

Refunding Issue—Book-Entry-Only

Ratings: Moody's: A2
(Insured Bonds) S&P: AA
(Underlying) S&P: AA-

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.



CITY OF HARTFORD, CONNECTICUT
\$36,385,000 GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2014C

DAC Bond[®]**Dated:** Date of Delivery**Due:** As Shown on Inside Cover Page

Interest on the General Obligation Refunding Bonds, Series 2014C (the "Bonds"), will be payable on February 15, 2015 and semiannually thereafter on August 15 and February 15 in each year until maturity or earlier redemption. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in denominations of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

The Bonds will be general obligations of the City of Hartford, Connecticut (the "City"), and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein. The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.



The Bonds are offered for delivery when, as and if issued, and received by the Underwriter, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. Certain matters will be passed upon for the Underwriter by Shipman & Goodwin LLP, of Hartford, Connecticut. Certain legal matters will be passed upon by the City's Disclosure Counsel, Murtha Cullina LLP, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about November 18, 2014 through the facilities of DTC. The Registrar, Transfer Agent, Paying Agent, Certifying Agent and Escrow Agent for the Bonds will be U.S. Bank National Association, Hartford, Connecticut.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

WILLIAM BLAIR & COMPANY



CITY OF HARTFORD, CONNECTICUT

\$36,385,000

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014C

Dated: Date of Delivery

Due: August 15, as shown below

Due	Amount	Interest Rate	Yield	CUSIP Number¹	Due	Amount	Interest Rate	Yield	CUSIP Number¹
2015	\$2,280,000	2.000%	0.340%	416415GP6	2022	\$3,670,000	5.000%	2.600%	416415GJ0
2016	1,230,000	3.000	0.620	416415GQ4	2023	3,670,000	5.000	2.780	416415GK7
2018	3,670,000	5.000	1.240	416415GE1	2024	3,670,000	5.000	2.930	416415GL5
2019	3,665,000	5.000	1.630	416415GF8	2025	3,640,000	3.125	3.340	416415GM3
2020	3,660,000	5.000	1.970	416415GG6	2026	3,565,000	3.125	3.440	416415GN1
2021	3,665,000	5.000	2.290	416415GH4					

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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CITY OF HARTFORD, CONNECTICUT
\$36,385,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014C

INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain financial information and economic and demographic data relevant to the City of Hartford, Connecticut (the "City") in connection with the issuance and sale of its \$36,385,000 General Obligation Refunding Bonds, Series 2014C (the "Bonds").

The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. This Official Statement does not constitute an offer to sell the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesperson, or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the Bonds and, if given or made, such information or representation must not be relied upon. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue to be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All quotations and summaries and explanations of statutes, charters or other laws and acts and proceedings of the City contained herein do not purport to be complete, and are qualified in their entirety by reference to the original and all reference to the Bonds and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings, and reference is made to said laws for full and complete statements of their provisions. **Statements in this Official Statement that are not historical facts are forward-looking statements based on current expectations of future events and are subject to risks and uncertainty that could cause actual results to differ materially from those expressed or implied by such statements. In addition, the City, through its officials, from time to time makes forward-looking public statements concerning its expected future operations and performance and other developments. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the City's actual results may differ materially from those it expected. The City therefore cautions against placing substantial reliance on the forward-looking statements included in this Official Statement. All forward-looking statements included in this Official Statement are made only as of the date hereof and we assume no obligation to update any written or oral forward-looking statements made by the City or on its behalf as a result of new information, future events or other factors.**

The Financial Advisors for this issue are Municipal Resource Advisors, LLC ("MRA") and Phoenix Advisors, LLC ("Phoenix Advisors"). The information in this Official Statement has been prepared by MRA and Phoenix Advisors from information supplied by City officials and other sources as indicated. MRA and Phoenix Advisors do not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix D - Specimen Municipal Bond Insurance Policy".

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of the Official Statement.

U.S. Bank National Association, Hartford, Connecticut, will act as Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Bonds.

McGladrey LLP, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. McGladrey LLP, also has not performed any procedures relating to this Official Statement.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinion), and it makes no representation that it has independently verified the same.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Underwriter's Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy and completeness of the statements made in this Official Statement, and it makes no representation that it has independently verified the same.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

SECTION I - SECURITIES OFFERED

Description of the Bonds

The Bonds will be dated the date of delivery and will bear interest at the rate or rates per annum shown on the inside cover page of the Official Statement. Interest on the Bonds is payable on February 15, 2015 and semiannually thereafter on August 15 and February 15 in each year until maturity or earlier redemption. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds will be payable to the registered owners thereof as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent, and the City shall agree. The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as the Registrar, Transfer Agent, Paying Agent and Escrow Agent.

Optional Redemption

The Bonds maturing on and after August 15, 2025 will be subject to redemption prior to maturity, at the option of the City, on and after August 15, 2024, either in whole or in part at any time in such amounts and in such order of maturity (but by lot within a maturity) as the City may determine, at the following redemption prices, expressed as a percentage of principal amount, plus accrued interest to the date set for redemption.

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
August 15, 2024 and thereafter	100%

Notice of Redemption

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon giving such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of the Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The City, so long as book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant (as defined below), or of any DTC Participant or Indirect Participant (as defined below) to notify any Indirect Participant or Beneficial Owner (as defined below), of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interest in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City, the Registrar or the Paying Agent.

Authorization and Purpose

Authorization: The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended (the “Connecticut General Statutes”), the Charter of the City and a resolution adopted by the Common Council on October 14, 2014, authorizing refunding bonds of the City in an amount not to exceed \$45,000,000.

Plan of Refunding

The proceeds of the Bonds will be used to refund all or a portion of the following maturities of outstanding general obligation bonds of the City on the redemption dates and at the redemption prices (if applicable) set forth below (the “Refunded Bonds”). The refunding is contingent upon delivery of the Bonds.

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
Series 2003:	12/01/2015	4.750%	\$2,065,000	12/18/2014	101.00%	416414R69
	12/01/2015	4.000	200,000	12/18/2014	101.00	416414S68
	12/01/2016	4.750	1,000,000	12/18/2014	101.00	416414S84
	12/01/2016	4.100	<u>250,000</u>	12/18/2014	101.00	416414S76
				\$3,515,000		
Series 2007A ¹ :	8/15/2018	5.250%	\$3,600,000	8/15/2017	100.00%	416415EX1
	8/15/2019	5.250	3,600,000	8/15/2017	100.00	416415EY9
	8/15/2020	5.000	3,600,000	8/15/2017	100.00	416415EZ6
	8/15/2021	5.000	3,600,000	8/15/2017	100.00	416415FA0
	8/15/2022	5.000	3,600,000	8/15/2017	100.00	416415FB8
	8/15/2023	5.000	3,600,000	8/15/2017	100.00	416415FC6
	8/15/2024	5.000	3,595,000	8/15/2017	100.00	416415FD4
	8/15/2025	5.000	3,595,000	8/15/2017	100.00	416415FE2
	8/15/2026	5.000	<u>3,595,000</u>	8/15/2017	100.00	416415FF9
			\$32,385,000			
TOTAL:			<u>\$35,900,000</u>			

¹A portion of each maturity of the Series 2007A Bonds was defeased by the City in August 2013.

Upon delivery of the Bonds, a portion of the bond proceeds will be deposited in an irrevocable trust fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), under an Escrow Agreement (the “Escrow Agreement”) dated as of November 18, 2014 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the government of the United States of America, including United States Treasury State and Local Government Series (“SLGS”) securities, Federal National Mortgage Association (“FNMA”) securities, and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Escrow Securities”). The City may also enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of and redemption premium, if any, and interest on the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and underwriters’ discount.

Verification of Mathematical Computations

AMTEC Corporation of Avon, Connecticut ("AMTEC") will verify from the information provided to it the mathematical accuracy as of the date of the closing of the Bonds of: (1) the computation that the anticipated receipts from the Escrow Securities and cash deposits set forth in the Underwriters' schedules will be sufficient to pay, when due, the principal, interest and applicable call premium, if any, payment requirements of the Refunded Bonds, and (2) the computations of yield on the Bonds and the Escrow Securities contained in the provided schedules. AMTEC will express no opinion on the assumptions provided to it.

Sources and Uses of Proceeds

Proceeds of the Bonds will be applied as follows:

Sources:

Proceeds of the Bonds	\$36,385,000.00
Original Issue Premium	4,062,579.65
Other Sources of Funds	<u>81,918.75</u>
Total Sources	\$40,529,498.40

Uses:

Deposit to Escrow Deposit Fund	\$40,169,126.09
Costs of Issuance ¹	327,482.10
Bond Insurance Premium	<u>32,890.21</u>
Total Uses	\$40,529,498.40

¹Includes underwriters' discount, rating agency fees, legal fees and other expenses.

Security and Remedies

The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain other revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation bonds and notes, and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds and notes from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such bonds would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the United States Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the Federal Bankruptcy Code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and to any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

The City has never defaulted on the payment of principal or interest on its general obligation bonds or notes.

Bank Qualification

The Bonds shall **not** be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Book-Entry-Only System

Unless otherwise noted, the description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of interest and other payments on the Bonds to DTC participants or beneficial owners of the Bonds, confirmation and transfer of beneficial ownership interest in the Bonds and other bond-related transactions by and between DTC, the DTC participants and beneficial owners of the Bonds is based solely on information provided on DTC's website and presumed to be reliable. Accordingly, neither the City nor the Underwriter make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in the beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as Securities depository with respect to the Securities at any time by giving reasonable notice to the City or its Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of the book-entry-only transfers through DTC (or a successor securities depository). In that event, Securities certificates will be printed and delivered to DTC.

NEITHER THE CITY, THE PAYING AGENT, NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; AND (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

DTC Practices

The City can make no assurances that DTC, DTC Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its Participants which are on file with the Securities and Exchange Commission.

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates,

and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds is sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such Bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual

compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

Ratings

On October 29, 2014, Moody's Investors Service ("Moody's") assigned a rating of "A2" to the Bonds and affirmed the "A2" rating on the City's parity debt outstanding with a negative outlook. On October 29, 2014, Standard & Poor's Rating Services (a division of the McGraw-Hill Companies, Inc.) assigned a rating of "AA-" to the Bonds and affirmed the "AA-" rating on the City's parity debt outstanding with a negative outlook. S&P is expected to assign the Bonds an insured rating of "AA" (stable outlook) based upon the issuance of the insurance policy to be issued by BAM at the time of delivery of the Bonds. The City furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings reflect only the view of each rating agency and are subject to revision or withdrawal, which could affect the market price of the Bonds. Each rating agency should be contacted directly for its rating on the Bonds and the explanation of such rating.

Underwriting

The Bonds are being purchased by the Underwriters listed on the cover page of this Official Statement (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at the net aggregate purchase price of \$40,294,946.45 (representing the par amount of the Bonds less an underwriters' discount of \$152,633.20, plus a net original issue premium of \$4,062,579.65). The Contract of Purchase between the Underwriter and the City provides that the Underwriter will purchase all of the Bonds, if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Contract of Purchase.

The Underwriter intends to offer the Bonds to the public initially at the offering prices or yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice.

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Pershing LLC Distribution Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Pershing LLC Distribution Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper Jaffray & Co.

Piper Jaffray & Co. has entered into a distribution agreement (the "CS&Co. Distribution Agreement") with Charles Schwab & Co., Inc. for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the CS&Co. Distribution Agreement, CS&Co. will purchase the Bonds from Piper Jaffray & Co. at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Siebert Brandford Shank & Co., L.L.C., has entered into a separate agreement with Credit Suisse Securities USA LLC for retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to said agreement, if applicable to the Bonds, Siebert Brandford Shank & Co., L.L.C. will share a portion of its underwriting compensation with respect to the Bonds, with Credit Suisse Securities USA LLC.

Bond Insurance

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2014 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$477.8 million, \$17.9 million and \$459.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at buildamerica.com/creditsights/.

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (e.g. general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM’s website at buildamerica.com/obligor/.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

SECTION II - THE CITY

The Municipality

The City of Hartford was founded by Thomas Hooker and his followers in 1635 and incorporated in 1784. It is the capital of the State of Connecticut and the core of a metropolitan area of over one million people. According to the 2010 Census, Hartford's population as of April 1, 2010 was 124,775, an increase of 0.5% since 2000. The City consists of an 18.4-square-mile area and lies on the west bank of the Connecticut River, midway between New York City and Boston. Interstate Routes 91 and 84 intersect in Hartford. Amtrak provides rail passenger service and the City is served by Bradley International Airport in Windsor Locks just to the north.

As the commercial center for the region, Hartford is home to many industries, including insurance and financial services corporations, and the hub for distribution companies that take advantage of interstate access. The insurance industry, in particular, is a major service specialty. It spans a range of products, including life insurance, reinsurance, medical insurance, fire marine casualty insurance, and pension investments and asset management services, most of which continue to be concentrated in Hartford. Aetna, The Hartford, Phoenix, Hartford Steam Boiler and Travelers are long-standing employers that now stand alongside newer names in the Hartford market such as United Health Group, Prudential Financial, XL and Lincoln National (please see Section III for more on this sector).

Hartford is home to four Fortune 500 headquarters: Northeast Utilities, Aetna, The Hartford and United Technologies Corporation. Northeast Utilities recently merged with NSTAR in April of 2012 to create one of the nation's largest utilities with six regulated electric and natural gas utilities serving 3.5 million customers in three states. In addition, Lincoln National, Prudential Financial and Travelers, all Fortune 500 companies, have major operations in the City and employ thousands.

Hartford is also home to many arts, entertainment, educational, and cultural establishments. According to the Central Regional Tourism District, Hartford has a higher concentration of arts and entertainment spots than any other location in Connecticut. Also according to the Central Regional Tourism District, over the most recent five-year period, tourism has increased annually in the Greater Hartford area, with tourists staying longer and spending more money.

Hartford is home to leading arts and heritage institutions, including the Wadsworth Atheneum Museum of Art, the nation's first art museum; the Bushnell Center for the Performing Arts; and the Mark Twain House and Museum. The Hartford Stage Company continues to be a major cultural attraction for the entire region, and has developed a national reputation for ground-breaking theater. The renovated TheaterWorks building resides in downtown, as does a factory building that has been transformed into the Real Art Ways' arts and entertainment complex. The nationally acclaimed Artists Collective's \$7 million building sits on the Albany Avenue corridor. The Harriet Beecher Stowe House has also undergone a major renovation. The University of Hartford's Handel Performing Arts Center located in the City's Upper Albany Neighborhood, consists of classroom, rehearsal and performance space in a renovated commercial building. Additionally, the Connecticut Science Center is located in downtown Hartford on the banks of the Connecticut River.

Hartford continues to serve as a regional center and is home to a large network of educational institutions. Colleges and universities in the City include The Hartford Graduate Center, affiliated with Rensselaer Polytechnic Institute, Trinity College, The University of Hartford, the University of Connecticut School of Law, the University of Connecticut School of Business, the University of Saint Joseph School of Pharmacy and Capital Community College. The Learning Corridor, a linear campus, has become a model of joint public/private effort to revitalize a neighborhood formerly characterized by crumbling housing, joblessness and crime. It is an example of voluntary integrated education from kindergarten through high school.

The City's library system is regarded as one of the finest of its kind in the nation and has received many national awards and accolades. The Hartford Public Library has taken a leadership role in promoting and supporting literacy and learning and by providing free and open access to information and ideas. The library recently completed a major renovation of its main facility in Hartford.

The New England Association of Schools and Colleges has accredited all 31 public schools in the Hartford Public School system. The district has seen improvements in test scores on the Connecticut Mastery Test for the past several years. The American Federation of Teachers recently recognized Hartford Public Schools as having created a model for the improvement of low-performing schools across the nation (the "Hartford Model"). The City is also well under way with a major overhaul of its educational facilities to provide the most modern and up-to-date technological and teaching environment.

Hartford has continued to make progress in addressing the needs of its aging housing stock and increasing homeownership as a means toward stabilizing neighborhoods. The City's Homeownership Appraisal Gap Program provides financing to developers to construct or rehabilitate houses and return them to the City in an effort to increase homeownership with some 400 units completed and sold. The City also has been successful in stimulating homeownership through its House Hartford Down Payment Assistance Program, which provides financing for approximately 45 potential homeowners each year. In addition, the City administers a home improvement and rehabilitation program for existing houses and apartment buildings. Hartford has also seen the metamorphosis of several of its low-income public housing complexes into lower density detached single-family homes and duplexes. According to the City Assessor, this has had a very positive impact on surrounding property values. Additional low-income public housing complexes are currently in the process of being converted into single-family dwellings.

In addition, numerous luxury and high-end housing projects have been completed over the past decade. See Section III, "Economic and Demographic Data - Current Economic Information - Housing Initiatives," for more information on high-end housing development projects in the City.

Government Organization

The Mayor serves as the City's Chief Executive Officer. The Common Council consists of nine members elected at-large and serves as the City's legislative body. The City Treasurer is elected independently and, in addition to his other duties, serves ex officio as Secretary of the Pension Commission. The City Treasurer has responsibility for the care, custody and investment of all pension funds and all other City funds and is the co-signator of all City debt along with the Mayor. All elected officials hold their respective offices for a term of four years. In the event a Mayor is unable to serve for the complete term, the Common Council President shall serve as Mayor until the next regularly scheduled general municipal election. In the event a City Treasurer is unable to serve for the complete term, the Common Council shall fill such vacancy by appointment until the next regularly scheduled general municipal election. The Common Council appoints a City Clerk to serve an indefinite term.

Pursuant to the Charter, the Mayor has designated a Chief Operating Officer to carry out responsibilities with regard to the supervision and direction of the departments and agencies of the City and a Director of Finance who is skilled in municipal accounting, budgeting and financial control. An Independent Audit Commission serves as a further fiscal safeguard. Members of the Independent Audit Commission are appointed by the City Treasurer, the Common Council and the ten largest taxpayers of the City. The Mayor appoints the Corporation Counsel and the heads of all departments, members of most boards (including certain members of the Board of Education), commissions (except the Independent Audit Commission), agencies, authorities and other bodies of the City created by General Statutes or by Ordinance. The Common Council confirms the appointment of the Police Chief, Fire Chief, Director of Finance, Director of Development Services and Corporation Counsel.

Financial Powers

Under the Charter, the Mayor prepares and submits an annual budget to the Common Council. The Charter prescribes strict schedules and procedures for budget adoption, requirements for public hearing, balanced budget, pension fund contributions and debt service appropriations. The Common Council may, by ordinance, establish a criterion that the Mayor must use for estimating cash receipts from sources other than the tax levy. No appropriation for debt service and appropriations necessary to fulfill the pension obligations of the City, as determined by the Pension Commission, shall be reduced. The Common Council shall not increase the Mayor's estimates of receipts. The Common Council adopts the budget, the appropriation ordinance and the tax levy ordinance. The Mayor may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office or agency, except that no funds may be transferred from the funds appropriated to the Board of Education. Appropriations in addition to those contained in the budget shall be made only on the recommendation of the Mayor and only if the Director of Finance certifies that there is available general fund surplus sufficient to meet such appropriation.

Governmental Responsibilities and Services

The City provides a broad range of services including public safety, public roads, solid waste collection, health, social services, culture and recreation, education, planning, development, zoning, and general administrative services:

Water and Sewer: The City is a member of The Metropolitan District Commission (the "MDC"), a special district in Hartford County, formed under State statutes to provide water and sanitary sewer services to its eight member municipalities. The MDC's primary purpose is to provide complete, adequate, and modern water supply systems and sewage collection and disposal facilities for its member municipalities. See Section IV, "Debt Section - Overlapping Debt."

