



NEW ISSUE- BOOK-ENTRY-ONLY

Rating: S&P: A+
(See "RATING" herein)

In the opinion of Robinson & Cole LLP, 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 Series 2015A 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 Series 2015A 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 Robinson & Cole LLP, Bond Counsel, under existing law, interest on the Series 2015B Bonds is included in gross income for federal income tax purposes. In the opinion of Robinson & Cole LLP, Bond Counsel, based on existing statutes, interest on the Series 2015 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.

\$62,450,000**HARTFORD STADIUM AUTHORITY****Lease Revenue Bonds, Series 2015****Consisting of:****\$39,055,000****Lease Revenue Bonds, Series 2015A****\$23,395,000****Lease Revenue Bonds, Series 2015B
(Federally Taxable)****Dated: Date of Delivery****Due: As Shown on Inside Cover Page**

The \$39,055,000 Hartford Stadium Authority Lease Revenue Bonds, Series 2015A (the "Series 2015A Bonds") and \$23,395,000 Hartford Stadium Authority Lease Revenue Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds" and collectively with the Series 2015A Bonds, the "Series 2015 Bonds") are issuable only as fully registered bonds without coupons, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2015 Bonds. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests will not receive Series 2015 Bonds representing their ownership interests in the Series 2015 Bonds. So long as Cede & Co., as nominee of DTC, is the Bondowner, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Series 2015 Bonds. See "THE SERIES 2015 BONDS-Book-Entry-Only System" herein.

Principal and Sinking Fund Installments of, and premium, if any, on the Series 2015 Bonds will be due February 1 in each of the years 2017 through 2042. The Series 2015 Bonds will bear interest from the date of delivery, payable semiannually on August 1 and February 1 of each year until maturity or prior redemption, commencing August 1, 2015. Principal and interest on the Series 2015 Bonds will be paid directly to DTC by U.S. Bank National Association, Hartford, Connecticut, as Paying Agent, so long as DTC or its nominee, Cede & Co., is the Bondowner. Disbursement of such payments to DTC's Direct Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct Participants and the Indirect Participants (as defined herein), as more fully described herein.

The Series 2015 Bonds will be special limited obligations of the Hartford Stadium Authority (the "Authority"), payable solely from the Revenues of the Authority which are paid to U.S. Bank National Association, Hartford, Connecticut, as Trustee (the "Trustee") for the account of the Authority by the City of Hartford, Connecticut (the "City"), a political subdivision of the State of Connecticut (the "State"), in accordance with the provisions of the Lease Agreement, dated as of February 1, 2015 (the "Lease"), by and between the Authority and the City. The Lease provides for the payment of Base Rent to be made by the City when the principal and Sinking Fund Installments of and interest on the Series 2015 Bonds are due. The obligation to make payments of Base Rent and Additional Rent pursuant to the Lease is an absolute and unconditional obligation of the City, subject to annual appropriation by the City. The Series 2015 Bonds will be secured under the provisions of the Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), by and between the Authority and the Trustee. The Lease will be assigned to the Trustee as security for the payment of the principal and Sinking Fund Installments of, premium, if any, and interest on the Series 2015 Bonds pursuant to an Assignment of Lease Agreement, dated as of February 1, 2015, of the Authority to the Trustee.

The Series 2015 Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary optional redemption prior to maturity. See "THE SERIES 2015 BONDS" herein.

THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS PURSUANT TO THE LEASE IS SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE BY THE COURT OF COMMON COUNCIL OF THE CITY FOR SUCH PURPOSE. THE AUTHORITY'S OBLIGATION TO MAKE BOND PAYMENTS ON THE SERIES 2015 BONDS IS LIMITED TO THE AMOUNT OF LEASE PAYMENTS RECEIVED BY THE TRUSTEE FROM THE CITY PURSUANT TO THE ASSIGNMENT OF THE LEASE AND FROM CERTAIN OTHER LIMITED SOURCES AS SET FORTH IN THE TRUST AGREEMENT. THE BONDS DO NOT REPRESENT OR CONSTITUTE INDEBTEDNESS OF, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF, THE STATE OF CONNECTICUT, THE CITY OR THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The Series 2015 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Robinson & Cole LLP, Hartford, Connecticut, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by its counsel, Shipman & Goodwin LLP of Hartford, Connecticut and for the Trustee by its counsel, Updike, Kelly & Spellacy, P.C. 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 Series 2015 Bonds in book-entry-only form will be made through the facilities of DTC in New York, New York, on or about February 24, 2015.

JEFFERIES**WILLIAM BLAIR**

\$62,450,000
HARTFORD STADIUM AUTHORITY
Lease Revenue Bonds, Series 2015
Consisting of:

\$39,055,000
Lease Revenue Bonds, Series 2015A

Dated: Date of Delivery

Due: February 1, as shown below

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number¹</u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number¹</u>
2017	\$795,000	5.00%	1.230%	416465AA0	2022	\$1,015,000	5.00%	2.830%	416465AF9
2018	835,000	5.00	1.660	416465AB8	2023	1,065,000	5.00	3.010	416465AG7
2019	875,000	5.00	1.960	416465AC6	2024	1,120,000	3.00	3.160	416465AH5
2020	920,000	5.00	2.280	416465AD4	2025	1,150,000	3.00	3.280	416465AJ1
2021	965,000	5.00	2.530	416465AE2					

\$16,855,000 - 5.00% Term Bonds due February 1, 2036 – Yield 4.030% CUSIP 416465AL6
\$13,460,000 - 4.00% Term Bonds due February 1, 2042 – Yield 4.150% CUSIP 416465AK8

\$23,395,000
Lease Revenue Bonds, Series 2015B
(Federally Taxable)

Dated: Date of Delivery

Due: February 1, as shown below

\$23,395,000 - 5.375% Term Bonds due February 1, 2042 – Yield 5.625% CUSIP 416465AM4

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 Authority and are included solely for the convenience of the holders of the Series 2015 Bonds. The Authority 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 Series 2015 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2015 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 Series 2015 Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2015 Bonds identified on the inside cover. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2015 Bonds by any person or in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information herein has been furnished by sources that are believed to be reliable, but it is not guaranteed as to its accuracy or completeness. The City assumes no liability or responsibility for the information appearing herein other than the information under the captions "CONTINUING DISCLOSURE" and "LITIGATION" (as it relates to the City) and in Appendix A. 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 hereof. This Official Statement is submitted in connection with the sale of the Series 2015 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

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

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 or the Authority since the date of the Official Statement. The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope of intent, or affect the meaning or construction, of any provision or section in this Official Statement.

U.S. Bank National Association, Hartford, Connecticut, will act as Trustee, Certifying Agent, Registrar, Transfer Agent and Paying Agent, for the Series 2015 Bonds.

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 15c-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.

Underwriters' 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.

The statements contained and incorporated by reference in this Official Statement and appendices hereto and in any other information provided by the City and other parties to the transactions described herein that are not purely historical are forward-looking statements. The forward-looking statements included in this Official Statement are based on information available to such parties on the date hereof and are based on various assumptions and estimates that are inherently subject to various risks and uncertainties. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material, which could affect the ability of the Authority to fulfill some or all of its obligations under the Series 2015 Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2015 BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE SERIES 2015 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE TRUST AGREEMENT WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN ADDITION, THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAW.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY, THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

Relating to:

\$62,450,000

HARTFORD STADIUM AUTHORITY

Lease Revenue Bonds, Series 2015

Consisting of:

\$39,055,000

Lease Revenue Bonds, Series 2015A

\$23,395,000

**Lease Revenue Bonds, Series 2015B
(Federally Taxable)**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover page and appendices, is to provide certain information concerning the Hartford Stadium Authority (the "Authority") and the City of Hartford, Connecticut (the "City") in connection with the sale and delivery by the Authority of its \$62,450,000 aggregate principal amount of Lease Revenue Bonds, Series 2015, comprised of \$39,055,000 aggregate principal amount of Lease Revenue Bonds, Series 2015A (the "Series 2015A Bonds") and \$23,395,000 aggregate principal amount of Lease Revenue Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds" and collectively with the Series 2015A Bonds, the "Series 2015 Bonds").

The Series 2015 Bonds are being issued pursuant to Sections 7-130a to 7-130w, inclusive, of the General Statutes of Connecticut, Revision of 1958, as amended (the "Act"), a resolution of the Authority, and a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, Hartford, Connecticut, as trustee (the "Trustee").

The Series 2015 Bonds will be secured by and issued in accordance with the provisions of the Trust Agreement and are payable from the Revenues derived by the Authority pursuant to a Lease Agreement, dated as of February 1, 2015, by and between the Authority and the City (the "Lease"). Capitalized terms used in this Official Statement but not defined herein shall have the meanings ascribed thereto in Appendix C hereto or the Trust Agreement defined herein.

The proceeds from the sale of the Series 2015 Bonds will be used together with other moneys available therefor to finance: (a) the acquisition, construction, equipping and furnishing of the Project Facilities on the Project Site and the Ballpark Dedicated Parking, (b) the funding of certain reserves for the Series 2015 Bonds, (c) the payment of interest on the Series 2015 Bonds and (d) the payment of certain costs of issuance of the Series 2015 Bonds (collectively, the "Project").

The Project Facilities will consist of a new, first class, state-of-the-art, natural turf, open-air Double A Minor League baseball ballpark and related facilities (the "Ballpark"). The Ballpark Dedicated Parking will consist of a number of paved parking spaces to be provided by the City to the Club on a portion of a parcel located at 150 Windsor Street, Hartford, Connecticut ("Parcel G"). The City and Connecticut Double Play LLC (the "Club") have entered into the Ballpark Development Agreement, dated as of January 26, 2015 to provide for the development of the Ballpark and the Ballpark Dedicated Parking, and the City and DoNo Hartford LLC (the "Developer") have entered into a Development Services Agreement, dated as of February 4, 2015 (collectively, the "Construction Agreement"), for the acquisition, construction, equipping and furnishing of the Project. The Project Facilities will be located at 1214 Main Street and 271 and 273 Windsor Street located in the Downtown North area of the City on an approximately 9 acre site owned by the City (the "Project Site") and to be leased to the Authority pursuant to a Ground Lease, dated as of February 1, 2015 (the "Ballpark Ground Lease"), by and between the City and the Authority, for the development of the Project Facilities. The Ballpark Dedicated Parking will consist of one hundred ninety-nine (199) parking spaces to be provided by the City to the Club at 150 Windsor Street, Hartford, Connecticut.

Prior to the issuance of the Series 2015 Bonds, the City and the Authority are to enter into the Lease, under which the Authority agrees to acquire, construct, equip and furnish the Project Facilities and the Ballpark Dedicated Parking and lease to the City the Project Site and the Project Facilities and, in consideration therefor, the City has agreed to make payments of Base Rent as set forth in the schedule in the Lease and to make certain Additional Rent payments as described therein (collectively, the "Lease Payments"). The City and the Authority are authorized by the Act, ordinances of the City, and a resolution of the Authority to enter into the Ballpark Ground Lease, the Lease and related agreements subject to and in accordance with certain applicable provisions of State law. The Hartford Court of Common Council approved the Ballpark Ground Lease and the Lease on February 14, 2015.

Simultaneously with the execution of the Lease, the Authority is to assign all of its right, title and interest in the Lease (including the right to receive the Base Rent from the City) to the Trustee for the benefit of the Holders of the Series 2015 Bonds, pursuant to an Assignment of Lease Agreement, dated as of February 1, 2015 (the "Assignment"), subject to the Ballpark Ground Lease. The Base Rent scheduled to be paid by the City under the Lease is designed to be sufficient in both time and amount to pay when due the principal of and interest on the Series 2015 Bonds (the "Bond Payments").

The City's obligation to make payments under the Lease is unconditional and absolute, subject to annual appropriation of funds for such purpose by the City or other funds being lawfully available for such purpose. (See "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2015 BONDS" herein).

THE SERIES 2015 BONDS

General Provisions

The Series 2015 Bonds are available in book-entry form only. See "THE SERIES 2015 BONDS - Book-Entry-Only System" herein. So long as Cede & Co. is the registered owner of the Series 2015 Bonds as nominee of The Depository Trust Company ("DTC") New York, New York, references herein to the Holders or registered owners of the Series 2015 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2015 Bonds.

The Series 2015 Bonds are to be dated the date of delivery, will mature on February 1 in the years and in the principal amounts, and those principal amounts will bear interest from the date of delivery at the rates per annum, shown on the inside cover page. Interest will be payable on August 1 and February 1 of each year until maturity or prior redemption commencing August 1, 2015 (the "Interest Payment Dates"). Interest on the Series 2015 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable to the registered owner 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. Interest is payable on the Interest Payment Dates by wire transfer by the Trustee to Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York, which will, in turn, remit such amounts to the DTC Participants for subsequent disposition to Beneficial Owners. See "THE SERIES 2015 BONDS - Book-Entry-Only System" herein. The Series 2015 Bonds are issuable only in fully registered form, in denominations of \$5,000 each and any integral multiple of \$5,000.

During all times that the Series 2015 Bonds are in book-entry-only form the following provisions in this paragraph shall apply to the registered owners only and not the Beneficial Owners (hereinafter defined) of the Series 2015 Bonds. The Series 2015 Bonds may be exchanged or transferred at the principal office of the Trustee. The exchange or transfer will be without charge except that the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the exchange or transfer. Series 2015 Bonds may be exchanged for Series 2015 Bonds of the same maturity of other authorized denominations, upon surrender together with a written instrument satisfactory to the Trustee executed by the Holder or his authorized attorney. The Series 2015 Bonds are transferable only upon the Bond Register maintained by the Trustee upon surrender of the Series 2015 Bonds to be transferred together with a written instrument satisfactory to the Trustee executed by the Holder or his authorized attorney. Upon transfer, the Trustee will provide, in the name of the transferee, a new Series 2015A Bond or Series 2015B Bond of the same maturity in the same aggregate unpaid principal amount as the surrendered Series 2015 Bonds.

Optional Redemption

The Series 2015A Bonds maturing on and after February 1, 2026 are subject to optional redemption prior to maturity, at any time, in whole or in part, in integral multiples of \$5,000 on or after February 1, 2025 at redemption prices equal to the following percentages of the principal amount redeemed, plus accrued interest to the redemption date:

<u>Redemption Period</u> <u>(dates inclusive)</u>	<u>Redemption Price</u>
February 1, 2025 and thereafter	100%

“Make-Whole” Redemption

The Series 2015B Bonds are subject to redemption prior to maturity, in whole or in part in any authorized denomination on any date, at the option of the Authority, at the Make-Whole Redemption Price.

“Make-Whole Redemption Price” means an amount equal to the greater of (1) 100% of the principal amount of the Series 2015B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2015B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2015B Bonds are to be redeemed, discounted to the date on which the Series 2015B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 50 basis points, plus, in each case, accrued and unpaid interest on the Series 2015B Bonds to be redeemed to the redemption date.

As used herein, “Treasury Rate” means as of any redemption date, the yield to maturity as of such redemption date of Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2015B Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded Treasury securities to a constant maturity of one year will be used.

At the request of the Registrar, the Make-Whole Redemption Price of Series 2015B Bonds to be redeemed will be determined by an independent accounting firm, investment banking firm or financial advisor retained by and at the expense of the Authority to calculate such Make-Whole Redemption Price. The Registrar and the Authority may conclusively rely on the determination of such Make-Whole Redemption Price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Redemption

The Series 2015A Bonds maturing on February 1, 2036 and February 1, 2042 are further subject to mandatory redemption on each February 1 in the principal amounts set forth below, plus accrued interest thereon.

The Trustee shall redeem or pay from the Bond Fund, subject to the terms of the Trust Agreement, the Series 2015A Bonds maturing on February 1, 2036 and February 1, 2042 in the manner provided in the Trust Agreement on each February 1 as follows:

Series 2015A Bonds Maturing February 1, 2036

<u>Year</u>	<u>Principal Amount</u>
2026	\$1,185,000
2027	\$1,245,000
2028	\$1,310,000
2029	\$1,375,000
2030	\$1,440,000
2031	\$1,515,000
2032	\$1,590,000
2033	\$1,670,000
2034	\$1,755,000
2035	\$1,840,000
2036*	\$1,930,000

* Final maturity

Series 2015A Bonds Maturing February 1, 2042

<u>Year</u>	<u>Principal Amount</u>
2037	\$2,030,000
2038	\$2,110,000
2039	\$2,195,000
2040	\$2,280,000
2041	\$2,375,000
2042*	\$2,470,000

*Final maturity

The Series 2015B Bonds maturing on February 1, 2042 are further subject to mandatory redemption on each February 1 from moneys in the Bond Fund, in the principal amounts set forth below, plus accrued interest thereon.

The Trustee shall redeem or pay from the Bond Fund, subject to the terms of the Trust Agreement, the Series 2015B Bonds maturing on February 1, 2042, in the manner provided in the Trust Agreement on each February 1 as follows:

Series 2015B Bonds Maturing February 1, 2042

<u>Year</u>	<u>Principal Amount</u>
2017	\$435,000
2018	\$455,000
2019	\$480,000
2020	\$505,000
2021	\$535,000
2022	\$565,000
2023	\$595,000
2024	\$625,000
2025	\$660,000
2026	\$695,000
2027	\$730,000
2028	\$770,000
2029	\$815,000
2030	\$855,000
2031	\$905,000
2032	\$950,000
2033	\$1,000,000
2034	\$1,055,000
2035	\$1,115,000
2036	\$1,170,000
2037	\$1,235,000
2038	\$1,300,000
2039	\$1,370,000
2040	\$1,445,000
2041	\$1,525,000
2042*	\$1,605,000

*Final maturity

Extraordinary Optional Redemption

The Series 2015 Bonds are subject to extraordinary optional redemption at any time, in whole or in part, at par plus accrued interest as a result of (i) excess proceeds of the Series 2015 Bonds being transferred from the Project Fund as a result of the completion or abandonment of the Project Facilities, (ii) the exercise of eminent domain or the condemnation or destruction of the Project Facilities, in whole or in part, or (iii) any federal, state or local governmental action that would render the Project unusable in the reasonable opinion of the Authority.

Notice of Redemption

The notice of the call for redemption of Series 2015 Bonds shall identify (i) the redemption price to be paid, (ii) the date fixed for redemption, and (iii) the place or places where the amounts due upon redemption are payable, and (iv) any conditions precedent to be satisfied. The notice shall be given by the Trustee by mailing a copy of the redemption notice by first class mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption, to the Holder of each Series 2015 Bond subject to redemption at the Holder's address shown on the Register on the fifteenth day preceding that mailing and to the Credit Facility Provider, if any. Failure to receive notice by mailing or any defect in that notice regarding any Series 2015 Bond, however, shall not affect the validity

of the proceedings for the redemption of any Series 2015 Bond. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2015 Bonds, all notices of redemption will be sent only to DTC. If less than all of the Series 2015 Bonds of any maturity are to be so redeemed, the Series 2015 Bonds (or portions thereof) to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee. The Series 2015 Bonds shall be redeemed in principal amounts of \$5,000 or any amount in excess thereof. The selection of particular Series 2015 Bonds of beneficial owners to be redeemed shall be determined by each DTC Participant.

If any notice of redemption is conditioned upon the occurrence of one or more conditions precedent, such notice of redemption shall state that such redemption may not occur and such notice may be rescinded in the event that any such condition precedent shall not have occurred as stated in such notice of redemption. The Authority will provide prompt written notice to the Trustee rescinding such redemption not later than 5:00 p.m. (New York City time) on the second Business Day prior to the redemption date in the event that any such condition precedent shall not have occurred, and such redemption and notice of redemption shall be rescinded and of no force or effect. Upon receipt of such notice from the Authority rescinding such redemption, the Trustee will promptly send a copy of such notice to the Holders in the same manner in which the notice of redemption was given.

On the specified redemption date the Bond Payment due on each Series 2015 Bond called for redemption will become due and payable, and, if moneys are available on that date for that purpose, from and after the redemption date interest on the Series 2015 Bonds called for redemption will cease to accrue.

Any moneys held by the Trustee, and which remain unclaimed by the Holder of a Series 2015 Bond not presented for payment or any check or draft not cashed for a period of the earlier of two (2) years or one month less than the applicable escheat period after the due date thereof, shall be paid, upon written request to do so, to the City free of any trust or lien. Thereafter, the Holder of that Series 2015 Bond shall look only to the City for payment and then only to the amounts so received by the Authority without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys. In the absence of any such written request, the Trustee shall from time to time deliver such unclaimed funds to or as directed by pertinent escheat authority, as identified by the Trustee in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority.

Book-Entry-Only System

Unless otherwise noted, the description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2015 Bonds, payment of interest and other payments on the Series 2015 Bonds to DTC participants or beneficial owners of the Series 2015 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2015 Bonds and other bond-related transactions by and between DTC, the DTC participants and beneficial owners of the Series 2015 Bonds is based solely on information provided on DTC's website and presumed to be reliable. Accordingly, neither the Authority nor the Underwriters 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 Series 2015 Bonds (also referred to in this section as 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 Series 2015 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 Series 2015 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 Authority 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 Authority 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 Authority, 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 Authority 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 depository with respect to the Securities at any time by giving reasonable notice to the Authority 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 Authority 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 AUTHORITY, THE PAYING AGENT, NOR THE UNDERWRITERS 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 SERIES 2015 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.

The Authority can make no assurances that DTC, DTC Participants, Indirect Participants or other nominees of the Beneficial Owners of the Series 2015 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

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SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2015 BONDS

Under the Lease, the City is obligated to pay to the Authority or its assigns, during the Lease Term, the Lease Payments for the lease and ultimate transfer of the Project as provided therein. The obligation of the City to make the Lease Payments constitutes an absolute and unconditional obligation of the City subject to annual appropriation of funds for such purposes by the City of Hartford Court of Common Council (the "Common Council"). The Lease Payments are not subject to any setoff, counterclaim or recoupment for any reason whatsoever.

THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS PURSUANT TO THE LEASE IS SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE BY THE COMMON COUNCIL FOR SUCH PURPOSE. THE AUTHORITY'S OBLIGATION TO MAKE BOND PAYMENTS ON THE SERIES 2015 BONDS IS LIMITED TO THE AMOUNT OF LEASE PAYMENTS RECEIVED BY THE TRUSTEE FROM THE CITY PURSUANT TO THE ASSIGNMENT OF THE LEASE AND FROM CERTAIN OTHER LIMITED SOURCES AS SET FORTH IN THE TRUST AGREEMENT. THE SERIES 2015 BONDS DO NOT REPRESENT OR CONSTITUTE INDEBTEDNESS OF, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF, THE STATE OF CONNECTICUT, THE CITY OR THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

In the Lease, the City has represented that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Lease Payments can be paid, including requesting funds for such payment in the City's budget. The term of the Lease (the "Lease Term") will commence on the date of delivery of the Series 2015 Bonds, and will terminate as provided for in the Section entitled "THE LEASE" herein. Additionally, pursuant to the Act, when a municipality (such as the City) enters into a lease with an authority (such as the Authority) for the lease to or use by the municipality for any public facility or facilities, such lease shall be valid and binding on the municipality, and the municipality shall do all acts and things necessary, convenient or desirable to carry out and perform any such lease and to provide for the payment or discharge of any obligations thereunder in the same manner as other obligations of the municipality.

Pursuant to the Assignment, the Authority is to assign all of its right, title and interest in the Lease (including the right to receive the Base Rent from the City) to the Trustee for the benefit of the Holders of the Series 2015 Bonds, subject to the Ballpark Ground Lease and certain reserved rights thereunder.

In an event of default under the Lease, the security for the Series 2015 Bonds shall be limited to amounts in certain Funds established under the Trust Agreement and the Trustee's right to exercise all rights and remedies as to the Project.

The Trust Agreement authorizes the issuance of Additional Bonds (together with the Series 2015 Bonds, the "Bonds") on parity with the Series 2015 Bonds for completing, repairing, adding to or improving the Project or to refund the Bonds, subject to certain terms and conditions, including amendment of the Lease to reflect any such issuance.

THE PROJECT

The Project Facilities

The Project Facilities are being constructed on an approximately 9-acre parcel located at 1214 Main Street and 271 and 273 Windsor Street located in the Downtown North area of the City (the "Project Site"). The Project Facilities will consist of a new, first class, state-of-the-art, natural turf, open-air Double A Minor League baseball ballpark and related facilities to be constructed pursuant to the Construction Agreement, together with any additions, modifications and substitutions (the "Ballpark").

As part of the development of the Project Facilities, the Project Site will be leased to the Authority pursuant to the Ballpark Ground Lease for a period coterminous with the Lease. The Project Site and the Project Facilities

will be leased to the City pursuant to the Lease, and the City will sublease the Project Site and the Project Facilities to the Club pursuant to a Sublease Agreement between the City and the Club. See “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS – Environmental Conditions” herein. The City and the Club have also agreed to a Non-Relocation Agreement, for a period coterminous with the Sublease Agreement, as further described in Appendix F to this Official Statement.

