29/2008	4,250	-	4,250	3,357	(130)	3,227	39	984
D9584	Neighborhood Development Fund	5/29/2008	4,000	-	4,000	804	878	1,682	202	2,116
M9011	Early Learning Centers		1,000	-	1,000	-	-	-	-	1,000
W9201	Public Works Equipment	5/29/2008	500	-	500	347	153	500	-	-
W9262	City Buildings ADA Modifications FYE 2009 Appropriation	5/29/2008	950	-	950	170	63	233	32	685
W9263	City Buildings Environmental Compliance FYE 2009 Appropriation	5/29/2008	500	-	500	141	78	219	6	275
W9264	City Buildings Energy Conservation, Security Technology and Communication FYE 2009 Appropriation	5/29/2008	300	-	300	277	6	283	-	17
W9269	Municipal Facility Renovations	5/29/2008	750	-	750	732	1	733	17	-
W9276	Albany Avenue Library	5/29/2008	3,000	-	3,000	2,082	77	2,159	6	835
W9282	Burgdorf Environmental Clean-up & Campus Planning FYE 2009 Appropriation	5/29/2008	2,400	-	2,400	-	-	-	-	2,400
W9285	New Alternate Feed Generators	5/29/2008	500	-	500	-	-	-	-	500
W9288	North End Senior Center Renovations	5/29/2008	750	-	750	116	3	119	30	601

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W9587 A9510	Bulky Waste Recycling Center Parking Authority		1,100	-	1,100	1,083	-	1,083	9	8
	Capital Improvements	6/23/2008	2,000	-	2,000	-	16	16	14	1,970
W0592	South End Senior Center Improvements	9/22/2009	683	-	683	682	-	682	-	1
D1616	Enhance Founder Bridge Gateway	6/1/2010	2,700	-	2,700	131	132	263	98	2,339
D1617	Federal/State Matching Fund	6/1/2010	250	-	250	193	12	205	6	39
W2617	DOJ ADA Improv Municipal Facility	6/1/2011	500	-	500	12	134	146	231	123
W2618	Energy	6/1/2011	750	-	750	583	138	721	26	3
W2619	Renovations	6/1/2011	200	-	200	5	29	34	45	121
W2620	Central Library - auditorium	6/1/2011	1,200	-	1,200	1,101	60	1,161	39	-
D2637	Former Lyric Theater Building	6/1/2011	750	-	750	-	-	-	-	750
D2638	Proj. Initiation & Development	6/1/2011	150	-	150	22	4	26	1	123
D2639	Federal/State Matching Fund	6/1/2011	200	-	200	-	40	40	-	160
D2640	Facility Planning & Decommission	6/1/2011	250	-	250	-	2	2	107	141
W1302	DOJ ADA Improvements	4/16/2012	-	500	500	-	2	2	1	497
W1303	Municipal Facility Renovations	4/16/2012	-	900	900	-	780	780	120	-
W1304	North End Senior Center	4/16/2012	-	1,517	1,517	-	-	-	-	1,517
W1306	Keney Clock Tower	4/16/2012	-	100	100	-	5	5	13	82
W1307	Library Renovations and Improvement	4/16/2012	-	381	381	-	133	133	214	34
W1308	Dillon Stadium	4/16/2012	-	1,000	1,000	-	-	-	75	925
D1372	Proj. Initiation & Development	4/16/2012	-	250	250	-	95	95	-	155
D1373	Facility Planning & Decommission	4/16/2012	-	900	900	-	31	31	79	790
D1378	Economic Site Acquisition	4/16/2012	-	450	450	-	36	36	-	414
D1379	State/Federal Matching Fund	4/16/2012	-	900	900	-	52	52	-	848
D1380	iQuilt	4/16/2012	-	5,000	5,000	-	681	681	855	3,464
D1381	Document Conversion	4/16/2012	-	300	300	-	54	54	246	-
Total Public Works Projects			55,520	12,198	67,718	29,410	6,615	36,025	3,329	28,364
Public Safety Projects:										
W0306	Major Renovations and Construction Improvements to Certain Fire Stations, Training Facility and Equipment Maintenance Facility Building	11/07/2000	6,200	-	6,200	6,200	-	6,200	-	-
W1115	Construction of a Public Safety Complex	11/07/2000	77,000	-	77,000	68,192	6,411	74,603	1,315	1,082
W7101	Firearms, Equipment Leasing and Transmitter Equipment	06/26/2007	650	-	650	145	342	487	25	138
W8117	Police Headquarters HVAC Improvements & Roof Replacement	08/14/2007	1,800	-	1,800	1,517	-	1,517	-	283

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W9109	Fire Houses Citywide - Improvements & Renovations	6/23/2008	1,250	-	1,250	1,183	66	1,249	-	1
W9120	50 Jennings Rd Interior Mechanical Renovations	5/29/2008	200	-	200	-	-	-	-	200
Total Public Safety Projects			87,100	-	87,100	77,237	6,819	84,056	1,340	1,704
Recreation and Culture Projects:										
W5303	Elizabeth Park Pathway, Traffic and Parking Improvements	05/22/1995	1,125	(168)	957	957	-	957	-	-
W7243	Central (Main) Library Renovations/Improvements	08/12/1996	38,849	-	38,849	38,557	67	38,624	225	-
W7239	Library Branch Renovations	08/12/1996	5,500	-	5,500	5,291	147	5,438	62	-
W3010	Pope Park Pool Replacement	05/26/2000	1,581	-	1,581	1,475	-	1,475	49	57
W1383	Pool Enclosures for Certain Swimming Pools	11/07/2000	3,900	-	3,900	1,102	-	1,102	-	2,798
W2302	Batterson Park Infrastructure - Hartford Parks Trust Fund	05/24/2002	450	-	450	450	-	450	-	-
W2341	Park Ponds Restoration - Hartford Parks Trust Fund	05/24/2002	800	-	800	325	88	413	90	297
W5313	Colt, Goodwin & Keney Parks Restoration of Playing Fields Hartford Parks Trust Fund	05/24/2005	700	-	700	573	127	700	-	-
W6306	Pope Park Indoor Pool Repairs	11/12/2005	250	-	250	249	-	249	1	-
W6342	Lozada Park Preconstruction Planning, State DEP	02/28/2006	20	-	20	19	-	19	-	1
W7307	Colts Park and Coltsville Park Planning	07/1/2006	1,500	-	1,500	841	163	1,004	-	496
W7306	Pope Park Pool/Master Plan Work	10/11/2006	400	-	400	348	25	373	4	23
W7399	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	16,200	-	16,200	16,122	6	16,128	33	39
W7305	Blue Hills Recreation Center	01/9/2007	150	-	150	75	-	75	-	75
W8383	City Wide Pool Enhancements	08/14/2007	800	-	800	568	230	798	2	-
W8272	Central and Branch Library, Dwight	08/14/2007	2,000	-	2,000	1,498	532	2,030	26	(56)

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W8351	Park Monuments, Pond House & Spray Pools Renovations & Improvements	08/14/2007	500	-	500	496	-	496	-	4
W8201	Citywide Day Care and Park Enhancements	11/15/2007	600	-	600	492	98	590	28	(18)
W9398	Playground & Building Improvements	6/23/2008	1,000	-	1,000	609	109	718	96	186
W9588	Lozada Park Improvements	3/9/2009	390	-	390	390	-	390	-	-
W9589	Levee System Improvements	5/12/2009	5,000	-	5,000	4,985	80	5,065	153	(218)
W0591	Hyland Park Improvements and Renovations	9/11/2009	500	-	500	489	-	489	11	-
W0593	Improvements to Pope Park West	6/2/2009	139	-	139	139	-	139	-	-
W0594	North Cemetery	6/2/2009	1,000	-	1,000	822	133	955	48	(3)
W0595	Keney Park Pavilion	6/2/2009	50	-	50	6	1	7	37	6
W0596	Goodwin Park Pond House Improvement	6/2/2009	450	-	450	40	324	364	34	52
W0597	Keney/Waverly Expansion Athletic Fields	6/2/2009	500	-	500	22	321	343	156	1
W1604	Batterson Park Infrastructure Improvements	6/1/2010	1,000	-	1,000	613	3	616	224	160
W1605	I-Quilt/Bushnell Park	6/1/2010	100	-	100	65	16	81	-	19
W2621	DOJ ADA Park Improvement	6/1/2011	500	-	500	84	180	264	236	-
W2622	Park Improvement & Playground	6/1/2011	2,250	-	2,250	597	1,387	1,984	263	3
W2623	Urban Forestry Mgmt & Planning	6/1/2011	900	-	900	499	338	837	19	44
W2625	Beautification/Improvements	6/1/2011	250	-	250	121	135	256	-	(6)
W2627	Pulaski Mall Improvements	6/1/2011	250	-	250	24	222	246	1	3
W2637	Goodwin Park Fencing CSAP 201	6/1/2011	125	-	125	25	99	124	2	(1)
W1309	DOJ ADA Park Improvements	4/16/2012	-	500	500	-	36	36	155	309
W1310	Cemetery Beautification/Improvements	4/16/2012	-	750	750	-	-	-	-	750
W1311	Pulaski Mall Improvements	4/16/2012	-	600	600	-	323	323	259	18
W1332	Cronin Park Improvements	4/16/2012	-	700	700	-	515	515	82	103
W1333	Day Park Improvements	4/16/2012	-	800	800	-	-	-	701	99
W1334	Bushnell Park Carousel Study	4/16/2012	-	150	150	-	4	4	13	133
W1336	Park Projects Design	4/16/2012	-	200	200	-	114	114	59	27
W1338	Cal Ripken Playing Fields	4/16/2012	-	2,750	2,750	-	-	-	-	2,750
W2636	Batterson Park Improvements	4/25/2011	139	-	139	-	82	82	-	57
W2638	Cronin Park (Ruby Long Park)	4/25/2011	400	-	400	-	377	377	23	-
W2624	Park Master Plan Update	6/1/2011	350	-	350	-	-	-	-	350
Total Recreation and Culture Projects			90,618	6,282	96,900	78,968	6,282	85,250	3,092	8,558
<u>Education Projects</u>										
QB534	Renovation of Hartford High School Project	09/23/1997	114,500	-	114,500	114,328	-	114,328	81	91
QB537	Renovations of Various Hartford Schools	08/11/1998	27,000	-	27,000	24,330	2,357	26,687	534	(221)
QB546	Renovations and Construction Improvements to Hartford Public Schools	11/07/2000	129,590	-	129,590	127,920	3,349	131,269	179	(1,858)