Transportation: The Greater Hartford Transit District (the "Transit District"), a regional supervisory and regulatory body in transit-related matters, provides funding for transit systems under state and federal statutes and has bonding power but no taxing powers. The Transit District manages the reconstructed Union Station as a comprehensive transportation center with commercial and retail space in downtown Hartford.

Housing: The Hartford Housing Authority manages a broad public housing program comprising state and federally subsidized programs for more than 4,000 families. Two thousand families participate in Authority programs, and approximately 4,700 families participate in Section 8. This includes approximately 250 units built to homeownership standards; the majority of the units have been sold to Hartford residents who were former residents of public housing or families that are income eligible under Housing and Urban Development ("HUD") rules and regulations. 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 object is well underway with approximately 2,100 homeownership units added since 2002.

Solid Waste Disposal: The City has a service contract with the Materials Innovation and Recycling Authority (the "Authority") for the disposal of acceptable solid waste and recycled goods through June 30, 2017. The Authority is located in the City of Hartford. The City, has agreed to cause to be delivered, to the Authority, all of the acceptable solid waste under its legal control. The Authority is required to accept and dispose of solid waste delivered except that the City retains the responsibility for the collection, disposal, and treatment of certain unacceptable solid waste. The City pays the Authority a base disposal fee (and certain other fees) for all solid waste accepted by it

The "opt-out" fee for the current contract year 2014-15 is \$63 per ton. Should the base disposal fee exceed this amount the City may terminate the service contract. The base disposal fee is subject to change annually based on the net cost of operating the facility. Payments in lieu of taxes (Pilot) and personal property tax payments are negotiated annually with the Authority. The Authority's 10 year plan

indicates a projected annual \$1.5 million Pilot. The budgeted payments for fiscal year 2014-15 estimated at \$2 million will partially offset the base municipal solid waste-recycling fee cost to the City of \$2.8 million in FY 15. The City pledges its full faith and credit for the payment of the service contract fees. The obligation to pay such fees is absolute and unconditional so long as the Authority shall accept and dispose of solid waste delivered by such municipality.

Municipal Work Force

Full-time Equivalent Positions

	<u>Actual</u> <u>2013-14</u>	<u>Actual</u> <u>2012-13</u>	<u>Actual</u> <u>2011-12</u>	<u>Actual</u> <u>2010-11</u>	<u>Actual</u> <u>2009-10</u>
General Government*	1,562	1,623	1,484	1,407	1,488
Board of Education	<u>3,878</u>	<u>3,664</u>	<u>3,100</u>	<u>3,075</u>	<u>2,993</u>
Total	5,440	5,287	4,584	4,482	4,481

*Includes police, firefighters and emergency services.

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Collective Bargaining Status

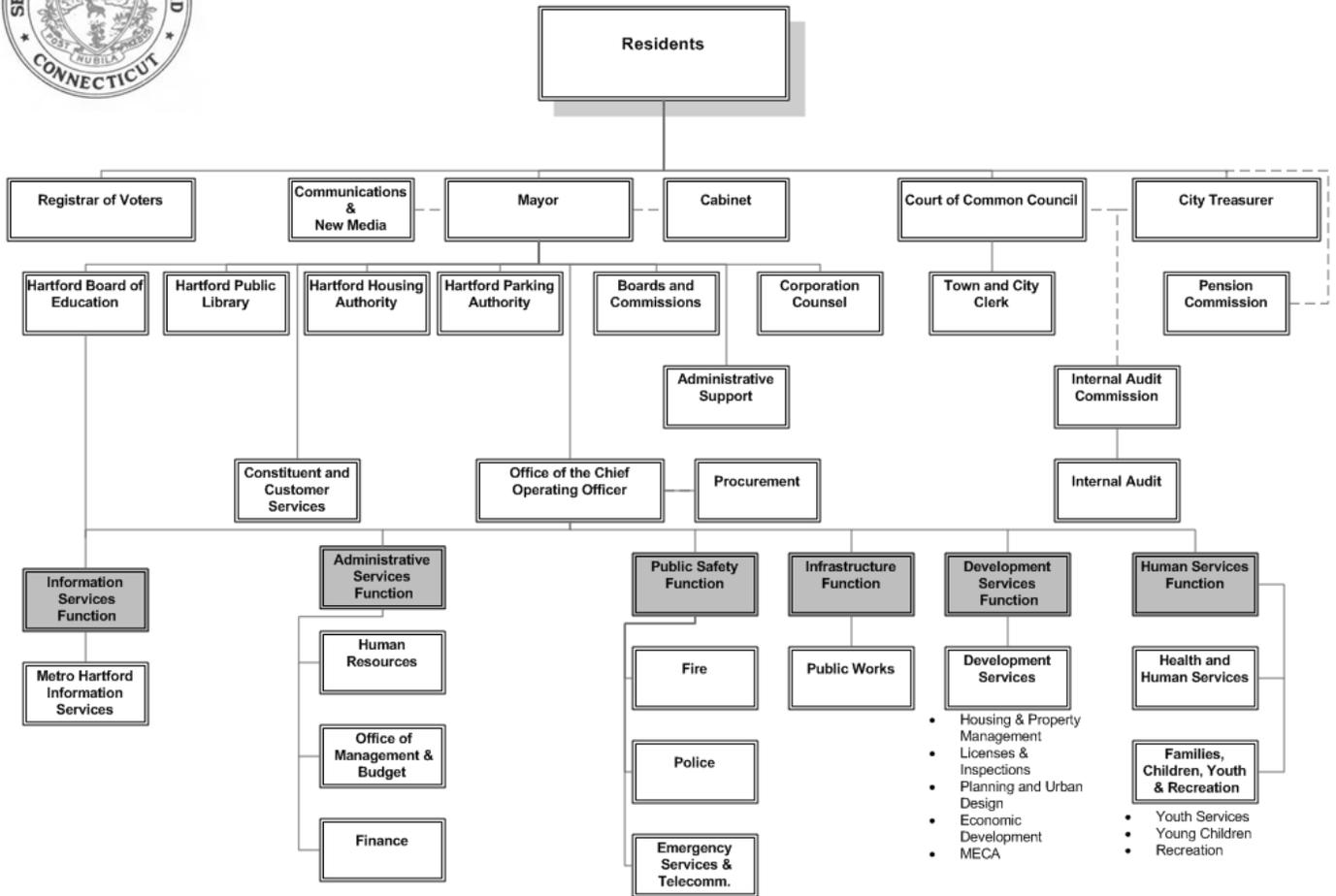
<u>Union</u>	<u>Number of Members¹</u>	<u>Contract Expiration Date</u>	<u>Status of Contracts</u>
<u>Board of Education</u>			
Hartford Federation of Teachers, Local 1018	1,847	June 30, 2017	In effect
Hartford Federation of School Health Professionals, Local 1018 A/B	71	June 30, 2015	In effect
AFSCME, Local 566	273	June 30, 2012	Negotiations pending
Buildings & Grounds, AFSCME, Local 818	6	June 30, 2014	In negotiations
Hartford Federation of Special Police Officers, Local 1018-D	87	June 30, 2016	In effect
Hartford Educational Support Personnel Local 82	250	June 30, 2013	Ratification Pending
The Hartford Federation of Paraprofessionals, Local 2221	444	June 30, 2015	In effect
The Hartford Federation of School Secretaries, Local 1018-C	121	June 30, 2015	In effect
The Hartford Principals and Supervisors Association, Local 22	149	June 30, 2016	In effect
The Hartford Federation of Substitute Teachers	169	June 30, 2013	In negotiations
The Hartford Schools Support Supervisors Association, Local 78	37	June 30, 2017	In effect
The Children's Development Associates Local 1018-F	58	June 30, 2015	In effect
<u>General Government</u>			
Hartford Police Union	470	June 30, 2016	In effect
Firefighters, Local 760, IAFF	366	June 30, 2016	In effect
Hartford Municipal Employees Association (non-uniformed supervisory)	198	June 30, 2013	In negotiations
City of Hartford Professional Employees Association (non-supervisory)	57	June 30, 2016	In effect
Labor and Clerical, Local 1716, AFSCME	316	June 30, 2015	In effect
School Crossing Guards Association	75	June 30, 2015	In effect
Municipal Lawyers Association	14	June 30, 2015	In effect

¹ As of September 2, 2014.

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.



City of Hartford Organizational Chart



Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Date Service Began</u>
Mayor	Pedro E. Segarra	Elected	06/10
City Treasurer	Adam M. Cloud	Elected	02/11
Court of Common Council:			
Council President	Shawn T. Wooden	Elected	01/12
Majority Leader	Alexander Aponte	Elected	08/10
Minority Leader	Joel Cruz*	Appointed	08/12
Councilman	Kyle Anderson	Elected	01/12
Councilman	Larry Deutsch	Elected	01/08
Councilman	Raúl De Jesus	Elected	01/12
Councilman	Cynthia Renee Jennings	Elected	01/12
Councilman	Kenneth H. Kennedy, Jr.	Elected	12/01
Councilman	David MacDonald	Elected	01/12
Chief Operating Officer	Darrell Hill	Appointed	04/14
Corporation Counsel	Saundra Kee Borges, Esq.	Appointed	07/10
Acting Director of Finance	Leigh Ann Ralls	Appointed	09/14
City Assessor	John S. Philip	Civil Service	06/11
Tax Collector	Marc Nelson	Civil Service	08/08
Town/City Clerk	John V. Bazzano	Appointed	10/09
Director of Development Services	Thomas E. Deller	Appointed	04/12
Chairman, Pension Commission	Peter N. Stevens	Appointed	06/05
Chairman, Parking Authority	Patricia LeShane	Appointed	12/08
Executive Director, Parking Authority	Eric Boone	Appointed	10/13
Superintendent of Schools	Beth Schiavino Narvaez	Appointed	07/14

*Councilman Cruz was appointed by the City Council to fill the vacancy of Luis E. Cotto who resigned in July 2012.

Educational System

There are 31 public schools in the City consisting of 21 elementary schools, one K-11 school and nine high schools. Two high schools house distinct, separate academies: Bulkeley - Upper and Lower Schools; Hartford High - Nursing Academy, Law & Government Academy and Academy of Engineering and Green Technology.

There are 19 magnet schools in the City: 10 elementary - Betances STEM Magnet School, Breakthrough Magnet, Breakthrough II Magnet, Early Learning Lab School at Betances School, Environmental Sciences Magnet at Mary Hooker School, Hartford PreKindergarten Magnet School, Montessori Magnet at Moylan School, Montessori Magnet at Annie Fisher School, STEM Magnet at Annie Fisher, and Noah Webster MicroSociety Magnet School; Grades PK-12 school - Capital Preparatory Magnet; Grades PK-11 Kinsella Magnet School of the Performing Arts; Grades 6-12 - Classical Magnet, Hartford Magnet Trinity College Academy and Sports & Medical Sciences Academy Magnet; and four high (grades 9-12) schools - Great Path Academy at Manchester Community College, Pathways Academy to Technology & Design Magnet School, and University High School of Science & Engineering Magnet.

The Board of Education (the "Board") is composed of five members appointed by the Mayor and four elected members. The Board is fully empowered with all the duties, rights and responsibilities of boards of education established under the Connecticut General Statutes.

Although State control of the Hartford Public Schools ended in 2002, the district must continue to carry out reforms set forth in the Hartford Improvement Plan adopted by the State Board of Trustees.

The City and the Hartford Public Schools continue to work through a joint School Building Committee to implement new construction projects including eight new inter-district magnet schools that are scheduled to be built as part of the settlement of the Connecticut Supreme Court Sheff vs. O’Neill decision to help desegregate Hartford’s schools. The City is also well under way with a major overhaul of its educational facilities to provide the most modern and up-to-date technological and teaching environment.

The district has posted increases on its mandated statewide test, the Connecticut Mastery Test, the past several years. The American Federation of Teachers has recognized the “Hartford Model” as a model for improving low-performing schools across the nation. The 16-acre campus in the Learning Corridor features a Montessori Inter-District Magnet School, the Hartford Middle Magnet School, the Greater Hartford Academy of the Arts, and the Greater Hartford Academy of Math and Science. The Learning Corridor is becoming a national model because of the coalition of public and private groups’ joint efforts to revitalize a neighborhood formerly characterized by crumbling housing, joblessness and crime. In its place there now stands a positive example of voluntary integrated education from kindergarten through high school.

School Enrollment

<u>Year</u>	<u>Pre-K</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Other</u>	<u>Total</u>
<i>Historical</i>						
1998-99	652	14,356	2,802	4,195	1,690	23,695
1999-00	875	14,116	2,763	4,457	2,067	24,278
2000-01	764	13,741	3,298	4,701	1,916	24,420
2001-02	631	13,491	3,439	4,715	2,203	24,479
2002-03	668	13,791	3,247	5,030	259	22,995
2003-04	653	13,629	3,384	4,997	275	22,938
2004-05	684	12,835	3,560	5,291	374	22,744
2005-06	670	12,704	3,219	5,507	310	22,572
2006-07	776	12,841	2,830	5,714	2,288	24,449
2007-08	818	13,051	2,518	5,856	454	22,697
2008-09	764	12,622	2,379	5,744	2,792	24,301
2009-10	864	13,635	854	7,137	2,980	25,470
2010-11	830	14,024	799	6,119	2,984	24,756
2011-12	964	12,523	659	6,806	2,995	23,947
2012-13	1,028	11,417	3,316	5,687	521	21,969
2013-14	1,315	11,472	3,137	5,897	0	21,821

School Facilities

School	Grades	Last Year Renovated	Student Capacity	Enrollment Oct - 13
America's Choice @ SAND School	K-8	1998	480	461
Asian Studies Academy	PK4-8	2012	680	646
Batchelder School	PK4-8	1997	723	540
Betances STEM at Dwight	4-6	1986	420	291
Breakthrough II Magnet School	PK3-7	1963	500	227
Breakthrough Magnet School	PK3-8	2005	330	360
Bulkeley	9-12	1974	2,016	912
Burr School	PK4-8	2005	750	699
Capital Preparatory Magnet	PK3-12	2010	600	699
Clark School	PK4-8	1988	660	371
Classical Magnet	6-12	2005	700	690
Culinary Arts Academy at Weaver High School	9-12	1974	2,125	304
Environmental Sciences Magnet School @ Mary Hooker	PK4-8	2010	660	606
Expeditionary Learning Academy at Moylan	PK4-5	1997	800	171
Global Communications Academy (IB)	K-7, 9-11	N/A	900	500
Great Path Academy Middle College High School at Manchester Community College	9-12	N/A	N/A	345
Hartford Magnet Trinity College Academy	6-12	N/A	N/A	918
High School Inc.	9-12	LEASED	N/A	345
HPSHS	9-12	2005	1,897	1381
Journalism & Media Academy Magnet School	9-12	2012	400	198
Kennelly School	PK4-8	1993	680	672
Latino Studies @ Burns School	PK4-8	1992	800	558
M.D. Fox School	PK4-8	2012	750	610
Martin L. King Jr. School	PK4-8	1977	1,000	626
McDonough Expeditionary Learning School	6-8	1997	460	291
Milner School	PK4-8	1998	600	386
Montessori Magnet School @ Moylan	PK3-4	1997	800	596
Museum Academy at Wish	PK4-8	1962	680	360
Naylor/CCSU Leadership Academy	PK4-8	2005	750	664
Noah Webster MicroSociety Magnet School	PK3-8	2005	750	677
Opportunity High School	9-12	1971	600	600
Parkville Community	PK4-5	1996	620	538
Pathways Academy of Technology & Design	9-12	LEASED	440	329
R.J. Kinsella Magnet School of Performing Arts	PK4-11	2009	740	714
Rawson School	PK4-8	2005	750	511
Renzulli Gifted & Talented Academy	4-11	1997	200	127
Sanchez School	PK4-5	1992	560	497
Simpson-Waverly School	PK4-8	1988	646	310
Sports & Medical Sciences Academy	6-12	2008	750	703
STEM Magnet School @ Annie Fisher	K-8	2010	750	648
University High School of Science & Engineering	9-12	2009	400	406

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Certain Economic Information

The City's Department of Development Services, encompassing the City's Economic Development, Marketing, Cultural Affairs, Housing, Planning, and Licensing functions, facilitates major economic initiatives throughout the City.

The Department is positioned as the single point of contact for the City's development initiatives which include all commercial and residential projects. The Hartford region is rated first by the Brookings Institute in terms of GDP per capita in the world. Evidence of the economic development activity and revitalization of the City are clearly visible in the ongoing changes in Hartford's skyline and numerous neighborhoods, highlights 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 on a daily basis. In addition to the City being a regional center for food manufacturing, software, logistics and distribution companies, the headquarters of four Fortune 500 companies are located in Hartford to take 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 has continued to position itself to support a wide range of economic development and housing initiatives.

Economic Development Program Overview

Since 1998, the City and State have been working toward completing the "Six Pillars" initiative. Overseen by a quasi-public authority, CCEDA, the program has had significant positive impact on the city by implementing a series of state investments. The program includes the Adriaen's Landing Convention Center development, which contains a 145,000-square-foot exhibition hall, and 40,000 square feet of meeting space; the Connecticut Science Center, a 145,000-square-foot facility designed by Caesar Pelli, that has already exceeded its visitor projection of 350,000 people per year; the Morgan Street Garage which added 2,300 parking spaces to the downtown; the \$55 million relocation of Capital Community College to Main Street; and a \$25 million pedestrian connection to the Connecticut River from the Science and Convention Centers. The above-noted projects are now complete and have, as intended, enhanced the vitality of the downtown and continue to attract additional investment.

In 2012, CCEDA was re-organized by the General Assembly as the Capital Region Development Authority ("CRDA"), a quasi-public authority charged with developing a cohesive strategy that connects local and state development efforts to increase commerce and economic vitality in Hartford and the surrounding region. Although residential development has been a primary concern for CRDA, the agency manages regional assets and attractions, namely Rentschler Field, the Convention Center, the Connecticut Tennis Center and the XL Center.

The City and CRDA have begun to build upon the accomplishments of the Six Pillars. The City has established both, a single overall plan for development over the next ten years ("One City, One Plan"), and an innovative award-winning redevelopment program for the downtown ("iQuilt"). One City, One Plan is the City's touchstone for development efforts, facilitating and expediting the otherwise complex and sometimes cumbersome local decision-making process.

The I-Quilt Partnership is a public/private partnership whose purpose is to promote cultural assets, improve walk ability, and foster innovation in downtown Hartford. The Partnership is providing the City with a framework for connecting its assets through improved public spaces. Since its inception, the partnership has achieved many of its early goals. In March 2012, the City received a \$10 million grant from the U.S. Department of Transportation. The grant was used to implement a portion of the \$21 million Intermodal Triangle project which includes improvements to Union Station and Bushnell Park. In September 2012, to further support the project, the Hartford Business Improvement District, along with the Greater Hartford Arts Council and the City of Hartford 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 Place making, an Innovation Awards ceremony sponsored by United Technologies Corporation, and a downtown-wide festival celebrating walking culture and innovation. In November, the Winterfest festival will kick off its fourth year of free public ice-skating in Bushnell Park. In Spring 2014, the city began construction on the Intermodal Triangle.

- **Public Safety Complex** - Completed in 2013, the City's \$77 million, state-of-the-art public safety complex on High Street 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.