Ballpark Dedicated Parking

Beginning on the commencement date of the Sublease, which is currently expected to occur on or about March 11, 2016 (the “Sublease Commencement Date”), the City shall make available for the use by the Club and not to/by the general public on a year round basis a certain number of paved parking spaces (the “Ballpark Dedicated Parking”). The Ballpark Dedicated Parking shall constitute either (a) not less than 130 striped, surface parking spaces located on Parcel G, in such location and quantity until commencement of development at Parcel G by the City or the Developer; or (b) 199 striped, garage parking spaces within an existing parking garage currently located on Parcel G and known as 150 Windsor Street, in such location and quantity until commencement of development at Parcel G by the City or the Developer. The City anticipates acquiring Parcel G, and in order to provide for the development of Parcel G, it will be leased from the City to the Developer, or its affiliate, pursuant to a ground lease, dated as of March 1, 2015 (the “Parcel G Ground Lease”).

Prior to the Sublease Commencement Date, the City or Developer will make all necessary improvements to the current parking garage, comprising the Ballpark Dedicated Parking, so as to comply with all applicable State and municipal building and safety codes and regulations and will, at the Sublease Commencement Date, deliver to the Club the Ballpark Dedicated Parking in a manner which meets the Ballpark Standard (as such term is defined in the Ballpark Development Agreement). The Club, at its sole cost and expense, may also create and utilize surface parking spaces on Parcel G, as additional parking for its exclusive use, until commencement of development of Parcel G by City or the Developer.

Upon commencement of development at Parcel G by the City or the Developer and throughout such development activity, the Ballpark Dedicated Parking shall be shifted and relocated to another location that is adjacent to the Ballpark, the exact location of which is yet to be determined as of the date of this Official Statement. At all times subsequent to the Sublease Commencement Date, the Ballpark Dedicated Parking spaces shall exist for the exclusive use at any time on a year round basis for by the Club (and, including without limitation, the Club’s guests, employees, patrons, concessionaires, merchandisers, vendors and staff, and members of the Team and shall not be used by or available to the general public – except at the Club’s further offering.

Construction of Project Facilities and Ballpark Dedicated Parking; Schedule and Cost

The City has selected DoNo Hartford LLC as the Developer of the Project (the “Developer”), and the City and the Developer have entered into a Development Services Agreement, dated as of February 4, 2015 (the “Development Services Agreement”), and the City has entered into a Ballpark Development Agreement, dated as of January 26, 2015, by and between the City and the Club (the “Ballpark Development Agreement,” and collectively with the Development Services Agreement, the “Construction Agreement”). The Project Facilities and the Ballpark Dedicated Parking shall be acquired, constructed, equipped and furnished pursuant to the Construction Agreement. The City has approved all of the terms and conditions of the Construction Agreement and assigned, or caused to be assigned, the Construction Agreement to the Authority, subject to the oversight and approval of the City. The Construction Agreement specifies, and governs all aspects of the preparation of the Project Site and the acquisition, installation, construction and improvement of the Project Facilities and the Ballpark Dedicated Parking, including the costs thereof and the obligations of the City with respect thereto. The Authority accepts the terms and conditions of the Construction Agreement, including the employment of Centerplan Construction Company LLC as the GMP Contractor (the “GMP Contractor”), and the costs thereof and the obligations of the City with respect thereto. The City agrees that the Authority may delegate the performance of any of its obligations under the Construction Agreement to the GMP Contractor. Substantial Completion of the Ballpark is expected by March 2016.

An initial disbursement to reimburse the Authority for Project costs incurred to date will be made upon the issuance of the Series 2015 Bonds. Thereafter, progress payments for construction will be made by the Trustee to

the Authority from the proceeds of the Series 2015 Bonds upon approval of the Authority in accordance with the disbursement procedures set forth in the Trust Agreement and the Construction Agreement.

In consideration for the payment by the Trustee from the proceeds of the Series 2015 Bonds of the costs of constructing the Project Facilities, the Authority will assign its right, title and interest in the Lease (including the right to receive the Base Rent from the City) to the Trustee for the benefit of the owners of the Series 2015 Bonds pursuant to the Assignment, subject to the Ballpark Ground Lease.

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SCHEDULE OF BASE RENT PAYMENTS

Under the Lease, the City is required to make semiannual deposits with the Trustee to secure performance of its obligations to pay Base Rent which is due on each February 1 and August 1 during the Lease Term (the “Lease Payment Dates”). Each payment of Base Rent is to be in an amount sufficient, together with other money on deposit with the Trustee in the Bond Fund to be credited as Base Rent, to pay the principal and interest due on the Series 2015 Bonds on each Principal Payment Date and Interest Payment Date, in accordance with the following schedule:

Fiscal Year End <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/2016	\$-	\$2,836,633.14	\$2,836,633.14
6/30/2017	1,230,000	3,030,231.25	4,260,231.25
6/30/2018	1,290,000	2,967,100.00	4,257,100.00
6/30/2019	1,355,000	2,900,893.75	4,255,893.75
6/30/2020	1,425,000	2,831,343.75	4,256,343.75
6/30/2021	1,500,000	2,758,200.00	4,258,200.00
6/30/2022	1,580,000	2,681,193.75	4,261,193.75
6/30/2023	1,660,000	2,600,075.00	4,260,075.00
6/30/2024	1,745,000	2,514,843.75	4,259,843.75
6/30/2025	1,810,000	2,447,650.00	4,257,650.00
6/30/2026	1,880,000	2,377,675.00	4,257,675.00
6/30/2027	1,975,000	2,281,068.75	4,256,068.75
6/30/2028	2,080,000	2,179,581.25	4,259,581.25
6/30/2029	2,190,000	2,072,693.75	4,262,693.75
6/30/2030	2,295,000	1,960,137.50	4,255,137.50
6/30/2031	2,420,000	1,842,181.25	4,262,181.25
6/30/2032	2,540,000	1,717,787.50	4,257,787.50
6/30/2033	2,670,000	1,587,225.00	4,257,225.00
6/30/2034	2,810,000	1,449,975.00	4,259,975.00
6/30/2035	2,955,000	1,305,518.75	4,260,518.75
6/30/2036	3,100,000	1,153,587.50	4,253,587.50
6/30/2037	3,265,000	994,200.00	4,259,200.00
6/30/2038	3,410,000	846,618.75	4,256,618.75
6/30/2039	3,565,000	692,343.75	4,257,343.75
6/30/2040	3,725,000	530,906.25	4,255,906.25
6/30/2041	3,900,000	362,037.50	4,262,037.50
6/30/2042	<u>4,075,000</u>	<u>185,068.75</u>	<u>4,260,068.75</u>
 Total:	 \$62,450,000	 \$51,106,770.64	 \$113,556,770.64

The actual amount of a particular semiannual payment of Base Rent required to be made by the City will be reduced by any amount then on deposit in the Bond Fund and credited by the Trustee as Base Rent. There will be credited as Base Rent for August 1, 2015, February 1, 2016 and August 1, 2016 proceeds of the Series 2015 Bonds deposited to the Bond Fund upon original issuance representing capitalized interest.

ESTIMATED SOURCES AND USES OF FUNDS

The application of the aggregate proceeds to be received from the sale of the Series 2015 Bonds (exclusive of accrued interest) is as follows:

Sources:	Series 2015A <u>Bonds</u>	Series 2015B <u>Bonds</u>	<u>Total</u>
Par Amount of Bonds	\$39,055,000.00	\$23,395,000.00	\$62,450,000.00
Net Original Issue Premium(Discount)	<u>1,730,341.10</u>	<u>(807,595.40)</u>	<u>922,745.70</u>
Total Sources	\$40,785,341.10	\$22,587,404.60	\$63,372,745.70
Uses:			
Project Costs	\$36,400,000.00	\$19,600,000.00	\$56,000,000.00
Debt Service Reserve Fund	1,284,825.00	846,890.63	2,131,715.63
Capitalized Interest ⁽¹⁾	2,545,865.97	1,805,882.81	4,351,748.78
Cost of Issuance ⁽²⁾	<u>554,650.13</u>	<u>334,631.16</u>	<u>889,281.29</u>
Total Uses	\$40,785,341.10	\$22,587,404.60	\$63,372,745.70

⁽¹⁾ Represents approximately eighteen (18) months of capitalized interest.

⁽²⁾ Includes Underwriters' discount, legal fees, trustee fees and miscellaneous costs.

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THE AUTHORITY

Pursuant to the General Statutes of Connecticut, Revision of 1958, Sections 7-130a to 7-130w, inclusive, as amended (the "Act"), the City has the power, to among other things, to create a public recreational facilities authority and to acquire, construct, maintain and operate playing fields, indoor recreation centers, auditoriums, exhibition halls, stadiums, and parking facilities and other facilities for the public convenience in connection with the foregoing, including all buildings, structures and other facilities for the public convenience, including but not limited to restaurants and other concessions, and appurtenances thereto which the authority may deem necessary and desirable, together with all property, real and personal, rights, easements and interests which may be acquired by the authority or any person contracting with the authority, for the construction, improvement and operation of any of the foregoing.

Pursuant to the Act, a public recreational facilities authority has the power, among other things, (a) to have existence for such term of years as is specified by the City; (b) to contract and be contracted with; to sue and be sued; to make and, from time to time, amend and repeal bylaws, rules and regulations not inconsistent with general law to carry out its purposes; and to adopt a corporate seal and alter the same at its pleasure; (c) to acquire, purchase, lease as lessee, construct, reconstruct, improve, extend, operate and maintain projects within or without the City; and to acquire by gift or purchase lands or rights-in-land in connection therewith and to sell, lease as lessor, transfer or dispose of any property or interest therein acquired by it, at any time; (d) to lease all or any part of any project upon any such terms or conditions and for such term of years as it may deem advisable where, in the opinion of the authority, such leasing is for commercial uses related to the public uses of the project or unrelated to the public uses of the project but necessary and feasible for the financing or operation of the project; (e) to regulate the uses of all lands and facilities under control of the authority, subject to land use regulations of the municipality in which such lands or facilities are located; (f) to fix and revise from time to time and to charge and collect fees, rents and other charges for the use of any project or facilities thereof, and to establish and revise from time to time regulations in respect of the use, operation and occupancy of any such project or facilities thereof; (g) to enter into contracts with the City, the State or any political subdivision, agency or instrumentality thereof, any federal agency or any private corporation, co-partnership, association or individual, providing for or relating to any project; (h) to accept grants and gifts from the City, the State or any political subdivision, agency or instrumentality thereof, any federal agency and from any private corporation, co-partnership, association or individual; (i) to issue bonds and refunding bonds of the authority, such bonds to be payable solely from funds of the authority; (j) to make and enter into all contracts and agreements necessary or incidental to the performance and execution of its duties and the execution of its powers under the Act, including a trust agreement or trust agreements securing any bonds or refunding bonds issued thereunder; and (k) to do all acts and things necessary or convenient to carry out the powers granted by the Act.

Pursuant to the Act and an Ordinance of the Common Council entitled "An Ordinance Establishing A Public Recreational Authority For The City Of Hartford And Authorizing The Transfer Of Real Property To Said Authority", adopted by the Common Council on January 26, 2015 (as amended, the "Hartford Stadium Authority Ordinance"), the City created the Authority and referred the transfer of the Project Site to the Authority for the purposes of planning, designing and constructing the Ballpark. The Common Council approved such transfer of the Project Site and Ballpark Dedicated Parking to the Authority on February 14, 2015.

The Authority is governed by a commission, which consists of five members appointed by the Common Council. The members serve without compensation. The current members of the Authority are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Ending</u>
City Treasurer, Adam M. Cloud	Secretary	December 31, 2015
R. Nelson Griebel	Commissioner	December 31, 2016
Chief Operating Officer of the City, Darrell V. Hill	Treasurer	December 31, 2015
I. Charles Mathews	Chairman	December 31, 2016
Yolanda Rivera	Vice Chairman	December 31, 2015

The Mayor and the President of the Common Council serve as nonvoting, ex officio members of the Authority. The Director of Development Services of the City serves as Executive Director of the Authority. The Authority does not presently have any other staff members. The Authority will develop the Ballpark, using third party managers and contractors. Operational, administrative and legal services for the Authority will be handled by various departments of the City, including the Department of Public Works, the Finance Department, the Development Services Department and the Office of Corporation Counsel.

Pursuant to the Hartford Stadium Authority Ordinance, the Authority shall continue to exist until abolished by subsequent ordinance of the Common Council, which shall not be earlier than the repayment of all obligations of the Authority, including, without limitation, the retirement of all outstanding indebtedness of the Authority, or the assumption of such obligations by the City.

The Authority has no financial liability for the Lease Payments, and Holders of the Series 2015 Bonds will have no right to look to the Authority for payment of the Series 2015 Bonds.

MEMBERS OF THE HARTFORD STADIUM AUTHORITY

Adam M. Cloud became the first African-American male to serve as Treasurer of the City of Hartford on February 2, 2011 when he was appointed by the Common Council to serve the remainder of the term of the retiring City Treasurer, Kathleen Palm Devine. Mr. Cloud was first elected to serve a full four year term as the Treasurer of the City of Hartford in November 2011. Prior to being the City Treasurer, Mr. Cloud served as a managing director at Loop Capital Markets and as a Director at Advest Inc. with a focus on Public Finance Investment Banking. Mr. Cloud is a lifelong resident of the City of Hartford. Growing up in the Blue Hills and West End neighborhoods of Hartford. Mr. Cloud was awarded his undergraduate and law degrees from Howard University, Washington, D.C.

Mr. Cloud has served as the Chairman of the Hartford Redevelopment Agency, Vice Chairman of the Hartford Economic Development Commission and Treasurer of the Democratic Town Committee. In 2005, he was appointed to serve as a Commissioner, representing the City of Hartford, on the Metropolitan District Commission.

R. Nelson Griebel has served since April 2001 as president and chief executive officer of the MetroHartford Alliance, the region's economic development leader and the City of Hartford's Chamber of Commerce. From February 1999 through June 2000, Mr. Griebel served as a director and president and chief operating officer of MacDermid, Inc., an international specialty chemicals company then headquartered in Waterbury, Conn., and traded on the New York Stock Exchange. Prior to 1999, Mr. Griebel worked for over 22 years with the then BankBoston Corporation in various finance, legal, marketing, and operations positions, concluding his service as president of the bank's businesses in Connecticut and Western Massachusetts from 1993 through 1999. Mr. Griebel also served as a director of Tallan, a Glastonbury based e-commerce company that was acquired by CMGI in 2000, and is currently a member of the Board of Directors of World Business Capital, which provides financing to small businesses in international markets.

Mr. Griebel's public sector involvement includes service from 2001 to 2006 as chairman of the Connecticut Transportation Strategy Board, which developed a multi-modal, comprehensive, 10-year strategy for funding and

implementing a modern transportation system for the state. Mr. Griebel also served as a member of the Board of Directors of Bradley International Airport and has been involved in numerous organizations that focus on the economic vitality of Connecticut. In 2010, he ran for the Republican Party nomination for governor of Connecticut.

Mr. Griebel received an AB from Dartmouth College (1971) and a JD from Suffolk University School of Law (1977). Prior to joining BankBoston in 1976, he had coaching and teaching assignments at the high school and collegiate levels.

Darrell V. Hill, was appointed by Mayor Segarra to serve as the Chief Operating Officer of the City of Hartford in the spring of 2014. Prior to coming to the City of Hartford, Mr. Hill served as Assistant City Manager for the City of Norfolk, Virginia where he was directly responsible for the executive management of several departments including, Development; General Services; Recreation, Parks & Open Space; Human Services; the Community Services Board (Mental Health and Substance Abuse) and the Office to End Homelessness. Mr. Hill joined the City of Norfolk in 2009 when he served as Director of Finance & Business Services managing the city's \$1.2 billion financial operation. He has significant private sector experience and a background in finance. Mr. Hill began his career in public service in 2006 as the Executive Director of the Virginia Resources Authority, the state's pooled credit agency for local governments, overseeing a debt portfolio of over \$1 billion as an appointee of then Governor, now U.S. Senator Mark Warner.

In addition to a long-standing commitment to community service, Hill is a member of the Governmental Finance Officers Association (GFOA), the National Forum for Black Public Administrators (NFBPA) and a graduate of Hampton University.

I. Charles Mathews grew up in Boston, Massachusetts and is a former member of the United States Marine Corp. He received his GED from the State of North Carolina, an Associate in Arts degree with honors from Greater Hartford Community College, a Bachelor of Arts degree with honors from Wesleyan University, and a Doctor of Law degree from Cornell University School of Law.

After graduating from law school, Mr. Mathews spent time as Special Counsel to the United States House of Representatives Congressional Committee investigating the assassinations of Dr. Martin Luther King, Jr. and President John F. Kennedy. He has also served as a senior executive at a number of Fortune 100 corporations and worked and serviced in City and State political systems, including serving as deputy mayor of the City of Hartford.

Mr. Mathews is currently President of the Wilson Gray YMCA Youth and Family Center Board of Directors and a member of the Greater Hartford YMCA Board of Directors.

Yolanda Rivera is the Director for the North Central Connecticut Jobs Funnel, which has three locations in Connecticut - Hartford, New Britain and Bristol. The Jobs Funnel, originally launched as the Hartford Construction Jobs Initiative in 1999 in collaboration with Capital Workforce Partners, was originally intended to work on the welfare, economic development and local hiring of residents in construction projects in Hartford such as Adriaen's Landing, the Connecticut Science Center and Convention Center. The Funnel's impact has broadened geographically, and has built and implemented numerous training tracks, i.e. cement masonry, general construction, weatherization, welding, and more for residents residing in North Central Connecticut.

Prior to her role leading the Capital Workforce Partners' Jobs Funnels, Ms. Rivera was Project Coordinator for PROGRESS and Lead Community Organizer for Hartford Areas Rally Together (HART), where she was responsible for economic development and local hiring campaigns.

Ms. Rivera was recognized in 2008, by the Connecticut Women’s Education and Legal Fund (CWEALF) in their annual induction ceremony for her commitment to investing in human capital, for her serving as a role model for women in nontraditional occupations and for helping individuals break through barriers to successful and sustaining construction and construction related careers.

Born in Puerto Rico, and as a resident of Hartford since 1972, Ms. Rivera graduated from Hartford schools.

THE CITY

A description of the City and its finances is included in Appendix A hereto. The City’s audited general purpose financial statements as of June 30, 2014 and for the year then ended are included in Appendix B hereto.

THE LEASE

The following summarizes certain provisions of the Lease, to which reference is made for its detailed provisions. Certain provisions of the Lease are also described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2015 BONDS”. The parties identified who will perform the obligations and have the rights of “Lessor” under the Lease are the parties to whom these obligations and rights are assigned under the Assignment.

General

The Lease will be entered into by the Authority as Lessor and the City as Lessee. The Lease contains the terms and conditions under which the Project Facilities and the Ballpark Dedicated Parking is leased to the City, and is subject to the Ballpark Ground Lease.

Simultaneously with the execution of the Lease, the Authority assigned its right, title and interest in the Lease, including, but not limited to the right to receive Lease Payments and exercise such rights and remedies of Lessor as may be necessary to enforce payment of the Base Rent and Additional Rent when due or to otherwise protect the interests of the Holders of the Series 2015 Bonds, to the Trustee for the benefit of the Holders of the Series 2015 Bonds pursuant to the Assignment, subject to the Ballpark Ground Lease and certain reserved rights.

Upon receipt of notice of the exercise of the City’s purchase option, the Authority will provide, or cause to be provided, an executed bill of sale, assignment of lease and any other documents necessary to convey to the City the Authority’s title to the Project Facilities and leasehold interest in the Project Site. Upon the City’s exercise of the purchase option granted under the Lease, the Project will become the property of the City and all of Lessor’s right, title and interest in the Project will pass to the City. See “Option to Purchase”.

Lease Term

The Lease will commence on the date of delivery of the Series 2015 Bonds, and will terminate on the later of:

- (a) the date the Series 2015 Bonds have been defeased in accordance with the Trust Agreement;
- (b) September 30, 2057, unless earlier terminated as provided therein;
- (c) an event of default under the Lease and termination of the Lease as hereinafter described (see “Remedies” herein); or
- (d) exercise by the City of its option to purchase the Project (see “Options to Purchase” herein).

Rent

The City agrees to pay to the Lessor the Base Rent and Additional Rent (collectively, the “Lease Payments”). Subject to annual appropriation by the Common Council, the Lease Payments during the Lease Term will be absolute and unconditional in all events and will not be subject to completion or occupancy of the Project

Facilities or the Ballpark Dedicated Parking under the Construction Agreement or to any setoff, defense, counterclaim or recoupment for any reason whatsoever. To secure the performance of its obligation to pay Base Rent of the Lease Payments when due, the City will irrevocably deposit with the Trustee for the benefit of the Lessor not less than ten (10) days prior to the next succeeding Lease Payment Date, an amount equal to the interest due on the Series 2015 Bonds on the next succeeding Interest Payment Date and an amount equal to the principal or Sinking Fund Installment due on the Series 2015 Bonds on next succeeding Principal Payment Date when such amounts are payable to the Holders, in each case for application by the Trustee in accordance with the terms of the Trust Agreement.

The City also agrees to pay to the Lessor, if and whenever applicable, as Additional Rent, (i) upon demand by the Lessor, any costs or expenses which the City is obligated to pay under the Lease and to allow direct payment of same by the Lessor in the event Lessor shall elect to make such payment in order to protect or preserve its interest under the Lease, and (ii) all reasonable costs and expenses payable to, or incurred or paid by the Lessor or the Trustee under the Lease or the Trust Agreement.

Payments of Base Rent, together with certain proceeds of the Series 2015 Bonds, are designed to be sufficient, in both time and amount, to pay when due the Bond Payments.

The City may, in its sole discretion, at any time elect to prepay in whole or in part the Base Rent, plus any premium required, and such amounts so prepaid will be credited to the City's obligation under the Lease.

Non-Appropriation; Nonsubstitution

The City covenants to use its best efforts (i) to take all reasonable measures within its power necessary to cause amounts to be appropriated in each City budget for Lease Payments, (ii) to take all lawful steps within its power to obtain funding in future fiscal years and (iii) to otherwise pursue funds for Lease Payments from all other legally available sources. The City covenants to comply with the Connecticut General Statutes at all times and to budget, seek appropriation for and make Lease Payments when due.

Subject to the provisions of the Lease, the City has the right to terminate the Lease following 30 days prior written notice to the Lessor, the Trustee and any Credit Facility Provider, in the event funds are not appropriated for the Lease Payments required under the Lease and, upon the exercise of such right, the City will not be obligated to make further Lease Payments under the Lease.

In the event the City terminates the Lease as a result of non-appropriation of funds for Lease Payments, the City will relinquish to the Lessor or the Trustee, as Lessor's assignee, at the City's sole cost and expense, all of the City's right, title and interest in and to the Project.

In the event the City terminates the Lease as a result of non-appropriation of funds for Lease Payments, the City has covenanted that, for a period of at least one (1) year after the date of such termination, it will refrain from purchasing, leasing, using or renting any other space to the Club.

Use, Maintenance and Alterations

It is the intent of the parties that the Lease be in effect "triple net" so as to provide for the assumption of all obligations with respect to the Project by the City and rental payments to Authority that are net of all expenses and payments necessary for and incidental to the use and operation of the Project, except for matters expressly assumed or to be performed by the Authority under the Construction Agreement prior to Substantial Completion of the Project. In keeping with such intent, the Authority and the City agree that so long as the Lease remains in full force and effect, the City shall pay and perform all duties and obligations of Authority as the "tenant" under the Ballpark Ground Lease that arise or accrue during the term of the Lease. Without limiting the generality of the foregoing, the City, at its expense and during the Lease Term, will:

(1) keep or cause to be kept the Project in good order and condition (ordinary wear and tear excepted), and make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen;

(2) comply with all laws, insurance policies and regulations relating to, and obtain and maintain any governmental licenses and permits required for, the use, maintenance, repair and operation of the Project;

(3) pay all costs, expenses, claims, damages, fees, taxes and charges with respect to the Project, including, without limitation, (i) any and all applicable taxes and assessments of any nature whatsoever, including, but not limited to, excise taxes, transfer taxes, recording charges, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Project or upon any interest of the Landlord, the Trustee or the owners of the Series 2015 Bonds in the Lease, (ii) insurance premiums, if any, on all insurance required under the terms of the Lease, (iii) all fees and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Series 2015 Bonds) of the Trustee in connection with the Trust Agreement, the Lease or the Assignment; and (iv) any other fees, costs or expenses incurred by the City, the Authority, any Credit Facility Provider or the Trustee in connection with the execution, performance or enforcement of the Lease, or any assignment thereof, or the Trust Agreement or any of the transactions contemplated hereby or thereby or otherwise related thereto or to the Project (not otherwise paid out of the proceeds of the sale of the Series 2015 Bonds), including any amounts as are necessary to be deposited in the Rebate Fund pursuant to the Trust Agreement and Tax Regulatory Agreement in order to make the amount therein sufficient to pay Rebate Amounts then due pursuant to Tax Regulatory Agreement; and

(4) promptly comply with all rights-of-way or use, privileges, franchises, servitudes, licenses, easements, tenements, hereditaments and appurtenances forming a part of the Project and all instruments creating or evidencing the same which are either (i) in existence as of the execution of the Lease and set forth therein, or (ii) which are expressly joined in or consented to in writing by Tenant thereafter.