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
QB548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	30,500	-	30,500	30,347	9	30,356	5	139
QB549	Sports Science Academy Magnet High School	05/12/2003	67,649	-	67,649	64,656	(1)	64,655	903	2,091
QB550	Greater Hartford Classical Magnet School	11/13/2003	37,950	-	37,950	37,780	32	37,812	40	98
QB551	Pathways to Technology Magnet School	11/13/2003	36,950	-	36,950	6,814	8	6,822	1,155	28,973
QB553	University High School for Science	08/11/2004	43,000	-	43,000	41,990	5	41,995	330	675
QB554	Capital College Preparatory Magnet	08/11/2004	45,650	-	45,650	40,727	263	40,990	1,796	2,864
QB556	Annie Fisher Magnet School	07/12/2005	45,500	-	45,500	44,176	23	44,199	630	671
QB557	Richard B. Kinsella, Magnet School of Arts	07/12/2005	38,015	-	38,015	37,923	-	37,923	8	84
QB559	Mary Hooker Environment Studies Magnet School	07/11/2006	43,500	-	43,500	37,425	1,197	38,622	1,475	3,403
Q8416	Weaver High School Renovations	08/14/2007	940	-	940	-	-	-	-	940
Q8417	Bulkeley High School Improvements to Air Handling System	08/14/2007	240	-	240	-	-	-	-	240
Q8418	Betances Elementary School Replacement of Five Rear Staircases	08/14/2007	45	-	45	-	-	-	-	45
Q1564	Journalism & New Media High School	06/09/2008	37,450	-	37,450	8,883	17,215	26,098	6,506	4,846
Q1565	Dwight Bellizzi Middle School	06/09/2008	13,000	-	13,000	4,588	5,919	10,507	1,735	758
Q1566	International Baccalaureate School	06/09/2008	55,050	-	55,050	10,121	31,094	41,215	9,379	4,456
Q9553	Transitional Classroom University of Science	1/12/2009	1,650	-	1,650	1,295	-	1,295	-	355
Q9901/Q9430	MD Fox Elementary School	1/12/2008	54,400	-	54,400	18,122	23,963	42,085	6,293	6,022
Q9902	Student Bathrooms - Bulkeley	10/27/2008	700	-	700	518	-	518	-	182
Q9912	Opportunity High School	1/1/2012	700	-	700	13	393	406	55	239
Q0903	Burns Roof & Asbestos Abate	6/2/2009	865	-	865	865	-	865	-	-
Q0904	Roofs/Masonry Intrusion Alan	6/2/2009	4,069	-	4,069	844	655	1,499	1,249	1,321
Q0905	M.L. King (Gifted and Talented)	6/2/2009	100	-	100	49	51	100	-	-
Q0906	Burns (Language Lab)	6/2/2009	700	-	700	-	12	12	74	614
Q2907	West Middle School	7/1/2012	54,600	-	54,600	1	1,305	1,306	2,708	50,586
Q2908	Hartford Middle Magnet School	7/1/2012	29,440	-	29,440	1	583	584	2,617	26,239
Q2909	Parkville School HVAC Units	7/1/2012	1,425	-	1,425	26	792	818	-	607
Q2910	Fox Middle School Cooling Tower Unit	7/1/2012	271	-	271	40	122	162	-	109
Q2911	Kinsella High School	7/1/2012	70	-	70	-	5	5	-	65
Q1301	Quirk Renovation	4/16/2012	-	2,500	2,500	-	32	32	25	2,443
Q1302	Burns Masonry	4/16/2012	-	300	300	-	-	-	300	-
Q1303	Bellizzi Air Conditioning	4/16/2012	-	1,500	1,500	-	-	-	183	1,317
Q1307	Milner School Renovations	4/16/2012	-	2,000	2,000	-	64	64	81	1,855
Total Education Projects			915,519	6,300	921,819	653,782	89,447	743,229	38,341	140,249

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
Other	Q2905 (QB904) Milner Academy Roof Project		1,480		1,480	1,362	130	1,492	4	(16)
	Q2906 (QB904) Batchelder School Roof Project		1,820		1,820	1,559	151	1,710	3	107
	Q1300 Public Safety	4/16/2012	-	3,000	3,000	-	60	60	-	2,940
	Q1306 Parking Lot	4/16/2012	-	200	200	-	1	1	-	199
			<u>3,300</u>	<u>-</u>	<u>6,500</u>	<u>2,921</u>	<u>342</u>	<u>3,263</u>	<u>7</u>	<u>3,230</u>
Total Facility Services			<u>1,152,057</u>	<u>24,780</u>	<u>1,180,037</u>	<u>842,318</u>	<u>109,505</u>	<u>951,823</u>	<u>46,109</u>	<u>182,105</u>
<u>Engineering Services</u>										
W9519	Road Improvement Program	08/11/1998	12,955	-	12,955	10,780	28	10,808	12	2,135
W1519	Streetscape Improvements	11/07/2000	16,700	-	16,700	11,297	259	11,556	616	4,528
W1534	Reconstruction of Woodland Street	06/11/2001	1,525	-	1,525	1,392	-	1,392	133	-
W3560	Demolition of Mixmaster Temple Street	05/12/2003	917	-	917	794	-	794	-	123
W3570	Trinity College Area Improvements	11/13/2003	4,565	-	4,565	4,542	-	4,542	-	23
W4548	Riverwalk North Project	11/09/2004	4,686	-	4,686	4,686	-	4,686	-	-
W1520	Flood Control System Improvements	11/07/2000	13,000	-	13,000	12,766	184	12,950	49	1
W5547	Streetscape Improvements on Huyshope Avenue	03/14/2006	948	-	948	914	-	914	-	34
W6522	Trumbull Street Streetscapes	07/01/2006	5,000	-	5,000	4,584	3	4,587	335	78
W7574	School Area Pedestrian Routes Safety Enhancements	07/01/2006	300	-	300	214	6	220	35	45
W8562	Match Funds for State/Federal Infrastructure Grants FYE 2008 Appropriation	08/14/2007	1,190	-	1,190	885	68	953	2	235
W8510	Reconstruction of Asylum St. from Main St. to Trumbull St. CFDA 20.205-State 63-570	07/10/2007	1,266	-	1,266	1,067	-	1,067	-	199
W8556	Street Rehabilitation FYE 2008 Appropriation	08/14/2007	4,000	-	4,000	3,909	-	3,909	68	23
W8519	Streetscapes FYE 2008 Appropriation	08/14/2007	2,000	-	2,000	394	13	407	13	1,580
W8577	Main Street, Streetscapes	08/14/2007	475	-	475	89	240	329	134	12
W8518	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.	10/11/2007	4,040	(1,140)	2,900	2,818	-	2,818	-	82
W8523	Extension of Mark Twain Dr.	04/28/2008	2,728	-	2,728	2,648	3	2,651	-	77
W9510	Street Rehabilitation & Road Improvements	5/29/2008	4,000	-	4,000	3,148	783	3,931	76	(7)
W9511	Streetscape Projects - North & South	6/23/2008	2,000	-	2,000	12	881	893	231	876

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W9512	Flood Control Infrastructure Improvements	5/29/2008	1,600	-	1,600	587	1,002	1,589	11	-
W9549	Central Business District Streetlight Replacement	5/29/2008	250	-	250	247	3	250	-	-
W9562	Match Funds for State/Federal Infrastructure Grants FYE 2009	5/29/2008	1,500	-	1,500	161	-	161	-	1,339
W9586	Clean Water Related Infrastructure Supplemental Funding	5/29/2008	1,500	-	1,500	81	202	283	62	1,155
W0598	Citywide Decorative Light Replacement	6/2/2009	350	-	350	146	159	305	46	(1)
W0599	Citywide Guide Rail & Traffic Island	6/2/2009	700	-	700	149	1	150	18	532
W1600	Park St./Pope Commons Streetscape Improvements	7/1/2010	95	-	95	106	(11)	95	-	-
W1606	Repair of 12 City Bridges	6/1/2010	900	-	900	-	-	-	-	900
W1609	Street Paving	6/1/2010	3,000	-	3,000	2,862	7	2,869	78	53
W1610	Connect Regional, Nat'l Trails	6/1/2010	200	-	200	-	-	-	-	200
W1613	Farmington/Broad/Asylum Intersection	6/1/2010	3,500	-	3,500	-	-	-	-	3,500
W1614	South Green Ornamental Fence	6/1/2010	200	-	200	61	18	79	10	111
W1615	Traffic Calming	6/1/2010	500	-	500	167	198	365	119	16
W1616	Coltsville Streetscape Flood Control Design	6/1/2011	850	-	850	233	333	566	284	-
W2629	Improvements	6/1/2011	3,000	-	3,000	140	1,177	1,317	1,692	(9)
W2630	Traffic calming	6/1/2011	250	-	250	-	66	66	25	159
W2632	Streetlight Replacement Program	6/1/2011	500	-	500	7	200	207	185	108
D2649	Colt Gateway Project	6/1/2011	5,300	-	5,300	3	21	24	-	5,276
W1316	Flood Control Design and Improvements	4/16/2012	-	2,500	2,500	-	334	334	354	1,812
W1317	Albany Ave Road Safety Improvements	4/16/2012	-	1,000	1,000	-	343	343	904	(247)
W1318	Traffic Calming	4/16/2012	-	250	250	-	157	157	-	93
W1320	Colt Gateway Streetscape Phase 1	4/16/2012	-	13,900	13,900	-	71	71	31	13,798
W1321	Pedestrian Wayfinding Signage Program	4/16/2012	-	300	300	-	70	70	-	230
W1326	City Records - Document Conversion	4/16/2012	-	300	300	-	117	117	19	164
W1329	Roof Replacement	4/16/2012	-	500	500	-	32	32	15	453
W1330	Street Light Replacement Program	4/16/2012	-	250	250	-	171	171	-	79
Total Engineering Services			106,490	17,860	124,350	71,889	7,139	79,028	5,557	39,765