- **Civic Center** - CRDA began \$35 million of renovations in May 2014 and expects completion of these by the end of October. The improvements are designed to reposition the facility for the next ten years. In addition, the CRDA Board of Directors selected Global Spectrum of Philadelphia to manage the XL Center and Rentschler Field in East Hartford for the next ten years.

- **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. Construction on the first phase was completed in 2010 and five major tenant leases are signed representing more than 75 percent of overall retail space. In the fall of 2012, Hartford Spotlight Theatres opened a 725-seat theater and restaurant. Spotlight has since been joined by Infinity Music Hall and Bistro, a 600-seat concert hall and restaurant in the summer of 2014. In addition, The Capital Grille, an upscale and publicly-traded steakhouse, has proven successful and a complement to Ted's Montana Grill, and Nixs, a Boston-based restaurant specializing in food and drinks branded toward millennial populations. Construction on a new 115 unit apartment building has begun on the western portion of Front Street District. The University of Connecticut has begun rehabilitation of the former Hartford Times building. Last year, the University announced plans to relocate the Greater Hartford campus to Downtown Hartford. Approximately 3,000 day-students and 500 faculty will occupy the site. Coupled with the recent \$500,000 investment from Bears BBQ nearby on Arch Street, the Front Street District has established itself to be a dining destination with myriad options and price points.

- **Coltville** - In July 2010, Colt Gateway LLC took over site control as developer. All 50 completed residential lofts are leased. In addition, the campus is home to two CREC Regional Magnet Schools and Insurity, a software company. In the summer of 2012, Insurity extended the term of its lease at this facility by another seven years. Environmental remediation of the courtyard is scheduled for 2013 and a new streetscape is being funded with federal dollars, City funds and State of Connecticut Department of Transportation assistance. The National Trust Community Investment Corporation provided a portion of its New Market Tax Credit ("NMTC") allocation to Chevron TCI, the historic tax credit investor, resulting in a combined \$23 million historic NMTC investment. 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 also committed \$5 million in funding to assist with the renovation of 79 apartments within this complex. Coltville itself was designated a National Historic Landmark in July 2008. The Coltville Ad Hoc Committee commissioned, 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 100 jobs to the City, with expectations to add an additional 70 jobs over the next three years. The ultimate goal is to achieve National Park status.

- **Sims Metal Management Aerospace ("Sims")** - In December 2010, Sims completed its relocation within the City. Its current location includes a 279,000-square-foot building and a recently completed 145,000-square-foot addition. As a result, over 160 employees were retained within the City.

- **Legal Services** - Hartford is a major force in the region in the area of 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.

In addition, in 2013 the law firm of Levy and Droney merged with Hinckley, Allen & Snyder LLP and relocated from Farmington to Hinckley, Allen & Snyder's office space in downtown Hartford located 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 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 facilities 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. It is projected that this project will result in a minimum investment of \$150 million and the retention of 600 positions.

United Healthcare 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. CareCentrix is a provider of home health benefit management services initially occupying 40,000 square feet; the company has grown to more than 400 employees and 60,000 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.

GlobeOp Financial Services has established a Hartford operation at 225 Asylum Street downtown. The company, based in New York, provides administrative and technology support to hedge funds and asset management firms and employs more than 100 people.

Virtus Investment Partners leased space and employs 165 persons at 100 Pearl Street. Virtus is a spin-off of The Phoenix Companies.

Harvard Pilgrim Health Care leased offices at CityPlace, and began selling policies in 2014. The company began with 35 employees and is expected to add additional staff as their plans grow in popularity. The company has been rated number 1 health plan provider in the nation.

- **Northeast Utilities** – In December of 2009, Northeast Utilities completed the relocation of its corporate headquarters and 180 positions to 10 Prospect Street in the central business district. The company cited its interest in being in the capital city and the seat of government as motivation for its relocation.

- **Connecticut River Plaza and 55 Farmington Avenue** – The State has moved approximately 1,200 employees into 55 Farmington Avenue and will move approximately 3,000 state employees into the Connecticut River Plaza buildings starting in 2015. The State purchased these three properties for \$52 million. Together these properties have about 900,000 square feet of office space. It is estimated that the move will save the State approximately \$200 million in occupancy costs over the next 20 years while

providing the City \$11 million dollars in incremental annual economic activity. As a result, the City expects to lose \$2 million in annual property tax revenue and anticipates the State will mitigate the direct budgetary impact despite the Governor's plans to discontinue the PILOT ("payment in lieu of taxes") Program through which municipalities receive payments in lieu of taxes on certain types of government and non-for-profit properties.

- **St. Francis Hospital** - The parent of St. Francis Hospital and Medical Center has signed a letter of intent to merge with Missouri-based for profit hospital operator, St. Louis' Ascension Health Care Network. St. Francis Hospital is a 617-bed not-for-profit hospital located in the City's Asylum Hill neighborhood. If the proposed merger were to be completed, the hospital would become a for profit entity and the City is expected to receive millions of dollars in new tax revenue as a result.

Housing Initiatives

Hartford has the goal of increasing home ownership and reducing rentals. The first objective is substantially complete. The objective is well underway with approximately 2,100 homeownership units have been added since 2002. More recently, the City has prioritized the increase of housing opportunities in the downtown. Developments completed to date include:

- **Downtown housing units** - Three residential developments have been completed 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 36-story, 262-unit tower. The project also includes 56,000 square feet of retail for shops and restaurants and is also the home for a 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 97%+ occupancy rate.
- **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 directly across Bushnell Park. The project, completed by Common Ground and completed 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.
- **Northend Gateway at 1450 Main Street** - The City sold this 4.3-acre parcel of land to Sheldon Oak Central, LLC. The developer built 45 affordable rental units and 12 market-rate apartments in the Clay Arsenal neighborhood. This \$17 million project was completed in May 2009 and is equipped with high-speed internet, direct access elevators and a dedicated green space for families.
- **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 under construction 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.
- **Stowe Village** - More than 100 duplex units have been built and beautifully landscaped at Stowe Village in the Northeast neighborhood. Thirty-three single-family units flank the units and a third phase of construction of additional single-family dwellings is planned.

- **Capewell Factory Revitalization** - the 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. Negotiations are currently underway with the owner to determine best and highest use and development process and potential. Environmental investigation and remediation funds are currently being sought.
- **Nelton Court** - The newly constructed Nelton Court will comprise of eighty (80) modular and stick built two and three story townhouse style residential units. The development is currently fifty 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.
- **Sargeant Street Stabilization** - Northside Institutions Neighborhood Alliance (NINA) continues to stabilize the Sargeant Street corridor. Within the last eight years twelve (12) properties were constructed or renovated on Ashley and Sargeant Streets in the City's Asylum Hill neighborhood. The City has been a major funder for these properties and is working with NINA to renovate four (4) units of owner occupied housing as well as three (3) new commercial/office spaces.

Projects In Development

- **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 is designing a 6 story, LEED Platinum tower comprised of 49 residential units and 16,400 square feet of commercial office and retail space on the first two floors. Financing for the project is in place and 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. Financing for the project is in place. Construction at the site commenced with the abatement of the building in the first Quarter of 2014.
- **95-101 Pearl Street** - This property consists of 100,000 square feet of former office space. Lewis/Pearl Ventures LLC has 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 is expected to commence in 2015.
- **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 dollars to date from local, state and private charitable foundations. The conversion/renovation of the 1st floor of 60 Love Lane into office space for NNPI has been completed. The City and NNPI released a request for proposals for the replacement of the roof at the factory building located at 10 Love Lane. Construction is expected to commence in the Fall of 2014. This development is one of the major projects listed in the regional Comprehensive Economic Development Strategy (CEDS).
- **Chester Bowles Park and Westbrook Village** - The Hartford Housing 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. The parcels total approximately 140 acres. The State of Connecticut has demonstrated its commitment to transform Bowles and Westbrook by providing over \$4 million dollars in predevelopment funding. The "Residents Participation Program" is currently underway and Technical Advisory Consultant has been selected. The Housing Authority has issued an RFP for

developers of Bowled Park and selected a developer. They are currently in negotiations with said developer on the proposed project.

- **777 Main Street** - The former Bank of America bank building in Downtown Hartford is slated to be converted into 285 units of market and affordable housing and 35,000 square feet of ground floor commercial space. The majority of the units will be efficiency and one bedroom units with 25 two bedroom units. Eighty percent of the units will be market rate and the remainder of the units will be affordable units. This project has received all development approvals and has closed on its construction financing. Construction commenced in the winter of 2013 and is expected to last approximately eighteen months. It is anticipated that the families will begin moving into the building within twelve months of the commencement of construction.
- **179 Allyn Street** - The second through sixth floor of this former office building will be converted into 63 one bedroom market rate apartments. The ground floor retail space will remain. All local development approvals have been received.
- **Albany Woodland Redevelopment Project** - The primary goal of the Albany Avenue-Woodland Street Project is to revitalize an extremely critical intersection in the Upper Albany Avenue area with a traditional strong neighborhood business presence. The plan envisioned is the creation of a Town Center fronting Albany Avenue and Woodland Street. The City has selected the commercial brokerage firm of Goman York to market the site for development. Additionally, the site is currently undergoing petroleum and soil remediation with funding from The Department of Economic and Community Development.
- **North Meadows IBD Project Area (Block VI)**- Block VI in the North Meadows Industrial Business District (IBD) Project Area is comprised of approximately six acres of unimproved land on Leibert Road. Pride Companies, a leading independent retail store chain in Western Massachusetts, has submitted a proposal to the City to develop the Property into a Travel Center for both local and highway motorists. The development would consist of fueling stations and an approximately 12,000 square foot building. Pride is currently completing its due diligence of the site in advance of the City seeking approval for the disposition of the property.
- **Transportation Investment Generating Economic Recovery (TIGER) Intermodal Triangle Project** - Transportation project involving integration of the new Bus-Rapid-Transit system, *CTfastrak*, into the City's downtown, creation of a transit station at Union Station, enhanced bus and transit service and creating connections from between Union Station, Main Street, Bushnell Park and the downtown. This project has 4 components:
 - Union Station - solidifying Union Station's role as a regional intermodal hub that includes a new transit center, enhanced bus service, increased passenger rail services and physical building improvements.
 - Bushnell Park North - The creation of a "park road" adjacent to this historic park by instilling a road diet for traffic calming and implementing a complete street design that accommodates multimodal transportation options including transit and automobiles, but also non-vehicular mobility such as pedestrians and bicyclists. This component includes significant streetscape elements.
 - Asylum St/Pearl St/State House Square - Significant streetscape improvements to facilitate transit and pedestrian activity and improve safety including enhancements to State House Square, new signals at various intersections and streetscape amenities.
 - Union Place - Streetscape improvements to Union Place that include benches, street trees, new sidewalks and a raised speed table at the intersection of Union Place and Allyn Street for pedestrian traffic.

- Front Street Apartments – 140 market rate apartments located adjacent to the Front Street restaurants district, Wadsworth Athenaeum, City Hall, and the new UConn Greater Hartford campus. Completion is expected by Spring 2015.

Redevelopment Projects

Downtown Redevelopment Initiative: On January 26, 2009, the 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 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 has successfully negotiated the purchase of other targeted properties. The Project was awarded a Regional Sustainable Communities Planning Grant from HUD that was used to create development guidelines in the area.

On October 14, 2014, the City Council approved a \$350,000,000 development proposal from Do No Hartford LLC (“DNH”) for a mixed use development in the Downtown North Neighborhood (the “Project”). The Project includes plans for a minor league baseball ballpark as well as housing, retail, parking and commercial development. Under the proposal, the City will lease the ballpark from DNH for 25 years and in turn sublease it to the New Britain Rockcats, a Class AA Minor League Baseball Team, for the same period. The City Council also approved the leasing of various other parcels to DNH for the development of housing, retail, parking and commercial space development.

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 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.

Population and Density

<u>Year</u>	<u>City of Hartford</u>			<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Population</u>	<u>% Change</u>	<u>Density¹</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2012	124,879	0.1	6,789	893,504	(0.1)	3,572,213	(0.1)
2010	124,775	0.5	6,781	894,014	4.3	3,574,097	4.9
2000	124,121	(11.2)	6,746	857,183	0.6	3,405,565	3.6
1990	139,739	2.5	7,595	851,783	5.4	3,287,116	5.8
1980	136,392	(13.7)	7,413	807,766	(1.1)	3,107,576	2.5
1970	158,017	(2.6)	8,588	816,737	18.4	3,032,217	19.6
1960	162,178	-	8,814	689,555	-	2,535,235	-

¹Density based on 18.4 square miles.

Source: U.S. Department of Commerce, Bureau of the Census, Census of Population and Housing, 1960-2010, and American Community Survey, 2008 - 2012 for 2012

Population Composition

<u>Age</u>	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	8,792	7.0	50,352	5.6	200,031	5.6
5 to 9 years	8,868	7.1	57,354	6.4	221,806	6.2
10 to 14 years	8,875	7.1	57,537	6.4	238,955	6.7
15 to 19 years	13,383	10.7	61,975	6.9	254,462	7.1
20 to 24 years	12,431	10.0	55,311	6.2	225,619	6.3
25 to 34 years	19,195	15.4	110,128	12.3	421,617	11.8
35 to 44 years	15,651	12.5	118,914	13.3	485,127	13.6
45 to 54 years	14,516	11.6	139,910	15.7	570,253	16.0
55 to 59 years	6,317	5.1	60,266	6.7	238,882	6.7
60 to 64 years	5,244	4.2	50,920	5.7	205,639	5.8
65 to 74 years	6,671	5.3	64,571	7.2	258,464	7.2
75 to 84 years	3,504	2.8	43,620	4.9	166,552	4.7
85 years and over	<u>1,432</u>	<u>1.1</u>	<u>22,646</u>	<u>2.5</u>	<u>84,806</u>	<u>2.4</u>
Total	124,879	100.0	893,504	100.0	3,572,213	100.0

<u>Median Age</u>	<u>2000</u>	<u>2010</u>
City of Hartford	29.7	29.2
Hartford County	37.7	38.2
State of Connecticut	37.4	38.5

Source: U.S. Census, 2008-2012 American Community Survey

Income Distribution

<u>Income for Families</u>	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ 0 - 9,999	3,842	14.4	8,846	3.9	29,554	3.3
10,000 - 14,999	2,306	8.7	5,871	2.6	19,067	2.1
15,000 - 24,999	3,996	15.0	12,715	5.6	46,703	5.1
25,000 - 34,999	3,562	13.4	15,378	6.8	56,959	6.3
35,000 - 49,999	3,842	14.4	23,029	10.1	86,314	9.5
50,000 - 74,999	4,378	16.5	38,339	16.8	145,557	16.0
75,000 - 99,999	2,097	7.9	34,993	15.1	135,431	14.9
100,000 - 149,999	1,912	7.2	45,708	20.1	190,762	21.0
150,000 - 199,999	374	1.4	22,057	9.7	89,839	9.9
200,000 or more	<u>296</u>	<u>1.1</u>	<u>20,840</u>	<u>9.1</u>	<u>107,414</u>	<u>11.8</u>
Total	26,605	100.0	227,776	100.0	907,600	100.0

Source: 2008-2012 American Community Survey

Income Levels

	<u>City of Hartford</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
Per capita income	\$16,448	\$34,356	\$37,807
Median family income	\$33,660	\$81,533	\$87,182
Median household income	\$28,931	\$64,752	\$69,519

Source: 2008-2012 American Community Survey

Educational Attainment (Years of School Completed, Age 25 and over)

<u>Educational Attainment</u>	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade	9,954	13.4	83,008	13.4	111,914	4.6
9th to 12th grade, no diploma	12,257	16.5	102,211	16.5	165,094	6.8
High school graduate	22,434	30.2	187,078	30.2	687,618	28.2
Some college, no degree	14,485	19.5	120,795	19.5	431,411	17.7
Associate degree	3,120	4.2	26,017	4.2	173,047	7.1
Bachelor degree	6,834	9.2	56,991	9.2	491,990	20.2
Graduate or professional degree	<u>5,200</u>	<u>7.0</u>	<u>43,362</u>	<u>7.0</u>	<u>373,309</u>	<u>15.3</u>
Total	74,284	100.0	619,462	100.0	2,434,383	100.0
Percent high school graduate or higher	-	70.1	-	88.7	-	88.6
Percent bachelor degree or higher	-	16.2	-	35.8	-	35.5

Source: 2008-2012 American Community Survey

Age Distribution of Housing

<u>Household Characteristics</u>	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Units</u>	<u>Percent</u>	<u>Units</u>	<u>Percent</u>	<u>Units</u>	<u>Percent</u>
Built in 1939 or earlier	18,700	35.0	71,647	19.2	321,529	21.6
Built in 1940–1949	6,856	12.8	31,658	8.5	108,911	7.3
Built in 1950–1959	9,242	17.3	71,442	19.1	243,080	16.3
Built in 1960–1969	6,220	11.6	49,582	13.3	199,976	13.4
Built in 1970–1979	3,706	6.9	49,240	13.2	197,328	13.3
Built in 1980–1989	3,163	5.9	47,144	12.6	190,017	12.8
Built in 1990–1999	3,478	6.5	26,586	7.1	112,306	7.5
Built in 2000–2004	2,000	3.7	24,659	6.6	103,239	6.9
Built in 2005 or later	<u>140</u>	<u>0.3</u>	<u>1,687</u>	<u>0.5</u>	<u>11,686</u>	<u>0.8</u>
Total	53,505	100.0	373,645	100.0	1,488,072	100.0

Source: 2008–2012 American Community Survey

Housing Unit Inventory and Vacancy Rates

<u>Housing Units</u>	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Units in structure						
1 unit, detached	8,171	15.3	204,280	54.7	875,291	58.8
1 unit, attached	3,163	5.9	21,612	5.8	82,522	5.5
2 units	5,919	11.1	28,660	7.7	120,596	8.1
3 to 4 units	11,615	21.7	37,592	10.1	136,285	9.2
5 to 9 units	7,472	14.0	25,866	6.9	80,851	5.4
10 to 19 units	5,132	9.6	16,910	4.5	54,103	3.6
20 or more units	11,930	22.3	35,933	9.6	124,847	8.4
Mobile home, trailer, other	103	0.2	2,641	0.7	13,116	0.9
Boat, PV, van, etc.	<u>0</u>	<u>0.0</u>	<u>151</u>	<u>0.0</u>	<u>461</u>	<u>0.0</u>
Total units	53,505	100.0	373,645	100.0	1,488,072	100.0

Source: 2008–2012 American Community Survey

Owner-occupied Housing Units

	<u>City of Hartford</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
Total owner-occupied units	10,853	223,102	888,478
Persons per unit	2.84	2.64	2.71

	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Specified owner-occupied units						
Less than \$50,000	740	6.8	8,769	3.9	32,146	3.6
\$50,000 to \$99,999	2,047	18.9	9,390	4.2	29,490	3.3
\$100,000 to \$149,999	2,435	22.4	27,148	12.2	80,537	9.1
\$150,000 to \$199,999	2,277	21.0	42,179	18.9	137,454	15.5
\$200,000 to \$299,999	1,896	17.5	69,408	31.1	236,502	26.6
\$300,000 to \$499,999	1,207	11.1	52,070	23.3	228,551	25.7
\$500,000 to \$999,999	251	2.3	12,410	5.6	104,483	11.8
\$1,000,000 or more	<u>0</u>	<u>0.0</u>	<u>1,728</u>	<u>0.8</u>	<u>39,315</u>	<u>4.4</u>
Total	10,853	100.0	223,102	100.0	888,478	100.0
Median value	\$153,000	-	\$230,300	-	\$267,000	-

Source: 2008–2012 American Community Survey

Number and Size of Households

<u>Household Characteristics</u>	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Persons per household (average)	2.53	-	2.52	-	2.60	-
Persons per family (average)	3.35	-	3.12	-	3.19	-
Family households	27,226	58.9	228,516	66.1	890,293	66.4
Non-family households	<u>18,986</u>	<u>41.1</u>	<u>117,099</u>	<u>33.9</u>	<u>449,567</u>	<u>33.6</u>
All households	46,212	100.0	345,615	100.0	1,339,860	100.0
Family households by type						
Married couple	9,265	34.0	160,713	70.3	657,885	73.9
Female householders, no spouse ..	14,618	53.7	51,378	22.5	175,140	19.7
Other	<u>3,343</u>	<u>12.3</u>	<u>16,425</u>	<u>7.2</u>	<u>57,268</u>	<u>6.4</u>
Total family households	27,226	100.0	228,516	100.0	890,293	100.0
Non-family households by type						
Householders living alone	16,946	76.7	98,492	70.9	370,938	70.9
Other	<u>5,146</u>	<u>23.3</u>	<u>40,332</u>	<u>29.1</u>	<u>152,174</u>	<u>29.1</u>
Total non-family households	22,092	100.0	138,824	100.0	523,112	100.0

Source: 2008–2012 American Community Survey

Value of Construction Activity

Calendar Year	Number	Residential	Industrial/ Commercial	Other ¹	Total
2013	4,677	\$89,204,235	\$117,577,368	\$ 9,197,166	\$215,978,769
2012	4,749	39,113,327	202,523,092	9,152,769	250,789,188
2011	4,395	22,255,579	157,831,806	16,781,050	197,431,435
2010	4,002	27,410,970	151,921,378	4,157,298	183,489,646
2009	4,230	15,442,671	190,459,312	109,442,121	315,344,104
2008	4,326	37,250,732	230,080,698	144,250,143	411,581,573
2007	4,328	23,846,030	84,367,870	282,988,682	391,202,582
2006	4,244	36,287,705	115,692,401	169,979,430	321,959,536
2005	3,948	18,237,904	65,306,060	34,383,656	117,927,620
2004	2,469	15,240,516	51,264,014	55,740,900	122,245,430
2003	1,574	22,864,913	53,690,851	196,790	76,752,554
2002	1,704	23,224,448	74,192,146	1,678,788	99,095,382
2001	2,073	19,608,541	68,913,758	16,824,451	105,346,750

¹ Municipal and other exempt new construction.