(a) Under no circumstances or conditions shall the City or Trustee be expected or required to make any payment of any kind whatsoever hereunder or to be under any other obligation or liability hereunder.

(b) The obligations of the City under the Lease shall not be construed to diminish or impair any rights the City may have against the Authority with respect to the obligations of Authority under the Lease or the Construction Agreement.

(c) The City will not do, or permit to be done, any act or thing which might materially impair the value of the Project, will not commit or permit any material waste of the Project and will not permit any unlawful or unauthorized occupation, business or trade to be conducted on the Project.

(d) Authority agrees that, during the Lease Term and for a period of thirty (30) days after any termination of the Lease resulting from a failure by City to make Lease Payments when due, City may continue to peaceably and rightly have, hold, occupy and enjoy the Project without hindrance or molestation, and Authority will not impair City's abilities to operate the Project so that the Project can be used to carry out its intended functions.

(e) City, upon notice from the Trustee that the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, shall pay such deficiency to the Trustee for deposit in the Debt Service Reserve Fund as soon as possible, but in no event later than the second succeeding Interest Payment Date following the Interest Payment Date for which the Debt Service Reserve Fund was valued or upon which the withdrawal creating such deficiency was made.

Under the Lease, except for matters expressly assumed or to be performed by the Authority under the Lease, the City, at its expense, shall promptly comply or cause compliance with all legal requirements and insurance requirements, and shall procure, maintain and comply with all permits, licenses and other authorizations required for

any use being made of the Project or any part thereof then being made or anticipated to be made and for the proper operation and maintenance of the Project or any part thereof, and will comply with any instruments of record at the time in force burdening the Project or any part thereof.

Each party thereto may, at its expense and after prior notice to the other party thereto, by any appropriate proceedings diligently prosecuted, contest in good faith any legal requirement and postpone compliance therewith pending the resolution or settlement of such contest, provided that such postponement does not, in the opinion of independent counsel, materially affect the interest created by the Lease as to any part of the Project or subject the Project or any part of the Project to imminent loss or forfeiture.

The Lessor has no responsibility for making repairs or improvements to the Project.

The City, in its discretion and at its expense may make such additions, modifications and improvements to the Project Facilities as it may deem to be advisable, provided that no such additions, modifications or improvements shall adversely affect the structural integrity or strength of, or materially interfere with the use and operation of, the Project. All additions, modifications and improvements so made to the Project Facilities by City shall become and be deemed to constitute a part of the Project.

Eminent Domain

Any proceeds net of all expenses including attorneys' fees received from any eminent domain award and not used to acquire replacement property constituting part of the Project Facilities shall, if received prior to the end of the Lease Term, be paid to and held by the Trustee in accordance with the Trust Agreement. Lessor shall have no obligation to repair or restore the Project following condemnation thereof.

Damage or Destruction

Prior to Substantial Completion of the Project Facilities, if any building, fixture or other improvement now or hereafter situated on the Project Site, except movable fixtures, furniture or furnishings, should be damaged or destroyed by fire or otherwise, Authority shall cause the same to be restored and rebuilt pursuant to the terms of the Construction Agreement.

After Substantial Completion of the Project Facilities, the City assumes all risk of loss of or damage to the Project Facilities from any cause whatsoever. No loss of use, or damage to, or defect in, or unfitness or obsolescence of the Project Facilities will relieve City of the obligation to make Lease Payments during the Lease Term or to perform any other obligation under the Lease.

Property Insurance

The City is required by the Lease to maintain appropriate property insurance in the amount of 80% of the replacement cost of the Project Facilities but not less than the then outstanding principal amount of the Series 2015 Bonds. Insurance may be provided under a blanket form of insurance policy insuring other City buildings with any loss deductible used by the City in connection with such blanket policy of insurance.

Option to Purchase

Upon 60 days written notice from the City to the Lessor, and if there is not then existing an event of default or an event which with notice or a lapse of time, or both, could become an event of default, the City may purchase the Project on any Lease Payment Date by paying to the Lessor or to its assignee the amount necessary to defease the Lease in accordance with its terms. See "Lease Defeasance".

Upon fulfillment of these purchase conditions, the Project will become the property of, and all right, title and interest in the Project will pass to, the City.

Assignment

The City may not assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of the Lease or the Project, or any interest in the Lease or the Project, except the City may sublet the Project and the Ballpark Dedicated Parking to the Club to allow for the use of the Project and the Ballpark Dedicated Parking in accordance with the Sublease Agreement, dated January 26, 2015 by and between the City and the Club (the "Sublease Agreement"). See "Appendix F – Summary of Certain Provisions of the Ballpark Agreements."

Upon receipt of a Tax Opinion, the Authority may assign without recourse its rights, title and interests and responsibilities and obligations in and to the Lease, the Project and any documents executed with respect to the Lease, except its obligations and responsibilities concerning the acquisition, installation, construction and improvement of the Project Facilities, and/or grant or assign a security interest in the Lease and its rights to the Project, in whole or in part.

The Authority will assign all of its right, title and interest in the Lease (including the right to receive Base Rent from the City) to the Trustee for the benefit of the Holders of the Series 2015 Bonds pursuant to the Assignment, subject to the Ballpark Ground Lease. The City will consent to the Assignment for the purpose of issuing the Series 2015 Bonds to provide financing for the Project.

Taxes

The City agrees to pay any taxes or payments in lieu of taxes if applicable, assessments and other governmental charges that may be imposed with respect to the Project. All charges for utilities (including gas, electric, water and telephone) furnished to the Project prior to the date of Substantial Completion shall be paid as provided in the Construction Agreement and after the date of Substantial Completion shall be the responsibility of the City. Lessor shall have no other responsibility for any taxes, assessments and other governmental charges.

Events of Default

The following constitute "Events of Default" under the Lease:

- (a) The City fails to make any Lease Payment when due in accordance with the terms of the Lease; or
- (b) The City fails to make any other payment as it becomes due under the Lease and to cure it within five (5) Business Days of receipt of the Lessor's notice of failure to make payment; or
- (c) The City fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and the failure is not cured within 30 days after written notice thereof from the Lessor, provided that if the City proceeds to take curative action that, if begun and prosecuted with due diligence, cannot be reasonably completed within the 30 day period, that period shall be extended to any extent necessary to enable the City to complete the curative action diligently; or
- (d) The discovery by the Lessor that any material statement, representation or warranty made by the City in the Lease or in any writing delivered by the City pursuant to or in connection with the Lease is false, misleading or erroneous in any material respect; or
- (e) The interest of the Trustee in the Lease or Project shall become void or unenforceable.

Notwithstanding the foregoing, if, by reason of Force Majeure (as defined in the Lease), the City or the Lessor is unable to perform or observe any agreement, term, or condition of the Lease (other than any obligation to make Lease Payments) the City or the Lessor shall not be deemed in default during the continuance of such inability. The City will promptly notify the Trustee of any event of Force Majeure and will use its best efforts to remove the effects thereof.

Remedies

Upon the occurrence of an Event of Default under the Lease, and so long as the Event of Default is continuing, the Lessor may, at its option and with the consent and at the direction of any Credit Facility Provider, exercise one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of the Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable and the City shall be entitled to 30 days to vacate the Project premises and conduct its affairs during such time without interference by the Authority in accordance with the Lease:

(a) By written notice to the City, request the City to promptly return possession of the Project to the Lessor, or, at the Lessor's option, the Lessor may enter upon the Project and take immediate possession thereof;

(b) By written notice to City, terminate the Lease, in which event the Lease Term and the estate hereby granted shall expire and terminate on such date as fully and completely and with the same effect as if such date were the date herein fixed for the expiration of the Lease Term, and all rights of City under the Lease shall expire and terminate;

(c) Authority shall have the immediate right, whether or not the Lease Term shall have been terminated pursuant to the Lease, to reenter and repossess the Project and the right to remove all persons and property therefrom by summary proceedings, ejectment or any other legal action or in any lawful manner Authority determines to be necessary or desirable. Authority shall be under no liability by reason of any such reentry, repossession or removal. No such reentry, repossession or removal shall be construed as an election by Authority to terminate the Lease Term unless a notice of such termination is given to Lessee pursuant to Lease, or unless such termination is decreed by a court;

(d) With or without terminating the Lease, relet the Project for the account of City, holding City liable for all applicable Lease Payments and other payments due during the then current Lease Term to the effective date of such reletting and for the difference between the rental and other amounts paid pursuant to such reletting and the amounts payable during the then remaining Lease Term by City under the Lease; or

(e) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, to enforce the terms of the Lease, or to recover damages for the breach of the Lease or to rescind the Lease as to the Project.

If a court of competent jurisdiction finally adjudicates that the City is in default under the Lease, the City will remain liable for all covenants and obligations under the Lease, and for all legal fees and other costs and expenses, to the extent permitted by law, incurred by the Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to the Lessor. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2015 BONDS" and "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS" herein.

Amendments

The Lease may not be amended without the written consent of the City and the Trustee, and prior to Substantial Completion, the Authority. For a discussion of the Trust Agreement provisions related to amendments of the Lease, see "TRUST AGREEMENT - Amendments of Lease".

Lease Defeasance

The Base Rent for the Lease Term will be deemed to be paid when: (a) there are irrevocably deposited with or made available to the Trustee in trust and irrevocably set aside exclusively for payment of the Bond Payments when due, whether by redemption or at maturity, (i) moneys sufficient to pay those Bond Payments, or (ii) Defeasance Obligations which mature in such amounts and at such times as will ensure the availability, without being subject to the risk of reinvestment, of sufficient money to pay those Bond Payments when due; and (b) all

reasonable, necessary and proper fees, compensation and expenses of the Trustee pertaining to the Lease and the Trust Agreement and the Trustee's duties in connection therewith have been paid or the payment thereof is provided for to the Trustee's satisfaction.

When all applicable Base Rent is deemed paid and the Trustee has received a Tax Opinion, the Trustee will be entitled to payment of amounts representing Base Rent solely from such money or Defeasance Obligations and the right, title and interest of the Lessor under the Lease will cease, terminate and become void provided that Lessor shall then convey any remaining interest in the Project to the City or its designee pursuant to the Lease.

THE TRUST AGREEMENT

The following summarizes certain provisions of the Trust Agreement, to which reference is made for the detailed provisions thereof. The City is not a party to the Trust Agreement but is a third party beneficiary thereof. Certain of the provisions of the Trust Agreement are also described under "THE SERIES 2015 BONDS".

Security

Pursuant to the Trust Agreement, the Authority pledges and assigns to the Trustee as security for payment of the Series 2015 Bonds: (a) all right, title and interest of the Authority in and to the Revenues, including, without limitation, all Lease Payments; (b) all amounts on hand in the Project Fund, the Costs of Issuance Fund, the Bond Fund and the Debt Service Reserve Fund (but not the Rebate Fund); and (c) all of the Authority's right, title and interest in the Lease pursuant to the Assignment, subject to the Ballpark Ground Lease.

Upon any event of default under the Trust Agreement (which is not necessarily an event of default under the Lease), the Trustee may enforce any and all rights under the Trust Agreement for or on behalf of the Holders of the Series 2015 Bonds (see "Remedies").

Trust Funds

The Trust Agreement establishes special trust funds with the Trustee, for the benefit of the Holders, consisting of the Project Fund, the Costs of Issuance Fund, the Bond Fund and the Debt Service Reserve Fund. There is also a Rebate Fund established which is not subject to the lien of the Trust Agreement but is held for the benefit of the United States Treasury.

Costs of Issuance Fund

Proceeds received by the Trustee from the sale of the Series 2015 Bonds for costs relating to the original execution and delivery of the Series 2015 Bonds are to be deposited in such fund. All Costs of Issuance relating to the original execution and delivery of the Series 2015 Bonds shall be paid from the Costs of Issuance Fund upon submission to the Trustee of a Costs of Issuance Fund Requisition approved by an Authorized Authority Officer specifying the name, address, amount and payment instructions for each payee listed in the Costs of Issuance Fund Requisition. Any amounts remaining on deposit on February 1, 2016 for which no statement has been submitted therefor shall then be transferred to the Project Fund and used in accordance therewith.

Project Fund

Proceeds received by the Trustee from the sale of the Series 2015 Bonds to the Underwriters, net of amounts deposited to the Costs of Issuance Fund, the Bond Fund and the Debt Service Reserve Fund will be deposited in the Project Fund.

Moneys in the Project Fund will be disbursed by the Trustee in accordance with the provisions of the Trust Agreement to pay the Project Costs.

All disbursements from the Project Fund will be preceded by the Trustee's receipt of a requisition in a specified form. The Trustee must honor all requisitions delivered to it in accordance with the disbursement procedures of the Trust Agreement.

Bond Fund

Base Rent and amounts from the proceeds of the sale of the Series 2015 Bonds credited as Base Rent, will be deposited in the Bond Fund. In addition, any moneys derived from the reletting of the Project and any proceeds from insurance or condemnation awards and any other amounts paid to the Trustee as assignee under the Lease, will be immediately deposited by the Trustee in the Bond Fund.

Within the Bond Fund there will be a "Series 2015A Bond Account" and a "Series 2015B Bond Account." Amounts representing approximately eighteen (18) months of capitalized interest on the Series 2015A Bonds will be deposited in the Series 2015A Bond Account of the Bond Fund from the proceeds of the sale of the Series 2015A Bonds. Amounts representing approximately eighteen (18) months of capitalized interest on the Series 2015B Bonds will be deposited in the Series 2015B Bond Account of the Bond Fund.

On each Lease Payment Date, the Trustee is to withdraw from the Bond Fund an amount equal to the Bond Payments then due and payable on the Series 2015 Bonds, and apply that amount to those payments.

Debt Service Reserve Fund

Within the Debt Service Fund, there will be created a "Series 2015A Debt Service Reserve Account" and a "Series 2015B Debt Service Reserve Account." A portion of the proceeds of the Series 2015A Bonds representing the Debt Service Reserve Fund Requirement for the Series 2015A Bonds shall be deposited in the Series 2015A Debt Service Reserve Account of the Debt Service Reserve Fund established under the Trust Agreement. A portion of the proceeds of the Series 2015B Bonds representing the Debt Service Reserve Fund Requirement for the Series 2015B Bonds shall be deposited in the Series 2015B Debt Service Reserve Account of the Debt Service Reserve. The amount on deposit in the Debt Service Reserve Fund shall be maintained at the Debt Service Reserve Fund Requirement for the Bonds, including the Series 2015 Bonds, subject to withdrawal and restoration as provided for in the Trust Agreement.

In the event the amount on deposit in the Bond Fund is insufficient to pay a Bond Payment on a series of Series 2015 Bonds when due, amounts on deposit in the Debt Service Reserve Fund and amounts available under any Surety Bond on deposit in the Debt Service Reserve Fund for such series of Series 2015 Bonds shall be applied to pay such Bond Payment on such series of Series 2015 Bonds when due.

Any deficiency in the Debt Service Reserve Fund Requirement for Series 2015 Bonds shall be restored from Additional Rent paid pursuant to the Lease as soon as practicable but in no event later than the second succeeding Interest Payment Date following the Interest Payment Date for which the Debt Service Reserve Fund was valued or upon which the withdrawal creating such deficiency was made. If the amount on deposit in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, the Authority may withdraw the excess and deposit the moneys so withdrawn into the Bond Fund for the next succeeding Bond Payment to be paid on a ratable basis based on the amount of the Bond Payments to be paid.

Investment of Moneys

Moneys held by the Trustee in the Project Fund, the Bond Fund, the Debt Service Reserve Fund, the Costs of Issuance Fund and the Rebate Fund shall be invested in Eligible Investments.

The Trustee is to invest moneys in Eligible Investments as directed by the Authority, both having due regard for the date on which moneys will be required for the uses and purposes specified in the Trust Agreement, including Bond Payments and payments of Project Costs from the Project Fund.

Investment earnings in the Funds shall be credited as follows: investment income in the Project Fund will be retained in the Project Fund until all Project Costs are paid. Investment income from the investment of the Costs of Issuance Fund shall be retained in the Costs of Issuance Fund and will be retained for the purposes thereof. Investment income in the Bond Fund will be retained in the Bond Fund and credited against the amount of the Base Rent to be paid by the City prior to each Interest Payment Date. Investment income in the Debt Service Reserve

Fund shall be transferred, as earned, to the Bond Fund and credited against the amount of the Base Rent to be paid by the City prior to each Interest Payment Date; provided however, that if the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, such investment income shall be retained therein.

Events of Default; Remedies

The occurrence of any of the following events constitutes an event of default under the Trust Agreement:

- (a) payment of any interest on any Series 2015 Bond is not made when and as that interest becomes due and payable; or
- (b) payment of the principal or Sinking Fund Installments of or any premium on any Series 2015 Bond is not made when and as that principal, Sinking Fund Installment or premium becomes due and payable, whether at stated maturity, by redemption or otherwise; or
- (c) the occurrence and continuance of an event of default under the Lease.

Upon the occurrence and continuance of an event of default under the Trust Agreement, the Trustee, with the consent of the Credit Facility Provider, if any, may pursue any available remedy to enforce the payment of Series 2015 Bond Payments or the observance and performance of any other covenant, agreement or obligation under the Trust Agreement, the Lease or any other instrument providing security, directly or indirectly, for the Series 2015 Bonds; provided, however, that there shall be no right under any circumstances to accelerate the maturities of the Series 2015 Bonds or to otherwise declare any Lease Payment not then past due or in default to be immediately due and payable.

If, upon the occurrence and continuance of an event of default under the Trust Agreement, the Trustee is requested so to do by the Credit Facility Provider, if any, or the Holders of at least a majority of the aggregate principal amount of Series 2015 Bonds outstanding with the consent of the Credit Facility Provider, if any, the Trustee may exercise any rights and powers conferred by the Trust Agreement.

The Credit Facility Provider, if any, while not in payment default under the Credit Facility, or the Holders of at least a majority in aggregate principal amount of Series 2015 Bonds then outstanding if the Credit Facility Provider is in payment default under a Credit Facility, shall have the right, subject to the provisions of the Trust Agreement, at any time to direct, by an instrument or document or instruments or documents in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Agreement or any other proceedings hereunder; provided, that (i) any direction shall not be other than in accordance with the provisions of law and of the Trust Agreement, and (ii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

All moneys received under the Trust Agreement by the Trustee upon or after the occurrence of an event of default under the Trust Agreement will be applied first to the payment of the costs and expenses of the proceedings resulting in the collection of those moneys and of the related expenses, liabilities and advances incurred or made by the Trustee. The balance of those moneys will be deposited in the Bond Fund and applied to pay the principal of and interest on the Series 2015 Bonds in the manner and in the order of priority set forth in the Trust Agreement.

The Trustee, with the written consent of the Credit Facility Provider, if any, may waive any event of default under the Trust Agreement and its consequences, and shall do so upon the written request of the Holders of at least a majority in aggregate principal amount of all the Series 2015 Bonds then outstanding with the written consent of the Credit Facility Provider, if any. No event of default in the payment of principal or interest is to be waived unless, prior to that waiver, all arrears of interest, or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with that default, have been paid or provided for. In case of any waiver, or in case any proceeding taken by the Trustee on account of any default is discontinued or abandoned or determined adversely to the Trustee, then the Trustee, the Credit Facility Provider, if any, and the Holders will be restored to

their former respective positions and rights under the Trust Agreement. No waiver will extend to any subsequent or other default, or impair any right consequent thereon.

Rights of Bond Owners

The Credit Facility Provider, if any, while not in payment default under the Credit Facility, or the Holders of at least a majority in aggregate principal amount of the Series 2015 Bonds then outstanding if the Credit Facility Provider is in payment default under the Credit Facility, will have the right at any time to direct, by an instrument or instruments in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Agreement or any other proceedings under the Trust Agreement. This direction must be in accordance with the provisions of law and of the Trust Agreement.

No Holder of any Series 2015 Bond will have any right to institute any suit, action or proceeding for the enforcement of the Trust Agreement, for the execution of any trust under the Trust Agreement (without the consent of the Credit Facility Provider, if any, if the Credit Facility Provider is not in payment default under the Credit Facility), or for any other remedy under the Trust Agreement, unless an Event of Default has occurred and the Holders of at least a majority of the aggregate principal amount of Series 2015 Bonds then outstanding have made written request to the Trustee and have offered the Trustee indemnity as provided in the Trust Agreement and the Trustee has thereafter failed or refused to exercise its powers under the Trust Agreement or to institute such action, suit or proceedings in its own name.

Nothing in the Trust Agreement affects or impairs the right of any Holder to enforce the payment of the Series 2015 Bond Payments on any Series 2015 Bond owned by such Holder at and after the maturity thereof at the time and place, from the sources and in the manner provided in the Series 2015 Bonds.

If any Series 2015 Bond is not presented for payment when its principal becomes due in whole or in part, either at stated maturity or by acceleration, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due on that Series 2015 Bond or such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Trustee to that Holder for the payment of the principal then due or of the check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, in a separate account in the Bond Fund for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under the Trust Agreement or on, or with respect to, that principal then due or of such check or draft.

Rights of Credit Facility Provider

With regard to any additional bonds issued in accordance with the Trust Agreement for which a Credit Facility has been issued, so long as Credit Facility Provider, if any, is not in default on its payment obligations under the Credit Facility, Credit Facility Provider shall at all times be deemed to be the exclusive owner of the Bonds insured pursuant to the Credit Facility issued by such Credit Facility Provider for the purposes of all approvals, consents, waivers or institution of any action and the direction of all remedies. To the extent that a Credit Facility Provider makes payment of principal of or interest on the Bonds, it shall become the owner of such Bonds, or shall be entitled to the right to payment of principal of or interest on such Bonds and shall be fully subrogated to all of the registered owner's rights thereunder, including the registered owner's right to payment thereof.

Notwithstanding any provision in the Trust Agreement or the Lease to the contrary, any Credit Facility Provider shall have no rights under the Trust Agreement or the Lease, other than rights of subrogation as provided therein to the extent that a Credit Facility Provider has made payments under the Credit Facility, in the event that a Credit Facility is not in effect or the Credit Facility Provider is in default on its payment obligations under a Credit Facility.

There will be no Credit Facility issued with respect to the Series 2015 Bonds.

Credit Facility Provider Consent

Notwithstanding any other provisions of the Trust Agreement, unless a Credit Facility Provider is in payment default under a Credit Facility, the consent of the owners of Bonds for which a Credit Facility has been issued shall for purposes of the Trust Agreement be deemed to have been obtained when the consent of the Credit Facility Provider is obtained, except in the cases where approval of all Bondowners is required, in which case the consents of both the Bondowners and the Credit Facility Provider shall be required. Notwithstanding any provision in the Trust Agreement or the Lease to the contrary, (i) any action by the Trustee or the Authority which requires the consent or approval of all or a certain percentage of Bondowners hereunder shall also require the prior written consent of the Credit Facility Provider, if any, unless the Credit Facility Provider is in payment default under the Credit Facility; (ii) nothing shall affect the Authority's right to specifically enforce the provisions of the Lease; and (iii) all provisions in the Trust Agreement or the Lease requiring the consent of a Credit Facility Provider shall have no force and effect if the Credit Facility is not in effect or if the Credit Facility Provider is in payment default under such Credit Facility.

Amendments of Trust Agreement

The Authority and the Trustee may, without the consent of any Credit Facility Provider or the Holders, enter into amendments of the Trust Agreement that are not inconsistent with the terms and provisions of the Trust Agreement for any of the following purposes: (a) to cure any ambiguity, inconsistency or formal defect or omission in the Trust Agreement; (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee; (c) to assign additional revenues to the lien and pledge of the Trust Agreement; (d) to accept additional security and instruments and documents of further assurance with respect to the Project; (e) to add to the covenants, agreements and obligations in the Trust Agreement other covenants, agreements and obligations thereafter to be observed for the protection of the Holders or to surrender or limit any right, power or authority reserved or conferred in the Trust Agreement; (f) to evidence any succession to the Trustee and the assumption by its successor of the covenants, agreements and obligations of the Trustee under the Trust Agreement and the Bonds; (g) to authorize the issuance of Additional Bonds; (h) to permit the Trustee to comply with any obligations imposed upon it by law; (i) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar (as defined in the Trust Agreement) and the Paying Agent (as defined in the Trust Agreement); (j) to achieve compliance with the Trust Agreement and any applicable federal securities or tax law; (k) to make amendments relating to matters under the Code, if, in the opinion of nationally recognized bond counsel approved by the Trustee, those amendments would not cause the interest on the Bonds outstanding intended to be excluded from gross income to become subject to federal income taxation; and (l) to permit any other amendment which is not to the prejudice of the Trustee or the Holders.