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
<u>Transportation Services</u>										
Public Works Projects:										
W0511	Upgrade of Hartford Traffic Signals	11/23/1999	1,861	-	1,861	1,820	-	1,820	-	41
W6550	Safety Improvements to Franklin and Benton	08/16/2005	92	-	92	92	-	92	-	-
W6551	Safety Improvements to Washington and Ward	08/16/2005	92	-	92	92	-	92	-	-
W7564	City Sidewalk Replacements	10/11/2006	300	-	300	297	-	297	-	3
W8550	Safety Improvements at the Intersection of New Britain Ave. and Henry Street.	10/10/2007	87	-	87	25	-	25	-	62
A8509	On-Street Parking Meters	02/13/2008	3,300	-	3,300	3,225	-	3,225	-	75
Total Transportation Services			5,732	-	5,732	5,551	-	5,551	-	181
<u>Local Capital Improvement Program</u>										
Public Works Projects:										
W5534	LOCIP - Woodland Street Bridge Rehabilitation Match	10/10/1995	250	-	250	236	-	236	-	14
W7244	Library Renovations	09/11/1996	1,000	-	1,000	988	-	988	-	12
W0521	STP Federal Road Reconstruction Match - 064-99-030	10/27/1999	400	-	400	388	-	388	12	-
W1263	Municipal Building Improvements – 064-00-030; 064-01-060	10/11/2000	716	-	716	693	-	693	14	9
W2552	Signalization of Franklin Avenue/Ward Street and Washington/Ward Street - LOCIP project #242 – 064-01-010	09/12/2001	20	-	20	20	-	20	-	-
W2553	Reconstruction of Broad and/or Vine Street - LOCIP Project #553 - 064-01 040	09/12/2001	300	-	300	281	-	281	-	19
W4270	Truck Wash Facility - LOCIP Project #247 - 064-03-010	09/15/2003	75	-	75	37	38	75	-	-

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W4271	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	09/15/2003	750	-	750	124	447	571	179	-
W4563	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	09/15/2003	125	-	125	72	-	72	5	48
W4556	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	09/15/2003	3,850	-	3,850	3,839	10	3,849	-	1
W4117	Police Headquarters - Heating, Ventilation, and Air Conditioning (HVAC Improvements) -LOCIP Project #117-064-03-080&064-05-020	09/15/2003	2,066	-	2,066	2,002	-	2,002	10	54
W4268	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	09/15/2003	100	-	100	4	-	4	-	96
W4203	Installation of Automated Fuel Control and Accounting System for Vehicle Fueling System - LOCIP Project #561 - 064-03-090	09/15/2003	150	-	150	132	-	132	17	1
W5268	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	400	-	400	390	(15)	375	1	24
W5269	Central Business District Streetlight Replacement - LOCIP Project #549 - 064-04-050	10/13/2004	500	-	500	500	-	500	-	-
W5383	Colt and Keney Park Swimming Pool Renovations - LOCIP Project #383 - 064-04-070	10/13/2004	250	-	250	109	-	109	-	141

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W6572	Plan of Conservation and Development LOCIP Project #572 064-05-050	11/29/2005	500	-	500	491	-	491	-	9
W7568	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	02/16/2006	250	-	250	140	(4)	136	31	83
W7265	Roof Replacements at Various City Buildings Project #265, 064-06-010	01/30/2007	750	-	750	578	107	685	19	46
W7266	Boiler Replacement at Various City Buildings Project #266, 064-06-020	01/30/2007	250	-	250	250	-	250	-	-
W6568	Citywide Neighborhood Traffic Calming Project #568, 064-06-040	01/30/2007	250	-	250	248	-	248	-	2
W7575	Citywide Decorative Light Replacements Project #575, 064-06-050	01/30/2007	225	-	225	118	29	147	78	-
W9590	LOCIP Project #581 - Handicap Ramps	6/9/2009	250	-	250	5	-	5	195	245
W1601	Pope Park Recreation Center Building Shell	6/1/2010	1,200	-	1,200	1,218	-	1,218	9	(27)
W1603	525 Main St. Roof Top Unit Replacement	6/1/2010	500	-	500	79	-	79	17	404
W1607	Sidewalk Replacement	6/1/2010	200	-	200	164	(36)	128	22	50
W1608	Traffic Signals and Cameras	6/1/2010	1,500	-	1,500	8	26	34	6	1,460
W1612	Streetlight Replacement	6/1/2010	300	-	300	-	17	17	-	283
W2626	Improvements	6/1/2011	250	-	250	23	109	132	68	50
W2628	Traffic signalization	6/1/2011	750	-	750	13	85	98	5	647
W2631	Citywide Bike Lanes	6/1/2011	50	-	50	-	-	-	-	50
W2633	Street Design & Reconstruction	6/1/2011	900	-	900	-	-	-	-	900
W2634	Sidewalk Replacement	6/1/2011	500	-	500	14	199	213	138	149

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED  
WITH APPROPRIATIONS, ETC. – CAPITAL IMPROVEMENT FUND, Continued**  
For the Year Ended June 30, 2013  
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2012	Current Period	Cumulative Total	Prior to July 1, 2012	Current Period	Cumulative Total		
W2635	Street Repaving & Repair	6/1/2011	300	-	300	300	-	300	-	-
D2636	Citywide Streetscapes - Planning	6/1/2011	250	-	250	-	-	-	-	250
W1325	Street Repaving & Repair	4/16/2012	-	2,000	2,000	-	548	548	1,251	201
Total Local Capital Improvement Program			<u>20,127</u>	<u>2,000</u>	<u>22,127</u>	<u>13,464</u>	<u>1,560</u>	<u>15,024</u>	<u>2,077</u>	<u>5,026</u>
TOTAL CAPITAL IMPROVEMENT FUND			<u>\$ 1,284,406</u>	<u>\$ 44,640</u>	<u>\$ 1,329,046</u>	<u>\$ 933,222</u>	<u>118,204</u>	<u>\$ 1,051,426</u>	<u>\$ 53,743</u>	<u>\$ 227,077</u>
Conversion to GAAP based financial statement reporting:										
	Previous year retainage and off system accrued payables						(4,372)		(4,372)	
	Current year retainage and off system accrued payables						<u>5,336</u>		<u>5,336</u>	
	TOTAL						<u>\$ 119,168</u>		<u>\$ 54,707</u>	

**Internal Service Funds**

## **INTERNAL SERVICE FUNDS**

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

The City maintains seven (7) internal service funds to account for the risk management program for employee benefits including retirees, municipal actives, BOE actives, new hires, VEBA, workers' compensation, and general liability, including property damage.

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

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CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF NET POSITION (DEFICIT) - INTERNAL SERVICE FUNDS

June 30, 2013

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,187	\$ 200	\$ 1,689
Other receivables	-	6	-
<b>Total assets</b>	<b>3,187</b>	<b>206</b>	<b>1,689</b>
<b>LIABILITIES</b>			
Current:			
Accounts payable and accrued liabilities	93	58	337
Insurance claims payable	5,200	2,500	-
Claims incurred and not reported	-	-	-
<b>Total current liabilities</b>	<b>5,293</b>	<b>2,558</b>	<b>337</b>
Noncurrent:			
Insurance claims payable	-	1,600	-
Claims incurred and not reported	10,100	1,000	-
<b>Total noncurrent liabilities</b>	<b>10,100</b>	<b>2,600</b>	<b>-</b>
<b>NET POSITION (DEFICIT)</b>			
Unrestricted	(12,206)	(4,952)	1,352
<b>Total net position (deficit)</b>	<b>\$ (12,206)</b>	<b>\$ (4,952)</b>	<b>\$ 1,352</b>

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 1,134	\$ 3,321	\$ 37,486	\$ 1,948	\$ 174	\$ 49,139
481	-	164	-	-	651
1,615	3,321	37,650	1,948	174	49,790
392	374	900	-	-	2,154
-	-	-	-	-	7,700
1,223	1,387	2,639	373	-	5,622
1,615	1,761	3,539	373	-	15,476
-	-	-	-	-	1,600
-	-	-	-	-	11,100
-	-	-	-	-	12,700
-	1,560	34,111	1,575	174	21,614
\$ -	\$ 1,560	\$ 34,111	\$ 1,575	\$ 174	\$ 21,614

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (DEFICIT)

INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2013

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>OPERATING REVENUES</b>			
City's contribution	\$ 6,416	\$ 1,761	\$ 5,526
Pensioners contribution	-	-	-
Other	-	230	117
<b>Total operating revenues</b>	<b>6,416</b>	<b>1,991</b>	<b>5,643</b>
<b>OPERATING EXPENSES</b>			
Administrative	1	340	740
Operations	-	-	4,982
Insurance benefits and claims paid	2,116	851	-
<b>Total operating expenses</b>	<b>2,117</b>	<b>1,191</b>	<b>5,722</b>
<b>Changes in net position</b>	<b>4,299</b>	<b>800</b>	<b>(79)</b>
<b>NET POSITION (DEFICIT), beginning of year</b>	<b>(16,505)</b>	<b>(5,752)</b>	<b>1,431</b>
<b>NET POSITION (DEFICIT), end of year</b>	<b>\$ (12,206)</b>	<b>\$ (4,952)</b>	<b>\$ 1,352</b>

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 9,852	\$ 4,128	\$ 42,019	\$ 5,561	\$ -	\$ 75,263
11,675	3,189	7,951	921	-	23,736
155	647	173	865	-	2,187
21,682	7,964	50,143	7,347	-	101,186
1,325	1,508	2,417	352	-	6,683
-	-	-	-	-	4,982
20,357	19,668	39,408	5,656	-	88,056
21,682	21,176	41,825	6,008	-	99,721
-	(13,212)	8,318	1,339	-	1,465
-	14,772	25,793	236	174	20,149
\$ -	\$ 1,560	\$ 34,111	\$ 1,575	\$ 174	\$ 21,614

CITY OF HARTFORD, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2013

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
<b>Cash Flows From Operating Activities</b>			
City's contribution	\$ 6,416	\$ 2,130	\$ 5,526
Cash received from other	-	-	117
Cash received from users	-	-	-
Cash paid for salaries and benefits	-	-	(740)
Cash paid for claims	(6,679)	(1,955)	(5,056)
<b>Net cash provided by (used in) operating activities</b>	<b>(263)</b>	<b>175</b>	<b>(153)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(263)</b>	<b>175</b>	<b>(153)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>3,450</b>	<b>25</b>	<b>1,842</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 3,187</b>	<b>\$ 200</b>	<b>\$ 1,689</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>			
Operating income (loss)	\$ 4,299	\$ 800	\$ (79)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in other receivables	-	139	-
(Decrease) increase in accounts payable	(262)	36	(74)
(Decrease) increase in insurance claims payable	4,000	(1,140)	-
(Decrease) increase in claims incurred but not reported	(8,300)	340	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (263)</b>	<b>\$ 175</b>	<b>\$ (153)</b>

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 9,810	\$ 4,128	\$ 42,119	\$ 5,561	\$ -	\$ 75,690
155	647	173	865	-	1,957
11,675	3,189	7,951	921	-	23,736
(1,325)	(1,343)	(2,417)	(352)	-	(6,177)
(20,670)	(19,402)	(38,969)	(5,431)	-	(98,162)
(355)	(12,781)	8,857	1,564	-	(2,956)
(355)	(12,781)	8,857	1,564	-	(2,956)
1,489	16,102	28,629	384	174	52,095
\$ 1,134	\$ 3,321	\$ 37,486	\$ 1,948	\$ 174	\$ 49,139
\$ -	\$ (13,212)	\$ 8,318	\$ 1,339	\$ -	\$ 1,465
(42)	-	100	-	-	197
(493)	267	198	-	-	(328)
-	-	-	-	-	2,860
180	164	241	225	-	(7,150)
\$ (355)	\$ (12,781)	\$ 8,857	\$ 1,564	\$ -	\$ (2,956)

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**Agency Funds**

## **AGENCY FUNDS**

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

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

**COMBINING BALANCE SHEET - AGENCY FUNDS**  
June 30, 2013  
(In Thousands)

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	<b>Student Activity Funds</b>	<b>Adult Education Book Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 935	\$ 9	\$ 944
<b>LIABILITIES</b>			
Due to student groups and other	\$ 935	\$ 9	\$ 944

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS**

For the Year Ended June 30, 2013

(In Thousands)

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>STUDENT ACTIVITY FUNDS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 892	\$ 1,170	\$ 1,127	\$ 935
<b>Liabilities</b>				
Due to student groups	\$ 892	\$ 1,170	\$ 1,127	\$ 935
<b>ADULT EDUCATION BOOK FUND</b>				
<b>Assets</b>				
Cash	\$ 9	\$ -	\$ -	\$ 9
<b>Liabilities</b>				
Due to other	\$ 9	\$ -	\$ -	\$ 9
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 901	\$ 1,170	\$ 1,127	\$ 944
<b>Liabilities</b>				
Due to student groups	\$ 892	\$ 1,170	\$ 1,127	\$ 935
Due to other	9	-	-	9
<b>Total</b>	<b>\$ 901</b>	<b>\$ 1,170</b>	<b>\$ 1,127</b>	<b>\$ 944</b>

**Capital Assets Used in the Operation  
of Governmental Funds**

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

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

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS,  
COMPARATIVE SCHEDULE BY SOURCE  
June 30, 2013 and 2012  
(In Thousands)**

	<u>2013</u>	<u>2012</u>
Governmental funds capital assets:		
Land and land improvements	\$ 91,212	\$ 87,597
Buildings	1,212,182	1,131,850
Other structures	32,114	28,591
Furniture and equipment	39,784	39,925
Rolling equipment	44,191	42,539
Infrastructure	467,928	461,198
Construction in progress	175,957	156,310
<b>Total</b>	<b>\$ 2,063,368</b>	<b>\$ 1,948,010</b>
Investments in governmental funds capital assets:		
<b>Total governmental funds capital assets</b>	<b>\$ 2,063,368</b>	<b>\$ 1,948,010</b>

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**Statistical Section**

## STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

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CITY OF HARTFORD, CONNECTICUT

NET POSITION BY COMPONENT - UNAUDITED

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental activities					
Net investment in capital assets	\$ 1,006,633	\$ 966,580	\$ 954,780	\$ 956,310	\$ 910,440
Restricted	73,049	70,155	62,466	63,564	63,642
Unrestricted	36,029	50,814	47,155	36,231	12,324
<b>Total governmental activities net position</b>	<b>1,115,711</b>	<b>1,087,549</b>	<b>1,064,401</b>	<b>1,056,105</b>	<b>986,406</b>
Business-type activities					
Net investment in capital assets	33,910	34,623	35,417	36,256	37,683
Restricted	-	-	-	-	-
Unrestricted	1,799	2,400	1,678	684	-
<b>Total business-type activities net position</b>	<b>35,709</b>	<b>37,023</b>	<b>37,095</b>	<b>36,940</b>	<b>37,683</b>
Primary Government					
Net investment in capital assets	1,040,543	1,001,203	990,197	992,566	948,123
Restricted	73,049	70,155	62,466	63,564	63,642
Unrestricted	37,828	53,214	48,833	36,915	12,324
<b>Total primary government net position</b>	<b>\$ 1,151,420</b>	<b>\$ 1,124,572</b>	<b>\$ 1,101,496</b>	<b>\$ 1,093,045</b>	<b>\$ 1,024,089</b>

Notes:

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

TABLE 1

		Fiscal Year							
		2008	2007	2006	2005	2004			
\$	877,583	\$	815,601	\$	737,253	\$	425,801	\$	355,753
	64,098		65,320		55,509		53,375		50,445
	(5,966)		43,920		53,952		58,531		44,137
	935,715		924,841		846,714		537,707		450,335
	35,974		36,969		36,641		33,145		31,056
	-		-		-		-		17,843
	-		1,562		1,033		4,604		-
	35,974		38,531		37,674		37,749		48,899
	913,557		852,570		773,894		458,946		386,809
	64,098		65,320		55,509		53,375		68,288
	(5,966)		45,482		54,985		63,135		44,137
\$	971,689	\$	963,372	\$	884,388	\$	575,456	\$	499,234

CITY OF HARTFORD, CONNECTICUT

CHANGES IN NET POSITION - UNAUDITED

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2013	2012	2011	2010	2009
<b>Expenses</b>					
Governmental activities:					
General government	\$ 72,050	\$ 72,165	\$ 58,302	\$ 61,687	\$ 58,575
Public safety	106,619	101,603	99,448	98,563	95,466
Public works	44,280	42,428	37,698	38,215	30,290
Development and community affairs	61,652	63,779	61,408	63,475	56,269
Human services	27,561	30,146	28,574	31,799	34,601
Education	503,475	487,717	472,210	477,009	450,428
Recreation and culture	10,106	9,728	9,332	9,632	10,227
Benefits and insurance	-	-	-	-	-
Sundry	-	-	-	-	-
Interest on long-term debt	21,358	14,743	15,322	19,125	17,169
<b>Total governmental activities expenses</b>	<b>847,101</b>	<b>822,309</b>	<b>782,294</b>	<b>799,505</b>	<b>753,025</b>
Business-type activities:					
Hartford Parking Facilities	3,669	3,729	4,096	4,185	3,760
American Airlines Building	-	-	-	-	-
<b>Total business-type activities net position</b>	<b>3,669</b>	<b>3,729</b>	<b>4,096</b>	<b>4,185</b>	<b>3,760</b>
<b>Total primary government expenses</b>	<b>850,770</b>	<b>826,038</b>	<b>786,390</b>	<b>803,690</b>	<b>756,785</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	2,150	3,108	2,152	2,241	2,374
Public safety	9,119	1,772	2,472	1,739	2,053
Public works	7,464	10,378	10,770	10,089	14,715
Recreation and culture	92	194	95	537	458
Other	3,849	5,011	6,689	4,808	5,398
Operating grants and contributions	465,918	445,168	408,617	420,882	391,919
Capital grants and contributions	65,774	25,912	15,797	96,958	71,908
<b>Total governmental activities program revenues</b>	<b>554,366</b>	<b>491,543</b>	<b>446,592</b>	<b>537,254</b>	<b>488,825</b>