Source: City of Hartford Licenses and Inspections Division.

Employment Data

Job Sector	City of Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining.....	198	0.4	1,139	0.3	6,592	0.4
Construction	1,762	3.8	19,410	4.5	112,301	6.4
Manufacturing	3,491	7.5	46,127	10.6	207,476	11.8
Wholesale trade	1,076	2.3	14,003	3.2	47,436	2.7
Retail trade	7,095	15.3	50,140	11.5	195,667	11.1
Transportation and warehousing, and utilities	2,568	5.5	15,585	3.6	67,556	3.8
Information	374	0.8	7,847	1.8	46,077	2.6
Finance, insurance, real estate, rental & leasing	2,127	4.6	47,939	11.0	167,484	9.5
Professional, scientific, management, Administrative, and waste mgmt services	5,577	12.0	49,606	11.4	189,671	10.7
Education, health and social services.....	12,123	26.2	111,690	25.7	438,801	24.9
Arts, entertainment, recreation, accommodation and food services	4,856	10.5	32,432	7.5	140,551	8.0
Other services (except public administration)	3,202	6.9	20,048	4.6	78,859	4.5
Public Administration	<u>1,875</u>	<u>4.0</u>	<u>18,799</u>	<u>4.3</u>	<u>67,078</u>	<u>3.8</u>
Total employed persons.....	46,324	100.0	434,765	100.0	1,765,549	100.0

Source: 2008-2012 American Community Survey

**Commute to Work
(16 years of age and over)**

	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Drove alone	24,422	54.4	346,337	81.4	1,353,252	77.9
Car pools	6,267	14.0	34,608	8.1	143,902	8.3
Using public transportation	7,488	16.7	15,232	3.6	89,137	5.1
Walked	2,474	5.5	8,154	1.9	54,686	3.1
Using other means	2,576	5.7	7,003	1.6	20,050	1.2
Worked at home	<u>1,674</u>	<u>3.7</u>	<u>14,175</u>	<u>3.3</u>	<u>75,129</u>	<u>4.3</u>
Total	44,901	100.0	425,509	100.0	1,736,156	100.0

Source: 2008–2012 American Community Survey

Employed Persons

	<u>City of Hartford</u>		<u>Percent Unemployed</u>		
	<u>Employed</u>	<u>Unemployed</u>	<u>City of Hartford</u>	<u>Hartford Labor Market Area</u>	<u>State of Connecticut</u>
August 2014	43,146	6,990	13.9	7.0	6.9
Annual Average 2013	42,396	7,281	14.7	7.8	7.8
Annual Average 2012	43,712	8,031	15.5	8.5	8.4
Annual Average 2010	43,044	8,273	16.1	9.2	9.1
Annual Average 2009	43,627	7,192	14.2	8.3	8.2
Annual Average 2008	45,436	4,671	9.3	5.8	5.7
Annual Average 2007	44,534	4,367	8.9	5.1	5.9
Annual Average 2006	44,044	4,178	8.7	4.4	4.3
Annual Average 2005	41,126	5,037	10.9	5.7	5.3
Annual Average 2004	42,900	4,835	10.1	5.2	4.9
Annual Average 2003	45,821	5,971	11.5	5.9	5.5
Annual Average 2002	49,746	4,422	8.2	4.5	4.3
Annual Average 2001	48,970	3,453	6.6	3.3	3.3
Annual Average 2000	50,246	2,561	4.8	2.4	2.3

Source: Based on U.S. Department of Labor and Employment Security Division, Labor Department, State of Connecticut.

Hartford's Major Employers

<u>Employer</u>	<u>Industry</u>	<u>Employees</u>
The Hartford Financial Services Group	Insurance, financial services	5,000-9,999
The Travelers Cos. Inc.	Property/casualty insurance	1,000-4,999
Saint Francis Hospital and Medical Center	General hospital	1,000-4,999
Aetna Inc.	Health insurance	1,000-4,999
Institute of Living - Treatment	Treatment center	1,000-4,999
Northeast Utilities	Electric utility	1,000-4,999
Connecticut Children's Medical Center	Hospital	1,000-4,999
Department of Energy and Environmental Protection	State agency	1,000-4,999
Institute of Living - Geriatric	Rest home	1,000-4,999
Department of Public Health	State agency	500-999
Bureau of Materials Management	State agency	500-999
Lincoln National Life Insurance	Life insurance	500-999
Department of Revenue Services	State agency	500-999
Regional Market	Government offices	500-999
Community Renewal Team Inc.	Pre-schools	500-999
Phoenix Co. Inc.	Life insurance	500-999
Hartford Police Department	Public safety	500-999
United Technologies	Manufacturing	500-999
Capital Community College	Higher education	500-999
Comcast Theatre	Theatre	500-999
XL Center	Ticket service	500-999

Source: City of Hartford Comprehensive Annual Financial Report for fiscal year ended June 30, 2012.

Commercial Real Estate Market Analysis Vacant Space

<u>Type</u>	<u>Q4 2013</u>		<u>Q4 2012</u>		<u>Q4 2011</u>	
	<u>Total Square Feet</u>	<u>Overall Vacancy Rate</u>	<u>Total Square Feet</u>	<u>Overall Vacancy Rate</u>	<u>Total Square Feet</u>	<u>Overall Vacancy Rate</u>
City of Hartford Office CBD ...	7,061,578	19.9%	7,917,809	26.8%	7,976,010	26.5%
Hartford CBD Class "A"	5,622,461	16.0	6,178,692	25.5	6,178,692	24.8
Regional Office	25,805,456	20.4	25,374,798	19.1	25,667,361	20.1
City of Hartford Industrial	5,162,906	12.8	5,161,950	10.0	5,161,950	8.6
Regional Industrial	89,969,728	12.9	89,265,616	11.7	87,478,738	13.5

Source: Cushman & Wakefield of Connecticut, Inc.

Land Use Breakdown

<u>Land Use Category</u>	<u>Acres</u>	<u>Percent</u>
1-3 family residential	2,530	22
4-6 family residential	250	2
Over 6 family residential	550	5
Office/Commercial	830	7
Retail	320	3
Institutional/Government/Utility	3,310	29
Industrial/Manufacturing	240	2
Open space/Park/Cemetery	1,470	13
Vacant land	520	5
Streets/Transportation	<u>1,500</u>	<u>13</u>
Total	11,520	100

Source: City Assessor 2014.

SECTION IV - DEBT SECTION

Debt Authorization

Title 7 of the Connecticut General Statutes, Revision of 1958, as amended, authorizes the City to issue bonds, notes and other obligations.

Under the City Charter, bonds and bond anticipation notes are authorized by an ordinance approved by the affirmative vote of at least six members of the Common Council. If the total estimated cost of any improvement for which bonds are proposed to be issued exceeds \$2 million, and if the full faith and credit of the City shall be pledged to the payment of any portion of the principal and interest on the bonds, the ordinance authorizing the issuance of bonds shall be subject to the approval of a majority vote of City electors voting thereon, if, within 30 days after published notice of the enactment by the Common Council, a sufficient petition is filed with the City Clerk requesting that such ordinance be either repealed or submitted to a vote of the electors. In order for the petition to be sufficient it must be signed in ink by not less than 3% of the City electors.

Limitation of Indebtedness

Under Connecticut law, municipalities shall not incur indebtedness through the issuance of general obligation bonds that will cause aggregate indebtedness by class to exceed the following:

General Purpose: 2.25 times annual receipts from taxation.

School Purpose: 4.50 times annual receipts from taxation.

Sewer Purpose: 3.75 times annual receipts from taxation.

Urban Renewal Purpose: 3.25 times annual receipts from taxation.

Pension Deficit Funding: 3.00 times annual receipts from taxation.

In no case, however, shall total indebtedness exceed seven times annual receipts from taxation.

“Annual receipts from taxation” is defined as total tax collections (including interest and penalties) and State payments in lieu of taxes under Connecticut General Statutes Sections 12-129d and 7-528 for the most recent fiscal year next preceding the date of issue.

The statutes also provide for certain exclusions of debt issued in anticipation of taxes, for the supply of water, gas, or electricity, construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes and for two or more of such purposes; for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; and for indebtedness issued in anticipation of the receipt of proceeds from State or federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds.

Statement of Statutory Debt Limitation and Debt Margin
As of November 18, 2014
(In Thousands)

The following table sets forth the computation of the statutory debt limit of the City and the debt incurring margin as of November 18, 2014, adjusted to give effect to this financing:

Total tax collections for the year ended June 30, 2013, including interest and penalties	\$255,904
State reimbursement for tax relief for elderly - freeze	<u>337</u>
Base for establishing debt limit.....	\$256,241

Debt Margin

<u>Debt Limitation by Purpose</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit Funding</u>	<u>Total</u>
2.25 x base	\$576,542					
4.50 x base	-	\$1,153,085				
3.75 x base	-	-	\$960,904			
3.25 x base	-	-	-	\$832,783		
3.00 x base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$768,723</u>	
Total debt limitation	576,542	1,153,085	960,904	832,783	768,723	1,793,687
Less indebtedness:						
Bonds of this Issue.....	10,915	25,470	-	-	-	36,385
Notes Outstanding	26,900	23,100	-	-	-	50,000
Bonds payable	236,986	153,384	1,292	-	-	391,662
Overlapping debt ¹	-	-	184,612	-	-	184,612
Bonds authorized but unissued	<u>111,080</u>	<u>279,732</u>	<u>8,578</u>	<u>-</u>	<u>-</u>	<u>399,390</u>
Total indebtedness	385,881	481,686	194,482	-	-	1,062,049
Less:						
School construction grants receivable	<u>-</u>	<u>7,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,423</u>
Total net indebtedness	385,881	474,263	194,482	-	-	1,054,626
Debt limitation in excess of outstanding and authorized debt						
	\$190,661	\$678,822	\$766,422	\$832,783	\$768,723	\$739,061

¹City's share of MDC debt as of August 6, 2014. See "Overlapping Debt" herein.

Note: In no event shall total indebtedness exceed \$1.8 billion (seven times the base for debt limitation computation).

Annual Bonded Debt Maturity Schedule¹
Pro Forma as of November 18, 2014

Fiscal Year Ending June 30	Principal Payments²	Interest Payments²	Total Payments²	Refunding Bonds of This Issue Series C	Cumulative Percent Principal Retired	State School Building Grants (Principal Only)	Net Projected Principal Payments*
2015 ³	\$ 2,280,000	\$ 8,807,555	\$ 11,087,555	-	0.5%	\$1,779,167	\$ 500,833
2016	15,425,000	17,902,616	33,327,616	\$2,280,000	4.7%	2,018,636	15,686,364
2017	18,520,000	17,155,902	35,675,902	1,230,000	9.3%	1,511,118	18,238,882
2018	19,065,000	16,317,971	35,382,971	-	13.8%	886,096	18,178,904
2019	24,845,000	15,385,720	40,230,720	3,670,000	20.5%	569,764	27,945,236
2020	22,870,000	14,371,490	37,241,490	3,665,000	26.7%	438,240	26,096,760
2021	22,390,000	13,339,530	35,729,530	3,660,000	32.8%	220,696	25,829,304
2022	21,925,000	12,344,364	34,269,364	3,665,000	38.8%	-	25,590,000
2023	22,520,000	11,348,750	33,868,750	3,670,000	44.9%	-	26,190,000
2024	22,985,000	10,281,092	33,266,092	3,670,000	51.2%	-	26,655,000
2025	20,805,000	9,201,307	30,006,307	3,670,000	56.9%	-	24,475,000
2026	21,515,000	8,163,525	29,678,525	3,640,000	62.8%	-	25,155,000
2027	22,265,000	7,089,383	29,354,383	3,565,000	68.8%	-	25,830,000
2028	23,050,000	5,976,263	29,026,263	-	74.3%	-	23,050,000
2029	23,165,000	4,823,032	27,988,032	-	79.7%	-	23,165,000
2030	21,690,000	3,891,878	25,581,878	-	84.8%	-	21,690,000
2031	21,760,000	2,927,825	24,687,825	-	90.0%	-	21,760,000
2032	21,320,000	1,887,000	23,207,000	-	94.9%	-	21,320,000
2033	9,575,000	955,000	10,530,000	-	97.1%	-	9,575,000
2034	6,045,000	468,875	6,513,875	-	98.5%	-	6,045,000
2035	<u>6,355,000</u>	<u>158,875</u>	<u>6,513,875</u>	<u>-</u>	100.0%	<u>-</u>	<u>6,355,000</u>
Total	\$390,370,000	\$182,797,953	\$573,167,953	\$36,385,000		\$7,423,717	\$419,331,283

¹ Excludes \$1,322,166 of principal payments for Clean Water Fund Loans.

² Excludes the Refunded Bonds.

³ Excludes \$7,539,000 of principal payments and \$8,502,094 of interest payments made from July 1, 2014 through November 18, 2014.

Current Debt Statement
Pro Forma as of November 18, 2014

Long-term Debt:	
This Issue	\$ 36,385,000
General Purpose	236,986,000
Schools	153,384,000
State of Connecticut Clean Water Fund Loan	<u>1,292,000</u>
Total Long-term Debt	\$428,047,000
Short-term Debt (this Issue)	<u>50,000,000</u>
Total Direct Debt	\$478,047,000
Less:	
State School Building Grants Receivable	<u>7,423,717</u>
Total Net Direct Debt	\$470,623,283
Plus: Overlapping Debt (MDC)	<u>184,611,626</u>
Total Overall Net Debt	\$655,234,909

Note: Does not include authorized but unissued debt.

Current Debt Ratios
Pro Forma as of November 18, 2014

Population ¹	125,017
Net Taxable Grand List - 10/1/13	\$3,535,402,755
Estimated Full Value	\$5,050,575,364
Equalized Net Taxable Grand List (2011) ²	\$6,526,348,965
Money Income per Capita ³	\$16,448

	Total Direct Debt <u>\$478,047,000</u>	Total Net Direct Debt <u>\$470,623,283</u>	Total Overall Net Debt <u>\$655,234,909</u>
Per Capita	\$3,823.86	\$3,764.47	\$5,241.17
Ratio to Net Taxable Grand List	13.52%	13.31%	18.53%
Ratio to Estimated Full Value	9.47%	9.32%	12.97%
Ratio to Equalized Net Taxable Grand List ...	7.32%	7.21%	10.04%
Per Capita to Money Income Per Capita	23.25%	22.89%	31.87%

¹ U.S. Department of Commerce, Bureau of the Census, Census of Population and Housing, 2014 estimate

² Office of Policy and Management, State of Connecticut.

³ 2008-2012 American Community Survey.

Authorized but Unissued Debt

As of November 18, 2014, the City had \$399,390,088 authorized but unissued debt. Of that amount, \$119,658,387 is for various public improvement and sewer projects, and \$279,731,701 is for school projects. See “State School Construction Grants” herein.

**Ratio of Annual Debt Service Expenditures for General Fund Bonded Debt to General Fund Expenditures
Last Five Fiscal Years
(In Thousands)**

Fiscal Year Ended	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2013	\$24,890	\$14,347	\$39,237	\$549,643	7.14
2012	25,100	14,547	39,647	532,626	7.44
2011	22,723	15,471	38,194	523,968	7.29
2010	20,536	16,627	37,163	506,731	7.33
2009	21,775	14,322	36,097	509,704	7.08
2008	18,945	13,896	32,841	521,742	6.29

**Bonds Outstanding
Last Five Fiscal Years Ended June 30**

2013	2012	2011	2010	2009
\$371,860,000	\$321,810,000	\$293,745,000	\$290,020,000	\$295,845,000

Overlapping Debt

The City is a member of The Metropolitan District Commission (the “MDC”), a special district in Hartford County, formed under State statutes to provide water and sanitary sewer services to its eight member municipalities. Water services are provided directly by the MDC and billed to the users. As of September 1, 2014, the total outstanding net direct debt of the MDC applicable to its member municipalities was \$643,670,289, of which the City of Hartford is responsible for approximately 28.7% or \$184,611,626.

The MDC was cited by the U.S. Environmental Protection Agency and the United States Department of Justice for overflows for the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The MDC was fined \$850,000 and signed a Consent Decree to cease all overflows within twelve years (by the year 2020). The MDC also negotiated a Consent Order with the Connecticut Department of Environmental Protection (“CTDEP”) to control the Combined Sewer Overflows (“CSO”) located in the Hartford sewer system within fifteen years (by the year 2022).

The MDC has conducted studies of the CSO under the direction of the CTDEP. A plan for abating these pollution sources, called the Clean Water Project, has been prepared by consultants to the MDC. The plan combines several abatement strategies including new sewers, removal of storm water flows during storm events, and additional treatment capacity. Completion of these system improvements will require a construction program of at least fifteen years.