Exclusive of those types of amendments, with the consent of the Credit Facility Provider, if any, unless the Credit Facility Provider is in payment default under the Credit Facility, in which case the Supplemental Agreement shall require the approval or consent of the Holders of not less than a majority in aggregate principal amount of the Series 2015 Bonds at the time outstanding, the Authority and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of the Trust Agreement or any Supplemental Agreement or restricting in any manner the rights of the Holders. However, any amendment that permits or could be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond or a reduction in the principal amount of any Bond or the rate of interest thereon will require the consent of each Holder so affected, or (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or a reduction in the aggregate principal amount of the Bonds required for consent to such amendment, will require the consent of the Holders of all Bonds then outstanding.

Any amendment to the Trust Agreement which affects any rights or obligations of the Authority will not become effective unless and until the Authority consents in writing thereto.

Defeasance

The right, title and interest of the Trustee and the Authority under the Trust Agreement will terminate and become void when the whole amount of principal and any premium and interest payable on all the Bonds is paid or provision has been made as provided in the Trust Agreement for that payment.

Provision will be deemed to have been made for the payment of the Bonds if there has been deposited with the Trustee (i) sufficient moneys, or (ii) Defeasance Obligations which are certified by an independent public accounting firm or verification agent to be of such maturities or redemption or payment dates and to bear such interest, as will be sufficient together with any moneys, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein) together with a Tax Opinion.

Upon defeasance of the Trust Agreement, the Trustee will assign and transfer to or on the order of the Authority all applicable property in excess of the cash or securities required for defeasance then held by the Trustee, including the Lease and all applicable payments and rights under the Lease and all applicable balances in the Trust Funds.

Amendments of Lease

Without the consent of or notice to the Holders, but with consent of the Credit Facility Provider, if any, unless the Credit Facility Provider is in payment default under the Credit Facility, the Trustee, as Trustee and as assignee of the Authority pursuant to the Assignment, may consent to any amendment, change or modification of the Lease required (i) by the provisions of the Lease or the Trust Agreement, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Lease, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of the Trust Agreement, (iv) in connection with refinancing the Project, or (v) in connection with any other change therein is not to the prejudice of the Trustee, the Credit Facility Provider, if any, or the Holders. The Holders of not less than a majority in aggregate amount of the Series 2015 Bonds then outstanding and the Credit Facility Provider, if any, must approve the Trustee's consent to any other amendment of the Lease. The Trustee's consent to an amendment which would change the amount or time as of which Base Rent is required to be paid under the Lease or a reduction in the aggregate principal amount of the Series 2015 Bonds required for consent to amendments must be approved by the Holders of all then outstanding Series 2015 Bonds and the Credit Facility Provider, if any.

The Trustee

The Trustee has its principal corporate trust offices in Hartford, Connecticut. It is a national banking association organized and existing under the laws of the United States and is authorized to exercise corporate trust powers under Connecticut law.

The Trustee may execute any of its trusts or powers and perform its duties under the Trust Agreement by or through attorneys, agents or receivers. The Trustee may consult with counsel with regard to legal questions and the opinion of such counsel will be full and complete authorization and protection for any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee is not answerable for the default or misconduct of any attorney, agent or receiver selected by it with reasonable care.

CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

Prospective purchasers of the Series 2015 Bonds should be aware of certain investment considerations and risk factors in evaluating an investment in the Series 2015 Bonds. The following discussion of investment considerations and risk factors that could affect the payment of and security for the Series 2015 Bonds and the willingness of the City to appropriate funds to make Lease Payments is not intended to be definitive or comprehensive and does not necessarily reflect the relative importance of such investment considerations or risk factors. Accordingly, prospective purchasers should consider carefully the following investment considerations and

risk factors, in addition to the other information concerning the Project contained in this Official Statement, before purchasing the Series 2015 Bonds offered hereby.

Non-Appropriation; Limited Sources of Revenues

The principal source of repayment of and security for the Series 2015 Bonds will be the Lease Payments made by the City pursuant to the terms of the Lease. Lease Payments are not secured by any pledge of taxes or other revenues, and the City's obligation to make Lease Payments is subject to annual appropriation being made by the Common Council for such purpose or other amounts being lawfully available therefor. Pursuant to the terms of the Lease, the City has the right to terminate the Lease in the event funds are not appropriated for the Lease Payments and, upon the exercise of such right, the City is not obligated to make further Lease Payments thereunder.

Although the City will covenant in the Lease (i) to use its best efforts to take all reasonable steps within its power necessary to cause amounts to be appropriated in each City budget to pay the Lease Payments, (ii) to take all lawful steps within its power to obtain funding in future fiscal years, and (iii) to otherwise pursue funds for Lease Payments from other legally available sources, no assurance can be given that the Common Council will appropriate funds sufficient to pay the principal of and interest on the Series 2015 Bonds as it comes due. See "THE LEASE - Non-Appropriation; Nonsubstitution". The Debt Service Reserve Fund established under the Trust Agreement would be sufficient only to pay the debt service on the Series 2015 Bonds for approximately six months in the event of non-appropriation.

Construction Risks

Construction of the Project Facilities and the Ballpark Dedicated Parking has begun, and as with any major construction effort, the completion of the Project involves many risks, including shortages of materials and labor, work stoppages, labor disputes, weather interferences, unforeseen engineering or environmental problems, unanticipated difficulties in obtaining any requisite licenses or permits and unanticipated cost overruns, any of which could increase the cost or delay or stop the construction and/or commercial operation of the Project Facilities and/or the Ballpark Dedicated Parking. There can be no assurance that the Project Facilities or the Ballpark Dedicated Parking will be completed on the timetable projected by the Authority or within the budget and other assumptions used by the Authority. See "THE PROJECT - Construction of Project Facilities and Ballpark Dedicated Parking; Schedule and Cost".

Completion of the Project Facilities and/or the Ballpark Dedicated Parking will depend on the performance by the GMP Contractor and the subcontractors and suppliers under various construction and acquisition contracts. There can be no assurance that the necessary services and supplies can be obtained on the terms and conditions projected, or that the GMP Contractor or any such subcontractor or supplier will adequately perform its contract on a timely basis.

Additional permits may be required throughout the construction of the Project. While the Authority does not anticipate that obtaining these permits will involve unusual difficulties, there can be no assurance that any additional permits will be obtained in a timely manner. Delay or failure to obtain such permits could delay or prevent completion of the Project Facilities and/or the Ballpark Dedicated Parking and result in additional costs.

Damage or Destruction of the Project Facilities or Ballpark Dedicated Parking

The Project Facilities and/or the Ballpark Dedicated Parking could be subject to damage or destruction, in whole or in part. Although the City is obligated to maintain insurance on the Project Facilities and the Ballpark Dedicated Parking, the amount of such insurance may not be sufficient to replace or rebuild the Project Facilities and/or the Ballpark Dedicated Parking or to provide sufficient funds to redeem the Series 2015 Bonds.

Environmental Conditions

The City has received Phase I and Phase II environmental site assessment reports for the portion of the Project Site located at 271 and 273 Windsor Street prepared by Beta Group, Inc., dated July 29, 2014 and October 2, 2014, respectively. The Phase II report notes that certain soil and groundwater samples exhibit characteristics

consistent with the presence of urban fill materials. The reports also advise that an area of soils found at one sampling point at the northwest corner of the 273 Windsor Street property exceed the “hazardous waste” threshold for lead. The reports note that it did not appear that a significant release associated with the site’s former gasoline service station or auto repair facility had occurred. However, the volume of soils determined to contain lead at those regulated levels will be removed for proper off-site management or otherwise handled on site in compliance with applicable law. In addition, the City has received Phase I and Phase II environmental site assessments for the portion of the Project Site located at 1214 Main Street, prepared by BL Companies for Eagle Environmental, Inc., dated June 2014 and July 2014, respectively. The Phase I and Phase II reports indicate there is certain petroleum or coal tar-contaminated fill at the site, and notes that given the levels of contamination, the contaminated fill cannot be reused on site if disturbed during the development of the Project. Pursuant to the Ballpark Agreements, the City has agreed to be responsible for a portion of the environmental clean-up on the Project Site in an amount not to exceed \$1,500,000.

The City has received a Phase I environmental site assessment report for 150 Windsor Street (“Parcel G”) prepared by Tetra Tech, Inc. for Centerplan Development Company LLC and dated January 5, 2015. The Phase I report indicates that Parcel G has been vacant since 2008. In addition, the Phase I report notes that there is mold and asbestos-containing materials present throughout the building located on Parcel G, and there are certain on-site chemicals located on Parcel G. Parcel G is an “establishment” under the Connecticut Property Transfer Act, C.G.S. §22a-134 et seq. (“Transfer Act”). The purchase of Parcel G by the Developer will require investigation of the property, and remediation of any conditions that are found to exceed applicable environmental remediation criteria. The Developer will be the “certifying party” under the Transfer Act and shall perform all the foregoing tasks. Thereafter, the Developer shall be the certifying party in the City’s acquisition of Parcel G by deed in lieu of foreclosure, if such acquisition is not otherwise exempt from the Transfer Act. The City’s subsequent lease of Parcel G to the Developer for not more than 98 years is an exempt transfer under the Transfer Act.

Neither the City nor the Authority is aware of any other environmental assessments conducted at the Project Site or Parcel G and, to the best of their knowledge, are unaware of any other environmental conditions at the Project Site or Parcel G that could affect the cost or schedule for the completion of the Project. Nonetheless, it is still possible that adverse environmental conditions could be discovered on the Project Site or Parcel G. In the event that unforeseen pre-existing environmental conditions are discovered, the City may be required to modify the design of the Project, pay, or cause to be paid, the costs associated with corrective or remedial actions required by applicable State law, or abandon construction. If the City determines to take corrective or remedial actions with respect to such conditions, construction of the Project Facilities and/or the Ballpark Dedicated Parking could be delayed, and the City may be obligated to pay or cause to be paid, costs associated with such remediation and reasonable construction delay costs, if any. In the event that the City elects to abandon construction of the Project Facilities and/or the Ballpark Dedicated Parking, the Series 2015 Bonds will be subject to extraordinary optional redemption from the proceeds of the Series 2015 Bonds which remain on deposit in the funds and accounts established under the Trust Agreement. In either event, there may be insufficient funds available to complete construction of the Project Facilities and/or the Ballpark Dedicated Parking or to accomplish the extraordinary optional redemption of all the Series 2015 Bonds outstanding.

Matters Relating to Enforceability

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Lease and the Trust Agreement. Any attempt by the Trustee to enforce these remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Trust Agreement may not be readily enforceable. For example, a court may decide not to order the specific performance of the covenants contained in the Trust Agreement if it determines that monetary damages will be an adequate remedy.

Secondary Markets and Prices

The Underwriters will not be obligated to repurchase any of the Series 2015 Bonds, and no representation is made concerning the existence of any secondary market for the Series 2015 Bonds. No assurance is given that any secondary market will develop following the issuance of the Series 2015 Bonds and no assurance is given that the initial offering prices for the Series 2015 Bonds will continue for any period of time.

No Acceleration Remedy; Potential for Taxability

In the event of the occurrence of an Event of Default under the Trust Agreement, the remedy of accelerating the Series 2015 Bonds is not available under the Trust Agreement.

Interest on the Series 2015A Bonds could become includable in gross income for federal income tax purposes in the event of the failure of the City or the Authority to comply with certain covenants contained in the Trust Agreement, the Lease and the Tax Regulatory Agreement. Upon the occurrence of such an event of taxability, there is no provision of mandatory redemption of the Series 2015A Bonds. In such event, the owners of the Series 2015A Bonds might incur a significant tax liability and might be unable to sell, or might suffer a loss in selling, their Series 2015A Bonds. The Authority and the City will covenant in the Tax Regulatory Agreement to maintain the exemption from gross income of the interest on the Series 2015A Bonds. See “TAX MATTERS” herein.

Upon the occurrence of an Event of Default, the Project Facilities could be relet to an operator whose use of the Project Facilities could cause the interest on the Series 2015A Bonds to become includable in gross income for federal income tax purposes.

CONTINUING DISCLOSURE

In accordance with the requirements of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), the Authority will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) timely notices of the occurrence of certain events with respect to the Series 2015 Bonds within ten (10) business days after the occurrence of the event; and (iii) timely notice of a failure by the Authority to provide the required annual financial information on or before the date specified, pursuant to a Disclosure Dissemination Agent Agreement for the benefit of the holders of the Series 2015 Bonds with Digital Assurance Certification LLC (“DAC”), in substantially the form attached as Appendix D-1 to this Official Statement.

In addition, the City will agree to provide, or cause to be provided, (i) annual financial information and operating data, and (ii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified, pursuant to a Disclosure Dissemination Agent Agreement with DAC for the benefit of the holders of the Series 2015 Bonds, in substantially the form attached as Appendix D-2 to this Official Statement.

The Authority was established on January 26, 2015, and has not previously entered into a continuing disclosure agreement for any debt obligations. 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 the Rule. 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 date falling on a weekend. The City does not believe that under the circumstances such late filings are material. There have been times when operating data filed did not include certain information. Such information was filed subsequently. The City does not believe the omission or late filing of such information was 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 Underwriters' obligation to purchase the Series 2015 Bonds will be conditioned upon their receiving, at or prior to the delivery of the Series 2015 Bonds, executed copies of the Authority’s Disclosure Dissemination Agent Agreement and the City’s Disclosure Dissemination Agent Agreement.

TAX MATTERS

Federal Income Tax

Series 2015A Bonds

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Series 2015A Bonds in order that interest on the Series 2015A Bonds be and remains excluded from gross income for federal income tax purposes. Non-compliance with such requirements could cause interest on the Series 2015A Bonds to be included in gross income retroactive to the date of issuance of the Series 2015A Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the Authority concurrently with the Series 2015A Bonds, contains representations, covenants and procedures relating to compliance with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Authority also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Series 2015A 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 Authority with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Series 2015A 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 Series 2015A Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Ownership of the Series 2015A 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 Series 2015A Bonds. Prospective purchasers of the Series 2015A 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 Series 2015A Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Series 2015A 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 Series 2015A Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Series 2015A Bonds or adversely affect the market price of the Series 2015A 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 Series 2015A 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 Series 2015A Bonds.

Original Issue Discount

The initial public offering price of the Series 2015A Bonds may be less than the principal amount payable on such Series 2015A 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 Series 2015A 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 Series 2015A 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 Series A 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 Series 2015A Bonds by such owner. Accrued original issue discount on the Series 2015A 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 Series A 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 Series 2015A 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, such Series 2015A Bonds.

Original Issue Premium

The initial public offering price of the Series 2015A Bonds may be greater than the principal amount payable on such Series 2015A Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series 2015A 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 Series 2015A 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 Series A 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 Series 2015A Bonds by such owner. Amortized original issue premium on the Series 2015A 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 Series 2015A 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 Series 2015A Bonds.

Series 2015B Bonds

In the opinion of Bond Counsel, under existing law, interest on the Series 2015B Bonds is included in gross income of the owners thereof for federal income tax purposes pursuant to the Code. Prospective purchasers of the Series 2015B Bonds, particularly nonresident alien individuals, foreign corporations or other non-U.S. persons, should consult their own tax advisors regarding the application of withholding tax to interest on the Series 2015B Bonds, the tax consequences of purchasing the Series 2015B Bonds at a discount or premium at the issue date or thereafter, and the tax consequences of the ownership and disposition of, or receipt of interest on, the Series 2015B Bonds.

State of Connecticut

In the opinion of Bond Counsel, based on existing statutes, interest on the Series 2015A Bonds and the Series 2015B 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. Prospective purchasers of the Series 2015A Bonds and the Series 2015B Bonds are advised to consult their own tax advisors regarding the State and local tax consequences of ownership and disposition of, or receipt of interest on, the Series 2015A Bonds and the Series 2015B Bonds.

The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion 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.

LEGAL MATTERS

Legal matters incident to the issuance and delivery of the Bonds are subject to the approving legal opinion of Robinson & Cole LLP, Hartford, Connecticut, Bond Counsel, expected to be delivered substantially in the form of Appendix E hereto. Certain legal matters will be passed upon for the Underwriters by its counsel, Shipman & Goodwin LLP, Hartford, Connecticut and for the Trustee by its counsel, Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut. Certain legal matters will be passed upon by Murtha Cullina, LLP of Hartford, Connecticut, the City's Disclosure Counsel.

RATING

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "A+" (negative outlook) to the Series 2015 Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from S&P at the following address: Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely, if in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2015 Bonds.

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LITIGATION

On November 21, 2014, a lawsuit was filed against the Planning and Zoning Commission of the City of Hartford alleging that the Planning and Zoning Commission failed to give the requisite public notice that is required by State law before acting on the approval of a special permit which is necessary for construction of the Ballpark to proceed. Subsequent to the filing of the lawsuit, the Planning and Zoning Commission acknowledged that it had not complied with the statutory notice requirements before acting on the special permit. On December 9, 2014, the Planning and Zoning Commission re-approved the special permit for the Ballpark. It is the opinion of the City's Corporation Counsel that the Planning and Zoning Commission's actions related to the Ballpark are currently in compliance with all of the required notice provisions mandated by State law and that the lawsuit, *Krayeske v. Planning and Zoning Commission of the City of Hartford*, HHD-CV14-6055482, will not result in a final judgment which would impact the validity of the Series 2015 Bonds, the Trust Agreement, the Ballpark Ground Lease, the Parcel G Ground Lease, the Lease, the Sublease or the Assignment, or any of the proceedings taken with respect thereto.

City officials are aware of a letter dated January 29, 2015, allegedly sent by Mr. Krayeske (the "Krayeske Letter") to the State of Connecticut Freedom of Information Commission (the "FOIC") regarding the Common Council's January 26, 2015 meeting in which the Common Council adopted the ordinance establishing the Authority. It is the opinion of the City's Corporation Counsel that: (i) the Common Council meeting held on January 26, 2015 was in full compliance with the Freedom of Information Act, and (ii) if the allegations described in the Krayeske Letter are filed with the FOIC, it will not result in a final judgment which would impact the validity of the ordinance establishing the Authority and the Authority's authorization of the Series 2015 Bonds.

Upon delivery of the Series 2015 Bonds, the Authority shall furnish a certificate, dated the date of delivery of the Series 2015 Bonds, to the effect that based on their knowledge, there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the sale, issuance, execution or delivery of the Series 2015 Bonds, or in any way contesting or affecting the validity of the Authority, the Series 2015 Bonds, the Trust Agreement, the Ballpark Ground Lease, the Parcel G Ground Lease, the Lease, the Sublease or the Assignment, or any of the proceedings taken with respect thereto, that is not disclosed herein.

Upon delivery of the Series 2015 Bonds, the City shall furnish a certificate of the Corporation Counsel of the City, dated the date of delivery of the Series 2015 Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the execution or delivery of the Ballpark Ground Lease, the Parcel G Ground Lease, the Lease or the Sublease, or in any way contesting or affecting the validity of the Series 2015 Bonds, the Ballpark Ground Lease, the Parcel G Ground Lease, the Lease or the Sublease, or any of the proceedings taken with respect thereto, that is not disclosed herein. In addition, such certificate shall state that, except as disclosed in this Official Statement, there is no controversy or litigation of any nature now pending by or against the City which, in the opinion of the Corporation Counsel, will be finally determined so as to result individually or in the aggregate in a final judgment against the City which would materially adversely affect its financial condition.

UNDERWRITING

Jefferies LLC and William Blair & Company (collectively, the "Underwriters") have agreed to purchase the Series 2015A Bonds at a purchase price of \$40,554,126.62 (representing the par amount of the Series 2015A Bonds less an underwriters' discount of \$231,214.48, plus net original issue premium of \$1,730,341.10), and the Series 2015B Bonds at a purchase price of \$22,447,105.65 (representing the par amount of the Series 2015B Bonds less an underwriters' discount of \$140,298.95, less original issue discount of \$807,595.40). The Underwriters reserve the right to join with dealers and other Underwriters in offering the Series 2015 Bonds to the public. The Underwriters may offer and sell Series 2015 Bonds to certain dealers (including dealer banks and dealers depositing Series 2015 Bonds into investment trusts) and others at prices lower than the respective public offering prices stated on the inside cover page. Those initial public offering prices may be changed from time to time by the Underwriters. The obligation of the Underwriters to accept delivery of the Series 2015 Bonds is subject to various conditions of the Contract of Purchase, dated February 17, 2015, by and between the Underwriters and the Authority. The Underwriters are obligated to purchase all of the Series 2015 Bonds if any of the Series 2015 Bonds are purchased.

ADDITIONAL INFORMATION

References to and summaries or descriptions of provisions of the Series 2015 Bonds, the Trust Agreement, the Ballpark Ground Lease, the Lease should not be regarded as a full and complete statement of the provisions of such documents. Reference is made to such documents in its entirety for a complete statement of the provisions thereof. Copies in reasonable quantities of such documents may be obtained during the initial offering period upon request to the Underwriters.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so described, are intended merely as expressions of opinion or estimates and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Holders of any of the Series 2015 Bonds and the Trustee, the Authority or the City.

Additional information regarding this Official Statement and copies of the Trust Agreement, the Ballpark Ground Lease and the Lease may be obtained by contacting I. Charles Mathews, Chairman, Hartford Stadium Authority, 550 Main Street, Hartford, Connecticut 06103 at (860) 757-9500.

This Official Statement is submitted in connection with the sale of the Series 2015 Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly prepared and delivered by the Authority and executed for and on behalf of the Authority by the following officials:

HARTFORD STADIUM AUTHORITY

By: /s/ I. Charles Mathews
I. Charles Mathews
Chairman

Dated: February 17, 2015

THE CITY OF HARTFORD

SECTION I – SUMMARY

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*	1,525	1,623	1,484	1,407	1,488
Board of Education	<u>3,998</u>	<u>3,664</u>	<u>3,100</u>	<u>3,075</u>	<u>2,993</u>
Total	5,523	5,287	4,584	4,482	4,481

*Includes police, firefighters and emergency services.

Collective Bargaining Status

<u>Union</u>	<u>Number of</u> <u>Members¹</u>	<u>Contract</u> <u>Expiration Date</u>	<u>Status of</u> <u>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.

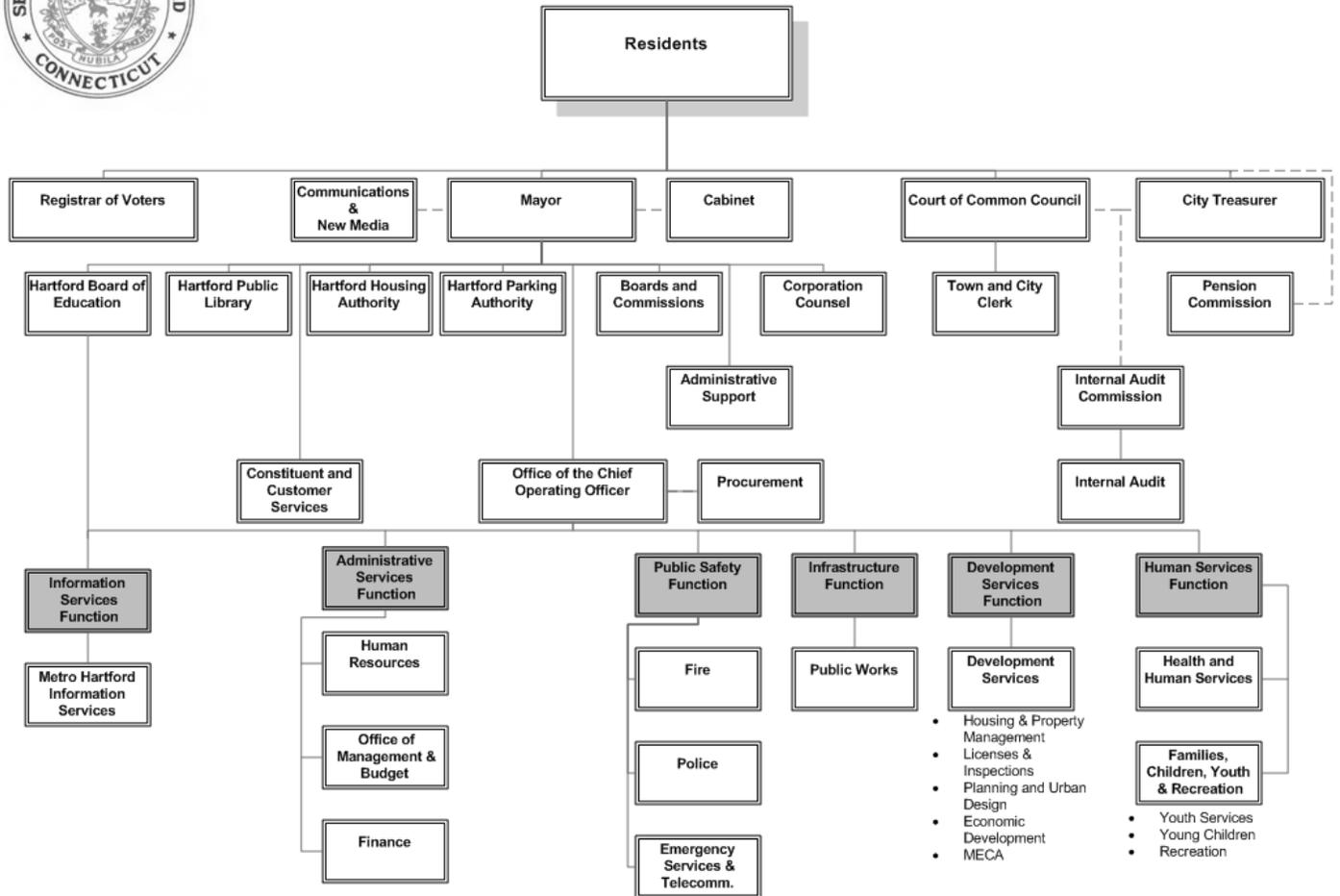
Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative 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.