TABLE 2

		Fiscal Year							
		2008	2007	2006	2005	2004			
\$	115,504	\$	97,524	\$	94,466	\$	22,080	\$	18,002
	83,414		77,513		74,179		71,142		67,442
	29,127		23,821		24,730		16,881		26,702
	51,777		47,702		45,570		54,484		48,305
	30,042		30,755		24,022		18,853		19,126
	496,857		397,355		375,615		295,963		291,152
	10,338		10,231		9,991		7,446		9,737
	-		-		-		102,396		105,141
	-		-		-		22,589		12,058
	13,723		11,045		6,941		9,409		6,860
	830,782		695,946		655,514		621,243		604,525
	3,897		3,768		3,701		5,876		4,067
	-		-		-		-		863
	3,897		3,768		3,701		5,876		4,930
	834,679		699,714		659,215		627,119		609,455
	2,907		4,324		4,227		4,109		2,894
	4,696		5,439		7,843		6,226		5,412
	14,224		12,155		12,278		11,142		13,240
	2,514		2,383		2,063		2,077		2,891
	1,340		1,434		1,674		1,970		1,785
	466,397		382,080		364,191		330,611		313,870
	58,545		73,070		122,823		98,134		24,745
	550,623		480,885		515,099		454,269		364,837

CITY OF HARTFORD, CONNECTICUT

CHANGES IN NET POSITION CONTINUED - UNAUDITED

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2013	2012	2011	2010	2009
<b>Business-type activities:</b>					
Charges for services:					
Parking facilities*	4,511	4,054	4,732	4,791	5,309
Other enterprise funds	-	-	-	-	-
Capital grants and contributions	-	-	-	-	3,214
<b>Total business-type activities program revenues</b>	<b>4,511</b>	<b>4,054</b>	<b>4,732</b>	<b>4,791</b>	<b>8,523</b>
<b>Total primary government program revenues</b>	<b>558,877</b>	<b>495,597</b>	<b>451,324</b>	<b>542,045</b>	<b>497,348</b>
Net (expense)/revenue					
Governmental activities	(292,735)	(330,766)	(335,702)	(262,251)	(264,200)
Business-type activities	842	325	636	606	4,763
<b>Total primary government net expense</b>	<b>(291,893)</b>	<b>(330,441)</b>	<b>(335,066)</b>	<b>(261,645)</b>	<b>(259,437)</b>
General revenues and other changes in net expenses					
Governmental activities:					
Property taxes	256,943	290,165	283,835	272,939	256,520
Unrestricted grants and contributions	56,696	58,767	55,207	51,975	53,234
Investment earnings	2,781	2,205	3,079	3,319	(416)
Other general revenues	2,317	2,377	1,389	2,367	2,492
Transfers and other	2,160	400	488	1,350	3,061
Special item - net loss on sale of property	-	-	-	-	-
<b>Total governmental activities</b>	<b>320,897</b>	<b>353,914</b>	<b>343,998</b>	<b>331,950</b>	<b>314,891</b>
Business-type activities: (2)					
Investment earnings	4	3	7	1	7
Other general revenues	-	-	-	-	-
Special item - net loss on sale of property	-	-	-	-	-
Transfers and other	(2,160)	(400)	(488)	(1,350)	(3,061)
<b>Total business-type activities</b>	<b>(2,156)</b>	<b>(397)</b>	<b>(481)</b>	<b>(1,349)</b>	<b>(3,054)</b>
<b>Total primary government</b>	<b>318,741</b>	<b>353,517</b>	<b>343,517</b>	<b>330,601</b>	<b>311,837</b>
Changes in net position					
Governmental activities	28,162	23,148	8,296	69,699	50,691
Business-type activities	(1,314)	(72)	155	(743)	1,709
<b>Total primary government</b>	<b>\$ 26,848</b>	<b>\$ 23,076</b>	<b>\$ 8,451</b>	<b>\$ 68,956</b>	<b>\$ 52,400</b>

\* Prior to 2005, the parking facilities charges for services are classified with the City's other enterprise fund charges for services. After 2004, the City's parking facilities enterprise fund is the only business-type activities function generating charges for services.

Notes:

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

TABLE 2

Fiscal Year				
2008	2007	2006	2005	2004
6,724	6,337	4,840	3,698	-
-	-	-	-	3,825
167	-	37	43	-
6,891	6,337	4,877	3,741	3,825
557,514	487,222	519,976	458,010	368,662
(280,159)	(215,061)	(140,415)	(166,974)	(239,688)
2,994	2,569	1,176	(2,135)	(1,105)
(277,165)	(212,492)	(139,239)	(169,109)	(240,793)
229,500	229,734	215,285	196,846	191,514
47,698	49,262	41,861	39,907	37,755
3,692	8,519	5,490	3,949	3,515
4,581	3,920	4,779	3,829	1,726
5,562	1,753	1,381	9,815	1,813
-	-	-	-	(6,736)
291,033	293,188	268,796	254,346	229,587
11	41	130	500	272
-	-	-	300	-
-	-	-	-	(2,404)
(5,562)	(1,753)	(1,381)	(9,815)	(1,813)
(5,551)	(1,712)	(1,251)	(9,015)	(3,945)
285,482	291,476	267,545	245,331	225,642
10,874	78,127	128,381	87,372	(10,101)
(2,557)	857	(75)	(11,150)	(5,050)
\$ 8,317	\$ 78,984	\$ 128,306	\$ 76,222	\$ (15,151)

CITY OF HARTFORD, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS - UNAUDITED

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2013	2012	2011	2010	2009
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	2,850	4,332	2,525	-	-
Unassigned	27,528	25,781	22,561	-	-
Reserved	-	-	-	148	95
Unreserved	-	-	-	18,500	16,218
<b>Total general fund</b>	<b>\$ 30,378</b>	<b>\$ 30,113</b>	<b>\$ 25,086</b>	<b>\$ 18,648</b>	<b>\$ 16,313</b>
All other governmental funds					
Nonspendable	\$ 8,772	\$ 8,706	\$ 18,583	\$ -	\$ -
Restricted	171,251	31,782	22,004	-	-
Committed	2,620	7,663	31,020	-	-
Assigned	9,467	9,585	-	-	-
Unassigned	(14,379)	(7,522)	(202)	-	-
Reserved	-	-	-	89,367	99,213
Unreserved, reported in:					
Debt service funds	-	-	-	146	146
Special revenue funds	-	-	-	12,258	8,748
Capital project funds	-	-	-	(9,057)	(4,404)
<b>Total all other governmental funds</b>	<b>\$ 177,731</b>	<b>\$ 50,214</b>	<b>\$ 71,405</b>	<b>\$ 92,714</b>	<b>\$ 103,703</b>

Notes:

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

TABLE 3

Fiscal Year					
2008	2007	2006	2005	2004	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	246	143	379	
27,900	34,467	32,969	30,776	21,093	
<u>\$ 27,900</u>	<u>\$ 34,467</u>	<u>\$ 33,215</u>	<u>\$ 30,919</u>	<u>\$ 21,472</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
95,227	81,122	62,397	115,549	49,752	
146	3,238	2,747	1,834	39	
9,176	17,151	17,771	3,187	5,011	
8,229	60,226	38,593	(36,609)	19,586	
<u>\$ 112,778</u>	<u>\$ 161,737</u>	<u>\$ 121,508</u>	<u>\$ 83,961</u>	<u>\$ 74,388</u>	

CITY OF HARTFORD, CONNECTICUT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - UNAUDITED

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2013	2012	2011	2010	2009
<b>Revenues:</b>					
Property taxes	\$ 255,546	\$ 277,245	\$ 274,013	\$ 266,990	\$ 250,668
Licenses, permits, and other charges	5,661	6,299	4,891	5,608	8,155
Intergovernmental revenues	571,249	509,770	475,622	556,756	505,062
Charges for services	14,538	9,427	10,742	8,777	9,353
Use of property	2,283	4,574	6,354	4,368	4,196
Investment income	2,781	2,204	3,079	3,319	(416)
Miscellaneous	15,927	15,867	13,860	17,449	16,733
<b>Total revenues</b>	<b>867,985</b>	<b>825,386</b>	<b>788,561</b>	<b>863,267</b>	<b>793,751</b>
<b>Expenditures:</b>					
General government	40,237	30,021	21,547	21,642	23,739
Public safety	85,448	83,308	84,283	79,799	80,388
Public works	15,882	21,804	15,282	20,119	17,712
Development and community affairs	60,544	62,798	60,501	61,857	54,857
Human services	26,702	29,315	27,878	31,256	33,786
Education	447,244	435,301	419,099	421,032	400,535
Recreation and culture	9,852	9,483	9,477	9,145	9,234
Benefits and insurance	66,941	64,501	65,160	55,791	57,985
Other	17,858	29,445	26,637	31,042	28,955
Capital outlay	125,790	92,879	68,018	119,275	113,021
Debt Service:					
Principal	27,775	25,100	22,723	20,536	24,590
Interest	17,470	14,547	15,471	16,627	15,954
<b>Total expenditures</b>	<b>941,743</b>	<b>898,502</b>	<b>836,076</b>	<b>888,121</b>	<b>860,756</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(73,758)</b>	<b>(73,116)</b>	<b>(47,515)</b>	<b>(24,854)</b>	<b>(67,005)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	48,277	44,203	43,780	52,233	56,633
Transfers out	(46,117)	(43,803)	(43,292)	(50,883)	(53,572)
Bonds issued	48,160	71,280	25,000	14,000	40,225
Capital leases	3,990	-	-	-	1,700
Bond premium	22,625	7,765	304	1,796	1,357
Refunding bonds issued	124,605	-	-	12,150	-
Payment to refunding bond escrow agent	-	(22,493)	-	(13,244)	-
Section 108 loans and CWF serial notes	-	-	7,000	-	-
Proceeds from sale of property	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>201,540</b>	<b>56,952</b>	<b>32,792</b>	<b>16,052</b>	<b>46,343</b>
<b>Net change in fund balances</b>	<b>127,782</b>	<b>(16,164)</b>	<b>(14,723)</b>	<b>(8,802)</b>	<b>(20,662)</b>
<b>Fund Balances, beginning of year</b>	<b>80,327</b>	<b>96,491</b>	<b>111,214</b>	<b>120,016</b>	<b>140,678</b>
<b>Fund Balances, end of year</b>	<b>\$ 208,109</b>	<b>\$ 80,327</b>	<b>\$ 96,491</b>	<b>\$ 111,214</b>	<b>\$ 120,016</b>
Debt Service as a Percentage of Noncapital Expenditures	5.83%	4.94%	5.40%	5.40%	5.40%