On November 7, 2006, voters in the eight member towns approved a referendum authorizing the MDC to appropriate \$800,000,000 for the Clean Water Project to be financed by the issuance of bonds. On November 6, 2012, voters in the eight member towns approved a referendum authorizing an additional

\$800,000,000 for Phase II of the Clean Water Fund Project. The MDC has received state funding from the Clean Water Fund and federal funding from Congress to assist with the cost of the project. The total cost for the program is expected to be in excess of \$1,600,000,000. The MDC has adopted a special sewer service surcharge for customers who utilize the MDC's sewer system and are furnished water directly by the MDC. The bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project that are supported by the special sewer service surcharge are not included in the calculation of overlapping debt since they are not supported by the ad valorem taxes of the City.

MDC
Statement of Overlapping Debt
As of August 6, 2014

Net Overlapping Debt for All Member Towns	\$643,470,289
Hartford's Percent of Overlapping Debt	28.69%
Hartford's Share of Overlapping Debt	\$184,611,626

Source: Metropolitan District Commission

The City and the MDC are also joint participants in a \$9,600,000 combined sewer overflow ("CSO") project related to the discharge of storm water from the City's Tower Brook conduit into the MDC's sewer. The project has been financed by 2% loans and grants under the State of Connecticut's Clean Water Fund program. The City appropriated \$4,800,000 and authorized bonds in the amount of \$2,500,000 for its share of the project. The City issued a Project Loan Obligation under the State's Clean Water Fund program in the amount of \$1,921,859; of that amount \$1,410,000 is outstanding as of November 18, 2014.

Lease Obligations

In addition to bonded debt, the City has entered into various leases and lease/purchase agreements for office space, equipment, and rolling stock to support its operations.

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 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 to be \$1,000,000 annually for 2014 through 2017 (without consideration of potential increases resulting from the change in the CPI in the eleventh year of the fifteen-year lease). In addition to the base rent, the City pays a proportionate share of the landlord's operating expenses and real estate taxes. For the fiscal year ending June 30, 2013, base rent and additional rent amounted to \$ \$2,419,000.

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

2014	\$2,952,000
2015	2,075,000
2016	1,559,000
2017 and thereafter	2,957,000

In August 2012, the City of Hartford established a Tax-Exempt Master Lease facility with First Niagara Bank. The City intends to use this facility as a mechanism to finance recurring capital needs, including vehicle replacement, over various terms (3, 5 & 7 years) that match the useful life of the items financed. The Master Lease facility also allows the City to preserve General Obligation debt capacity as these items historically were financed with General Obligation bonds. As of November 18, 2014, the City has drawn on the Master Lease as shown in the tables below:

The City's draws against the Master Lease and its remaining payment obligations on such draws over the next five years are as follows:

Initial Draw - \$3,990,000 in 2012

<u>Payment Due Date</u>	<u>Payment Amount</u>
August 24, 2014	\$ 822,802.38
August 24, 2015	822,802.38
August 24, 2017	<u>822,802.38</u>
Total	\$2,468,407.14

2nd Draw - \$4,780,000 in 2013 in two separate installments

Installment 1 - \$3,430,000

<u>Payment Due Date</u>	<u>Payment Amount</u>
August 22, 2015	\$ 530,526.19
August 22, 2016	530,526.19
August 22, 2017	530,526.19
August 22, 2018	530,526.19
August 22, 2019	530,526.19
August 22, 2020	<u>530,526.19</u>
Total	\$3,183,157.14

Installment 2 - \$1,350,000

<u>Payment Due Date</u>	<u>Payment Amount</u>
August 22, 2015	\$ 283,171.57
August 22, 2016	283,171.57
August 22, 2017	283,171.57
August 22, 2018	<u>283,171.57</u>
Total	\$1,132,686.28

3rd Draw - \$3,272,000 in 2014 in two separate installments

Installment 1 - \$942,750

<u>Payment Due Date</u>	<u>Payment Amount</u>
August 22, 2015	\$199,484.37
August 22, 2016	199,484.37
August 22, 2017	199,484.37
August 22, 2018	199,484.37
August 22, 2019	<u>199,484.37</u>
Total	\$997,421.85

Installment 2 - \$2,329,250

<u>Payment Due Date</u>	<u>Payment Amount</u>
August 22, 2015	\$ 361,656.00
August 22, 2016	361,656.00
August 22, 2017	361,656.00
August 22, 2018	361,656.00
August 22, 2019	361,656.00
August 22, 2020	361,656.00
August 22, 2021	<u>361,656.00</u>
Total	\$2,531,592.00

SECTION V - FINANCIAL SECTION

Significant City Accounting Policies

The financial statements of the City have been prepared in conformity with the accounting principles generally accepted in the United States of America ("GAAP") as applied to government units.

The City's audited financial statements for June 30, 2006 included statements established under the new Government Accounting Standards Board ("GASB") No. 34 policy. The reported Internal Service Funds of the City include self-insured funds for employee benefits, workers' compensation, and liability and property damage. Pension Trust Funds account for the Municipal Employees' Retirement System. The Hartford Parking Authority and Hartford Economic Development Commission are considered discretely presented component units and as such have been included in the City's reporting as government fund types in accordance with GAAP.

The City finances are organized on a fund accounting basis with separate funds established for general operating expenses, capital improvement projects, debt service, special revenues, various trusts, enterprise operations, and general fixed assets. The accounting records of the government-wide financial statements, as well as the enterprise funds, internal service funds and pension trust funds are maintained on an accrual basis, which records revenues when earned and expenses when incurred. The accounting records of the general fund, special revenue funds, and the debt service fund are maintained on a modified accrual basis which records revenues in cash and those revenues that are susceptible to accrual which are measurable and available but not received at the normal time of deposit. Budgetary expenditures consist of the disbursements and encumbrances.

The financial statements and tables found in the City's Comprehensive Annual Financial Report conform to the high standards promulgated by GASB. The City has been awarded a Certificate of Excellence in Financial Reporting by the Government Finance Officers' Association virtually each year since 1954 and was again recently recognized for the fiscal year ended June 30, 2010.

For additional information on accounting policies, financial statements and tables, refer to the 2011-12 Financial Statements, "Notes to Financial Statements," incorporated in this Official Statement and the independent auditor's report.

Budget Adoption

The City adopts an annual budget for the operation of the General Fund. Under the Charter, the Mayor prepares and submits the recommended annual budget to the Common Council for approval.

The City follows a traditional approach to budgeting using the prior year's budget as a starting point and making changes for contractual obligations and changes in headcount due to hiring, retirements and reductions in staff. The Hartford budget model follows the outline below:

- The Mayor identifies goals, strategies and outcomes.
- Departments identify programs and initiatives to carry out the goals and strategies.
- Costs are identified by programs.
- Departments prepare budget proposals that indicate the proposed cost and expected result for each program.
- Departments prioritize spending to focus on services that matter the most or are legally mandated.
- The Mayor evaluates all departments and activities.
- The Mayor's recommended budget is the result of the acceptance and approval of activities.

The Common Council may insert new items of expenditures or may increase, decrease, or strike out items of expenditures, except that no appropriation for debt service and no appropriation necessary to fulfill the obligations of the City as determined by the Pension Commission shall be reduced. The Common Council shall not increase the Mayor's estimates of receipts. It may, however, decrease the amount of the

tax levy for the ensuing fiscal year as proposed by the Mayor in proportion to such decrease in the total of expenditures proposed by the Mayor as it may have determined. If it shall increase the total proposed expenditures, such increase shall be reflected in full in the tax rate. At least one month before the end of the current fiscal year, the Common Council shall adopt the budget, the appropriation ordinance, and the tax levy ordinance.

Investment Practices

General

In accordance with the Connecticut General Statutes, the Common Council designates the qualified public depositories and financial service providers that the City Treasurer may use for General Fund public deposits and investments. Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, Section 7-400. The City Treasurer invests the City's operating and working capital funds accordingly.

In addition, the City Treasurer monitors the risk-based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382, in which it places deposits or makes investments. See Appendix A - "Auditor's Section, Notes to Financial Statements" herein regarding the City's cash and cash equivalents and investments.

The operating and working capital funds are currently invested at the direction of the City Treasurer in bank certificates of deposit, bank money-market funds, the State of Connecticut's Short-term Investment Fund ("STIF"), and, from time to time, negotiated repurchase agreements with various providers. These investment vehicles consist of U.S. Treasuries, obligations of government agencies and repurchase agreements collateralized by U.S. Treasuries and agency obligations. STIF was authorized in 1978 (P.A. 78-236) for investment by the State Treasurer of various state funds. Section 3-27a of the Connecticut General Statutes spells out the various governmental entities eligible to participate in STIF. Section 3-27d details eligible investments that may be acquired with funds on deposit with STIF. Section 3-27f authorizes all agencies, instrumentalities, and political subdivisions in the State of Connecticut to invest in STIF.

In addition to the Connecticut General Statutes governing eligible investments, the City has its own investment policy. This document sets forth the "prudent person" standard of care; defines investment objectives as safety of principal, liquidity, and return on investment; imposes certain diversification guidelines; and applies the City's Code of Ethics to investment activities.

Pension Funds

Under the authority of Chapter XII, Section 1 of the Charter, the pension funds for City employees are invested as recommended by the independently elected City Treasurer, who serves ex-officio as Secretary of the Pension Commission. Investments for the Municipal Employees' Retirement Fund ("MERF") are made in accordance with the MERF's Funding and Investment Policy Statement, which addresses investment objectives, asset allocation, and investment guidelines, among other things. In a market cycle, the MERF's overall rate of return is expected to be equal to or exceed the rate assumed by sound actuarial principles and to exceed inflation by at least 350 basis points. The MERF's investment managers' performance records are monitored in comparison to market-based benchmarks on an ongoing basis, and independent reviews of the MERF's asset allocation and its experience study are undertaken at least every three to five years, with a complete actuarial valuation of the plan performed annually. Under the Funding and Investment Policy Statement, the asset allocation is 32% equities with a range of between 27% and 37%, including 15% to 23% international equities (including emerging markets), 30.5% fixed income with a range from 25% to 35%, including allocations to core, long duration, TIPS, high yield and global fixed income and emerging market debt; 26% alternative investments with a range of between 22% and 28% including private equity, private debt, hedge funds and real estate. Other asset classes consist of global tactical asset allocation (5% to 9%) and commodities (2% to 4%). The general guidelines notably include the MERF's expectation that the investment managers' philosophy and style will remain

consistent and prohibit securities managers from buying on margin, entering into short sales, and buying or selling derivatives in a speculative manner. Guidelines are also defined for the various asset classes.

**Statement of General Fund Revenues and Expenditures
(In Thousands)**

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2011 through 2013 have been derived from audited financial statements and are presented on a GAAP basis. The City's audited financial statements for the fiscal year ended June 30, 2013 are attached hereto as Appendix A. The City has not asked for, nor has it received, permission from its auditor, McGladrey LLP, to include such audited financial statements in this Official Statement. The projected General Fund revenues, expenditures and changes in fund balance for the fiscal year ended June 30, 2014 have also been provided. The adopted budget for the fiscal year ending June 30, 2015 is provided by the City and is presented on a budgetary basis. The City's independent auditor has not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assumes no responsibility for them. The financial information presented herein is the responsibility of the City's management.

	<u>Adopted Budget 2014-15</u>	<u>Projected 2013-14</u>	<u>Actual 2012-13</u>	<u>Actual 2011-12</u>	<u>Actual 2010-11</u>
Revenues					
General property tax	\$259,084	\$257,863	\$255,546	\$277,245	\$274,013
Licenses, permits and other charges	6,167	6,555	5,661	6,299	4,891
Use of money and property	5,173	3,716	2,595	4,973	6,671
Intergovernmental revenue	249,180	248,487	280,695	280,582	272,915
Charges for services	2,802	2,779	2,829	2,258	2,807
Other revenues	<u>29,605</u>	<u>13,052</u>	<u>2,317</u>	<u>2,377</u>	<u>1,389</u>
Total revenues	552,011	532,452	549,643	573,734	562,686
Expenditures					
General government	20,581	18,859	19,206	21,566	19,800
Public safety	73,044	73,862	72,691	73,595	75,672
Infrastructure	12,959	13,659	12,866	13,219	13,083
Development and community affairs	4,368	4,740	4,592	4,612	4,228
Health & Human services	4,756	3,953	4,588	4,704	7,103
Education	284,008	283,008	284,008	283,987	283,471
Benefits and insurance	87,929	88,727	66,941	64,501	65,160
Debt Service.....	20,144	22,126	33,402	36,004	34,376
Library.....	8,215	8,215	8,215	7,915	7,915
Sundry	<u>36,007</u>	<u>29,165</u>	<u>15,068</u>	<u>22,523</u>	<u>13,160</u>
Total expenditures	552,011	546,314	521,577	532,626	523,968
Excess of revenues over expenditures		(13,862)	28,066	41,108	38,718
Other financing sources (uses)					
Other financing sources			12,439	2,840	4,159
Other financing uses.....			(40,240)	(38,921)	(37,427)
Excess (deficiency) of revenues and other resources over (under) expenditures		(13,862)	265	5,027	5,450
Fund balance, July 1		<u>30,378</u>	<u>30,113</u>	<u>25,086</u>	<u>19,636</u>
Fund balance, June 30		<u>\$16,516</u>	<u>\$30,378</u>	<u>\$30,113</u>	<u>\$25,086</u>

General Fund – Comparative Balance Sheet
Last Five Fiscal Years Ended June 30
(In Thousands)

	<u>6/30/13</u>	<u>6/30/12</u>	<u>6/30/11</u>	<u>6/30/10</u>	<u>6/30/09</u>
Assets					
Cash and cash equivalents	\$ 71,924	\$ 76,226	\$ 78,102	\$ 74,783	\$ 59,375
Due from other funds	4,179	400	488	1,994	1,965
Uncollected property taxes	43,271	42,903	28,947	21,219	19,512
Uncollected interest on taxes	14,422	12,337	10,697	8,077	7,201
School building grants receivable	9,209	10,997	12,787	14,581	16,197
Due from individuals and miscellaneous	<u>8,206</u>	<u>8,852</u>	<u>3,467</u>	<u>2,812</u>	<u>2,687</u>
Total assets	\$151,211	\$151,715	\$134,488	\$123,466	\$106,937
Liabilities and fund balance					
Accounts payable and accrued liabilities	\$ 53,654	\$ 55,315	\$ 54,276	\$ 57,522	\$ 45,032
Due to other funds	61	-	1	217	412
Deferred revenue	<u>67,118</u>	<u>66,287</u>	<u>55,125</u>	<u>47,079</u>	<u>45,180</u>
Total liabilities	\$120,833	\$121,602	\$109,402	\$104,818	\$90,624
Fund balance:					
Assigned	2,850	4,332	2,525	-	-
Unassigned	27,528	25,781	22,561	-	-
Reserved	-	-	-	148	95
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,500</u>	<u>16,218</u>
Total fund balance	<u>30,378</u>	<u>30,113</u>	<u>25,086</u>	<u>18,648</u>	<u>16,313</u>
Total liabilities and fund balance	\$151,211	\$151,715	\$134,488	\$123,466	\$106,937
Analysis of General Fund balance					
Budgetary revenues ¹	\$540,271	\$545,946	\$543,455	\$533,279	\$522,237
Fund balance as percent of operating revenues	5.6%	5.5%	4.6%	3.5%	3.1%
Unassigned/Unreserved fund balance as percent of operating revenue	5.1%	4.7%	4.2%	3.5%	3.1%

¹Budgetary revenues exclude other financing sources (RSI-1).

Summary of City Operations and Recent Financial Initiatives

The City of Hartford ended fiscal year 2013 with a General Fund balance of \$30.4 million versus \$30.1 million in fiscal year 2012, an increase of \$0.3 million. The fiscal year 2013 General Fund balance represents 5.6% of operating revenues versus 5.5% in fiscal year 2012. The estimated fund balance for fiscal year ended 2014 is \$16.5 million. This estimated balance represents 3.1% of estimated revenue for fiscal year 2014.

The City Council adopted a balanced budget for fiscal year 2015 on May 27, 2014, based on the success of a variety of initiatives. Among the initiatives that have been implemented are: the elimination of 52 net vacant positions, reducing the City's General Fund Full Time workforce by 3.5%, vacancies, departmental

budget expense reductions, and operating efficiencies in areas such as medical consulting services, insurance broker services, banking services, Medicaid billing and collections and the sale of a structured parking asset.

During the fiscal year 2015 budget process, the City initially identified a \$44 million budgetary shortfall resulting, in part from, a decline in revenues received as part of the Governor's Proposed 2013-15 Biennium Budget, as well as increases to various expenditures such as contractually-required salary increases and employer pension contributions. \$13 million of the budget gap was related to the elimination of the previously utilized Memorandum of Understanding between the City and the Pension Commission. The City has included the full employer pension contribution amount in the adopted fiscal year 2015 budget. The adopted fiscal year 2015 budget includes a \$29 million reduction in operating expenses, which were achieved by reductions in contribution to the health fund brought about by lower than anticipated health claims, savings in liability insurance as a result of a competitive RFP process, the elimination of 52 net vacant positions, the delay of the police class of thirty by six months, as well as changing the pension ARC payment assumptions to include a 25 year amortization of pension losses instead of a 15 year amortization - simultaneously the implied rate of return of the pension fund was reduced from 8.00% to 7.75%.

The City Council has created and made appointments to a Government Restructuring Task Force charged with providing recommendations to eliminate \$25 million from the City's operating budget. The current long term budget projections estimate shortfalls of \$40.4 million in fiscal year 2016, \$ 44.8 million in fiscal year 2017 and \$ 49.8 million in fiscal year 2018. As it has in the past, the City will attempt to meet these challenges through a variety of measures at its disposal and through negotiations with the State to limit the degree of State funding decreases. The City is also looking at reimbursements from the State for school construction projects, increasing the sale of City owned properties, limiting employee overtime, developing savings from employee attrition, potential layoffs and union concessions as additional ways to address the projected shortfalls.

Tax Assessment

The maintenance of a tax assessment list and the location and valuation of all real and personal property within the City for inclusion on the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property located within the City on each October 1.

Public Act No. 04-2 of the May 2004 Special Session of the Connecticut General Assembly ("PA 04-2") modified the required cycle of revaluation and lengthened the cycle from four to five years. Generally, the law requires a revaluation every five years. A revaluation required for the assessment year commencing October 1, 2003 was shelved following passage of PA No. 04-2, effectively scheduling the City's last and subsequent revaluations for October 1, 2006 and October 1, 2011, respectively. A local legislative body is permitted to enact a one- to five-year phase-in of increased real property values resulting from the revaluation. Assessments for real estate are computed at 70% of the estimated market value at the time of the last revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to or demolition of an existing structure, is undertaken, the Assessor's Office receives a copy of the appropriate permit. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Public Act No. 06-183 of the Regular Session of the Connecticut General Assembly ("PA 06-183") repeals Connecticut General Statutes Section 12-62d effective as of October 1, 2010. Section 12-62d allowed a municipality to provide property tax relief to owners of single-family residences and multiple-dwelling

residential properties containing not more than three units. Such property tax relief was funded by a tax surcharge on other properties.

PA No. 06-183 allowed any municipality that had used Section 12-62d to adopt a new property tax system that separates real property into classes based on how it is used and limits the maximum annual property tax increase to 3.5% per year for residential and apartment properties. Concurrent to implementing the increased residential and apartment property tax, PA No. 06-183 required a proportionate phase out of the property tax surcharge imposed under Section 12-62d on business, industrial, vacant land and personal property taxes. Accordingly, the City experienced a shift in the tax burden from commercial/industrial property, personal property and motor vehicles to residential property as a result of revaluation.