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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
Acting Corporation Counsel	Henri Alexandre, 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 Common 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

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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
HPHS	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 II – 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.

Greater Hartford's economic output is the second-highest in the country, according to a study released in January 2015 by The Brookings Institution. The study indicated that the region's gross domestic product per capita —the market value of goods and services produced in the region relative to the population of 1.2 million — was \$76,510 in 2014. That put the Greater Hartford area second to only San Jose, California in the United States.

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 Caeser 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 completed these by the end of October 2014. 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 and construction is expected to be completed by the fall of 2015. 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.

- **Trinity College** – In January 2015, Trinity College completed a \$2 million purchase of the former Travelers Education Center on Constitution Plaza in downtown Hartford. Trinity College has said that potential uses for the building include graduate studies, performance arts, urban and global studies, studio space and collaborations with other downtown academic institutions. The former Travelers Education Center is a 135,000 square foot center that currently includes a 200-seat amphitheater, classrooms, library, conference center and office space.

- **Coltsville** – In July 2010, Colt Gateway LLC took over site control as developer. All 50 completed residential lofts are leased. In addition, the campus is home to two CREC Regional Magnet Schools and Insurity, a software company. In the summer of 2012, Insurity extended the term of its lease at this facility by another seven years. Environmental remediation of the courtyard is scheduled 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. Coltsville itself was designated a National Historic Landmark in July 2008. 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. In December 2014, Congress approved a bill making Coltsville a national park. The legislation provides for the creation of a Coltsville National Park Commission, a 10,000 square foot museum and states that federal funds "made available under a cooperative agreement shall be matched on a 1-to-1 basis by non-federal funds."

- **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.

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.

- **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. In January 2015, Northeast Utilities announced that it is changing its name to Eversource Energy. The new name becomes effective on Feb. 2 and the company has requested its ticker on the New York Stock Exchange be changed to 'ES' on Feb. 19.

- **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** - In December 2014, St. Francis Care announced plans to merge with Trinity Health of Livonia, Michigan and form a nonprofit regional health system in New England. Trinity Health is a national system of Roman Catholic health care institutions with annual revenue of \$13.6 billion in fiscal 2014, compared with St. Francis Care's \$783.3 million in revenue. The new regional system would include Saint Francis Hospital, Mercy Medical Center in Springfield and several other smaller hospitals. The merger still needs approval of state and federal regulators.

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:

- **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.
- **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.
- **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.
- **Zone Hartford** - This project consists of a rewrite of the zoning regulations of the City to create more user friendly regulations and to facilitate the type of development that will enhance the quality of life of City neighborhoods. Although the use of land will still play a significant role on zoning, the City intends to place more significance on building form and scale. The City hopes to use this transition in zoning to influence the creation of walkable mixed-use neighborhoods with highly functional nodes of economic activity.

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.
- **UConn downtown relocation** – The University of Connecticut has decided to locate a variety of programs in downtown Hartford. This campus development will center around the former Hartford Times Building located

behind City Hall and right next to the Front Street development. The new facility will be the base for over 2,000 students and faculty. Construction is anticipated to begin in the summer or fall of 2015 and UConn is expected to occupy the space in 2017. Prior to completion of the new facilities, UConn is looking for space to begin the transition of classes to downtown Hartford and is hoping that some classes may begin in the fall of 2015.

- **Dillon Stadium** – The Common Council recently appropriated \$12 million for improvements to the existing Dillon Stadium. The City has also selected a firm to work with the North American Soccer League for the purpose of establishing a Hartford franchise. Preliminary plans will redevelop the facility into a 9,000 seat premier sports stadium which can be used year round for entertainment and community purposes. A lawsuit has been filed against the City and the current developer by the original developer for wrongful termination of contract.
- **Blue Hills Neighborhood Master Plan** – The City through its Department of Development Services is partnering with stakeholders in the Blue Hills neighborhood to develop a master plan that will communicate the vision of the neighborhood with a focus centered around housing, homeownership, education and recreation. As part of this master plan, the City will determine the feasibility of retail in targeted areas of the neighborhood.
- **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.
- **Albany Avenue Streetscape and Safety Improvement Project in Upper Albany Neighborhood** - This project consists of a 1.1 mile arterial street project involving one of the City’s primary commercial thoroughfares and consists of roadway safety improvements, streetscape and pedestrian amenities, including sidewalk repairs, curb

bump-outs, cross-walks, and traffic signal equipment. This project is in the design phase and construction is anticipated to begin in the fall of 2016.

- **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. A groundbreaking was held by the City on June 27, 2014 and construction is underway. 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*** - over the past 24 months, the City has developed a master plan for the redevelopment of the area between Interstate I-84 and the Clay Arsenal neighborhood. The plan calls for the development of a mixed use neighborhood.

On October 14, 2014, the Common 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 approximately 1,000 market rate housing units, 200,000 square feet of retail space, parking and approximately a 50,000 square foot microbrewery. The Common Council also approved the leasing of various other parcels to DNH for this development. On January 26, 2015, the Common Council approved the creation of the Hartford Stadium Authority to assist in the development of the ballpark. The City will lease the ballpark from the Authority and in turn sublease it to the Double A Minor League Baseball Team. The City and the Club have also agreed to a 25-year Non-Relocation Agreement as further described in the Official Statement. (See Appendix F hereto for additional information).

It is anticipated that construction of the ballpark will begin in early 2015 with construction of the first 250 residential units and 90,000 square feet of retail space in the summer of 2015.

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>
2013	125,130	0.1	6,801	895,827	0.1	3,583,561	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, 2009 – 2013 for 2013; totals reflect rounding of data.

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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	8,487	6.8	49,926	5.5	197,395	5.5
5 to 9 years	9,184	7.3	57,139	6.1	220,139	6.1
10 to 14 years	8,613	6.9	56,733	6.6	236,742	6.6
15 to 19 years	12,832	10.3	61,897	7.1	255,816	7.1
20 to 24 years	12,571	10.0	56,121	6.4	229,708	6.4
25 to 34 years	19,886	15.9	112,375	12.0	428,258	12.0
35 to 44 years	14,801	11.8	115,908	13.1	469,746	13.1
45 to 54 years	14,919	11.9	139,037	15.9	568,510	15.9
55 to 59 years	6,622	5.3	61,675	6.9	246,210	6.9
60 to 64 years	5,088	4.1	52,072	5.9	210,753	5.9
65 to 74 years	6,968	5.6	67,075	7.5	269,422	7.5
75 to 84 years	3,514	2.8	42,685	4.6	164,260	4.6
85 years and over	<u>1,645</u>	<u>1.3</u>	<u>23,184</u>	<u>2.4</u>	<u>86,602</u>	<u>2.4</u>
Total	125,130	100.0	895,827	100.0	3,583,561	100.0

<u>Median Age</u>	<u>2000</u>	<u>2013</u>
City of Hartford	29.7	30.1
Hartford County	37.7	40.0
State of Connecticut	37.4	40.2

Source: U.S. Census, 2009-2013 American Community Survey; totals reflect rounding of data.

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	3,875	14.5	8,863	3.9	29,895	3.3
10,000 – 14,999	2,373	8.9	5,838	2.6	19,176	2.1
15,000 – 24,999	4,220	15.8	13,259	5.8	47,319	5.2
25,000 – 34,999	3,322	12.4	14,689	6.5	56,997	6.3
35,000 – 49,999	4,016	15.0	22,737	10.0	86,025	9.5
50,000 – 74,999	4,248	15.9	38,289	16.9	143,989	15.9
75,000 – 99,999	2,240	8.4	34,023	15.0	131,874	14.6
100,000 – 149,999	1,705	6.4	45,500	20.0	187,718	20.8
150,000 – 199,999	368	1.4	21,723	9.6	90,602	10.0
200,000 or more	<u>407</u>	<u>1.5</u>	<u>22,206</u>	<u>9.8</u>	<u>109,982</u>	<u>12.2</u>
Total	26,774	100.0	227,127	100.0	903,577	100.0

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

Income Levels

	<u>City of Hartford</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
Per capita income	\$16,619	\$34,698	\$37,892
Median family income	\$33,756	\$81,805	\$87,245
Median household income	\$29,430	\$64,967	\$69,461

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

**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	10,576	14.4	30,087	4.9	109,969	4.5
9th to 12th grade, no diploma	11,751	16.0	42,981	7.0	156,400	6.4
High school graduate (includes equivalency)	21,886	29.8	170,081	27.7	679,366	27.8
Some college, no degree	13,954	19.0	109,908	17.9	432,546	17.7
Associate degree	4,039	5.5	46,665	7.6	178,395	7.3
Bachelor degree	6,463	8.8	121,574	19.8	498,527	20.4
Graduate or professional degree	<u>4,700</u>	<u>6.4</u>	<u>92,715</u>	<u>15.1</u>	<u>393,446</u>	<u>16.1</u>
Total	73,443	100.0	614,011	100.0	2,443,761	100.0
Percent high school graduate or higher	–	69.5	–	88.1	–	89.2
Percent bachelor degree or higher	–	15.2	–	34.9	–	36.5

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

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	19,666	36.4	74,221	19.9	336,587	22.6
Built in 1940–1949	7,529	14.0	32,513	8.7	105,742	7.1
Built in 1950–1959	8,392	15.6	68,139	18.2	232,555	15.6
Built in 1960–1969	6,430	11.9	52,766	14.1	200,430	13.5
Built in 1970–1979	4,256	7.9	49,011	13.1	200,576	13.5
Built in 1980–1989	3,428	6.4	49,145	13.1	192,185	12.9
Built in 1990–1999	1,954	3.6	24,243	6.5	111,295	7.5
Built in 2000–2009	2,276	4.2	23,031	6.2	102,666	6.9
Built in 2010 or later	<u>32</u>	<u>0.1</u>	<u>740</u>	<u>0.2</u>	<u>4,959</u>	<u>0.3</u>
Total	53,963	100.0	373,809	100.0	1,486,995	100.0

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

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	8,152	15.1	206,568	55.3	882,026	59.3
1 unit, attached	2,243	4.2	21,581	5.8	80,070	5.4
2 units	6,704	12.4	28,778	7.7	119,386	8.0
3 to 4 units	12,967	24.0	37,130	9.9	132,699	8.9
5 to 9 units	8,232	15.3	24,284	6.5	80,615	5.4
10 to 19 units	4,365	8.1	15,850	4.2	54,993	3.7
20 or more units	11,234	20.8	37,379	10.0	124,355	8.4
Mobile home, trailer, other	37	0.1	2,134	0.6	12,427	0.8
Boat, PV, van, etc.	<u>29</u>	<u>0.1</u>	<u>105</u>	<u>0.1</u>	<u>424</u>	<u>0.1</u>
Total units	53,963	100.0	373,809	100.0	1,486,995	100.0

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

Owner-occupied Housing Units

	<u>City of Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
Total owner-occupied units	11,020		227,954		919,488	
Persons per unit	2.69		2.61		2.68	

	<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	550	5.0	5,589	2.5	20,800	2.3
\$50,000 to \$99,999	1,476	13.4	6,723	2.9	24,638	2.7
\$100,000 to \$149,999	1,964	17.8	20,791	9.1	66,934	7.3
\$150,000 to \$199,999	3,314	30.1	44,966	19.7	135,714	14.8
\$200,000 to \$299,999	2,278	20.7	78,911	34.6	264,832	28.8
\$300,000 to \$499,999	1,024	9.3	54,719	24.0	250,076	27.2
\$500,000 to \$999,999	307	2.8	14,306	6.3	114,622	12.5
\$1,000,000 or more	<u>107</u>	<u>1.0</u>	<u>1,949</u>	<u>0.9</u>	<u>41,872</u>	<u>4.6</u>
Total	11,020	100.0	227,954	100.0	919,488	100.0
Median value	\$168,700	–	\$241,500	–	\$278,900	–

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

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	26,752	58.4	227,162	65.3	902,995	66.6
Non-family households	<u>19,056</u>	<u>41.6</u>	<u>120,712</u>	<u>34.7</u>	<u>452,854</u>	<u>33.4</u>
All households	45,808	100.0	347,874	100.0	1,355,849	100.0
Family households by type						
Married couple	9,657	36.1	159,695	70.3	668,216	74.0
Female householders, no spouse	14,259	53.3	51,793	22.8	176,084	19.5
Other	<u>2,836</u>	<u>10.6</u>	<u>15,674</u>	<u>6.9</u>	<u>58,695</u>	<u>6.5</u>
Total family households	26,752	100.0	227,162	100.0	902,995	100.0
Non-family households by type						
Householders living alone	15,816	83.0	100,191	83.0	374,057	82.6
Other	<u>3,240</u>	<u>17.0</u>	<u>20,521</u>	<u>17.0</u>	<u>78,797</u>	<u>17.4</u>
Total non-family households	19,056	100.0	120,712	100.0	452,854	100.0

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

*Source: 2008-2012 American Community Survey.

Value of Construction Activity

Calendar Year	Number	Residential	Industrial/ Commercial	Other¹	Total
2014	4,467	\$ 63,391,321	\$187,521,136	\$ 91,325,787	\$342,238,244
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

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	106	0.2	1,055	0.2	6,945	0.4
Construction	2,138	4.5	20,531	4.7	99,444	5.7
Manufacturing	3,372	7.1	47,141	10.8	193,945	11.0
Wholesale trade	1,082	2.3	11,392	2.6	43,550	2.5
Retail trade	6,360	13.3	47,231	10.8	191,841	10.9
Transportation and warehousing, and utilities	2,242	4.7	17,507	4.0	65,630	3.7
Information	678	1.4	10,332	2.4	41,588	2.4
Finance, insurance, real estate, rental & leasing	3,014	6.3	49,715	11.4	160,976	9.1
Professional, scientific, management, Administrative, and waste mgmt services .	5,369	11.3	44,951	10.3	194,959	11.1
Education, health and social services	12,768	26.8	114,048	26.2	464,177	26.4
Arts, entertainment, recreation, accommodation and food services.....	5,870	12.3	33,690	7.7	148,097	8.4
Other services (except public administration)	2,768	5.8	19,093	4.4	81,443	4.6
Public Administration	<u>1,946</u>	<u>4.1</u>	<u>19,256</u>	<u>4.4</u>	<u>66,817</u>	<u>3.8</u>
Total employed persons.....	47,713	100.0	435,942	100.0	1,759,412	100.0

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

**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	26,012	56.0	343,954	80.7	1,359,050	78.7
Car pools	6,325	13.6	37,131	8.7	144,497	8.4
Using public transportation	8,288	17.8	15,914	3.7	80,574	4.7
Walked	3,447	7.4	9,106	2.1	52,155	3.0
Using other means	1,213	2.6	5,795	1.4	19,955	1.2
Worked at home	<u>1,151</u>	<u>2.5</u>	<u>14,167</u>	<u>3.3</u>	<u>71,055</u>	<u>4.1</u>
Total	46,436	100.0	426,067	100.0	1,727,286	100.0

Source: 2009–2013 American Community Survey; totals reflect rounding of data.

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.

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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
State of Connecticut - Various Departments	State Government - Environmental Programs	1,000–4,999
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
City of Hartford	Government Offices	1,000–4,999
Institute of Living – Geriatric	Rest home	1,000–4,999
Lincoln Waste Solutions.....	Waste Reduction & Disposal	1,000–4,999
Mt. Sinai Rehabilitation Hospital	Hospitals	1,000–4,999
Lincoln National Life Insurance	Life insurance	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	Aerospace Industries	500–999
Capital Community College	Higher education	500–999
Trinity College.....	Higher education	500–999
Comcast Theatre	Theatre	500–999
XL Center	Ticket service	500–999
WCCT	Television Stations & Broadcasting Co.	500–999

Source: City of Hartford Comprehensive Annual Financial Report for fiscal year ended June 30, 2014.

*In January 2015, Northeast Utilities announced that it is changing its name to Eversource Energy. The new name becomes effective on Feb. 2

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 III – 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 February 24, 2015
(In Thousands)**

The following table sets forth the computation of the statutory debt limit of the City and the debt incurring margin as of February 24, 2015, adjusted to give effect to this financing:

Total tax collections for the year ended June 30, 2014, including	
interest and penalties	\$257,484
State reimbursement for tax relief for elderly – freeze	262
Base for establishing debt limit	\$257,746

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	\$579,929					
4.50 x base	–	\$1,159,857				
3.75 x base	–	–	\$966,548			
3.25 x base	–	–	–	\$837,675		
3.00 x base	–	–	–	–	\$773,238	
Total debt limitation	579,929	1,159,857	966,548	837,675	773,238	1,804,222
Less indebtedness:						
Bonds payable	244,562	107,278		–	–	351,840
Bond anticipation notes	44,625	11,375				56,000
Serial notes payable	–	–	1,322	–	–	1,322
Overlapping debt ¹	–	–	186,501	–	–	186,501
Bonds authorized but unissued	111,080	279,732	8,578	–	–	399,390
Total indebtedness	400,267	398,385	196,401	–	–	995,053
Less:						
School construction grants receivable	–	17,105	–	–	–	17,105
Total net indebtedness	400,267	381,280	196,401	–	–	977,948
Debt limitation in excess of outstanding and authorized debt						
	\$179,662	\$778,577	\$770,147	\$837,675	\$773,238	\$826,274

¹City's share of MDC debt as of June 30, 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 February 24, 2015

Fiscal Year Ending June 30	Principal Payments²	Interest Payments²	Total Payments²	Refunding Bonds - City's Previous Issue dated 11/18/14	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>	-	100.0%	-	<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 City's Refunding Bonds dated November 18, 2014.

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

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Current Debt Statement
Pro Forma as of February 24, 2015

Long-term Debt:	
General Purpose	\$ 244,562,000
Schools	107,278,000
State of Connecticut Clean Water Fund Loan	<u>1,322,000</u>
Total Long-term Debt	\$353,162,000
Short-term Debt	<u>56,000,000</u>
Total Direct Debt	\$409,162,000
Less:	
State School Building Grants Receivable	<u>17,105,000</u>
Total Net Direct Debt	\$392,057,000
Plus: Overlapping Debt (MDC)	<u>186,500,665</u>
Total Overall Net Debt	\$578,557,665

Note: Does not include authorized but unissued debt.

Current Debt Ratios
Pro Forma as of February 24, 2015

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	\$16,619

	Total Direct Debt <u>\$409,162,000</u>	Total Net Direct Debt <u>\$392,057,000</u>	Total Overall Net Debt <u>\$578,557,665</u>
Per Capita	\$3,272.85	\$3,136.03	\$4,627.83
Ratio to Net Taxable Grand List	11.57%	11.09%	16.36%
Ratio to Estimated Full Value	8.10%	7.76%	11.46%
Ratio to Equalized Net Taxable Grand List	6.27%	6.01%	8.86%
Per Capita to Money Income Per Capita	19.69%	18.87%	27.85%

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 2009–2013 American Community Survey.

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Authorized but Unissued Debt

As of February 24, 2015, the City had \$304,190,644 authorized but unissued debt. Of that amount, \$126,758,664 is for various public improvement and sewer projects, and \$177,432,000 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
2014	\$9,940	\$17,445	\$27,385	\$554,418	4.94%
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

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

2014	2013	2012	2011	2010
\$351,840,000	\$371,860,000	\$321,810,000	\$293,745,000	\$290,020,000

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 June 30, 2014, the total outstanding net direct debt of the MDC applicable to its member municipalities was \$650,054,061, of which the City of Hartford is responsible for approximately 28.7% or \$186,500,665.

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 June 30, 2014

Net Overlapping Debt for All Member Towns	\$650,054,601
Hartford's Percent of Overlapping Debt	28.69%
Hartford's Share of Overlapping Debt	\$186,500,665

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 Obligation under the Master Lease over the next five years, reflecting its initial draw of \$3,990,000, is as follows:

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

August 24, 2014	\$822,802.38
August 24, 2015	822,802.38
August 24, 2017	822,802.38
	\$2,468,407.14

2nd Draw - \$3,430,000 in 2013

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	530,526.19
	\$3,183,157.14

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

\$942,750

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	199,484.37
	\$997,421.85

\$2,329,250

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	361,656.00
	\$2,531,592.00

SECTION IV – 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, 2013.

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.

	Adopted Budget 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Revenues					
General property tax	\$259,084	\$256,765	\$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	3,900	2,595	4,973	6,671
Intergovernmental revenue	249,180	286,236	280,695	280,582	272,915
Charges for services	2,802	2,059	2,829	2,258	2,807
Other revenues	<u>29,605</u>	<u>1,846</u>	<u>2,317</u>	<u>2,377</u>	<u>1,389</u>
Total revenues	552,011	557,361	549,643	573,734	562,686
Expenditures					
General government	20,581	19,388	19,206	21,566	19,800
Public safety	73,044	74,778	72,691	73,595	75,672
Public Works	12,959	14,161	12,866	13,219	13,083
Development and community affairs	4,368	4,739	4,592	4,612	4,228
Health & Human services	4,756	4,440	4,588	4,704	7,103
Education	284,008	283,006	284,008	283,987	283,471
Benefits and insurance	87,929	86,898	66,941	64,501	65,160
Debt Service.....	20,144	20,157	33,402	36,004	34,376
Library.....	8,215	8,215	8,215	7,915	7,915
Sundry	<u>36,007</u>	<u>36,636</u>	<u>15,068</u>	<u>22,523</u>	<u>13,160</u>
Total expenditures	552,011	552,418	521,577	532,626	523,968
Excess of revenues over expenditures		4,943	28,066	41,108	38,718
Other financing sources (uses)					
Use of Fund Balance		(9,447)			
Other financing sources		19,876	12,439	2,840	4,159
Other financing uses		(28,868)	(40,240)	(38,921)	(37,427)
Excess (deficiency) of revenues and other resources over (under) expenditures		(13,497)	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>\$16,881</u>	<u>\$30,378</u>	<u>\$30,113</u>	<u>\$25,086</u>

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

	<u>6/30/14</u>	<u>6/30/13</u>	<u>6/30/12</u>	<u>6/30/11</u>	<u>6/30/10</u>
Assets					
Cash and cash equivalents	\$ 57,279	\$ 71,924	\$ 76,226	\$ 78,102	\$ 74,783
Due from other funds	4,387	4,179	400	488	1,994
Uncollected property taxes	48,664	43,271	42,903	28,947	21,219
Uncollected interest on taxes	17,154	14,422	12,337	10,697	8,077
School building grants					
receivable	7,424	9,209	10,997	12,787	14,581
Due from individuals and					
miscellaneous	<u>9,022</u>	<u>8,206</u>	<u>8,852</u>	<u>3,467</u>	<u>2,812</u>
Total assets	\$143,930	\$151,211	\$151,715	\$134,488	\$123,466
Liabilities					
Accounts payable and					
accrued liabilities	\$ 49,323	\$ 53,654	\$ 55,315	\$ 54,276	\$ 57,522
Due to other funds	-	61	-	1	217
Deferred revenue	-	<u>67,118</u>	<u>66,287</u>	<u>55,125</u>	<u>47,079</u>
Total liabilities	\$49,323	\$120,833	\$121,602	109,402	104,818
Deferred Inflow of Resources					
Unavailable revenue	<u>77,726</u>	-	-	-	-
Total deferred inflow of resources	<u>77,726</u>	-	-	-	-
Fund balance:					
Assigned	3,859	2,850	4,332	2,525	-
Unassigned	13,022	27,528	25,781	22,561	-
Reserved	-	-	-	-	148
Unreserved	-	-	-	-	<u>18,500</u>
Total fund balance	<u>16,881</u>	<u>30,378</u>	<u>30,113</u>	<u>25,086</u>	<u>18,648</u>
Total liabilities and fund					
balance	\$143,930	\$151,211	\$151,715	\$134,488	\$123,466
Analysis of General Fund					
balance					
Budgetary revenues ¹	\$539,891	\$540,271	\$545,946	\$543,455	\$533,279
Fund balance as percent					
of operating revenues	3.1%	5.6%	5.5%	4.6%	3.5%
Unassigned/Unreserved					
fund balance as percent of					
operating revenue	2.4%	5.1%	4.7%	4.2%	3.5%

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

Summary of City Operations and Recent Financial Initiatives

The City ended fiscal year 2014 with a budgetary deficit of \$13.497 million. After considering fund balances, the non-budgetary or GAAP surplus was \$16.9 million in fiscal year 2014. The City ended fiscal year 2013 with a budgetary surplus of \$265,000. After considering fund balances, the non-budgetary or GAAP surplus was \$30.4 million in fiscal year 2013. The decrease in the non-budgetary or GAAP surplus in fiscal year 2014 compared to

fiscal year 2013 was \$13.5 million. The fiscal year 2014 non-budgetary or GAAP surplus represents 3.1% of operating revenues versus 5.6% in fiscal year 2013. The estimated non-budgetary or GAAP surplus for fiscal year 2015 is expected to be \$16.9 million. This estimated balance represents 3.1% of estimated revenue for fiscal year 2015.