Notes:

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

TABLE 4

		Fiscal Year							
		2008	2007	2006	2005	2004			
\$	232,955	\$	231,638	\$	208,241	\$	197,028	\$	183,048
	9,850		8,594		10,058		9,681		10,307
	567,464		503,669		523,276		454,432		385,155
	7,531		8,184		9,734		8,322		7,546
	4,294		4,314		4,085		3,925		5,079
	3,653		8,452		5,413		3,889		3,482
	18,347		15,120		18,805		19,224		11,896
	844,094		779,971		779,612		696,501		606,513
	25,776		20,487		16,266		14,737		17,497
	79,424		77,898		74,519		69,671		67,441
	14,998		15,820		15,362		16,729		23,386
	52,876		53,441		52,020		63,369		50,567
	29,879		30,581		23,867		18,824		19,044
	479,031		391,131		368,936		286,985		275,176
	9,636		9,401		8,014		6,832		8,414
	57,012		54,754		47,348		100,797		89,470
	28,122		28,755		26,709		22,589		12,275
	101,332		106,647		163,076		136,903		32,293
	19,838		16,810		15,901		14,150		14,515
	13,063		9,965		9,020		6,037		6,700
	910,987		815,690		821,038		757,623		616,778
	(66,893)		(35,719)		(41,426)		(61,122)		(10,265)
	55,761		53,222		40,069		54,881		40,770
	(50,199)		(51,469)		(36,239)		(45,066)		(38,944)
	-		70,000		70,000		66,300		-
	3,883		3,164		4,526		2,822		-
	-		2,283		2,913		3,093		-
	-		-		-		29,510		-
	-		-		-		(32,866)		-
	1,922		-		-		1,468		-
	-		-		-		-		7,760
	11,367		77,200		81,269		80,142		9,586
	(55,526)		41,481		39,843		19,020		(679)
	196,204		154,723		114,880		95,860		96,539
\$	140,678	\$	196,204	\$	154,723	\$	114,880	\$	95,860
	4.06%		3.79%		3.79%		3.25%		3.63%

CITY OF HARTFORD, CONNECTICUT  
 ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY - UNAUDITED  
 LAST TEN FISCAL YEARS

(thousands)

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2013	2011	6,180,974	636,333	276,070	7,093,377	3,675,437	3,417,940	74.29%	6,550,210	(3)
2012	2010	6,454,818	663,558	264,267	7,382,643	3,644,266	3,738,377	71.79%	7,739,104	(3)
2011	2009	5,990,870	639,547	257,817	6,888,234	3,302,820	3,585,414	71.79%	7,088,777	(3)
2010	2008	5,981,880	639,564	259,922	6,881,366	3,302,820	3,578,546	72.79%	7,646,419	(3)
2009	2007	5,187,321	678,893	258,996	6,125,210	2,678,393	3,446,817	68.34%	(3)	(3)
2008	2006	4,751,126	672,107	268,835	5,692,068	2,355,636	3,336,432	63.39%	(2)	(2)
2007	2005	4,602,272	695,752	265,073	5,563,097	1,952,351	3,610,746	64.82%	5,158,209	70.00%
2006	2004	4,517,806	674,941	300,819	5,493,566	1,983,982	3,509,584	60.82%	5,013,691	70.00%
2005	2003	4,482,273	731,144	282,932	5,496,349	1,950,749	3,545,600	56.32%	5,065,143	70.00%
2004	2002	4,498,815	736,813	310,330	5,545,958	1,941,233	3,604,725	52.92%	5,149,607	70.00%

Source: City of Hartford, Assessor's Office

Notes:

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

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power	\$ 127,995	1	3.64%	\$ 88,104	3	2.48%
Travelers Indemnity Co. Affiliate	118,005	2	3.35%	39,726	9	1.12%
Hartford Fire Ins. & Twin City Ins.	114,582	3	3.25%	124,940	2	3.51%
Aetna Life Ins. Co.	109,214	4	3.10%	136,740	1	3.84%
City Place I LTD Ptshp	61,035	5	1.73%	68,962	5	1.94%
Mac-State Square LLC	49,967	6	1.42%	-		0.00%
Talcott II Gold, LLC	45,402	7	1.29%	38,266	10	1.08%
FGA 280 Trumbull LLC	35,948	8	1.02%	-		0.00%
Conn Natural Gas Corp.	35,321	9	1.00%	-		0.00%
Northland Properties	34,953	10	0.99%	-		0.00%
Travelers Insurance Co	-		-	85,775	4	2.41%
Fleet Bank NA	-		-	62,226	6	1.75%
Hartford Steam Boiler	-		-	46,516	8	1.31%
New Boston Trust & Pearl	-		-	54,941	7	1.54%
	<u>\$ 732,422</u>		<u>20.79%</u>	<u>\$ 746,196</u>		<u>20.98%</u>

Source: City of Hartford Assessor's Office

## PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED

Last Ten Fiscal Years

(In Thousands)

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Tax Levy	Amount	Percentage of Levy	Tax Collections in Subsequent Years	Amount	Percentage of Levy
2013	2011	\$ 3,395,085	74.29	\$ 256,455	\$ 247,520	\$ 234,216	91.33%	\$ 11,103	\$ 245,319	95.66%
2012	2010	3,743,726	71.79	285,281	278,481	261,285	91.59%	7,680	268,965	94.28%
2011	2009	3,604,167	72.79	277,997	268,745	256,253	92.18%	7,104	263,357	94.73%
2010	2008	3,578,546	72.79	252,509	262,987	241,828	95.77%	7,358	249,186	98.68%
2009	2007	3,465,777	68.34	244,858	242,777	233,628	95.41%	5,184	238,812	97.53%
2008	2006	3,704,353	63.39	233,705	221,445	213,260	91.25%	6,154	219,414	93.89%
2007	2005	3,596,490	64.82	233,373	229,963	219,241	93.94%	3,395	222,636	95.40%
2006	2004	3,510,147	60.82	210,146	209,283	198,964	94.68%	5,679	204,643	97.38%
2005	2003	3,545,600	56.32	196,887	185,277	185,277	94.10%	5,846	191,123	97.07%
2004	2002	3,604,725	52.92	190,277	169,117	169,117	88.88%	6,532	175,649	92.31%

Source: City of Hartford Tax Collector's Office.

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

Fiscal Year	General Obligation Bonds	Section 108 Loans	Capital Leases	Clean Water Notes	Total Governmental Activities Bonded Debt	(1) Hartford Parking Facilities	Total Primary Government Debt	Ratio of Total Debt Per Taxable Assessed Value	Ratio of Total Debt Per Capita	Percentage of Personal Income
2013	\$ 510,399	\$ 12,268	\$ 4,181	\$ 1,412	\$ 528,260	\$ 23,876	\$ 552,136	16.26%	4,421	19.08%
2012	337,607	12,614	1,159	1,497	465,849	25,161	491,010	13.12%	3,932	16.87%
2011	303,116	12,941	3,031	1,582	320,670	26,376	347,046	9.63%	2,781	11.89%
2010	298,901	6,245	5,157	1,665	311,968	27,521	339,489	9.49%	2,736	11.62%
2009	303,988	2,478	8,142	1,745	316,353	28,598	344,951	9.95%	2,770	13.90%
2008	275,910	2,845	9,278	1,825	289,858	29,617	319,475	8.62%	2,565	10.37%
2007	293,550	3,115	7,228	-	303,893	30,583	334,476	9.30%	2,686	11.42%
2006	291,085	-	-	-	291,085	34,340	325,425	9.27%	2,616	11.23%
2005	232,428	11,288	2,720	-	246,436	34,340	280,776	7.92%	2,249	9.90%
2004	174,530	9,910	-	-	184,440	32,115	216,555	6.01%	1,741	7.70%

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

\* Revenue bonds refunded in 2005 with the issuance of general obligation refunding bonds.