Public Act No. 11-212 picked up where PA No. 06-183 left off. With the 2010 Grand List, the last year of the 2006 revaluation cycle, the assessment ratio on residential real estate stood at 26.173 percent, the assessment ratio for apartment property of five living units or more stood at 37.602 percent and the assessment ratio for all other types of property was 70 percent. PA No. 11-212 requires the assessor to calculate an assessment ratio for residential property that would cause a 3.5 percent increase in the average residential property tax as a result of the 2011 revaluation. The assessment ratio for residential real estate was set at 29.2 percent. A further adjustment to the assessment ratio was required if the grand levy rose by a threshold set in law. The City Assessor determined that the adjustment for a grand levy increase was not necessary for both the 2011 and 2012 Grand Lists. For the 2013 Grand List, the assessment ratio for residential real estate was set at 29.93 percent. PA No. 11-212 requires the assessor to set the assessment ratio for apartments at 50 percent on the 2011 Grand List. With PA No. 11-212, the ratio for apartment properties is set at 55 percent on the 2012 Grand List, 60 percent for 2013, 65 percent for 2014 and ultimately, 70 percent on the 2015 Grand List.

The State of Connecticut furnishes motor vehicle lists to the City and appraisals of motor vehicles are accomplished by computer in accordance with an automobile price schedule endorsed by the Connecticut Association of Assessing Officials. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October Grand List. The tax is prorated and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not assessed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was assessed on the October Grand List, the taxpayer is entitled to certain offsetting credits. Personal property valuation is completed every year and maintained in the Assessor's Office. In 2008 the City retained a private firm that is currently performing personal property tax declaration audits. Much new revenue was realized from a similar effort in 2003 and new revenue of more than \$5 million has been collected as a result of the current effort.

Section 12-124 of the Connecticut General Statutes authorizes the City and its Committee on the Abatement of Taxes to abate real and personal property taxes for those who are "poor and unable to pay." The Committee, which is composed of the Corporation Counsel, the City Treasurer, and the Director of Finance, may also abate taxes on certain low- and moderate-income properties and the homes of certain elderly persons pursuant to statute or contractual agreements with the State of Connecticut.

From time to time, the Common Council has approved a variety of tax assessment agreements in connection with the construction or development of improvements to certain properties within the City. Authority for such action is granted by the Connecticut General Statutes.

Levy and Payment

Property taxes are levied by the Common Council each May on all assessed property on the Grand List of the prior October 1. The percent of budgeted tax collections may not be more than the average rate of collection for the prior three years. Generally, taxes under \$100 are due in one installment on July 1, while taxes greater than \$100 are due in two installments, on July 1 and January 1. A margin against

delinquencies, legal reductions, and Grand List adjustment, such as Assessor errors, is provided by adjusting collections downward when computing anticipated property tax revenue from the current tax levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is included as a revenue item in the budget. Delinquent taxes are billed at least two times a year, with interest charged at the rate of one and one-half percent (1½%) per month with a minimum charge of \$2.00. In accordance with State law, interest and the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lienied each year prior to May 31 with legal demands and alias tax warrants used in collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense when deemed uncollectible in accordance with State statutes. Delinquent taxes are turned over to a private collection agency for additional efforts at collection.

**Property Tax Levies and Collections
(In Thousands)**

Fiscal Year Ended June 30	Grand List Year	Net Taxable Grand Listⁱ	Mill Rate	Original Tax Levy	(a) Adjusted Tax Levy	(b) Tax Collections First Year of Levy	(b/a x 100) Percentage Collected First Year of Levy*	(c) Collection Of prior Years' Leviesⁱⁱ	(b+c) Total Collections To Date	(b+c / a) Percentage Collected To Date
2014	2012	3,487,781	74.29	259,107	258,874	**				
2013	2011	3,417,940	74.29	256,455	247,519	234,215	94.63	12,540	246,755	100.00
2012	2010	3,743,726	71.79 ⁱⁱⁱ	285,281	278,481	261,285	93.83	7,680	268,965	96.58
2011	2009	3,604,167	72.79	268,745	268,745	256,253	95.35	7,104	263,357	98.00
2010	2008	3,468,906	72.79	260,038	260,038	249,186	95.83	7,358	256,544	98.66
2009	2007	3,460,283	68.34	242,777	242,777	233,628	96.23	5,184	238,812	98.37
2008	2006	3,704,353	63.39	221,445	221,445	213,260	96.30	6,154	219,414	99.08

ⁱ Source: Assessor's Certified Grand List as of October 1st

ⁱⁱ Previously titled "Tax Collections in Subsequent Years", renamed for clarity.

ⁱⁱⁱ Mid-year half-MIL reduction in tax rate

** data not yet available at publication

Comparative Assessed Valuations by Category

	<u>10/1/13</u>	<u>10/1/12</u>	<u>10/1/11</u>	<u>10/1/10¹</u>	<u>10/1/09¹</u>
Residential	\$1,320,982,751	\$1,258,913,732	\$1,216,095,296	\$1,167,155,488	\$1,055,210,325
Commercial/Industrial	1,223,826,429	1,277,791,958	1,289,441,966	1,643,396,804	1,650,228,050
Motor Vehicles	292,685,705	284,620,936	276,070,153	310,916,045	304,021,848
Personal Property	<u>697,907,870</u>	<u>666,454,610</u>	<u>636,332,920</u>	<u>663,558,150</u>	<u>636,889,160</u>
Total Net Taxable Grand List	\$3,535,402,755	\$3,487,781,236	\$3,417,940,335	\$3,785,026,487	\$3,646,349,383
Percentage Increase (Decrease) over Prior Year.....	1.4%	2.0%	(9.7)%	3.80%	3.98%

¹After Board of Assessment Appeals.

Statement of Grand Lists, Tax-exempt Property, Veterans, Elderly and Blind Exemptions

	<u>10/1/13²</u>	<u>10/1/12</u>	<u>10/1/11¹</u>	<u>10/1/10¹</u>	<u>10/1/09¹</u>
Gross Grand List					
Land and Buildings	\$10,602,990,031	\$10,600,260,695	\$ 10,521,189,756	\$11,630,909,847	\$11,148,413,409
Personal Property	1,051,688,357	1,018,883,771	965,757,343	988,663,029	946,388,014
Motor Vehicles	<u>442,799,708</u>	<u>435,305,217</u>	<u>423,131,073</u>	<u>393,377,387</u>	<u>381,957,664</u>
Total Gross Grand List	\$12,097,478,096	\$12,054,449,683	\$11,910,078,172	\$13,012,950,263	\$12,476,759,087
Deduct					
Tax-exempt Real Property	<u>5,377,663,376</u>	<u>5,308,993,189</u>	<u>5,250,624,069</u>	<u>5,217,270,015</u>	<u>4,736,295,005</u>
Total Grand List	\$6,719,814,720	\$6,745,456,494	\$ 6,659,454,103	\$7,795,680,248	\$7,740,464,082
Veterans, Elderly, Blind, and Distressed Municipalities Exemptions					
Land and Buildings	\$30,479,143	\$31,453,693	\$ 31,835,425	\$13,383,970	\$ 9,977,956
Personal Property	38,273,980	46,764,030	39,697,220	28,505,970	25,582,450
Motor Vehicles	<u>17,274,091</u>	<u>20,092,716</u>	<u>20,121,598</u>	<u>11,096,935</u>	<u>5,530,420</u>
Total Veterans, Elderly, Blind, and Distressed Municipalities Exemptions	\$86,027,214	\$98,310,439	\$91,654,243	\$52,986,875	\$41,090,826
Taxable Grand List					
Land and Buildings	\$2,544,809,180	\$2,536,705,690	\$2,505,537,262	\$2,810,552,292	\$2,705,438,375
Personal Property	697,907,870	666,454,610	636,332,920	663,558,150	636,889,160
Motor Vehicles	<u>292,685,705</u>	<u>284,620,936</u>	<u>276,070,153</u>	<u>264,267,236</u>	<u>261,839,945</u>
Subtotal	\$3,535,402,755	\$3,487,781,236	\$3,417,940,335	\$3,738,377,678	\$3,604,167,480
Supplemental Motor Vehicle List					
Actual ²	<u>56,000,000</u>	<u>55,070,472</u>	<u>52,839,911</u>	<u>46,648,809</u>	<u>42,181,903</u>
Total Net Taxable Grand List	\$3,591,402,755	\$3,542,851,708	\$3,470,780,246	\$3,785,026,487	\$3,646,349,383
Increase (Decrease) over Prior Year	\$48,551,047	\$72,071,462	\$(314,246,241)	\$138,677,104	\$139,413,829
Percentage Increase (Decrease) over Prior Year	1.4%	2.0%	(9.1)%	3.70%	3.88%

¹After Board of Assessment Appeals.

²2013 Supplemental is estimated.

Principal Taxpayers

<u>Name</u>	<u>Nature of Business</u>	<u>10/1/13 Taxable Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Connecticut Light & Power	Utility	\$139,442,670	3.94%
Travelers Indemnity Co. Affiliate	Insurance	130,705,740	3.70
Hartford Fire Insurance & Twin City Ins.....	Insurance	118,704,090	3.36
Aetna Life Insurance Company	Insurance	105,487,280	2.98
HUB Properties Trust	Office complex	48,977,640	1.39
Talcott II Gold, LLC	Office complex	45,400,500	1.28
Mac-State Square LLC	Office complex	44,450,000	1.26
Hartford Hospital & HHMOB Corp.	Hospital	35,652,810	1.01
Connecticut Natural Gas Corp.	Utility	33,444,200	0.95
FGA 280 Trumbull LLC.....	Office complex	<u>31,360,000</u>	<u>0.89</u>
Total		<u>\$733,624,930</u>	<u>20.75%</u>

Source: City of Hartford Assessor's Office.

Capital Budget

Under the Charter, the Planning and Zoning Commission shall prepare and revise annually a program of public improvements for the ensuing five fiscal years and shall submit annually to the Mayor its recommendation of such projects to be undertaken in the ensuing fiscal year and the full five year period. The Mayor shall recommend to the Common Council those projects to be undertaken during the ensuing fiscal year and the method of financing the same.

The Capital Budget is used to finance only those large non-recurring permanent public improvements for which the issuance of bonds is authorized by statute and the Charter. Capital projects typically include projects in excess of \$200,000 and do not include operating costs, replacement equipment, or maintenance work.

The City of Hartford's Capital Improvement Program ("CIP") is designed to implement many of the long-range objectives of *Hartford's Plan of Development* (the "Plan"). The Plan has four primary objectives: development of safe, decent, affordable and accessible housing; development of an efficient, mobile, convenient and safe transportation system; renovation of public facilities including school and municipal buildings, street reconstruction and repair, City parks, and infrastructure improvements; and employment of City residents.

The fiscal year 2014-2015 through 2018-19 adopted CIP strives to balance and distribute limited resources to meet the City's most critical needs over the next five years. The primary emphasis is to preserve the existing infrastructure. While the City of Hartford looks cautiously forward to new and creative development efforts to stimulate the City's economy and tax base, it is important to maintain fiscal conservatism. This poses a challenge to City leaders who must seek to preserve and improve the existing physical plant so that the City's operating departments, public school system and public library may effectively deliver services. The adopted 2014-15 through 2018-19 CIP was developed in consideration of the following factors - educational initiatives, infrastructure preservation, maintenance and improvement of the City's park system, and prudent financial planning.

The adopted 2014-15 through 2018-19 CIP is \$476,150,000. It includes a first-year City budget totaling \$46,425,000, after state and federal grants and reimbursements, the amount equals \$28,950,000. The City expects state school construction grants of 80-95% of eligible construction to help fund ongoing school projects.

Retirement Plans and Post-Retirement Benefits

Pension Administration

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 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(m) of the federal Internal Revenue Code.

The City Treasurer's Office administers the two single-employer plans. The City pays retirement and single benefit survivor benefits to pensioners under three old unfunded programs on a "pay-as-you-go" basis. For financial reporting purposes, these programs are reflected as one plan. These programs cover City employees hired before the current City Municipal Employees Retirement Fund ("MERF") went into effect on May 1, 1947; there were 87 pensioners and surviving annuitants under these old plans as of July 1, 2013. There are no remaining active members and the unfunded liability is decreasing rapidly.

The City provides retirement benefits for employees hired after 1947 through the City MERF, a contributory defined-benefit plan. Under the Plan, all full-time employees, including police, firefighters and emergency services, but not teachers and members of certain union groups who have elected to join the State Municipal Employees' Retirement Fund ("State MERF-B"), are eligible. 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 reports as a pension trust fund. The Plan is required by City Charter to be actuarially sound, based on employee contributions and mandatory annual contributions from the City as employer as determined by the Pension Commission on an actuarial basis. As of July 1, 2012, City MERF membership consisted of 2,902 pensioners, 2,228 active employees, and 140 vested terminated employees.

In recent years, the City's schedule of funding progress for the Municipal Employees' Retirement Fund has been as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)¹	Funded/ (Unfunded) AAL (UAAL)	Funded Ratio¹	Covered Payroll	UAAL as a Percent of Covered Payroll
7/1/13	\$ 963,269,000	\$1,288,961,000	\$(325,692,000)	74.7%	\$144,649,000	(225.2)
7/1/12	977,146,000	\$1,237,136,000	(259,990,000)	79.0	137,919,000	(188.5)
7/1/11	1,017,602,000	1,218,900,000	(201,298,000)	83.5	136,555,000	(147.4)
7/1/10	1,041,572,000	1,175,040,000	(133,468,000)	88.6	132,529,000	(100.7)
7/1/09	1,089,184,000	1,126,965,000	(37,781,000)	96.6	134,143,000	(28.2)
7/1/08	1,123,379,000	1,099,441,000	23,938,000	102.2	139,243,328	17.2
7/1/07	1,092,128,000 ²	1,090,715,000	1,413,000	100.1	133,280,000	1.1

¹Liability shown determined using the projected unit credit cost method until 7/1/2006 and the entry age normal cost method as of 7/1/2007.

²Excludes estimated City receivables of \$5,463,745 as of July 1, 2007 and \$7,022,224 as of July 1, 2006. As of the date of the Official Statement, the City has paid these receivables to the City MERF and such payment was reflected in the fiscal year 2008 valuation.

Source: Annual Valuation Report, Hooker & Holcombe, Inc., June 30, 2013.

For fiscal year 2014–15, the City's contribution rates against eligible payroll are: Police 41.31%; Fire 28.88%; Board of Education 9.85%; Municipal Services 43.98% and Library 21.94%. Based on payroll estimates for the fiscal year, contributions from the City as employer are estimated at \$44,576,643 for the fiscal year ending June 30, 2015.

For additional information, refer to the Notes to Financial Statements, Note 13, contained in Appendix A – "Auditor's Section" herein.

Summaries of Plan Revenues and Expenses

On the following pages are shown the “Comparative Summaries of Revenues by Source” and “Expenses by Type” of the City of Hartford Municipal Employees’ Retirement Fund. It is important to note that the City’s General Fund completely funds the three old plans, while the MERF is supported by a combination of employer and employee contributions and dividend and interest income.

*Municipal Employees’ Retirement Trust Funds
Comparative Summary of Revenues by Source and Expenses by Type
for Fiscal Years Ended June 30*

Revenues by Source

<u>Fiscal Year</u>	<u>Member Contributions</u>	<u>Employer Contributions</u>	<u>Net Investment Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$10,199,000	\$36,148,000	\$72,632,000	\$ -	\$118,979,000
2012	8,635,000	28,695,000	20,310,000	-	57,640,000
2011	9,959,000	22,148,000	151,625,000	-	183,732,000
2010	9,355,000	13,747,000	90,066,000	-	113,168,000
2009	8,328,000	15,539,000	(151,988,000)	-	(128,121,000)
2008	9,768,656	20,329,457	(16,659,754)	504,290	13,942,649

Expenses by Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administration</u>	<u>Other</u>	<u>Total</u>
2013	\$92,118,000	\$1,978,000	\$117,000	\$94,213,000
2012	91,876,000	1,984,000	373,000	94,233,000
2011	90,419,000	2,161,000	67,000	92,647,000
2010	86,716,000	2,027,000	105,000	88,848,000
2009	82,724,000	2,231,000	636,000	85,591,000
2008	81,364,885	2,733,604	756,064	84,854,553

Source: City of Hartford Comprehensive Annual Financial Reports, fiscal years 2007 through 2013.

Other Post-Employment Benefits

The City’s Finance and Personnel Department have retained Segal Consulting to manage the City’s health-care and other non-pension benefits programs. They have provided the actuarial valuation as of July 1, 2013 which indicates an unfunded actuarial accrued liability (UAAL) of \$202.778 million, a decrease of \$70.548 million, from the prior valuation UAAL of \$273.326 million. For the fiscal year ending June 30, 2013, the City contributed \$10.9 million of the AOC of \$19.3 million. The percent AOC contributed was 56.5% and the net OPEB obligation was \$64.4 million as of June 30, 2013. The City has monitored these costs for approximately 10 years and has footnoted them in the Comprehensive Annual Financial Report (CAFR). The City has complied with all requirements for full disclosure.

The City’s Chief Operating Officer, Director of Management and Budget, Director of Finance, City Treasurer, Chief Fiscal Officer for the Board of Education, the Human Resources Director for the Board of Education, the Director of Human Resources and the City’s newly established position of City Benefits Administrator have reestablished strategy sessions to fund our OPEB liability. This collaboration has recommended to the Mayor and City Council that the City fund an OPEB trust for long term investment gain, not unlike the City’s pension fund, as an investment pool as permitted by state law in the Connecticut General Statutes (Title 7, Chapter 112, Section 7-403a and Chapter 113, Part II, Section 7-450).

An ordinance was passed by the City Council on April 18, 2008, authorizing the establishment of a OPEB Investment Trust Fund. As of September 2014, the trust fund had not been created and funds had not been placed in such trust. Funds designated for the OPEB trust have been placed into the health benefits fund over the last three years. This is reflected in the positive fund balance in the internal service fund.

The City's annual OPEB cost is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 30 years. The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the Town's net OPEB obligation (in thousands):

ARC	\$18,937
Interest on net OPEB obligation	3,181
Adjustment to ARC	<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>\$64,398</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 years ended June 30, 2009, 2010, 2011, 2012, and 2013 is presented below (in thousands):

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost ("AOC")</u>	<u>Actual Contributions</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$24,853	\$12,862	51.8%	\$28,166
6/30/10	25,084	10,343	41.2	42,907
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

Risk Management

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

The City's insured general liability limit for fiscal year 2013-2014 was \$17.0 million. The City is currently insured for all legal liabilities in excess of a \$500,000 self-insured retention and public officials' liability in

excess of a \$250,000 deductible. All City property is insured for fire and extended coverage with a \$100,000 deductible. Certain settled claims have exceeded the self-insured retention amounts for any year, but no claims have exceeded the commercial coverage in any year. Workers' compensation salary continuation is initially paid from the employee's respective department budget, after which, Statutory Compensation payments are administered by The Travelers - City Workers' Compensation Third Party Administrator.

The City provides comprehensive life and health care coverage for its employees and retirees. The City operates its health care programs primarily through Anthem Blue Cross and Blue Shield of Connecticut which provides all related third party administration.