The Common 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. 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 request for proposal 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 is not currently anticipating any deficit for fiscal year 2015.

The Common Council has created and made appointments to a Government Restructuring Committee charged with providing recommendations to eliminate at least \$25 million from the City's operating budget. The Government Restructuring Committee has begun meeting and is reviewing the structure of departments and the services each provides for possible savings. 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 lien-ed 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

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

ⁱⁱ 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	442,799,708	435,305,217	<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>10/13 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		\$733,624,930	20.75%

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%	\$144,648,000	(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

¹ Liability 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.

² Excludes 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>
2014	\$12,139,000	\$42,710,000	\$132,025,000	\$1,274,000	\$188,148,000
2013	10,199,000	34,338,000	72,632,000	–	117,169,000
2012	8,635,000	27,600,000	20,310,000	–	56,545,000
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

Expenses by Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administration</u>	<u>Other</u>	<u>Total</u>
2014	\$94,458,000	\$2,232,000	\$145,000	\$96,835,000
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

Source: City of Hartford Comprehensive Annual Financial Reports, fiscal years 2010 through 2014.

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 \$262.716 million, a decrease of \$10.610 million, from the prior valuation UAAL of \$273.326 million. For the fiscal year ending June 30, 2014, the City contributed \$11.7 million of the AOC of \$20.1 million. The percent AOC contributed was 57.8% and the net OPEB obligation was \$72.9 million as of June 30, 2014. The City has monitored these costs for approximately 10 years and has footnoted them in the Comprehensive Annual Financial Report (CAFR).

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 Common 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 Common Council on April 18, 2008, authorizing the establishment of an 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, 2014, the amount actually contributed to the plan and changes in the Town's net OPEB obligation (in thousands):

ARC	\$19,991
Interest on net OPEB obligation	2,898
Adjustment to ARC	<u>(2,745)</u>
 Annual OPEB cost	 20,144
Contributions made	<u>(11,650)</u>
 Increase in net OPEB obligation	 8,494
Net OPEB obligation, beginning of year	<u>64,398</u>
Net OPEB obligation, end of year	<u><u>\$72,892</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 years ended June 30, 2009, 2010, 2011, 2012, 2013, and 2014 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
6/30/14	20,144	11,650	57.8	72,892

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.

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

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF HARTFORD

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**Comprehensive
Annual
Financial Report**

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

For the Fiscal Year

July 1, 2013 to June 30, 2014

PREPARED BY:

Department of Finance

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

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Introductory Section

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PEDRO E. SEGARRA
MAYOR

CITY OF HARTFORD

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LEIGH ANN RALLS
Acting Director of Finance

January 23, 2015

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

Dear Mayor and Members of the Council:

In accordance with Chapter VIII, Section Five of our Charter, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hartford (City) for the fiscal year ended June 30, 2014. This report was prepared in its entirety by the Department of Finance and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules, and statistical tables.

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

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

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

PROFILE OF THE CITY

The City of Hartford (City) was founded by Thomas Hooker and his followers in 1635 and was incorporated in 1784. It is the Capital of the State of Connecticut and the core of a metropolitan area with a population of over one million people. Hartford has an estimated 125,017 residents in an 18.4 square mile area. The City lies on the west bank of the Connecticut River, midway between New York and Boston.

The Mayor is the Chief Executive Officer. The Court of Common Council (Council) is comprised of nine members who are elected at large for four-year terms in odd numbered years on a partisan basis; the Mayor, who is elected directly for a four-year term, acts upon ordinances and resolutions adopted by Council by approving, disapproving or taking no action. The Board of Education (BOE) is composed of nine members; five appointed by the Mayor and

four elected by the voters, all for four year terms. The BOE operates independently of the Council, although the overall operating budget for the Hartford school system must be approved as to its total by the Council as part of the annual City budget. The City Treasurer is independently elected and serves without vote as the Secretary of the Pension Commission. The Chief Operating Officer (principal administrative aide of the Mayor), Corporation Counsel, City Clerk, department heads and members of all boards, commissions, agencies and authorities are appointed by the Mayor subject to Council confirmation with the exception of the Pension Commission.

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

Economic Condition and Outlook

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

Evidence of the economic development activity and the revitalization of the City is clearly visible by the ongoing changes in Hartford's skyline and numerous neighborhoods as it continues to be the largest employment center in the State with more than 112,000 people working in the City daily. In addition to Hartford being a regional center for logistics and distribution companies, two Fortune One Hundred companies are headquartered in Hartford, taking advantage of the City's strategic location and highly productive workforce. The City is well positioned to support a wide range of economic development and housing initiatives.

Some of the areas of special note involving economic development, housing, citywide, and neighborhood initiatives include:

Economic Development

- **Downtown North** – Over the past 24 months the city has developed a master plan for the redevelopment of the area between I-84 and the Clay Arsenal Neighborhood. This plan calls for the development of a mixed use neighborhood. During the planning process, the city was approached by the owners of the New Britain Double A ball team requesting the city to partner on the development of a new home for the team. With the completion of the plan and preliminary agreements with the team, the city sought proposals for the development of a 9,000 person capacity ballpark and the mixed use neighborhood. The city council has approved terms to a development deal which would result in the construction of the ballpark, approximately 1,000 market rate housing units, 200,000 square feet of retail space and approximately 50,000 square foot microbrewery. It is anticipated that construction of the ballpark will begin early 2015 with construction of the first 250 residential units and 90,000 square feet of retail space in the summer of 2015.
- **Front Street** — The HB Nitkin Group was selected by CCEDA, the predecessor agency to CRDA, as the developer for this project, which includes 60,000 square feet of retail, restaurant and entertainment space and a 286 space garage in its first phase. Several high profile tenants, including The Capital Grille, Ted's Montana Grille, Nix's Seafood, and Infinity Music Hall, Spotlight Theater and Front Street Bistro have opened. In the Fall of 2015, 115 market rate residential units will be completed with approximately 5,000 square feet of new commercial space.
- **UConn Downtown Relocation** – The University of Connecticut has decided to locate a variety of programs in Downtown Hartford. This campus development will center around the former Hartford Times Building located on the corner of Prospect and Arch Streets. The new facility will be the base for over 2,000 students and faculty. Construction is anticipated to start in the Summer/Fall of 2015 and the University is expected to occupy the space sometime in 2017. Prior to completion of the facilities, the University is looking for space to begin the transition of classes to Hartford and is hoping that some classes may begin in the Fall of 2015.

- **TIGER/Intermodal Triangle** The goal of this project is to strengthen the Capital Region's economic and employment core by improving downtown intermodal connections within the Union Station-to-Main Street triangle through creating transit hubs, complete green streets, and the innovative iQuilt pedestrian network. As part of the City's TIGER Intermodal Triangle project, the following initiatives will be undertaken:
 - Narrowing of Ford, Jewell, Wells to create a promenade along Bushnell Park North
 - Improvements to Union Station and Union Place to accommodate increased transit.
 - Streetscape improvements along Asylum and Pearl Streets.
 - Plaza improvements around State House Square.

A groundbreaking was held on June 27, 2014. Construction of the Intermodal Triangle is underway.

- **Downtown Revitalization Plan-** DDS has contracted with the University of Hartford to complete a revitalization plan for the downtown that will consist of a highly illustrative vision for the future of the downtown. Project initiation and public outreach is scheduled to begin in January 2015.

HOUSING

The City of Hartford is committed to creating a livable and sustainable capital city and has experienced tremendous progress in the last two decades in the area of residential development. More recently, under the direction of Mayor Pedro Segarra, the City has adopted and actively pursued three major housing objectives — reconstructing or renovating antiquated public housing; residential development in the City's downtown; and increased mixed-income homeownership and rental opportunities.

A housing strategy has been initiated with both public and private partners that will grow the city's tax base, lead to increased economic activity, and encourage residential development that supports a variety of income, age, and ethnic demographics. The City, led by DDS, is working on a City-wide Housing plan that will result in empirical data-driven residential development 3-10 years out.

CITYWIDE

- **Zone Hartford** - This project consists of a rewrite of the zoning regulations to create more user friendly regulations and to facilitate the type of development that will enhance the quality of life of our neighborhoods. Although the use of land will still play a significant role in zoning, more significance will be placed on building form and scale. Through this transition in zoning, we hope to influence the creation of walkable mixed use neighborhoods with highly functional nodes of economic activity. Zone Hartford is well underway. A Diagnostic phase analyzing existing conditions in the neighborhoods is 95% complete. A public outreach strategy has been employed for this project that consist of a series of public meetings with the neighborhoods, the formation of a zoning advisory group with community stakeholders and the engagement of a partnership with the Planning and Zoning Commission.

NEIGHBORHOOD

- **Blue Hills Master Plan** – The DDS is partnering with the Blue Hills neighborhood to develop a master plan that will communicate the vision of the neighborhood with a focus centered around housing (homeownership), education and recreation. As part of this master plan DDS will also assist the neighborhood with determining the feasibility of retail in targeted areas of the neighborhood.
- **Dillon Stadium in CSS/CON** – The Council has appropriated \$12 million for improvements to be made at the existing Dillon Stadium site. The city selected a firm to work with North American Soccer League for the purpose of establishing a Hartford franchise. Preliminary plans will redevelop the facility into a 9,000 seat premier sports stadium. Plans call to activate the site year-round with entertainment and community venues. The City is working closely with the Sheldon-Charter Oak neighborhood associations to ensure any impacts caused by the stadium's redevelopment will be resolved. The inaugural season of competition is intended to begin in the spring of 2016.
- **Coltsville** – In July 2010, Colt Gateway LLC took over site control as developer. All 50 completed residential lofts are leased. In addition, the campus is home to two CREC Regional Magnet Schools and Insurity, a software company. In the summer of 2012, Insurity extended the term of its lease at this facility by another seven years. Environmental remediation of the courtyard is scheduled and a new streetscape is

being funded with federal dollars, City funds and State of Connecticut Department of Transportation assistance. The National Trust Community Investment Corporation provided a portion of its New Market Tax Credit ("NMTC") allocation to Chevron TCI, the historic tax credit investor, resulting in a combined \$23 million historic NMTC investment. The City also committed \$5 million in funding to assist with the ongoing renovation of 79 apartments within this complex. Coltsville itself was just designated a National Historic Park by Congress.

- **Swift Factory in the Northeast** — Revitalization of the former Swift Factory gold leafing complex in the Northeast neighborhood is underway. The property consists of a 65,000 square foot manufacturing factory, two houses and vacant land. The project will offer affordable workspaces for occupancy by small manufacturing enterprises that will employ Northeast residents, and an urban farm employing and teaching local adults and youth farming skills. This development is one of the major projects listed in the regional Comprehensive Economic Development Strategy (CEDs).
- **Albany Avenue Streetscape and Safety Improvement Project in Upper Albany** -This consist of a 1.1 mile arterial street project involving one of the city's primary commercial thoroughfares. The project consists of roadway safety improvements, streetscape and pedestrian amenities including sidewalk repairs, curb bump-outs, cross-walks, and traffic signal equipment from Westbourne Parkway to Bedford Street. This project is in the design phase. Construction on this project is anticipated in the Fall of 2016.

REDEVELOPMENT

North Meadows 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.

Livable and Sustainable Neighborhoods Initiative

The Mayor's Livable and Sustainable Neighborhoods Initiative (LSNI) is an interdepartmental effort to improve Hartford's neighborhoods by enforcing the Anti-Blight Ordinance, implementing community development projects, coordinating capital improvements, and engaging neighborhood stakeholders. Among the numerous projects and activities are the Hartford Restoration Project which is a housing program providing financial assistance in the form of deferred loans for to moderate income property owners, Rebuilding Together Day, a partnership to assist the City's senior citizens and veterans with free home repairs, Community Clean-Up Days where the City partners with community organizations and volunteers in cleaning the neighborhoods of litter, overgrown vegetation and other forms of blight conditions. LSNI sponsors these clean-up day events that are community-based with the goals of (1) cleaning our environment (2) raising community awareness (3) inspiring and empowering our citizenry to conserve our environment.) In collaboration with Keep America Beautiful (KAB) the City has implemented an Education & Prevention pilot program to incorporate litter prevention & solid waste management curriculum into Hartford Public Schools.

LONG TERM FINANCIAL PLANNING

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

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

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

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

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

RELEVANT FINANCIAL POLICIES

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

Internal Controls

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

Budgetary Control

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

Cash Management

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

Risk Management

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efforts of the entire staff of the Finance Department. I would like to express my appreciation to all the members of the Finance Department, especially Rajpaul Singh, Acting Controller, as well as the Accounting and Control Division personnel who assisted and contributed to the preparation of this report. I would also like to acknowledge the efforts of the Office of Management & Budget, Office of the City Treasurer, Department of Development Services, Hartford Public Schools, Hartford Public Library, and the Hartford Parking Authority.

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

Respectfully submitted,

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

Leigh Ann Ralls, CPA
Acting Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

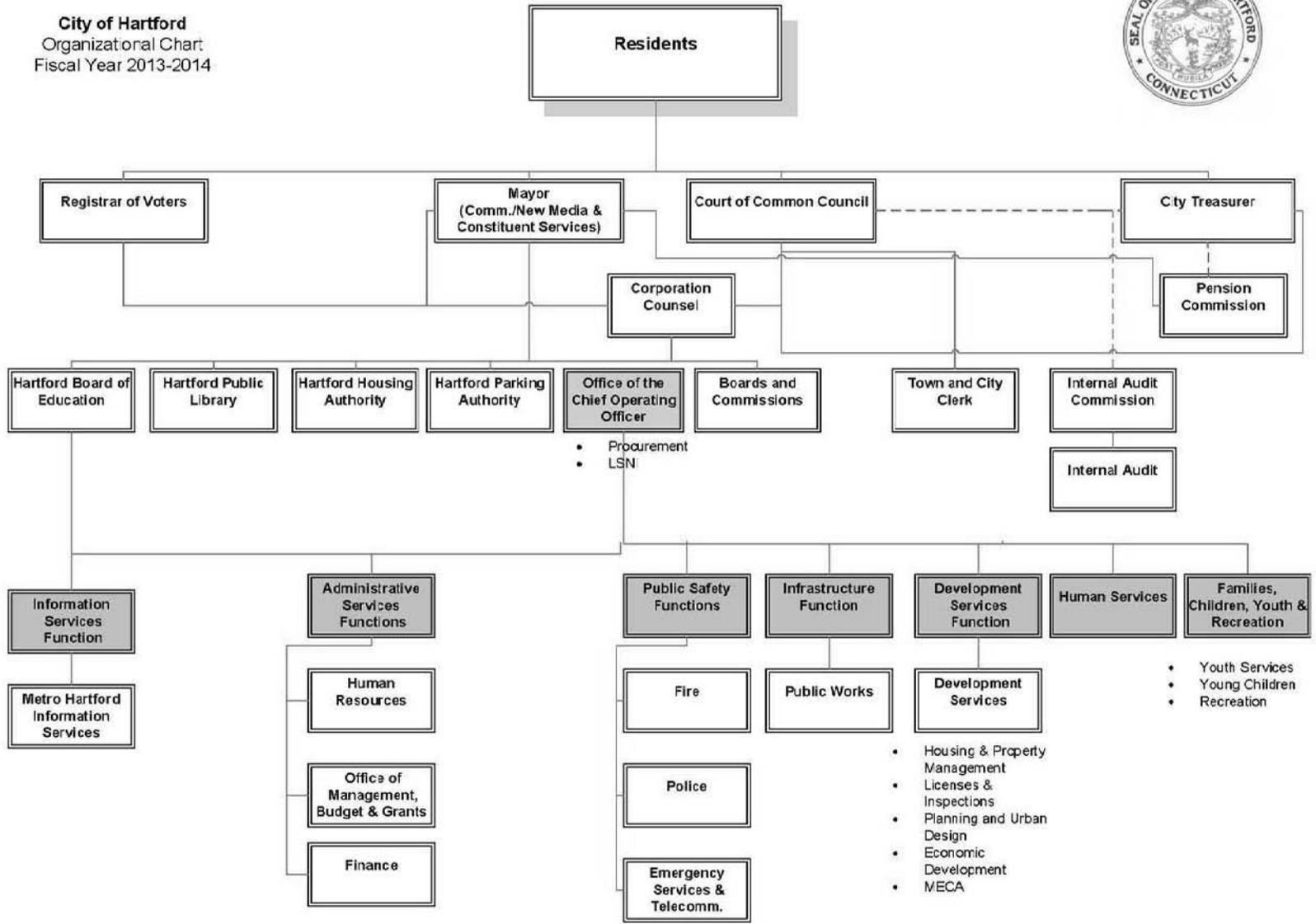
**City of Hartford
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

City of Hartford
Organizational Chart
Fiscal Year 2013-2014



CITY OF HARTFORD, CONNECTICUT
Mayor-Council Form of Government
List of Elected and Principal Officials - As of June 30, 2014

THE HONORABLE PEDRO E. SEGARRA, MAYOR

The Honorable Court of Common Council

Council President – Shawn T. Wooden

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

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

The Honorable Adam Cloud - City Treasurer

Appointed and Other Municipal Officials

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

Darrel Hill
Saundra Kee Borges, Esq.
John V. Bazzano
Albert Ilg
Leigh Ann Ralls, CPA
John Phillip
Marc S. Nelson
Domenic Greco
Tara Washington
Thomas E., Deller, AICP
Jose L. Sanchez
James C. Rovella
Carlos Huertas
Raul Pino, Ph.D.
Henry Burgos
Keith Chapman

Hartford Public Schools

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

Board of Education

Richard F. Wareing, Chairman

Jose Colon-Rivas, Vice Chair
Beth A. Taylor, Vice Chair
Craig Stallings, Secretary

Rev. Dr. Shelley Best
Michael Brescia
Robert Cotto, Jr.
Matthew K. Poland

Registrars of Voters

Olga Vasquez (D)

Sheila Hal (R)

Urania Petit (WF)

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Financial 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, 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, 2014, 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 budgetary comparison information on pages 69-73, the schedules of funding progress and employee contributions on pages 74-76, the schedule of changes in the City's net pension liability and related ratios on page 77 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 23, 2015, 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 23, 2015

City of Hartford, Connecticut
Management's Discussion and Analysis - Unaudited
June 30, 2014

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, 2014. 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 decreased \$39.0 million as a result of this year's operations. The net position of our governmental activities decreased by \$30.9 million, or nearly 2.8%. The net position of our business-type activities decreased by \$8.2 million.
- The City received \$18.6 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 \$902.5 million with no new programs added.
- The General Fund reported a fund balance this year of \$16.9 million including an assignment of \$3.9 million.
- The revenues available for appropriation and other financing sources were \$2.6 million more than budgeted for the General Fund and expenditures and other financing sources were \$3.9 million less than budgeted amount of \$551.4 million. The unassigned balance of \$13.0 million decreased \$14.5 million, which represents in part a planned use of fund balance of \$9.4 million.
- Major items that contributed to the revenue surplus are: increased amount received from intergovernmental revenues, which were a favorable variance of \$5.8 million. This is partially offset by an unfavorable variance in tax revenue of \$.7 million and an unfavorable variance of \$2.6 million in premiums from bond sales.
- Major items that contributed to the expenditure surplus of \$3.9 million are favorable surpluses in benefits and insurance of \$1.3 million, debt service of \$0.6 million, and health and human services of \$0.5 million.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The analysis of the City as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and 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 decreased from a year ago by \$39.0 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Summary Schedule of Net Position

TABLE 1
SUMMARY SCHEDULE OF NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 488,418	\$ 559,469	\$ 1,232	\$ 1,803	\$ 489,650	\$ 561,272
Capital assets, net of accumulated depreciation	1,427,779	1,400,730	31,497	57,786	1,459,276	1,458,516
Total assets	1,916,197	1,960,199	32,729	59,589	1,948,926	2,019,788
Deferred amounts on refundings	447	-	-	-	447	-
Total deferred outflows of resources	447	-	-	-	447	-
Long-term liabilities outstanding	659,478	609,975	3,970	22,311	663,448	632,286
Other liabilities	172,323	234,513	1,207	1,569	173,530	236,082
Total liabilities	831,801	844,488	5,177	23,880	836,978	868,368
Net Position:						
Net investment in capital assets	983,461	1,006,633	26,732	33,910	1,010,193	1,040,543
Restricted	75,720	73,049	-	-	75,720	73,049
Unrestricted	25,662	36,029	820	1,799	26,482	37,828
Total net position	\$ 1,084,843	\$ 1,115,711	\$ 27,552	\$ 35,709	\$ 1,112,395	\$ 1,151,420

The City's government-wide net position of \$1,112.4 million represents a decrease of \$39.0 million over last year's net position of \$1,151.4 million. This decrease was due in no small part to the receipt of only \$18.9 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 \$26.4 million at the end of this year as compared with a \$37.8 million at the end of last year. Government activities unrestricted net position decreased \$10.4 million while the unrestricted net position of the City's business-type activities decreased \$0.98 million in 2014.

TABLE 2

SUMMARY STATEMENT OF ACTIVITIES
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charge for services	\$ 27,880	\$ 22,674	\$ 5,690	\$ 4,511	\$ 33,570	\$ 27,185
Operating grants and contributions	482,748	465,918	-	-	482,748	465,918
Capital grants and contributions	18,553	65,774	-	-	18,553	65,774
General Revenues:						
Property taxes	267,234	256,943	-	-	267,234	256,943
Grants and contributions not restricted to specific programs	55,364	56,696	-	-	55,364	56,696
Unrestricted investment earnings	5,512	2,781	3	4	5,515	2,785
Other general revenues	498	2,317	-	-	498	2,317
Total revenues	857,789	873,103	5,693	4,515	863,482	877,618
Expenses						
General government	69,912	72,050	-	-	69,912	72,050
Public safety	119,995	106,619	-	-	119,995	106,619
Public works	37,310	44,280	-	-	37,310	44,280
Development and community affairs	61,626	61,652	-	-	61,626	61,652
Human services	29,697	27,561	-	-	29,697	27,561
Education	544,398	503,475	-	-	544,398	503,475
Recreation and culture	10,064	10,106	-	-	10,064	10,106
Interest on long-term debt	20,665	21,358	-	-	20,665	21,358
Hartford Parking Facilities	-	-	8,640	3,669	8,640	3,669
Golf Course	-	-	200	-	200	-
Total expenses	893,667	847,101	8,840	3,669	902,507	850,770
Excess (deficiency) of revenues over expenditures	(35,878)	26,002	(3,147)	846	(39,025)	26,848
Transfers	5,010	2,160	(5,010)	(2,160)	-	-
Change in net position	(30,868)	28,162	(8,157)	(1,314)	(39,025)	26,848
Net Position, beginning	1,115,711	1,087,549	35,709	37,023	1,151,420	1,124,572
Net Position, ending	\$ 1,084,843	\$ 1,115,711	\$ 27,552	\$ 35,709	\$ 1,112,395	\$ 1,151,420

The City's total revenue in 2014 of \$863.4 million represents a decrease of \$14.1 million over last year. Capital grants and contributions decreased \$47.2 million as capital expenses subject to reimbursement from the State for the school renovation and construction capital program decreased compared with the previous year. This was due to enrollment shortfalls and change in construction type. Operating grants and contributions increased \$16.8 million due to additional grants for various purposes, property taxes increased 10.3 million and charges for services increased \$6.4 million. These favorable variances mitigated 70% of the drop off in capital grants and contributions.

The City's total program expenses of \$902.5 million represent an increase of \$51.7 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	
	2014	2013	2014	2013
General government	\$ 69,912	\$ 72,050	\$ 56,793	\$ 63,051
Public safety	119,995	106,619	93,630	93,110
Development and community affairs	61,626	61,652	8,018	1,125
Human services	29,697	27,561	2,469	12,191
Education	544,398	503,475	155,291	59,601
All other	68,039	75,744	48,285	63,657
Total	\$ 893,667	\$ 847,101	\$ 364,486	\$ 292,735

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 \$4.0 million. Expenses (including debt service and depreciation) for the City's dedicated parking facilities remained consistent with the prior year. Net transfers to the City's governmental activities increased from \$2.2 million in 2013 to \$5.0 million in 2014 as the Parking Authority's revenues increased due to the sale of a garage.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

The City's General Fund reported a fund balance decrease of \$13.5 million during 2014 as compared with an increase of \$0.3 million in 2013. This decrease includes approved drawdowns of \$8.3 million and a supplemental drawdown of \$1.1 million of the fund balance. The General Fund's unassigned fund balance at June 30, 2014, is \$13.0 million representing 2.4 percent of the General Fund's 2014 amended budgetary appropriations. Actual revenues were \$ 2.6 million above the amended budgetary revenue estimate. Expenditures were \$3.9 million below the final budgeted appropriation of \$ 551.4 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 increase of \$13.0 million. The increase is the result of the issuance of bonds and bond anticipation notes of \$66.2 million and intergovernmental revenue of \$18.2 million exceeding the capital outlays on various projects. In addition, the City has outstanding school construction audits of \$ 2.6 million with the State of Connecticut and anticipates future reimbursements to offset additional capital outlays.