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

**STATEMENT OF DEBT LIMITATION - UNAUDITED**  
**June 30, 2013**  
(In Thousands)

Total Fiscal Year 2013 tax collections (taxes, interest and fees)	\$ 255,904
Tax Relief for the elderly	337
Base for establishing debt limit	<u>\$ 256,241</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 576,542	\$ -	\$ -	\$ -	\$ -	\$ 576,542
4 1/2 times base	-	1,153,085	-	-	-	1,153,085
3 3/4 times base	-	-	960,904	-	-	960,904
3 1/4 times base	-	-	-	832,783	-	832,783
3 times base	-	-	-	-	768,723	768,723
<b>Total debt limitation</b>	<u>576,542</u>	<u>1,153,085</u>	<u>960,904</u>	<u>832,783</u>	<u>768,723</u>	<u>4,292,037</u>
Debt, as defined by Statute:						
Bonds payable	257,478	112,972	-	-	-	370,450
Bonds authorized - unissued	66,116	264,386	8,578	-	-	339,080
Bond anticipation notes	43,075	21,575	-	-	-	64,650
Overlapping debt	-	-	47,195	-	-	47,195
Serial notes payable	-	-	1,412	-	-	1,412
School building grants receivable	-	(22,581)	-	-	-	(22,581)
<b>Total indebtedness</b>	<u>366,669</u>	<u>376,352</u>	<u>57,185</u>	<u>-</u>	<u>-</u>	<u>800,206</u>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<u>\$ 209,873</u>	<u>\$ 776,733</u>	<u>\$ 903,719</u>	<u>\$ 832,783</u>	<u>\$ 768,723</u>	<u>\$ 3,491,831</u>

Note: Total indebtedness above amounts to \$800.2 million but in no event shall total indebtedness exceed \$1.8 billion (seven times the base for debt limitation computation).

School building grants totaling \$22.6 million are applicable to outstanding bond issues. It is estimated that an additional \$127.4 million of authorized education project costs will be funded through State of Connecticut progress payments.

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

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 1,793,687	\$ 1,914,423	\$ 1,869,469	\$ 1,881,467	\$ 1,764,168	\$ 1,558,669	\$ 1,623,692	\$ 1,454,201	\$ 1,376,389	\$ 1,283,989
Total net debt applicable to limit	800,206	722,204	605,267	588,156	503,253	416,180	396,682	352,585	354,831	382,338
Legal Debt Margin	\$ 993,481	\$ 1,192,219	\$ 1,264,202	\$ 1,293,311	\$ 1,260,915	\$ 1,142,489	\$ 1,227,010	\$ 1,101,616	\$ 1,021,558	\$ 901,651
Total net debt applicable to the limit as percentage of debt limit	44.61%	37.72%	32.38%	31.26%	28.53%	26.70%	24.43%	24.25%	25.78%	29.78%

**STATEMENT OF DIRECT AND OVERLAPPING DEBT - UNAUDITED**  
**Last Ten Fiscal Years**  
**(In Thousands)**

Fiscal Year	Governmental Activities Total Debt Outstanding	MDC Bonded Debt	MDC Self Funded Debt	MDC Overlapping Debt All		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
				Participating Governments	City's Percentage						
2013	\$ 528,260	\$ 518,340	\$ 273,076	\$ 559,041	29%	\$ 159,942	\$ 528,260	\$ 159,942	\$ 688,202	16.0%	4.38
2012	465,849	320,803	121,821	419,411	28%	118,609	465,849	118,609	440,419	11.8%	3.53
2011	320,670	301,973	122,780	327,393	28%	91,539	320,670	91,539	385,284	10.8%	3.09
2010	311,968	299,391	92,930	206,461	28%	57,437	311,968	57,437	347,457	10.1%	2.79
2009	316,353	218,195	79,888	138,308	28%	38,187	316,353	38,187	325,520	9.4%	2.61
2008	289,858	181,340	74,267	107,073	27%	29,434	289,858	29,434	303,199	9.1%	2.43
2007	303,893	102,162	26,977	75,185	27%	20,353	303,893	20,353	313,063	8.7%	2.51
2006	291,085	112,301	30,053	82,248	27%	22,026	291,085	22,026	261,236	7.4%	2.10
2005	246,436	122,819	33,267	89,552	27%	24,510	246,436	24,510	208,590	5.9%	1.67
2004	184,440	117,897	28,835	89,062	28%	24,768	184,440	24,768	157,273	4.4%	1.26

## Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) MDC - Metropolitan District Commission.
- (3) Metropolitan District's overlapping debt is the net direct debt, primarily sewer infrastructure, supported by the MDC's member municipalities taxing authority. Each member municipality's share of the MDC's overlapping debt is based on its percentage share of the overall annual town tax levy.

## DEMOGRAPHIC AND EMPLOYMENT STATISTICS - UNAUDITED

Last Ten Calendar Years

Fiscal Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Market Area(LMA)	State of Connecticut	United States
2013	124,893	20,879	29.7	28,931	2012	45,452	7,748	15.4%	8.2%	8.1%	7.4%
2012	124,867	20,899	29.7	29,107	2011	43,712	8,031	15.5%	8.5%	8.4%	8.2%
2011	124,775	20,953	29.8	29,190	2010	43,054	8,331	16.4%	9.2%	9.1%	9.2%
2010	124,060	22,069	30.1	29,224	2009	43,627	7,192	14.2%	8.3%	8.2%	9.3%
2009	124,512	22,360	30.4	24,820	2008	43,481	7,062	14.0%	8.0%	8.0%	8.9%
2008	124,563	22,319	30.4	30,805	2007	44,534	4,367	8.9%	5.1%	5.9%	6.0%
2007	124,512	22,172	32.0	29,293	2006	44,044	4,178	8.7%	4.4%	4.3%	4.7%
2006	124,397	22,296	30.4	28,984	2005	43,404	4,670	9.7%	5.1%	4.9%	5.1%
2005	124,848	24,407	29.7	28,362	2004	42,899	4,835	10.1%	5.2%	4.9%	5.5%
2004	124,387	24,614	29.7	28,132	2003	42,825	5,443	11.3%	5.8%	5.5%	6.0%

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

(2) Hartford Board of Education (2005 and prior), (State Department of Education for fiscal years 2006 and forward).

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

\* Started recording Statistic in FY 10

TABLE 13

CITY OF HARTFORD, CONNECTICUT  
 PRINCIPAL EMPLOYERS - UNAUDITED  
 Hartford's Major Employers

Business Name	Nature of Business	Area	Employees (1)
Hartford Financial Svc Group	Insurance	Hartford	5,000 - 9,999
State of Connecticut - Various Departments	State Government-Environmental Programs	Hartford	1,000 - 4,999
Connecticut Children's Med Ctr	Hospitals	Hartford	1,000 - 4,999
St Francis Hospital & Med Ctr	Hospitals	Hartford	1,000 - 4,999
Travelers	Insurance	Hartford	1,000 - 4,999
Aetna Inc	Insurance	Hartford	1,000 - 4,999
City of Hartford Connecticut	Government Offices-City, Village & Twp	Hartford	1,000 - 4,999
Institute of Living	Mental Health Services	Hartford	1,000 - 4,999
Lincoln Waste Solutions	Waste Reduction & Disposal Equip-Ind	Hartford	1,000 - 4,999
Mt Sinai Rehabilitation Hosp	Hospitals	Hartford	1,000 - 4,999
Community Renewal Team Inc	Full-Service Restaurant	Hartford	500 - 999
Lincoln National Life Ins Co	Insurance	Hartford	500 - 999
Regional Market	Government Offices-State	Hartford	500 - 999
Trinity College	Schools-Universities & Colleges Academic	Hartford	500 - 999
United Technologies Corp	Aerospace Industries (Mfrs)	Hartford	500 - 999
Wcct	Television Stations & Broadcasting Co	Hartford	500 - 999
XI Center	Ticket Service	Hartford	500 - 999
Comcast Theatre	Concert Venues	Hartford	500 - 999
Capital Community College	Schools-Universities & Colleges Academic	Hartford	500 - 999
Shipman & Goodwin Llp	Attorneys	Hartford	500 - 999
Kuza Products Co	Distribution Services	Hartford	250 - 499
Phoenix Co Inc	Life Insurance (Underwriters)	Hartford	250 - 499
Tata Consultancy Svc Ltd	Services NEC	Hartford	250 - 499
Rexel	Electric Equipment & Supplies-Wholesale	Hartford	250 - 499
Congregational Church Home Inc	Skilled Nursing Care Facilities	Hartford	250 - 499

Source: Connecticut Department of Labor, 2012

## BUDGETED FULL-TIME EQUIVALENT EMPLOYEES - UNAUDITED

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>City Department</b>										
Mayor's Office	10	10	20	23	25	26	28	22	22	12
Court of Common Council	8	7	9	9	10	10	10	10	10	9
Treasurer	9	10	10	10	7	7	7	13	11	9
Registrars of Voters	8	8	8	8	8	10	9	9	9	9
Corporation Counsel	23	22	17	17	17	16	15	13	14	13
Town & City Clerk	15	15	14	15	18	19	16	11	11	11
Internal Audit	5	5	5	5	5	5	5	4	4	2
Office of Chief Operating Officer*	16	17	-	-	-	-	-	-	-	19
Communications & New Media*	8	8	-	-	-	-	-	-	11	13
Metro Hartford Information System	16	17	17	18	22	25	23	20	50	43
Finance	47	46	53	54	57	66	58	61	12	12
Human Resources	15	15	13	13	15	14	13	12	10	7
Office of Human Relations	-	-	8	9	11	9	9	9	14	-
Office of Management & Budget	11	12	12	11	13	15	12	11	-	-
Fire	393	377	407	391	399	361	369	366	404	401
Police	485	526	525	522	559	511	517	533	519	497
Emergency Services & Telecommunications	77	78	69	69	67	60	68	70	60	55
Public Works	234	232	196	198	233	232	245	261	263	280
Development Services	65	60	54	56	59	69	67	81	56	46
Health & Human Services	43	43	50	52	61	65	63	68	76	66
Office for Young Children *	-	-	3	3	3	-	-	-	-	-
Office for Youth Services	-	-	5	5	4	6	3	-	-	-
Families, Children, Youth and Recreation*	20	18	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,508</b>	<b>1,526</b>	<b>1,495</b>	<b>1,488</b>	<b>1,593</b>	<b>1,526</b>	<b>1,537</b>	<b>1,574</b>	<b>1,556</b>	<b>1,504</b>
<b>Board of Education</b>										
Teachers	1,633	1,680	1,658	1,639	1,790	2,058	1,987	1,953	1,869	1,897
Administrators	105	163	156	110	173	146	160	127	120	118
Paraprofessionals	525	380	370	384	213	484	453	488	540	479
Clerical	96	123	129	125	142	175	202	200	176	178
Nurses	48	54	50	49	40	41	52	53	51	52
Security	84	87	89	87	75	85	99	93	81	81
Custodial	156	195	197	202	207	225	218	212	199	206
Guidance Counselors	32	26	29	31	39	44	47	43	41	42
Social Workers	50	45	50	52	54	62	69	69	66	70
Psychologists	15	21	23	21	25	25	23	23	24	22
Support Staff	348	349	321	282	91	188	271	251	190	185
Others	163	1	1	11	156	163	99	119	87	95
<b>Total</b>	<b>3,255</b>	<b>3,124</b>	<b>3,073</b>	<b>2,993</b>	<b>3,005</b>	<b>3,696</b>	<b>3,680</b>	<b>3,631</b>	<b>3,444</b>	<b>3,425</b>
<b>Grand Total</b>	<b>4,763</b>	<b>4,650</b>	<b>4,568</b>	<b>4,481</b>	<b>4,598</b>	<b>5,222</b>	<b>5,217</b>	<b>5,205</b>	<b>5,000</b>	<b>4,929</b>