Towers Watson and Segal Inc., health insurance consultants, completed actuarial valuations of workers' compensation, general liability and health benefits, respectively, as of June 30, 2013. The valuations indicate liabilities for all claims, including current and noncurrent, of \$26.0 million, against current fund assets of \$49.8 million. These valuations are based on estimates of all future insured and uninsured claims in excess of current funding and assets. The City expects that actual claims experience will result in a reduction of expenses than what is projected by the actuarial reports.

The actuarial valuations of worker's compensation, general liability and health benefits as of June 30, 2014 is in progress. The anticipated completion of the Fiscal Year 2014 Annual City Audit is December 31, 2014.

Contributions from the General Fund

	<u>Health Benefits</u>	<u>Workers' Compensation</u>
2013-14	\$93,965,000	\$7,641,000
2012-13	87,136,000	6,416,000
2011-12	97,933,000	7,523,000
2010-11	99,371,000	7,993,000
2009-10	98,622,000	7,241,000
2008-09	88,465,000	6,817,000
2007-08	81,474,000	5,709,000
2006-07	75,805,000	10,546,000
2005-06	74,765,000	6,245,000
2004-05	70,224,000	7,243,000
2003-04	61,961,000	6,643,000

SECTION VI - ADDITIONAL INFORMATION

Litigation

The City, its officers and employees are defendants in numerous lawsuits. The City is insured for damages, subject to a \$250,000 deductible for public officials and \$500,000 for auto and general liability. Judgments or settlements for less than the deductible are paid from funds budgeted in the General Fund. \$600,000 is budgeted for settlements for fiscal year 2014-15, which sum may be adjusted as necessary. The City's Corporation Counsel believes that the budgeted amount is adequate and that none of the cases currently in litigation, if adversely decided, would have a negative impact on the finances of the City.

In the opinion of the Corporation Counsel, as of the date of this Official Statement, there are no claims or litigation pending or to her knowledge threatened which, individually or in the aggregate, that would result in final judgments against the City which would have a material adverse effect on the finances of the City or which would impact the validity of the Bonds or the power of the City to levy and collect taxes to pay the principal of and interest on the Bonds.

Commitment to Provide Continuing Disclosure Information

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. In order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12"), the City has entered into a Disclosure Dissemination Agent Agreement ("Disclosure Dissemination Agreement") for the benefit of the holders of the Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the City has designated DAC as Disclosure Dissemination Agent. Forms of the Disclosure Dissemination Agreements are attached as Appendix C.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the City was late twice in filing certain financial statements by a day and two days, respectively, due to the filing dates falling on a weekend. The City does not believe that under the circumstances such late filings are material. Additionally, the City has not filed certain reports of ratings changes based on bond insurer rating downgrades. In each such circumstance, the respective bond insurer's rating was already below the underlying rating on the impacted bonds and thus, the additional downgrade is viewed as immaterial by the City. The City recently engaged DAC to review its compliance history. DAC's findings are consistent with this paragraph.

Documents Delivered at Closing

Upon delivery of the Bonds, the Underwriter will be furnished with the following documents:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the City, signed by the Mayor, the City Treasurer and the Director of Finance, which will be dated the date of delivery, and attached to a signed copy (or a copy with conformed signatures) of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that as of the date of the execution of the Contract of Purchase and the date of the issuance of the Bonds, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.

3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel, substantially in the form attached as Appendix B to this Official Statement.
5. Executed disclosure dissemination agent agreement for the Bonds in substantially in the form attached as Appendix C to this Official Statement.
6. Any other documents or certifications required by the Contract of Purchase.

The City has prepared this Official Statement for the Bonds. The City deems this Official Statement final as of its date for purposes of SEC Rule 15c-12(b)(1), but it is subject to revision or amendment. The City will make available to the Underwriter a reasonable number of copies of the Official Statement within seven business days of the execution of the Contract of Purchase.

Legal Matters

The unqualified opinion of Robinson & Cole LLP, of Hartford, Connecticut, substantially in the form set forth in Appendix B hereto, will be furnished upon delivery of the Bonds. Certain legal matters will be passed upon for the Underwriter by Shipman & Goodwin LLP of Hartford, Connecticut. Legal matters related to the authorization, issuance and sale of the Bonds are subject to the approval of Robinson & Cole LLP, Bond Counsel to the City. Certain legal matters will be passed upon by Murtha Cullina, LLP of Hartford, Connecticut, the City's Disclosure Counsel.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the City and executed for and on behalf of the City by the following officials:

Dated as of November 5, 2014

CITY OF HARTFORD, CONNECTICUT

By /s/ Pedro E. Segarra
Pedro E. Segarra
Mayor

By /s/ Adam M. Cloud
Adam M. Cloud
City Treasurer

By /s/ Leigh Ann Ralls
Leigh Ann Ralls
Acting Director of Finance

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APPENDIX A - AUDITOR'S SECTION

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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)

	Governmental Activities		Business-Type Activities		Total Government	
	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
Total assets	1,960,199	1,743,332	59,589	62,184	2,019,788	1,805,516
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
Total liabilities	844,488	655,783	23,880	25,161	868,368	680,944
Net Position:						
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
Total net position	\$ 1,115,711	\$ 1,087,549	\$ 35,709	\$ 37,023	\$ 1,151,420	\$ 1,124,572

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
REVENUES						
Program Revenues:						
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
General Revenues:						
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
Total revenues	873,103	845,057	4,515	4,057	877,618	849,114
EXPENSES						
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
Total expenses	847,101	822,309	3,669	3,729	850,770	826,038
Excess before transfers	26,002	22,748	846	328	26,848	23,076
Transfers	2,160	400	(2,160)	(400)	-	-
Change in net position	28,162	23,148	(1,314)	(72)	26,848	23,076
Net Position, beginning	1,087,549	1,064,401	37,023	37,095	1,124,572	1,101,496
Net Position, ending	\$ 1,115,711	\$ 1,087,549	\$ 35,709	\$ 37,023	\$ 1,151,420	\$ 1,124,572

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
Total	\$ 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)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
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)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
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
Total	\$ 471.1	\$ 323.3	\$ 25.1	\$ 26.6	\$ 496.2	\$ 349.9

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
	Governmental	Business-Type	Total	Unit
	Type Activities	Activities		Hartford Parking Authority
Assets				
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	-
Total assets	1,960,199	59,589	2,019,788	2,035
Liabilities				
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	-
Total liabilities	844,488	23,880	868,368	2,035
Net Position				
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	-
Total net position	\$ 1,115,711	\$ 35,709	\$ 1,151,420	\$ -

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Hartford Parking Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ (72,050)	\$ 2,150	\$ 6,849	\$ -	\$ (63,051)	\$ -	\$ (63,051)	\$ -
Public safety	(106,619)	9,119	4,390	-	(93,110)	-	(93,110)	-
Public works	(44,280)	7,464	822	2,302	(33,692)	-	(33,692)	-
Development and community affairs	(61,652)	529	59,996	2	(1,125)	-	(1,125)	-
Human services	(27,561)	501	14,869	-	(12,191)	-	(12,191)	-
Education	(503,475)	2,819	377,585	63,470	(59,601)	-	(59,601)	-
Recreation and culture	(10,106)	92	1,407	-	(8,607)	-	(8,607)	-
Interest on long-term debt	(21,358)	-	-	-	(21,358)	-	(21,358)	-
Total governmental activities	(847,101)	22,674	465,918	65,774	(292,735)	-	(292,735)	-
Business-type activities:								
Hartford Parking Facilities	(3,669)	4,511	-	-	-	842	842	-
Total business-type activities	(3,669)	4,511	-	-	-	842	842	-
Total primary government	\$ (850,770)	\$ 27,185	\$ 465,918	\$ 65,774	(292,735)	842	(291,893)	-
Component Units:								
Hartford Parking Authority	\$ (9,511)	\$ 9,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General revenues:								
Property taxes					256,943	-	256,943	-
Grants and contributions not restricted to specific programs					56,696	-	56,696	-
Unrestricted investment earnings					2,781	4	2,785	-
Miscellaneous					2,317	-	2,317	-
Transfers					2,160	(2,160)	-	-
Total general revenues and transfers					320,897	(2,156)	318,741	-
Change in net position					28,162	(1,314)	26,848	-
Net Position - beginning					1,087,549	37,023	1,124,572	-
Net Position - ending					\$ 1,115,711	\$ 35,709	\$ 1,151,420	\$ -

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
Assets							
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
Total assets	\$ 151,211	\$ 103,308	\$ 33,061	\$ 138,217	\$ 23,403	\$ 64,699	\$ 513,899
Liabilities							
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
Total liabilities	120,833	109,019	30,986	-	12,890	32,062	305,790
Fund balances							
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
Total fund balances (deficits)	30,378	(5,711)	2,075	138,217	10,513	32,637	208,109
Total liabilities and fund balances (deficits)	\$ 151,211	\$ 103,308	\$ 33,061	\$ 138,217	\$ 23,403	\$ 64,699	\$ 513,899

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)

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
REVENUES							
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
Total revenues	549,643	65,190	896	(1,905)	113,123	141,038	867,985
EXPENDITURES							
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
Total expenditures	521,577	121,781	1,240	43,107	115,720	138,318	941,743
Excess (deficiency) of revenues over expenditures	28,066	(56,591)	(344)	(45,012)	(2,597)	2,720	(73,758)
OTHER FINANCING SOURCES (USES)							
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
Total other financing sources (uses)	(27,801)	48,698	-	179,418	2,109	(884)	201,540
Net change in fund balances	265	(7,893)	(344)	134,406	(488)	1,836	127,782
FUND BALANCES , beginning of year	30,113	2,182	2,419	3,811	11,001	30,801	80,327
FUND BALANCES (DEFICITS) , end of year	\$ 30,378	\$ (5,711)	\$ 2,075	\$ 138,217	\$ 10,513	\$ 32,637	\$ 208,109

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
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
Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 28,162</u>

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

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2013

(In Thousands)

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

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

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)

	Business-Type Activities	Governmental Activities
	Hartford Parking Facilities	Internal Service Funds
Cash Flows From Operating Activities		
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	-
Net cash provided by (used in) operating activities	4,866	(2,956)
Cash Flows From Capital and Related Financing Activities		
Transfer to General Fund	(1,485)	-
Interest paid on bonds	(1,277)	-
Net cash (used in) capital and related financing activities	(2,762)	-
Cash Flows From Noncapital and Related Financing Activities		
Principal paid on bonds	(2,160)	-
Net cash (used in) noncapital and related financing activities	(2,160)	-
Cash Flows From Investing Activities		
Income on investments	1	-
Net cash provided by (used in) investing activities	1	-
Net decrease in cash and cash equivalents	(55)	(2,956)
Cash and Cash Equivalents, beginning of year	2,756	52,095
Cash and Cash Equivalents, end of year	\$ 2,701	\$ 49,139
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:		
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)	-
Net cash provided by (used in) operating activities	\$ 4,866	\$ (2,956)

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)

	Pension Trust Funds	School Agency Funds
ASSETS		
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	-
Total investments	895,925	-
Loan receivable	134	-
Accrued investment earnings	2,937	-
Total assets	991,715	944
LIABILITIES		
Accounts payable and accrued liabilities	165	-
Net settlement due on investments purchased/sold	20,312	-
Due to student groups and other	-	944
Total liabilities	20,477	944
Net Position Held in Trust for Pension Benefits	\$ 971,238	\$ -

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

**STATEMENT OF CHANGES IN PLAN NET POSITION -
FIDUCIARY FUNDS - PENSION TRUST FUNDS
For the Year Ended June 30, 2013
(In Thousands)**

Additions

Contributions:

Employer	\$ 36,148
Plan members	10,199
Total contributions	<u>46,347</u>

Investment Income:

Net appreciation in fair value of investments	63,318
Interest and dividends	15,448
Total investment income	<u>78,766</u>

Less investment expense

Net investment income	<u>6,134</u> <u>72,632</u>
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Deductions

Benefits	92,118
Administration	1,978
Other	117
Total deductions	<u>94,213</u>

Increase in net position 24,766

Net Position Held in Trust for Pension Benefits

Beginning of year	<u>946,472</u>
End of year	<u>\$ 971,238</u>

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)

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)

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)

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)

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)

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

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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)

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)

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)

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)

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:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 296,143
State of Connecticut Short-Term Investment fund	41,888
Total cash and cash equivalents	<u>338,031</u>
Investments	
Debt Service Fund:	
U.S. Government Agencies	103,465 *
U.S. Treasury	18,932 *
Total debt service fund	<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
Total non-major funds	<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 *
Total pension trust funds	<u>895,925</u>
Total investments	<u>1,042,909</u>
Total cash, cash equivalents and investments	<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
Total statement of net position	<u>391,352</u>
Fiduciary Funds:	
Cash and cash equivalents	93,663
Investments	895,925
	<u>989,588</u>
Total cash, cash equivalents and investments	<u>\$ 1,380,940</u>

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	-	-	-
TOTAL	\$ 535,985	\$ 87,948	\$ 195,702	\$ 118,842	\$ 133,493

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	\$ -
AAAm	-	-	-	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	-
	\$ 22,548	\$ 169,788	\$ 113,909	\$ 96,330	\$ 41,888

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
Receivables							
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	92,656	44,768	67,208	2,780	27,853	651	235,916
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	(17,548)	(7,151)	(36,454)	-	(4,860)	-	(66,013)
Net total receivables	\$ 75,108	\$ 37,617	\$ 30,754	\$ 2,780	\$ 22,993	\$ 651	\$ 169,903

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
Governmental activities:					
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
Business-type activities:				
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:

Governmental Activities:	
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>
Business-type activities:	
Hartford Parking Facilities	<u>\$ 2,005</u>

CITY OF HARTFORD, CONNECTICUT

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

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
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 321,810	\$ 172,765	\$ (24,890)	\$ 469,685	\$ 24,835
Less: deferred amounts	15,797	25,765	(848)	40,714	-
Total bonds payable	337,607	198,530	(25,738)	510,399	24,835
Other long-term liabilities:					
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
Total other long-term liabilities	142,263	106,281	(98,034)	150,510	26,099
Total governmental activities long-term liabilities	\$ 479,870	\$ 304,811	\$ (123,772)	\$ 660,909	\$ 50,934

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
Total	\$ 339,080

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)

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>\$ 4,181</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>\$ 35,674</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
Business-Type Activities:					
General obligation bonds	\$ 26,615	\$ -	\$ (1,485)	\$ 25,130	\$ 1,565
Less: deferred amounts	(1,454)	-	200	(1,254)	-
Total bonds payable	\$ 25,161	\$ -	\$ (1,285)	\$ 23,876	\$ 1,565

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
	<u>\$ 25,130</u>	<u>\$ 7,989</u>	<u>\$ 33,119</u>

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>\$ 25,130</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>\$ 64,650</u>

CITY OF HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2013

(In Thousands)

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
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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
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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.

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

	Other Post- Employment Benefits (OPEB)
Annual required contribution (ARC)	\$ 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.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
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

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NOTES TO FINANCIAL STATEMENTS, Continued
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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	UAAAL 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

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NOTES TO FINANCIAL STATEMENTS, Continued
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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)

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)

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)

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
ASSETS			
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
Total assets	991,715	-	991,715
LIABILITIES			
Accounts payable and accrued liabilities	165	-	165
Net settlement due on investments purchased/sold	20,312	-	20,312
Total liabilities	20,477	-	20,477
Net Position- Held in Trust for Pension Benefits	\$ 971,238	\$ -	\$ 971,238

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

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
Total non-spendable	-	-	-	-	-	8,772
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
Total restricted	-	-	2,075	137,315	1,046	30,815
Committed:						
Capital projects	-	-	-	-	-	1,718
Debt service	-	-	-	902	-	-
Education	-	-	-	-	-	-
Total committed	-	-	-	902	-	1,718
Assigned:						
Recreation	3	-	-	-	-	-
Benefits	-	-	-	-	-	-
Education	2,847	-	-	-	9,467	-
Total assigned	2,850	-	-	-	9,467	-
Unassigned:						
	27,528	(5,711)	-	-	-	(8,668)
Total unassigned	27,528	(5,711)	-	-	-	(8,668)
Total fund balance (deficit)	\$ 30,378	\$ (5,711)	\$ 2,075	\$ 138,217	\$ 10,513	\$ 32,637

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)

- **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)

- **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)
GENERAL PROPERTY TAX				
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)
Total general property tax	251,239	251,239	254,669	3,430
OTHER LOCAL TAXES				
Business taxes	900	900	877	(23)
LICENSES, PERMITS, FEES AND OTHER				
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)
Total business licenses	399	399	339	(60)
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
Total non-business licenses and permits	5,492	5,492	5,080	(412)
Total licenses and permits	5,918	5,918	5,450	(468)
FINES, FORFEITS AND PENALTIES	221	221	211	(10)
REVENUE FROM USE OF MONEY AND PROPERTY				
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
Total revenue from use of money and property	2,235	2,235	2,595	360

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)
INTERGOVERNMENTAL REVENUE				
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)
Total State of Connecticut	265,391	265,391	250,044	(15,347)
Total intergovernmental revenue	265,451	265,451	250,089	(15,362)
CHARGES FOR SERVICES				
General Government:				
Recording legal instruments	250	250	311	61
All other	1,165	1,165	1,212	47
Total general government	1,415	1,415	1,523	108
Public Safety:				
Police charges	61	61	31	(30)
Fire protection services	173	173	213	40
Total public safety	234	234	244	10
Public Works:				
Highways and streets	1	1	2	1
Sanitation	71	71	67	(4)
Total public works	72	72	69	(3)

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)
CHARGES FOR SERVICES, Cont'd.				
Other:				
Health	6	6	18	12
Social Services	-	-	-	-
Recreation	10	10	8	(2)
Miscellaneous	318	318	43	(275)
Total other	334	334	69	(265)
Total charges for services	2,055	2,055	1,905	(150)
REIMBURSEMENTS				
Other	1,369	1,369	368	(1,001)
Reimbursements from other funds	3,275	3,275	3,708	433
Total reimbursements	4,644	4,644	4,076	(568)
OTHER REVENUES				
Settlements	25	25	4	(21)
Miscellaneous	3,258	3,258	1,812	(1,446)
Total other revenues	3,283	3,283	1,816	(1,467)
OTHER FINANCING SOURCES				
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)
Total other financing sources	4,328	4,328	12,572	8,244
TOTAL	\$ 540,274	\$ 540,274	534,260	\$ (6,014)

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)
GENERAL GOVERNMENT				
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
Total general government	22,224	20,647	19,206	1,441
PUBLIC SAFETY				
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
Total public safety	73,956	73,276	72,691	585
INFRASTRUCTURE AND LEISURE SERVICES				
Public Works	13,457	12,887	12,866	21
DEVELOPMENT AND COMMUNITY AFFAIRS				
Development Services	5,067	4,607	4,592	15
HUMAN SERVICES				
Health and Human Services	5,554	4,604	4,588	16
EDUCATION				
Board of Education	284,008	284,008	284,008	-
BENEFITS AND INSURANCE				
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)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
SUNDRY				
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
Total sundry	<u>76,873</u>	<u>73,293</u>	<u>70,021</u>	<u>3,272</u>
Total	<u>540,541</u>	<u>540,271</u>	534,913	<u>5,358</u>

Budgetary expenditures are different than GAAP expenditures because:

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

<i>City of Hartford Municipal Employees' Retirement Fund (City MERF)</i>				<i>RAF/PBF/FRF Plan</i>			
Year Ended	Annual		Percentage Contributed	Year Ended	Annual		Percentage Contributed
	Required Contribution	Contribution			Required Contribution	Contribution	
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		Percentage Contributed	Year Ended	Annual		Percentage Contributed
	Required Contribution	Contribution			Required Contribution	Contribution	
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)**