The Debt Service Fund had a restricted fund balance as of June 30, 2014, of \$116.1 million which represents a decrease due to scheduled debt service payments. There also is \$102.3 million of restricted cash and investments to pay down the existing restructured debt.

The Education Grant Fund had a decrease in fund balance of \$2.4 million due to an increase in expenditures.

The Community Development Loan and Grant Fund had a decrease in fund balance of \$1.3 million due to the financing of new loans exceeding revenue in fiscal year 2014.

The City's other governmental funds reported a small decrease of \$0.4 million in fund balance for the year.

Internal Service Funds

The net position of the City's self-insurance programs increased \$1.7 million, increasing the total net position of the City's internal service programs from \$21.6 million to a \$23.3 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 was a supplemental appropriation for the additional use of fund balance of \$1.1 million, which is reflected in RSI-1.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2014, 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 \$73.3 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)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 63.4	\$ 63.5	\$ 8.8	\$ 8.4	\$ 72.1	\$ 72.0
Land improvements	9.8	9.5	-	-	9.8	9.5
Buildings	887.3	899.8	0.2	-	887.5	899.8
Other structures	16.9	17.2	22.2	49.3	39.1	66.6
Furniture and equipment	5.2	2.6	0.3	-	5.5	2.6
Rolling equipment	15.8	13.3	-	-	15.8	13.3
Infrastructure	216.6	218.7	-	-	216.6	218.7
Construction in progress	212.8	176.0	-	-	212.8	176.0
	\$ 1,427.8	\$ 1,400.7	\$ 31.5	\$ 57.8	\$ 1,459.3	\$ 1,458.5

There are 324 active projects in the City's Capital Improvement Fund with appropriations of \$ 1,593.6 million, cumulative active project expenditures of \$1,127.4 million and outstanding encumbrances of \$43.8 million, resulting in an unencumbered balance of \$422.4 million. Total expenditures for all projects during the fiscal year amounted to \$75.3 million. New and supplemental appropriations are reflected in the FY 2015 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 \$10.3 million in general obligation bonds and \$56 million in bond anticipation notes during 2014.

At June 30, 2014, the City had \$459.9 million in bonds outstanding versus \$494.8 million last year - a decrease of 7.1% - as shown in Table 5. The City has approximately \$136 million of restricted cash and investments to offset this debt.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 455.1	\$ 469.7	\$ 4.8	\$ 25.1	\$ 459.9	\$ 494.8
Serial notes payable	1.3	1.4	-	-	1.3	1.4
Total	\$ 456.4	\$ 471.1	\$ 4.8	\$ 25.1	\$ 461.2	\$ 496.2

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The City's outstanding general obligation debt is significantly below this \$2.1 billion state-imposed limit.

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

Economic Factors and Next Year's Budgets and Rates

Connecticut's unemployment rate was calculated at 6.5% for November 2014 (seasonally adjusted). This is one tenth of a percentage point higher than October 2014 rate, but down a full percentage point from the November 2013 unemployment rate of 7.5%. The unemployment October rate for Hartford, East Hartford and West Hartford was 6.4%.

The CPI rose 0.8 percent in 2014 after a 1.5 percent increase in 2013. This is the second-smallest December-December increase in the last 50 years, trailing only the 0.1 percent increase in 2008. It is considerably lower than the 2.1 percent average annual increase over the last ten years

The 2015-2016 budget process is faced with balancing the short term fiscal realities of maintaining a stable property tax rate in a period of reduced state and federal assistance yet finding the resources to lay the seeds of economic growth that will benefit the City long term. To accomplish this, innovative approaches to the delivery of services and deployment of assets becomes paramount in budget deliberations. Partnerships between the public and private sector to increase the existing tax base are necessary to fuel the type of growth that will provide the revenue necessary to fund the delivery of quality services and educational opportunities for our citizens and stakeholders.

The adopted budget for fiscal year 2014-2015 of \$552 million is an increase of \$13.2 million over the revised 2013-2014 budget due to the slow growth of the City of Hartford's Grand List. In developing the City's 2015-2016 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

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Statement of Net Position
June 30, 2014
(In Thousands)

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Hartford Parking Authority
Assets				
Cash and cash equivalents	\$ 147,482	\$ 2,686	\$ 150,168	\$ 2,662
Investments	28,509	-	28,509	-
Receivables, net	172,449	8	172,457	1,670
Internal balances	3,558	(3,558)	-	-
Due from component unit	34	2,096	2,130	-
Other assets	354	-	354	-
Restricted cash	33,773	-	33,773	-
Restricted investments	102,259	-	102,259	-
Capital assets:				
Assets not being depreciated	276,191	8,753	284,944	-
Assets being depreciated, net	1,151,588	22,744	1,174,332	-
Total assets	1,916,197	32,729	1,948,926	4,332
Deferred Outflows of Resources				
Deferred amounts on refundings	447	-	447	-
Total deferred outflows of resources	447	-	447	-
Liabilities				
Accounts payable and accrued expenses	109,263	412	109,675	2,202
Due to primary government	-	-	-	2,130
Unearned revenue	13,510	-	13,510	-
Noncurrent liabilities:				
Due within one year	49,550	795	50,345	-
Due in more than one year	659,478	3,970	663,448	-
Total liabilities	831,801	5,177	836,978	4,332
Net Position				
Net investment in capital assets	983,461	26,732	1,010,193	-
Restricted for:				
Housing loans and grants	46,959	-	46,959	-
Trust purposes:				
Expendable	20,402	-	20,402	-
Nonexpendable	8,359	-	8,359	-
Unrestricted	25,662	820	26,482	-
Total net position	\$ 1,084,843	\$ 27,552	\$ 1,112,395	\$ -

See Notes to Financial Statements.

Statement of Activities
For the Year Ended June 30, 2014
(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	\$ (69,912)	\$ 5,265	\$ 7,854	\$ -	\$ (56,793)	\$ -	\$ (56,793)	\$ -
Public safety	(119,995)	6,132	20,233	-	(93,630)	-	(93,630)	-
Public works	(37,310)	9,289	1,321	7,053	(19,647)	-	(19,647)	-
Development and community affairs	(61,626)	861	52,744	3	(8,018)	-	(8,018)	-
Human services	(29,697)	3,953	23,275	-	(2,469)	-	(2,469)	-
Education	(544,398)	2,241	375,369	11,497	(155,291)	-	(155,291)	-
Recreation and culture	(10,064)	139	1,952	-	(7,973)	-	(7,973)	-
Interest on long-term debt	(20,665)	-	-	-	(20,665)	-	(20,665)	-
Total governmental activities	(893,667)	27,880	482,748	18,553	(364,486)	-	(364,486)	-
Business-type activities:								
Hartford Parking Facilities	(8,640)	4,932	-	-	-	(3,708)	(3,708)	-
Golf Course	(200)	758	-	-	-	558	558	-
Total business-type activities	(8,840)	5,690	-	-	-	(3,150)	(3,150)	-
Total primary government	\$ (902,507)	\$ 33,570	\$ 482,748	\$ 18,553	(364,486)	(3,150)	(367,636)	-
Component Units:								
Hartford Parking Authority	\$ (8,793)	\$ 8,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General revenues:								
Property taxes					267,234	-	267,234	-
Grants and contributions not restricted to specific programs					55,364	-	55,364	-
Unrestricted investment earnings					5,512	3	5,515	-
Miscellaneous					498	-	498	-
Transfers					5,010	(5,010)	-	-
Total general revenues and transfers					333,618	(5,007)	328,611	-
Change in net position					(30,868)	(8,157)	(39,025)	-
Net Position - beginning					1,115,711	35,709	1,151,420	-
Net Position - ending					\$ 1,084,843	\$ 27,552	\$ 1,112,395	\$ -

See Notes to Financial Statements.

Balance Sheet - Governmental Funds
June 30, 2014
(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	\$ 57,279	\$ 19,885	\$ 798	\$ 579	\$ 20,668	\$ 15,981	\$ 115,190
Restricted cash	-	-	-	13,888	-	-	13,888
Investments	-	-	-	-	-	28,509	28,509
Restricted investments	-	-	-	102,259	-	-	102,259
Receivables, net	82,264	35,916	31,397	-	6,958	15,517	172,052
Due from other funds	4,387	1,036	-	-	-	-	5,423
Inventories and other assets	-	-	-	-	-	354	354
Total assets	\$ 143,930	\$ 56,837	\$ 32,195	\$ 116,726	\$ 27,626	\$ 60,361	\$ 437,675
Liabilities							
Accounts payable and accrued liabilities	49,323	21,815	5	-	15,220	13,918	100,281
Due to other funds	-	830	-	-	-	1,001	1,831
Unearned revenue	-	670	-	-	3,775	9,065	13,510
Total liabilities	49,323	23,315	5	-	18,995	23,984	115,622
Deferred Inflows of Resources							
Unavailable revenue	77,726	26,235	31,380	-	546	4,120	140,007
Total deferred inflows of resources	77,726	26,235	31,380	-	546	4,120	140,007
Fund balances							
Nonspendable	-	-	-	-	-	8,712	8,712
Restricted	-	7,287	810	116,147	4,887	30,267	159,398
Committed	-	-	-	579	-	1,773	2,352
Assigned	3,859	-	-	-	3,198	-	7,057
Unassigned (deficits)	13,022	-	-	-	-	(8,495)	4,527
Total fund balances (deficits)	16,881	7,287	810	116,726	8,085	32,257	182,046
Total liabilities, deferred inflows of resources and fund balances	\$ 143,930	\$ 56,837	\$ 32,195	\$ 116,726	\$ 27,626	\$ 60,361	\$ 437,675

**Reconciliation of Fund Balance to Net Position of Governmental Activities
June 30, 2014
(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)	\$	182,046
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	2,133,731
Less accumulated depreciation		<u>(705,952)</u>
Net capital assets		1,427,779
Assets not available to pay for current-period expenditures and, therefore, are recorded as unavailable revenue in the funds:		
Property tax receivables		49,952
Interest receivable on property taxes		17,154
Receivable from the State for school construction projects		7,424
Housing loans		31,380
Other receivables		34,097
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.		
		23,268
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		(511,100)
Interest payable on bonds and notes		(6,535)
Compensated absences		(36,036)
HUD loans		(7,610)
Capital leases		(7,879)
Clean Water Fund serial note		(1,322)
Net OPEB obligation		(72,892)
Net pension obligation		(3,843)
Claims and judgments		(2,600)
Bond premium		(38,887)
Deferred charges on refunding		<u>447</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u><u>1,084,843</u></u>

See Notes to Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2014
(In Thousands)**

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 256,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,765
Licenses, permits, and other charges	6,555	-	-	-	-	-	6,555
Intergovernmental revenues	286,236	18,229	-	-	115,422	119,533	539,420
Charges for services	3,589	-	-	-	-	14,238	17,827
Use of property	3,227	-	-	-	-	-	3,227
Investment income	489	-	159	-	-	4,864	5,512
Miscellaneous	498	169	982	-	11,690	1,954	15,293
Total revenues	557,359	18,398	1,141	-	127,112	140,589	844,599
Expenditures							
Current:							
General government	19,384	-	-	-	-	8,462	27,846
Public safety	74,778	-	-	-	-	21,917	96,695
Public works	13,761	(1,560)	-	-	-	128	12,329
Development and community affairs	4,739	-	2,406	-	-	53,010	60,155
Human services	4,441	-	-	-	-	24,128	28,569
Education	321,535	-	-	-	131,614	17,296	470,445
Recreation and culture	7,863	-	-	-	-	2,264	10,127
Benefits and insurance	86,898	-	-	-	-	-	86,898
Other	21,019	-	-	-	-	-	21,019
Capital outlay	-	71,730	-	-	-	4,549	76,279
Debt service	-	1,480	-	46,851	-	5,987	54,318
Total expenditures	554,418	71,650	2,406	46,851	131,614	137,741	944,680
Excess (deficiency) of revenues over expenditures	2,941	(53,252)	(1,265)	(46,851)	(4,502)	2,848	(100,081)
Other Financing Sources (Uses)							
Transfers in	10,430	-	-	25,360	2,074	1,108	38,972
Transfers out	(26,868)	-	-	-	-	(7,094)	(33,962)
Lease proceeds	-	-	-	-	-	2,758	2,758
Issuance of bonds	-	10,250	-	-	-	-	10,250
Issuance of bond anticipation notes	-	56,000	-	-	-	-	56,000
Total other financing sources (uses)	(16,438)	66,250	-	25,360	2,074	(3,228)	74,018
Net change in fund balances	(13,497)	12,998	(1,265)	(21,491)	(2,428)	(380)	(26,063)
Fund Balances, beginning of year	30,378	(5,711)	2,075	138,217	10,513	32,637	208,109
Fund Balances, end of year	\$ 16,881	\$ 7,287	\$ 810	\$ 116,726	\$ 8,085	\$ 32,257	\$ 182,046

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014
(In Thousands)**

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (26,063)
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	73,293
Loss on disposal	(427)
Depreciation expense	(45,817)
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	(1,785)
Property tax receivable	7,737
Property tax interest and lien revenue	2,732
Housing loans	637
Intergovernmental revenue on school bonds and other	3,870
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities.	
Bond and series note principal payments	24,835
Issuance of bonds	(66,250)
Lease proceeds	(4,780)
Accrued interest on bonds - accrual basis change	136
HUD loan principal payments	4,658
CWF serial note	90
Capital lease payments	1,082
Amortization of deferred charge on refunding	(183)
Amortization of bond premium	2,457
Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(362)
Change in pension and other postemployment benefit liabilities	(8,382)
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	<u>1,654</u>
Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (30,868)</u>

See Notes to Financial Statements.

Statement of Net Position - Proprietary Funds
 June 30, 2014
 (In Thousands)

	Business-Type Activities			Governmental
	Hartford Parking Facilities	Golf Course	Total	Internal Service Funds
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,383	\$ 303	\$ 2,686	\$ 52,177
Receivables, net	-	8	8	397
Due from component unit	2,096	-	2,096	-
Total current assets	4,479	311	4,790	52,574
Capital Assets, Net	30,815	682	31,497	-
Total assets	35,294	993	36,287	52,574
Liabilities				
Current Liabilities				
Accounts payable and other payables	377	35	412	2,447
Due to other funds	3,558	-	3,558	-
Risk management claims	-	-	-	17,659
Bonds payable	795	-	795	-
Total current liabilities	4,730	35	4,765	20,106
Noncurrent Liabilities				
Risk management claims	-	-	-	9,200
Bonds payable	3,970	-	3,970	-
Total noncurrent liabilities	3,970	-	3,970	9,200
Total liabilities	8,700	35	8,735	29,306
Net Position				
Net investment in capital assets	26,050	682	26,732	-
Unrestricted	544	276	820	23,268
Total net position	\$ 26,594	\$ 958	\$ 27,552	\$ 23,268

See Notes to Financial Statements.

**Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2014
(In Thousands)**

	Business-Type Activities			Governmental Activities
	Hartford Parking Facilities	Golf Course	Total	Internal Service Funds
Operating Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ 81,122
Employee and pensioners charges for insurance	-	-	-	24,827
Hartford Parking Authority fees	3,973	-	3,973	-
Golf Course fees	-	758	758	-
Other	959	-	959	2,398
Total operating revenues	4,932	758	5,690	108,347
Operating Expenses				
Administrative	769	144	913	8,545
Operations	-	40	40	4,253
Insurance benefits and claims	-	-	-	93,895
Depreciation and amortization	1,255	16	1,271	-
Total operating expenses	2,024	200	2,224	106,693
Operating income	2,908	558	3,466	1,654
Nonoperating Income (Expense)				
Interest earnings	3	-	3	-
Interest expense	(3,962)	-	(3,962)	-
Loss on sale of capital assets	(2,654)	-	(2,654)	-
Total nonoperating income (expense)	(6,613)	-	(3,959)	-
Net income (loss) before transfers	(3,705)	558	(3,147)	1,654
Transfers in	-	400	400	-
Transfers out	(5,410)	-	(5,410)	-
Change in net position	(9,115)	958	(8,157)	1,654
Fund Net Position, beginning	35,709	-	35,709	21,614
Fund Net Position, ending	\$ 26,594	\$ 958	\$ 27,552	\$ 23,268

See Notes to Financial Statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014
(In Thousands)**

	Business-Type Activities			Governmental
	Hartford Parking Facilities	Golf Course	Total	Internal Service Funds
Cash Flows From Operating Activities				
City's contribution	\$ -	\$ -	\$ -	\$ 81,379
Cash paid by participants	-	-	-	27,222
Cash received from Hartford Parking Authority	4,639	-	4,639	-
Cash from customers and users	-	750	750	-
Cash paid for salaries and benefits	-	(40)	(40)	(5,717)
Cash paid to suppliers	-	(109)	(109)	-
Cash paid for claims	-	-	-	(99,846)
Cash paid to other funds	(2,193)	-	(2,193)	-
Net cash provided by operating activities	2,446	601	3,047	3,038
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(173)	(698)	(871)	-
Transfer (to) from General Fund	(5,410)	400	(5,010)	-
Proceeds on the sale of capital assets	25,889	-	25,889	-
Principal paid on bonds	(20,365)	-	(20,365)	-
Interest paid on bonds	(2,708)	-	(2,708)	-
Net cash (used in) capital and related financing activities	(2,767)	(298)	(3,065)	-
Cash Flows From Investing Activities				
Income on investments	3	-	3	-
Net cash provided by investing activities	3	-	3	-
Net increase (decrease) in cash and cash equivalents	(318)	303	(15)	3,038
Cash and Cash Equivalents, beginning of year	2,701	-	2,701	49,139
Cash and Cash Equivalents, end of year	\$ 2,383	\$ 303	\$ 2,686	\$ 52,177
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 2,908	\$ 558	\$ 3,466	\$ 1,654
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,255	16	1,271	-
Loss on disposal of assets	(2,654)	-	(2,654)	-
(Increase) in other receivables	-	(8)	(8)	254
Increase (decrease) in accounts payable and accrued liabilities	373	35	408	293
Increase in due to other funds	2,598	-	2,598	-
Decrease in insurance claims payable	-	-	-	837
Increase in due from component unit	(2,034)	-	(2,034)	-
Net cash provided by operating activities	\$ 2,446	\$ 601	\$ 3,047	\$ 3,038
Supplemental Disclosure for Cash Flow Information				
Noncash capital and related financing activities:				
Write off of bond issuance costs	\$ 1,066	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2014
(In Thousands)

	Pension Trust Funds	School Agency Funds
Assets		
Cash and cash equivalents	\$ 56,845	\$ 993
Investments:		
U.S. Government Agencies	48,715	-
U.S. Treasury	76,902	-
Corporate Bonds	85,360	-
Foreign Bonds	19,530	-
Common Trusts	108,058	-
Alternative Investments	228,655	-
Common stock	443,978	-
Total investments	1,011,198	-
Accrued investment earnings	5,783	-
Total assets	1,073,826	993
Liabilities		
Accounts payable and accrued liabilities	353	-
Net settlement due on investments purchased/sold	10,922	-
Due to student groups and other	-	993
Total liabilities	11,275	993
Net Position Restricted for Pension Benefits	\$ 1,062,551	\$ -

See Notes to Financial Statements.

**Statement of Changes in Plan Net Position -
Fiduciary Funds - Pension Trust Funds
For the Year Ended June 30, 2014
(In Thousands)**

Additions	
Contributions:	
Employer	\$ 42,710
Plan members	12,139
Other	1,274
Total contributions	<u>56,123</u>
Investment Income:	
Net appreciation in fair value of investments	120,608
Interest and dividends	16,462
Total investment income	<u>137,070</u>
Less investment expense	5,045
Net investment income	<u>132,025</u>
Deductions	
Benefits	94,458
Administration	2,232
Other	145
Total deductions	<u>96,835</u>
Increase in net position	91,313
Net Position Held in Trust for Pension Benefits	
Beginning of year	<u>971,238</u>
End of year	<u>\$ 1,062,551</u>

See Notes to Financial Statements.

City of Hartford, Connecticut

Notes to Financial Statements (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 Authority is reported as a component unit as the Mayor appoints and the City Council approves its governing board of 5 members.

Accounting Standards Adopted in the Current Year:

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, was implemented as July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refundings were required to be reclassified to Deferred Outflows of Resources. In addition, amounts previously classified as deferred revenue were reclassified as deferred inflows of resources.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 67, Financial Reporting for Pension Plans an amendment of *GASB Statement No. 25*, issued in June 2012, was effective for the City as of July 1, 2013 as the plans are part of the City's financial statements. This Statement replaces the requirements of *Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and *Statement 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 implementation of this statement had a material impact on the City's financial statements due to the significant new disclosures.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the City's financial statements.

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

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

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

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

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

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

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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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).

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, primarily licenses and fees, are considered to be available only when cash is received.

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major enterprise 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.

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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Accounting Estimates: The preparation of financial statements in conformity with 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
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

Receivables: All trade and property tax receivables, including those for component units, are reported net of an allowance for uncollectibles. The property tax receivable allowance of \$8.2 million is equal to approximately 14.5% of outstanding property taxes at June 30, 2014.

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

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

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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of Hartford, Connecticut

Notes to Financial Statements (In Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

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

Net Investment in Capital Assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

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

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

- *Nonspendable Fund Balance* – These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.
- *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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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. The net pension obligation is paid from the General Fund.

Other Post Employment Obligations (OPEB) Accounting:

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

Funding Policy: The City makes annual contributions based on the Common Council's decisions using the actuaries' recommendation. The post employment benefits are paid from the City's internal service funds.

Note 2. Cash, Cash Equivalents and Investments

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

City of Hartford, Connecticut

Notes to Financial Statements (In Thousands)

Note 2. Cash, Cash Equivalents and Investments

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

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

The City's MERF Plan has additional commitments to invest in certain alternative investments of approximately \$48.8 million at June 30, 2014.

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, 2014, \$209.7 of the City's bank balance of \$235.6 was uninsured and uncollateralized.