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

CITY OF HARTFORD, CONNECTICUT

OPERATING INDICATORS BY FUNCTION - UNAUDITED  
Last Eight Fiscal Years

	FISCAL YEAR							
	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Government</b>								
Finance								
Number of bills mailed	\$ 66,926	\$ 82,241	\$ 80,020	\$ 80,020	\$ 75,710	\$ 75,710	\$ 72,395	\$ 73,025
Number of invoices approved for payment	68,683	79,236	68,649	81,611	74,865	74,865	123,587	102,138
Number of internal control reviews performed	19	18	17	14	14	15	16	15
Assessor								
Number of deeds processed	1,827	1,746	1,668	1,501	1,829	2,710	3,365	3,338
Number of veterans exemptions	1,180	1,316	2,270	787	1,374	1,670	1,913	1,548
Board of assessment appeals adjustments	(13,893,512)	(1,332,497)	(1,491,791)	(2,094,060)	(1,479,909)	(5,859,236)	(5,962,926)	(4,276,153)
Personnel								
Number of applications processed	2,054	1,276	2,779	1,458	1,701	1,974	2,350	2,674
Vacancies filled through promotion	81	97	72	57	58	67	218	159
Vacancies filled through new hires	138	154	225	85	54	153	166	109
City Clerk								
Land records recorded	16,407	11,614	11,602	12,985	13,287	16,500	21,000	22,000
Marriage licenses issued	1,931	2,451	1,462	1,462	1,680	1,284	910	1,233
Death certificates issued	13,607	10,634	11,126	11,126	10,992	12,600	2,690	2,539
Birth certificates issued	21,546	19,889	22,951	22,951	24,568	21,200	7,150	8,928
Management Information Systems								
Help desk calls:								
City	3,298	3,250	3,309	3,034	3,664	3,664	3,356	3,057
Schools	12	11,665	11,494	8,282	10,976	10,976	11,645	9,616
Unassigned				-	-	-	-	85
Availability, all systems	99.8%	99.7%	99.9%	99.0%	99.7%	99.0%	99.9%	*
Federal E-Rate Funds received	1,429,573	2,626,928	3,463,810	3,553,112	3,381,433	4,070,487	2,504,945	*
Website hits (www.hartford.gov)	**	**	13,386,564	13,386,564	30,639,065	30,639,065	22,187,131	18,827,679
Elections								
Voters added	11,052	6,756	3,559	5,576	6,801	5,075	3,533	2,483
Voters removed	5,039	5,675	4,280	5,876	6,984	4,455	4,397	3,957
Voter changes	15,489	8,621	7,797	11,263	11,715	11,950	10,836	10,550
Total voters	55,888	45,859	44,368	45,492	46,612	41,026	40,209	41,142
<b>Public Safety</b>								
Police								
911 calls	7,117	8,065	9,687	12,179	15,861	19,030	20,784	23,289
Non-emergency calls	94,035	115,361	117,522	115,310	106,316	106,699	108,625	107,896
DWI arrests	274	404	336	-	249	168	156	133
Fire								
Fire	621	824	1,005	1,056	1,053	1,228	1,240	856
No Fire	15	20	26	24	24	26	28	16
Rescue & Emergency Medical Services	16,086	15,289	14,583	15,460	14,818	14,350	11,465	9,247
Hazardous Conditions	715	1,233	827	714	766	819	794	615
Service Calls	2,203	2,133	2,376	2,361	2,013	2,413	2,523	1,491
Good Intent Calls	1,133	1,174	1,255	1,216	1,046	1,254	3,007	1,658
False Alarm & False Calls	1,613	1,678	1,719	1,988	1,947	1,904	2,143	1,581
Severe Weather & Natural Disaster	3	8	2	2	2	-	1	2
Special Incident Type	62	89	180	201	138	92	112	58
Other	-	-	-	-	-	-	21	21

**OPERATING INDICATORS BY FUNCTION - UNAUDITED, Continued**  
**Last Eight Fiscal Years**

	FISCAL YEAR							
	2013	2012	2011	2010	2009	2008	2007	2006
<b>Public Works</b>								
Engineering & Administration								
Lane miles paved	38	47	49	37	37	37	37	411
<b>Development and Community Affairs</b>								
Development Services								
Housing vouchers, residential assistance (families)	4,698	5,057	4,917	4,720	4,784	4,614	4,619	4,336
Zoning Board appeals	10	14	11	22	53	60	57	48
Code violations	1,879	1,972	1,909	1,931	1,493	6,002	10,415	9,594
Citations issued	1,629	484	372	10	41	1,799	2,786	2,449
<b>Human Services</b>								
General Human Services								
Job placements (out of 240 referrals)	**	*	-	-	50	52	72	48
Senior Center								
Preventative health clinic services	**	*	3,635	1,216	297			
Outreach services (duplicated units)	**	*	2,686	15,679	16,480	63,981	76,820	32,196
Youth & Family Services								
Counseling cases	**	*	1,223	1,395	1,387	1,387	85	297
Young parent cases (FYE 2008 No longer done)	N/A	N/A	N/A	N/A	N/A	N/A	45	55
<b>Education</b>								
Average Class Size - Kindergarten	17.7	19.8	19.0	18.3	18.9	19.1	18.6	18.2
Average Class Size - Grade 2	17.9	18.4	18.7	17.5	18.2	18.2	18.3	19.0
Average Class Size - Grade 5	19	20.5	20.5	18.6	20.3	20.9	18.9	20.1
Average Class Size - Grade 7	22.9	20.9	18.2	19.3	22.0	22.0	20.6	20.8
<b>Recreation and culture</b>								
Number of youth registrations	2,565	*	2,319	2,319	2,100	2,549	2,300	2,040
Number of youth program hours	54,213	*	53,550	53,550	26,654	30,995	23,924	23,873
Number of hours provided by volunteers	1,003	*	1,983	1,983	1,600	1,450	1,302	1,040

\* Information not available

\*\* Statistic no longer reported.

**CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM - UNAUDITED**  
**Last Nine Fiscal Years**

<b>Function/Program</b>	<b>FISCAL YEAR</b>								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Public Safety</b>									
Police									
Stations	5	3	3	3	3	3	3	3	3
Vehicles	275	280	283	257	235	235	231	225	225
Fire									
Firefighting/rescue vehicles	27	27	27	26	28	29	26	30	30
Other vehicles	61	61	62	55	56	50	48	40	40
Fire stations	12	12	12	12	12	12	12	12	12
<b>Public Works</b>									
Infrastructure									
Concrete road miles	63	63	63	63	63	63	63	63	63
Asphalt road miles	151	151	150	148	148	148	148	148	148
Bridges	9	9	9	8	8	8	8	8	8
Traffic lights	245	245	245	241	241	241	241	238	238
Conduit system (miles)	8	8	8	8	8	8	8	8	8
Street Maintenance									
Dump trucks	50	47	46	31	31	31	31	42	36
Sweepers	16	9	9	7	7	7	7	16	16
Parks and Cemeteries									
Parks									
Large multi-use	9	9	9	9	9	9	9	9	9
Medium size	10	10	10	10	10	10	10	10	10
Smaller/playgrounds	10	10	10	10	10	10	10	10	10
Cemeteries	5	5	5	5	5	5	5	5	5
Building Maintenance									
Parking lots	3	3	3	1	1	1	1	1	-
Parking garages	2	3	3	3	3	3	3	3	3
<b>Education</b>									
School buildings	44	44	45	44	45	45	44	40	38
Administrative buildings	3	3	3	3	3	3	3	3	3
<b>Recreation and Culture</b>									
Recreation									
Number of basketball courts	30	32	29	32	33	32	32	32	32
Number of football fields	4	5	4	6	6	6	6	6	6
Number of multi-use fields	3	3	3	4	4	4	4	1	1
Number of playscapes/grounds	29	28	27	27	28	27	27	27	27
Number of soccer fields	9	9	3	6	6	6	6	6	6
Number of softball fields	9	9	9	16	16	16	16	16	16
Number of tennis courts	24	25	25	24	27	27	27	27	27
Mowers	45	46	42	42	35	35	35	35	35
Other vehicles	30	31	33	33	47	47	47	47	47
Libraries									
Central	1	1	1	1	1	1	1	1	1
Number of Branches	9	9	9	9	9	9	9	9	9