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)

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
ASSETS				
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
Total assets	\$ 148,241	\$ 111	\$ 2,859	\$ 151,211
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts and other payables	\$ 53,546	\$ 108	\$ -	\$ 53,654
Due to other funds	61	-	-	61
Deferred/unearned revenue	67,049	-	69	67,118
Total liabilities	120,656	108	69	120,833
FUND BALANCES				
Assigned	57	3	2,790	2,850
Unassigned	27,528	-	-	27,528
Total fund balances	27,585	3	2,790	30,378
Total liabilities and fund balances	\$ 148,241	\$ 111	\$ 2,859	\$ 151,211

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
REVENUES					
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
Total revenues	548,719	-	924	-	549,643
EXPENDITURES					
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
Total expenditures	513,357	8,215	5	-	521,577
Revenues over (under) expenditures	35,362	(8,215)	919	-	28,066
OTHER FINANCING SOURCES (USES)					
Bond premium	6,511	-	-	-	6,511
Transfers in	5,928	8,215	-	(8,215)	5,928
Transfers out	(48,455)	-	-	8,215	(40,240)
Net other financing sources (uses)	(36,016)	8,215	-	-	(27,801)
Net change in fund balances	(654)	-	919	-	265
FUND BALANCES, beginning of year	28,239	3	1,871	-	30,113
FUND BALANCES, end of year	\$ 27,585	\$ 3	\$ 2,790	\$ -	\$ 30,378

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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
ASSETS					
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	-	-
Total assets	\$ 1,567	\$ 15,879	\$ 4,739	\$ 990	\$ 1,450
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable and accrued liabilities	\$ 17	\$ 6,317	\$ 1,463	\$ 682	\$ 799
Due to other funds	-	-	-	-	-
Deferred revenue/unearned revenue	-	13,584	-	318	-
Total liabilities	17	19,901	1,463	1,000	799
Fund Balances					
Nonspendable	-	-	413	-	-
Restricted	1,550	-	2,863	-	651
Committed	-	-	-	-	-
Unassigned	-	(4,022)	-	(10)	-
Total fund balances (deficits)	1,550	(4,022)	3,276	(10)	651
Total liabilities and fund balances (deficits)	\$ 1,567	\$ 15,879	\$ 4,739	\$ 990	\$ 1,450

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

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
REVENUES					
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
Total revenues	48,587	51,551	13,027	9,611	5,127
EXPENDITURES					
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	-	-	-	-	-
Total expenditures	48,508	45,058	12,930	9,604	5,206
Excess (deficiency) of revenues over expenditures	79	6,493	97	7	(79)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(676)	(5,201)	-	-	-
Lease proceeds	-	-	-	-	-
Total other financing sources (uses)	(676)	(5,201)	-	-	-
Changes in fund balance (deficits)	(597)	1,292	97	7	(79)
FUND BALANCE (DEFICITS), beginning,	2,147	(5,314)	3,179	(17)	730
FUND BALANCE (DEFICITS), ending	\$ 1,550	\$ (4,022)	\$ 3,276	\$ (10)	\$ 651

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
REVENUES			
Intergovernmental revenues	\$ 2	\$ -	\$ 2
Charges for services	47	-	47
Investment income (loss)	2	253	255
Other revenues	-	-	23
Total revenues	51	253	327
EXPENDITURES			
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
Total expenditures	3	599	8,003
Excess (deficiency) of revenues over expenditures	48	(346)	(7,676)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,003
Transfers out	-	-	-
Lease proceeds	-	-	3,990
Total other financing sources (uses)	-	-	4,993
Changes in fund balance (deficits)	48	(346)	(2,683)
FUND BALANCE (DEFICITS), beginning,	1,670	9,614	9,185
FUND BALANCE (DEFICITS), ending	\$ 1,718	\$ 9,268	\$ 6,502

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	Bulky Waste Recycling Center		1,100	-	1,100	1,083	-	1,083	9	8
A9510	Parking Authority									
	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							5,336		5,336	
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
ASSETS			
Cash and cash equivalents	\$ 3,187	\$ 200	\$ 1,689
Other receivables	-	6	-
Total assets	3,187	206	1,689
LIABILITIES			
Current:			
Accounts payable and accrued liabilities	93	58	337
Insurance claims payable	5,200	2,500	-
Claims incurred and not reported	-	-	-
Total current liabilities	5,293	2,558	337
Noncurrent:			
Insurance claims payable	-	1,600	-
Claims incurred and not reported	10,100	1,000	-
Total noncurrent liabilities	10,100	2,600	-
NET POSITION (DEFICIT)			
Unrestricted	(12,206)	(4,952)	1,352
Total net position (deficit)	\$ (12,206)	\$ (4,952)	\$ 1,352

EXHIBIT D-1

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

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
Cash Flows From Operating Activities			
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)
Net cash provided by (used in) operating activities	(263)	175	(153)
Net increase (decrease) in cash and cash equivalents	(263)	175	(153)
Cash and Cash Equivalents , beginning of year	3,450	25	1,842
Cash and Cash Equivalents , end of year	\$ 3,187	\$ 200	\$ 1,689
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
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	-
Net cash provided by (used in) operating activities	\$ (263)	\$ 175	\$ (153)

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
<u>\$ 1,134</u>	<u>\$ 3,321</u>	<u>\$ 37,486</u>	<u>\$ 1,948</u>	<u>\$ 174</u>	<u>\$ 49,139</u>
\$ -	\$ (13,212)	\$ 8,318	\$ 1,339	\$ -	\$ 1,465
(42)	-	100	-	-	197
(493)	267	198	-	-	(328)
-	-	-	-	-	2,860
180	164	241	225	-	(7,150)
<u>\$ (355)</u>	<u>\$ (12,781)</u>	<u>\$ 8,857</u>	<u>\$ 1,564</u>	<u>\$ -</u>	<u>\$ (2,956)</u>

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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)

	Student Activity Funds	Adult Education Book Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 935	\$ 9	\$ 944
LIABILITIES			
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
STUDENT ACTIVITY FUNDS				
Assets				
Cash and cash equivalents	\$ 892	\$ 1,170	\$ 1,127	\$ 935
Liabilities				
Due to student groups	\$ 892	\$ 1,170	\$ 1,127	\$ 935
ADULT EDUCATION BOOK FUND				
Assets				
Cash	\$ 9	\$ -	\$ -	\$ 9
Liabilities				
Due to other	\$ 9	\$ -	\$ -	\$ 9
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 901	\$ 1,170	\$ 1,127	\$ 944
Liabilities				
Due to student groups	\$ 892	\$ 1,170	\$ 1,127	\$ 935
Due to other	9	-	-	9
Total	\$ 901	\$ 1,170	\$ 1,127	\$ 944

**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
Total	\$ 2,063,368	\$ 1,948,010
Investments in governmental funds capital assets:		
Total governmental funds capital assets	\$ 2,063,368	\$ 1,948,010

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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.

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
Total governmental activities net position	1,115,711	1,087,549	1,064,401	1,056,105	986,406
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	-
Total business-type activities net position	35,709	37,023	37,095	36,940	37,683
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
Total primary government net position	\$ 1,151,420	\$ 1,124,572	\$ 1,101,496	\$ 1,093,045	\$ 1,024,089

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
Expenses					
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
Total governmental activities expenses	847,101	822,309	782,294	799,505	753,025
Business-type activities:					
Hartford Parking Facilities	3,669	3,729	4,096	4,185	3,760
American Airlines Building	-	-	-	-	-
Total business-type activities net position	3,669	3,729	4,096	4,185	3,760
Total primary government expenses	850,770	826,038	786,390	803,690	756,785
Program Revenues					
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
Total governmental activities program revenues	554,366	491,543	446,592	537,254	488,825

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
Business-type activities:					
Charges for services:					
Parking facilities*	4,511	4,054	4,732	4,791	5,309
Other enterprise funds	-	-	-	-	-
Capital grants and contributions	-	-	-	-	3,214
Total business-type activities program revenues	4,511	4,054	4,732	4,791	8,523
Total primary government program revenues	558,877	495,597	451,324	542,045	497,348
Net (expense)/revenue					
Governmental activities	(292,735)	(330,766)	(335,702)	(262,251)	(264,200)
Business-type activities	842	325	636	606	4,763
Total primary government net expense	(291,893)	(330,441)	(335,066)	(261,645)	(259,437)
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	-	-	-	-	-
Total governmental activities	320,897	353,914	343,998	331,950	314,891
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)
Total business-type activities	(2,156)	(397)	(481)	(1,349)	(3,054)
Total primary government	318,741	353,517	343,517	330,601	311,837
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
Total primary government	\$ 26,848	\$ 23,076	\$ 8,451	\$ 68,956	\$ 52,400

* 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
Total general fund	\$ 30,378	\$ 30,113	\$ 25,086	\$ 18,648	\$ 16,313
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)
Total all other governmental funds	\$ 177,731	\$ 50,214	\$ 71,405	\$ 92,714	\$ 103,703

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
Revenues:					
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
Total revenues	867,985	825,386	788,561	863,267	793,751
Expenditures:					
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
Total expenditures	941,743	898,502	836,076	888,121	860,756
Excess of revenues over (under) expenditures	(73,758)	(73,116)	(47,515)	(24,854)	(67,005)
Other Financing Sources (Uses)					
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	-	-	-	-	-
Total other financing sources (uses)	201,540	56,952	32,792	16,052	46,343
Net change in fund balances	127,782	(16,164)	(14,723)	(8,802)	(20,662)
Fund Balances, beginning of year	80,327	96,491	111,214	120,016	140,678
Fund Balances, end of year	\$ 208,109	\$ 80,327	\$ 96,491	\$ 111,214	\$ 120,016
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%

TABLE 5

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 mills)	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 Ptnshp	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		Percentage of Levy
								Subsequent Years	Amount	
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
Total debt limitation	<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)
Total indebtedness	<u>366,669</u>	<u>376,352</u>	<u>57,185</u>	<u>-</u>	<u>-</u>	<u>800,206</u>
Debt limitation in excess of outstanding and authorized debt	<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		City's Share of MDC Debt	City's Share of MDC Debt	City's Total Direct Debt	City's Total Overlapping Debt	City's Total Direct and Overlapping Debt	Ratio of Debt to Taxable Assessed Value	Debt per Capita
				Overlapping Debt All Participating Governments	City's Percentage							
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
City Department										
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	-	-	-	-	-	-	-	-
Total	1,508	1,526	1,495	1,488	1,593	1,526	1,537	1,574	1,556	1,504
Board of Education										
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
Total	3,255	3,124	3,073	2,993	3,005	3,696	3,680	3,631	3,444	3,425
Grand Total	4,763	4,650	4,568	4,481	4,598	5,222	5,217	5,205	5,000	4,929

* 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
General Government								
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
Public Safety								
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
Public Works								
Engineering & Administration								
Lane miles paved	38	47	49	37	37	37	37	411
Development and Community Affairs								
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
Human Services								
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
Education								
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
Recreation and culture								
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

Function/Program	FISCAL YEAR								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety									
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
Public Works									
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
Education									
School buildings	44	44	45	44	45	45	44	40	38
Administrative buildings	3	3	3	3	3	3	3	3	3
Recreation and Culture									
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

APPENDIX B- FORM OF LEGAL OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

November 18, 2014

City of Hartford,
 Hartford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Hartford, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated November 18, 2014 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$36,385,000 City of Hartford, Connecticut General Obligation Refunding Bonds, Series 2014C, dated November 18, 2014 (the "Bonds"), maturing on August 15 in each of the years, in the principal amounts and bearing interest payable on February 15, 2015 and semiannually thereafter on August 15 and February 15 in each year until maturity, or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2015	\$2,280,000	2.000%	2022	\$3,670,000	5.000%
2016	1,230,000	3.000	2023	3,670,000	5.000
2018	3,670,000	5.000	2024	3,670,000	5.000
2019	3,665,000	5.000	2025	3,640,000	3.125
2020	3,660,000	5.000	2026	3,565,000	3.125
2021	3,665,000	5.000			

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of July and January in each year, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a

limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

APPENDIX C - FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of November 18, 2014 is executed and delivered by The City of Hartford, Connecticut (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice or Failure to File Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice, required to be submitted to the MSRB under this Disclosure

Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means Director of Finance, the senior member of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices and the Failure to File Event notices.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than eight months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2014. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) when filing pursuant to Section 4(c) of this Disclosure Agreement.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file any additional information requested by the Issuer to be filed with the MSRB in accordance with Section 7 of this Disclosure Agreement.
- (vii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the following:

- (1) the amounts of the gross and net taxable grand list;
- (2) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

(3) the percentage and amount of the annual property tax levy collected and uncollected;

(4) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(5) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(6) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;

(7) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;

(8) a statement of statutory debt limitations and debt margins; and

(9) the funding status of the Issuer's pension benefit obligations.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

(c) Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

(d) Subject to the requirements of Section 3 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modifications will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination

of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, and Failure to File Event notices, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate

exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such

amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Connecticut (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: Diana O'Brien
Title: Vice President

CITY OF HARTFORD, CONNECTICUT,
as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: General Obligation Refunding Bonds, Series 2014C, \$38,000,000
Dated 11/ /2014

CUSIP Number(s):

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series
2014B, \$82,000,000
Dated 10/28/2014

CUSIP Number(s): 416415FH5 416415FJ1 416415FK8 416415FL6 416415FM4
416415FN2 416415FP7 416415FQ5 416415FR3 416415FS1
416415FT9 416415FU6 416415FV4 416415FW2 416415FX0
416415FY8 416415FZ5 416415GA9 416415GB7

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Refunding Obligation
Bonds, Series 2013A, \$124,605,000
Dated 4/11/2013

CUSIP Number(s): 416415BP1 416415BQ9 416415BR7 416415BS5 416415BT3
416415BU0 416415BV8 416415BW6 416415BX4 416415BY2
416415BZ9 416415CA3 416415CB1 416415CC9 416415CD7
416415CE5 416415CF2

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series
2013B, \$48,160,000
Dated 4/11/2013

CUSIP Number(s): 416415DB0 416415DC8 416415DD6 416415DE4 416415DF1
416415DG9 416415DH7 416415DJ3 416415DK0 416415DL8
416415DM6 416415DN4 416415DP9 416415DQ7 416415DR5
416415DS3 416415DT1 416415DU8

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series
2012, \$71,280,000
Dated 3/22/2012

CUSIP Number(s): 416415BG1 416415BB2 416415AE7 416415AV9 416415BM8
416415BK2 416415BD8 416415AN7 416415AH0 416415AC1
416415AT4 416415BH9 416415BF3 416415AL1 416415AJ6
416415AP2 416415AR8 416415AZ0 416415BJ5 416415BE6
416415BC0 416415AD9 416415BN6 416415BL0 416415AF4
416415AW7 416415BA4 416415AM9 416415AU1 416415AG2
416415AB3 416415AQ0 416415AS6 416415AK3 416415AY3

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series
2011A, \$25,000,000
Dated: of Issuance: 4/14/2011

CUSIP Number(s): 4164147E4 4164147F1 4164147G9 4164147H7 4164147J3 4164147K0
4164147L8 4164147M6 4164147N4 4164147P9 4164147Q7
4164147R5 4164147S3

Name of Issuer City of Hartford, Connecticut
Obligated Person(s) City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series
2010A, \$14,000,000
Dated: of Issuance: 4/15/2010

CUSIP Number(s): 4164146L9 4164146M7 4164146N5 4164146P0 4164146Q8
4164146R6 4164146S4 4164146T2 4164146U9 4164146V7
4164146W5 4164146X3 4164146Y1 4164146Z8 4164147A2
4164147B0 4164147C8

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Refunding
Bonds, Series 2009, \$12,150,000

Dated: of Issuance: 9/30/2009

CUSIP Number(s): 4164146A3 4164146B1 4164146C9 4164146D7 4164146E5
4164146F2 4164146G0

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series
2009A, \$40,225,000 Dated: March 10, 2009

Dated Date: 03/10/2009

CUSIP Number(s): 4164144Q0 4164145L0 4164144R8 4164145M8 4164144S6
4164145N6 4164144T4 4164145P1 4164144U1 4164145Q9
4164144V9 4164145R7 4164144W7 4164145S5 4164144X5
4164145T3 4164144Y3 4164145U0 4164144Z0 4164145V8
4164145A4 4164145W6 4164145B2 4164145C0 4164145J5

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Refunding Bonds,
Series 2005, \$34,340,000 consisting of General Obligation Refunding
Bonds, Series 2005A, \$25,160,000 and General Obligation Refunding
Bonds, Series 2005B (Taxable), \$9,180,000 Dated: April 1, 2005

Dated Date: 04/01/2005

CUSIP Number(s): 416414V98 416414W22 416414W30 416414W48 416414W55
416414W63 416414W71 416414W89 416414W97 416414X21
416414X39 416414X47 416414X54 416414X88 416414Y20
416414Y38 416414Y46

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Issue of
2004, \$34,000,000 Dated: July 15, 2004
Dated Date: 07/15/2004
CUSIP Number(s): 416414T75 416414T83 416414T91 416414U24 416414U32
416414U40 416414U57 416414U65 416414U73 416414U81
416414U99 416414V23 416414V31 416414V49 416414V56

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series 2003,
\$30,225,000 Dated: March 15, 2003
Dated Date: 03/15/2003
CUSIP Number(s): 416414Q86 416414Q94 416414R28 416414R36 416414R44
416414R51 416414R69 416414S27 416414S35 416414S43
416414S50 416414S68 416414S76 416414S84

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series 2001,
\$23,000,000 Dated: May 15, 2001
Dated Date: 05/15/2001
CUSIP Number(s): 416414N55 416414N63 416414N71 416414N89 416414N97
416414P20 416414P38 416414P46 416414P53 416414P61
416414P79 416414P87 416414P95

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut
Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series 2000,
\$20,000,000 Dated: June 15, 2000
Dated Date: 06/15/2000
CUSIP Number(s): 416414L24 416414L32 416414L40 416414L57 416414L65
416414L73 416414L81 416414L99 416414M23 416414M31
416414M49 416414M56

Name of Issuer: City of Hartford, Connecticut
Obligated Person(s): City of Hartford, Connecticut

Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series 1998,
\$28,500,000 Dated: November 15, 1998

Dated Date: 11/15/1998

CUSIP Number(s): 416414H86 416414H94 416414J27 416414J35 416414J43
416414J50 416414J68 416414J76 416414J84 416414J92

Name of Issuer: City of Hartford, Connecticut

Obligated Person(s): City of Hartford, Connecticut

Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series 1998,
\$29,300,000 Dated: January 15, 1998

Dated Date: 01/15/1998

CUSIP Number(s): 416414F47 416414F54 416414F62 416414F70 416414F88
416414F96 416414G20 416414G38 416414G46

Name of Issuer: City of Hartford, Connecticut

Obligated Person(s): City of Hartford, Connecticut

Name of Bond Issue: City of Hartford, Connecticut General Obligation Bonds, Series 1996,
\$25,000,000 Dated: December 15, 1996

Dated Date: 12/15/1996

CUSIP Number(s): 416414C73 416414C81 416414C99 416414D23 416414D31
416414D49 416414D56 416414D64

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: City of Hartford, Connecticut

Obligated Person: City of Hartford, Connecticut

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

cc:

EXHIBIT C
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

APPENDIX D - FORM OF SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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