Hartford Parking Authority

Deposits:

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, 2014, \$1,823 of the Authority's bank balance of \$2,526 was uninsured and uncollateralized.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

Cash and investments of the City consist of the following at June 30, 2014:

Cash and Cash Equivalents

Deposits with financial institutions	\$ 225,989
State of Connecticut Short-Term Investment fund	18,452
Total cash and cash equivalents	<u>244,441</u>

Investments

Debt Service Fund:

U.S. Government Agencies	101,094	*
U.S. Treasury	1,165	*
Total debt service fund	<u>102,259</u>	

Non-Major Funds:

U.S. Government Agencies	264	*
U.S. Treasury	140	*
Corporate Bonds	1,414	*
Common Stock	2,624	*
Mutual Funds	1,458	
Common Trusts	22,608	
Total non-major funds	<u>28,508</u>	

Pension Trust Funds:

U.S. Government Agencies	48,715	*
U.S. Treasury	76,902	*
Corporate Bonds	85,360	*
Foreign Bonds	19,530	*
Common Trusts	108,058	
Alternative Investments	228,655	
Common stock	443,978	*
Total pension trust funds	<u>1,011,198</u>	

Total investments 1,141,965

Total cash, cash equivalents and investments \$ 1,386,406

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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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

Statement of Net Position

Cash and cash equivalents	\$ 152,830
Restricted cash	33,773
Investments	28,508
Restricted investments	102,259
Total statement of net position	317,370

Fiduciary Funds:

Cash and cash equivalents	57,838
Investments	1,011,198
	1,069,036
Total cash, cash equivalents and investments	\$ 1,386,406

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

Foreign Currency Risk: The MERF Plan's formal investment policy limits at any point in time, the exact level of investment in international equities to between seventeen percent and twenty-one percent of the total MERF portfolio. The City's exposure to foreign currency related to equities, fixed income securities as of June 30, 2014, is as follows:

	Currency	Fair Value
Fixed Income Securities:	Australian Dollar	\$ 3,332
	Euro Currency Unit	3,328
	Swedish Krona	3,139
	Polish Zloty	2,650
	Mexican Peso	2,385
	Other foreign currencies	4,696
Equities:	Japanese Yen	12,032
	Euro Currency Unit	9,680
	British Pound Sterling	2,103
	Swiss Franc	1,617
	South Korean Won	1,563
	Singapore Dollar	1,462
	Canadian Dollar	1,266
	Other foreign currencies	3,196

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
Foreign Bonds	\$ 19,530	\$ 1,858	\$ 7,811	\$ 5,262	\$ 4,599
U.S. Government Agencies	150,073	-	111,736	11,016	27,321
U.S. Treasury	78,207	1,182	25,010	19,444	32,571
Corporate Bonds	86,774	839	22,501	30,302	33,132
Common Trusts	130,666	16,405	35,358	40,948	37,955
Pooled Fixed Income	18,452	18,452	-	-	-
Total	\$ 483,702	\$ 38,736	\$ 202,416	\$ 106,972	\$ 135,578

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	\$ 1,245	\$ 1,763	\$ 35,652	\$ 2,505	\$ -
AAAm	-	-	-	-	18,452
AA+	-	73,263	-	5,532	-
AA	-	46,443	2,981	1,305	-
AA-	669	1,988	459	954	-
A+	712	1,988	630	1,865	-
A	5,387	1,386	3,948	7,799	-
A-	525	1,521	1,458	7,416	-
BBB+	625	1,049	5,822	8,772	-
BBB	-	2,398	8,876	8,837	-
BBB-	-	2,966	13,306	6,386	-
BB+	-	2,575	7,034	2,369	-
BB	-	1,723	7,336	5,219	-
BB-	-	2,050	4,627	6,242	-
B+	-	1,046	4,981	5,051	-
B	-	1,086	1,088	5,814	-
B-	-	2,444	7,812	3,038	-
CCC+	-	1,838	1,903	2,585	-
CCC	-	-	1,172	617	-
CCC-	-	-	1,226	-	-
D	-	-	28	418	-
Unrated	10,367	2,546	20,327	4,050	-
	\$ 19,530	\$ 150,073	\$ 130,666	\$ 86,774	\$ 18,452

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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

The Pension Plan does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2014:

Prudential Institutional Emerging Market	\$ 70,701
MSCI All Country World	63,761
Walter Scott & Partners	58,064
Eaton Vance	55,716

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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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	\$ 56,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,888
Accrued interest on taxes	22,872	-	-	-	-	-	22,872
Intergovernmental	7,424	41,506	-	7,040	4,157	-	60,127
Accounts	15,416	-	-	-	8,615	397	24,428
Housing loans	-	-	65,468	-	-	-	65,468
Section 108-business loans	-	-	-	-	7,610	-	7,610
Gross receivables	<u>102,600</u>	<u>41,506</u>	<u>65,468</u>	<u>7,040</u>	<u>20,382</u>	<u>397</u>	<u>237,393</u>
Less:							
Allowance for uncollectibles:							
Taxes	(8,224)	-	-	-	-	-	(8,224)
Accrued interest on taxes	(5,718)	-	-	-	-	-	(5,718)
Accounts	(6,394)	(5,590)	-	(82)	(1,865)	-	(13,931)
Housing loans	-	-	(34,071)	-	-	-	(34,071)
Section 108-business loans	-	-	-	-	(3,000)	-	(3,000)
Total allowance	<u>(20,336)</u>	<u>(5,590)</u>	<u>(34,071)</u>	<u>(82)</u>	<u>(4,865)</u>	<u>-</u>	<u>(64,944)</u>
Net total receivables	<u>\$ 82,264</u>	<u>\$ 35,916</u>	<u>\$ 31,397</u>	<u>\$ 6,958</u>	<u>\$ 15,517</u>	<u>\$ 397</u>	<u>\$ 172,449</u>

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 4. Deferred Inflows of Resources/Unearned Revenue

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

Primary Government	Deferred Inflows	Unearned	Total
General Fund:			
Delinquent property taxes	\$ 49,952	\$ -	\$ 49,952
Accrued interest on delinquent property taxes	17,154	-	17,154
School building construction grant receivables	7,424	-	7,424
Other receivables	3,196	-	3,196
Capital Improvement Fund:			
Intergovernmental grants receivable	26,235	670	26,905
Community Development Loan and Grant:			
Housing loans and interest	31,380	-	31,380
Educational Grants:			
Grant drawdowns prior to meeting all eligibility requirements	546	3,775	4,321
Nonmajor and other funds:			
Grant drawdowns prior to meeting all eligibility requirements and other	4,120	9,065	13,185
Total deferred inflows/unearned revenue for governmental funds, and/or governmental activities	\$ 140,007	\$ 13,510	\$ 153,517

Note 5. Interfund Receivables, Payables and Transfers

A summary of interfund balances as of June 30, 2014, is presented below:

	Due From Other Funds	Due To Other Funds
Capital Improvement	\$ 1,036	\$ 830
General Fund	4,353	-
Parking Facilities		3,558
Nonmajor Governmental Funds	-	1,001
	\$ 5,389	\$ 5,389

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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 5. Interfund Receivables, Payables and Transfers (Continued)

A summary of interfund transfers is presented below:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 10,430	\$ 26,868
Debt Service Fund	25,360	-
Educational Grants	2,074	-
Nonmajor and Other Funds	1,508	7,094
Hartford Parking Facilities	-	5,410
Total	<u>\$ 39,372</u>	<u>\$ 39,372</u>

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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 63,535	\$ -	\$ -	\$ (152)	\$ 63,383
Construction in progress	175,957	50,201	-	(13,350)	212,808
Total capital assets, not being depreciated	239,492	50,201	-	(13,502)	276,191
Capital assets, being depreciated:					
Land improvements	27,677	608	-	668	28,953
Buildings	1,212,182	5,398	-	9,113	1,226,693
Other structures	32,114	9	-	372	32,495
Furniture and equipment	39,784	8,989	(633)	-	48,140
Rolling equipment	44,191	5,988	(1,602)	-	48,577
Infrastructure	467,928	2,100	-	2,654	472,682
Total capital assets being depreciated	1,823,876	23,092	(2,235)	12,807	1,857,540
Less accumulated depreciation for					
Land improvements	(18,219)	(917)	-	-	(19,136)
Buildings	(312,363)	(27,346)	-	320	(339,389)
Other structures	(14,880)	(711)	-	-	(15,591)
Furniture and equipment	(37,139)	(6,391)	608	-	(42,922)
Rolling equipment	(30,847)	(3,517)	1,575	-	(32,789)
Infrastructure	(249,190)	(6,935)	-	-	(256,125)
Total accumulated depreciation	(662,638)	(45,817)	2,183	320	(705,952)
Total capital assets, being depreciated, net	1,161,238	(22,725)	(52)	13,127	1,151,588
Governmental activities capital assets, net	\$ 1,400,730	\$ 27,476	\$ (52)	\$ (375)	\$ 1,427,779

City of Hartford, Connecticut

Notes to Financial Statements
(In Thousands)

Note 6. Capital Assets (Continued)

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 8,428	\$ 173	\$ -	\$ 152	\$ 8,753
Total capital assets, not being depreciated	8,428	173	-	152	\$ 8,753
Capital assets, being depreciated:					
Land improvements	29	-	-	-	29
Buildings and improvements	-	-	-	543	543
Parking garages	69,995	-	(35,709)	-	34,286
Other structures	3,202	-	-	-	3,202
Furniture, fixtures and equipment	272	322	-	-	594
Total capital assets, being depreciated	73,498	322	(35,709)	543	38,654
Less accumulated depreciation for:					
Land improvements	(12)	(1)	-	-	(13)
Buildings and improvements	-	(14)	-	(320)	(334)
Parking garages	(22,354)	(967)	9,821	-	(13,500)
Other structures	(1,502)	(287)	-	-	(1,789)
Furniture, fixtures and equipment	(272)	(2)	-	-	(274)
Total accumulated depreciation	(24,140)	(1,271)	9,821	(320)	(15,910)
Total capital assets, being depreciated, net	49,358	(949)	(25,888)	223	22,744
Business-type activities capital assets, net	\$ 57,786	\$ (776)	\$ (25,888)	\$ 375	\$ 31,497

The City sold the Morgan Street Garage, with a net book value of \$25,888 on August 23, 2013. The garage was sold for \$23,233, which resulted in a loss of \$2,655 to the City. The proceeds of the sale were used to pay off the related debt of \$20,365. See Note 8 for more information.

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

Governmental Activities:	
General government	\$ 6,945
Public safety	3,959
Public works	21,008
Development and community affairs	306
Education	13,333
Recreation and culture	266
Total depreciation expense – governmental activities	<u>\$ 45,817</u>
Business-type activities:	
Hartford Parking Facilities	<u>\$ 1,271</u>

Construction Commitments: The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2014. 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 \$40.0 million.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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 2014 amounted to \$3.2 million. The cost of the buildings and land associated with these rental income amounts is estimated at \$93.9 million with a carrying value of \$54.8 million. Depreciation expense related to these properties was \$1.9 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.

2015 - 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, 2014, base rent and additional rent amounted to \$1.5.

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

2015	\$	4,094
2016		1,664
2017		1,338

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 8. Long-Term Liabilities

Governmental Activities:

Changes in Long-Term Liabilities: Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 469,685	\$ 10,250	\$ (24,835)	\$ 455,100	\$ 24,785
Bond anticipation notes	-	56,000	-	56,000	-
Premium on bonds	41,344	-	(2,457)	38,887	-
Total bonds payable	511,029	66,250	(27,292)	549,987	24,785
Other long-term liabilities:					
Compensated absences	35,674	8,127	(7,765)	36,036	7,765
HUD Section 108 loans	12,268	-	(4,658)	7,610	190
Capital leases	4,181	4,780	(1,082)	7,879	1,720
CWF Serial Note	1,412	-	(90)	1,322	90
Net OPEB obligation	64,398	8,494	-	72,892	-
Net pension obligation	3,955	-	(112)	3,843	-
Claim and judgments	2,600	-	-	2,600	-
Risk management claims	26,022	94,732	(93,895)	26,859	15,000
Total other long-term liabilities	150,510	116,133	(107,602)	159,041	24,765
Total governmental activities long-term liabilities	\$ 661,539	\$ 182,383	\$ (134,894)	\$ 709,028	\$ 49,550

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 \$116,147 at June 30, 2014 and is restricted as it is to be used to pay down the bonds.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 8. Long-Term Liabilities (Continued)

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

Date of Issue	Interest Rate (%)	Original Amounts	Maturity Dates	Annual Payment	Balance June 30, 2014
March 2003	4.25-5.25	\$ 30,225	2016	\$1,250-2,340	\$ 5,795
June 2005	4.50-5.00	29,510	2020	1,050-3,600	18,455
June 2005	3.00-5.00	32,300	2024	1,700	18,700
June 2006	4.00-5.00	70,000	2025	3,685	44,220
June 2007	4.00-5.25	70,000	2026	3,680-3,685	47,890
February 2009	2.50-5.00	40,225	2022	2,115-2,120	31,745
September 2009	2.00-5.00	12,150	2018	1,325-1,435	6,625
April 2010	2.00-4.30	14,000	2029	735-740	11,780
April 2011	3.00-5.25	25,000	2024	1300-1325	22,400
April 2012	2.00-5.00	50,000	2032	2,500	45,000
April 2012	2.00-5.00	21,280	2023	100-1,895	19,475
April 2013	4.00-5.00	48,160	2033	1,800-3,825	48,160
March 2013	4.00-5.00	124,605	2032	4,960-10,420	124,605
March 2013	2.66	10,250	2024	1,020-1,265	10,250
					\$ 455,100

The annual requirements to amortize all bonded debt outstanding as of June 30, 2014, are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 24,785	\$ 20,881	\$ 45,666
2016	32,555	19,766	52,321
2017	31,865	18,299	50,164
2018	30,940	16,861	47,801
2019	29,810	15,430	45,240
2020-2024	140,730	57,664	198,394
2025-2029	109,390	26,866	136,256
2030-2034	55,025	5,404	60,429
\$ 455,100			\$ 636,271

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 8. Long-Term Liabilities (Continued)

Clean Water Fund - Serial Notes Payable: The City has entered into a Clean Water Fund serial note payable to the State of Connecticut as part of a tower brook conduit extension project administered by the Metropolitan District. Principal in the amount of \$85 and interest in the amount of \$29 was paid in the 2013-14 fiscal year. Future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 90	\$ 26	\$ 116
2016	92	24	116
2017	94	24	118
2018	96	20	116
2019	97	18	115
2020-2024	518	60	578
2025-2029	335	10	345
	<u>\$ 1,322</u>	<u>\$ 182</u>	<u>\$ 1,504</u>

The City's indebtedness (\$976.1 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	\$ 579,929	\$ 400,267	\$ 179,662
Schools	1,159,857	381,280	778,577
Sewer	966,548	194,512	772,036
Urban renewal	837,675	-	837,675
Pension deficit	773,238	-	773,238

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$2.1 billion).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued. School building grants totaling \$7.4 million are applicable to outstanding bond issues.

Total bonds authorized and unissued as of June 30, 2014, were:

Description	Authorized/ Unissued
General Purpose	\$ 111,080
Schools	279,732
Sewers	8,578
Total	<u><u>\$ 399,390</u></u>

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 8. Long-Term Liabilities (Continued)

Housing and Urban Development (HUD) Section 108 Loans and Subsequent Event: The future annual requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 190	\$ 210	\$ 400
2016	555	200	755
2017	565	187	752
2018	350	177	527
2019	350	171	521
2020-2024	1,750	738	2,488
2025-2029	1,750	490	2,240
2030-2034	2,100	94	2,194
	<u>\$ 7,610</u>	<u>\$ 2,267</u>	<u>\$ 9,877</u>

Capital Leases: The City has entered into multi-year capital leases for the purchase of various vehicles and equipment. Principal payments for 2014 were \$1,082. The following is a summary of capital lease commitments as of June 30, 2014:

Year Ended June 30,	Amount
2015	\$ 1,720
2016	1,720
2017	1,720
2018	1,267
2019	814
Thereafter	1,061
Total lease payments	<u>8,302</u>
Less: amount representing interest	<u>(423)</u>
Present value of minimum lease payments	<u>\$ 7,879</u>

The City issues capital lease financing agreements to purchase vehicle and equipment capital assets. The net undepreciated book value of \$4,282 is less than the principal balance payable of \$7,879 million due to amounts held in escrow at June 30, 2014.

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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 8. Long-Term Liabilities (Continued)

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

	<u>June 30, 2014</u>
Board of Education:	
Sick	\$ 14,703
Vacation	2,483
City:	
Sick	13,411
Vacation	<u>5,439</u>
Total	<u><u>\$ 36,036</u></u>

Business-Type Activities: Changes in Long-Term Liabilities: Long-term liabilities for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type Activities					
General obligation bonds	\$ 25,130	\$ -	\$ (20,365)	\$ 4,765	\$ 795
Total bonds payable	<u>\$ 25,130</u>	<u>\$ -</u>	<u>\$ (20,365)</u>	<u>\$ 4,765</u>	<u>\$ 795</u>

The annual requirements to amortize all general obligation bond debt outstanding as of June 30, 2014 are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 795	\$ 224	\$ 1,019
2016	865	182	1,047
2017	945	135	1,080
2018	1,030	144	1,174
2019	1,130	29	1,159
	<u>\$ 4,765</u>	<u>\$ 714</u>	<u>\$ 5,479</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:

Garage - Refunding bonds issued 2005; final maturity August 1, 2018; interest at 3.0% to 5.5%	<u><u>\$ 4,765</u></u>
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City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 8. Long-Term Liabilities (Continued)

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, 2013	\$	64,650
Issuances		56,000
Retired/Matured		<u>(64,650)</u>
Ending balance, June 30, 2014	\$	<u>56,000</u>
Reported as:		
Long-term debt	\$	<u>56,000</u>

The entire \$56,000 bond anticipation notes outstanding at June 30, 2014 were paid off and permanently financed into General Obligation Bonds on October 16, 2014. See Note 16.

Note 9. Deficit Fund Equity

Nonmajor Funds	
Vehicle Equipment & Technology	2,347
Miscellaneous Grants	2,599
Health Grants	6
Capital Lease	3,541
Library Grants	2
Internal Service Funds	
Workers' Compensation	13,295
Liability and Property Damage	4,610

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

Note 10. Risk Management

The City has established a risk management program to account for and finance its uninsured risks of loss for employee benefits (including comprehensive life, hospital and major medical benefits), workers' compensation, and liability and property damage. Under this program, primary coverage is provided by the City up to a maximum of \$500,000 in health insurance claims for each individual per claim year, \$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 risk management. The General Fund makes monthly payments to the Internal Service Fund based on amounts budgeted as necessary to meet all current and a portion of future claims and administrative expenses. In addition, the City Treasurer and Pension Commission are covered by fiduciary liability insurance.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 10. Risk Management (Continued)

Additionally, the City's insured general liability limit for fiscal year 2013-14 was \$17.0 million. The City purchases insurance for all legal liabilities in excess of a \$500,000 self-insured retention and public officials' liability in excess of a \$250,000 deductible. All City property is insured for fire and extended coverage with a \$100,000 deductible. Certain settled claims have exceeded the self-insured retention amounts for any year, but no claims have exceeded the commercial coverage in the past three years.

Workers' compensation salary continuation is initially paid from the employee's respective department budget after which Statutory Compensation payment is administered by The Travelers, the City's Workers' Compensation Third Party Administrator.

The General Fund makes payments to the Self Insurance Fund based on actuarial or underwriting estimates of the amounts needed to pay current-year claims, additional estimated losses on current claims, an amount to cover incurred but not reported claims and administrative expenses. The claims liability of \$26,859 million, reported in the fund at June 30, 2014, 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 2014 and 2013 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Self-Insurance Fund:				
2012-2013	\$ 30,312	\$ 83,766	\$ 88,056	\$ 26,022
2013-2014	26,022	94,732	93,895	26,859

Note 11. Commitments and Contingencies

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

Statutory Commitments: The City is a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), and is contingently liable for \$184.6 million or 28.7% 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.

City of Hartford, Connecticut

Notes to Financial Statements
(In Thousands)

Note 12. Other Postemployment Benefits

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Benefits are established and amended through negotiations between the City and the various unions representing City employees. The City pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts towards the cost of receiving benefits under the City's self-insured medical benefits program. The City provides post-retirement benefits through a single-employer defined benefit plan. The post-retirement plan does not issue stand-alone financial reports.

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

The City has not implemented a trust fund, as of June 30, 2014, 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, 2013:

	Life <i>(not rounded)</i>	Medical <i>(not rounded)</i>
Active members	2,946	4,923
Retirees and spouses	2,858	1,742
Total	<u>5,804</u>	<u>6,665</u>

Postemployment retiree benefit payments for the year ended June 30, 2014, net of retiree and other contributions, amounted to \$11,650.

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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 12. Other Postemployment Benefits (Continued)

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

	Other Post- Employment Benefits (OPEB)
Annual required contribution (ARC)	\$ 19,991
Interest on net OPEB obligation	2,898
Adjustment for Net OPEB obligation	<u>(2,745)</u>
Annual OPEB cost	20,144
Contributions made	<u>(11,650)</u>
Increase in net OPEB obligation	8,494
Net OPEB obligation, beginning of year	<u>64,398</u>
Net OPEB obligation, end of year	<u><u>\$ 72,892</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, 2012, 2013 and 2014 is presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/12	\$ 18,641	\$ 10,728	57.6%	\$ 55,996
6/30/13	19,318	10,916	56.5%	64,398
6/30/14	20,144	11,650	57.8%	72,892

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

Actuarial Assumptions - OPEB

Valuation Date:	July 1, 2013
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Percent, Closed
Remaining Amortization Period:	Open 30 Year Period

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

Note 12. Other Postemployment Benefits (Continued)

Actuarial Assumptions:

Discount Rate:	4.5% per annum
Projected salary increase:	3.0%
Inflation Rate:	3.5%
Drug and Medical Cost	
Trend Rate:	7.0% graded to 5.0% over 9 years
Administrative Fee Trend Rate:	4.0 %
Dental Trend Rate:	5.0%

The schedule of funding progress is as follows:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/13	\$ -	\$ 262,716	\$ 262,716	0.0%	\$ 356,877	73.6%

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

Note 13. Employee Retirement Systems and Pension Plans

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

The two single employer plans are administered by the City. The plans provide retirement, disability and survivorship benefits for all retired employees, in accordance with provisions which are subject to bargaining with unions representing most of the employees. The City provides retirement benefits for employees hired since 1947, through the City MERF, a contributory, defined benefit plan. Employees hired before the current City MERF went into effect on May 1, 1947 are paid from an unfunded program known as the RAF/PBF/FRF Plan. There are no remaining active members and the unfunded liability is decreasing rapidly.

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) (GASB 27/50)

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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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

As of the actuarial valuation date, July 1, 2013, City MERF membership consisted of:

	<u>(not rounded)</u>
Retirees and beneficiaries currently receiving benefits	2,911
Terminated employees entitled to benefits but not yet receiving them	173
Active plan members	<u>2,324</u>
Total	<u><u>5,408</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 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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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, 2013 valuation	\$ 42,710
Interest on net pension obligation	316
Adjustment to annual required contribution	(428)
Annual pension cost	<u>42,598</u>
Contributions made	<u>42,710</u>
Decrease in net pension obligation	(112)
Net pension obligation, beginning of year	<u>3,955</u>
Net pension obligation, end of year	<u><u>\$ 3,843</u></u>

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

The annual required contribution for the current year was determined as part of the MERF actuarial valuation dated July 1, 2013. The actuarial method and assumptions used in the July 1, 2013, valuation are presented below:

Valuation date	July 1, 2013
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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

Trend Information:

Schedule of Contributions					
Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation	
06/30/12	\$ 27,515	\$ 27,600	100.31%	\$ 4,069	
06/30/13	34,224	34,338	100.33%	3,955	
06/30/14	42,598	42,710	100.26%	3,843	

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	
07/01/13	\$ 963,269	\$ 1,288,961	\$ 325,692	74.7%	\$ 144,648	225.2%	

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.

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 ninety-four 94 (not rounded) retirees covered by this plan as of the actuarial valuation dated July 1, 2013.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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 \$837. The Plan did not have a net pension obligation as of June 30, 2014.

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

Trend Information:

Schedule of Contributions				
Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
06/30/12	\$ 1,097	\$ 1,097	100.00%	-
06/30/13	992	992	100.00%	-
06/30/14	837	837	100.00%	-

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

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
07/01/13	\$ -	\$ 6,137	\$ 6,137	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, 2014, 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.

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 \$87. 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

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

Trend Information:

Schedule of Contributions						
Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation		
06/30/14	\$ 87	\$ 87	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	
07/01/13	\$ -	\$ 338	\$ 338	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 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, 2014, 2013 and 2012 were \$5.2 million, \$5.4 million and, \$5.8 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.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

The Board of Education withholds 7.25% of all teachers' annual salaries, \$11,040 was withheld in fiscal year 2014, and this amount was transmitted 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, 2014 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$37,749 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.

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, 2014 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	\$ 56,845	\$ -	\$ 56,845
Investments:			
U.S. Treasury	76,902	-	76,902
Alternative Investments	228,655	-	228,655
Common Stock	443,978	-	443,978
Corporate Bonds	85,360	-	85,360
Foreign Bonds	19,530	-	19,530
Common Trust	108,058	-	108,058
U.S. Government Agencies	48,715	-	48,715
Accrued investment earnings	5,783	-	5,783
Total assets	1,073,826	-	1,073,826
Liabilities			
Accounts payable and accrued liabilities	353	-	353
Net settlement due on investments purchased/sold	10,922	-	10,922
Total liabilities	11,275	-	11,275
Net Position Restricted for Pension Benefits	\$ 1,062,551	\$ -	\$ 1,062,551

City of Hartford, Connecticut

Notes to Financial Statements
(In Thousands)

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

	Municipal Employees' Retirement Fund	RAF/PBF/FRF Plan	Total Trust Funds
Additions			
Contributions:			
Employer - ARC	\$ 42,710	\$ -	\$ 42,710
Employer - other	437	837	1,274
Plan members	12,139	-	12,139
Total contributions	55,286	837	56,123
Investment Income:			
Net appreciation in fair value of investments	120,608	-	120,608
Interest and dividends	16,462	-	16,462
Total investment income	137,070	-	137,070
Less investment expense	5,045	-	5,045
Net investment income	132,025	-	132,025
Deductions			
Benefits	93,621	837	94,458
Administration	2,232	-	2,232
Other	145	-	145
Total deductions	95,998	837	96,835
Net increase	91,313	-	91,313
Net Position Restricted for Pension Benefits			
Beginning of year	971,238	-	971,238
End of year	\$ 1,062,551	\$ -	\$ 1,062,551

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

MERF Pension Plan (GASB 67)

Investments: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The City pension plan asset allocation parameters for the MERF are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Equities	9.00%
Small/Mid Cap Equities	4.00%
Int'l Equities (Unhedged)	10.00%
Emerging Int'l Equities	9.00%
Core Bonds	5.00%
High-Yield Bonds	4.00%
Global Bonds (Unhedged)	3.00%
EMD(External)	3.00%
EMD (Local Currency)	3.00%
Global TIPS	4.00%
Long Govt/Credit	8.50%
Private Equity	5.00%
Private Debt	3.00%
Real Estate (Core)	8.00%
Hedge Funds	10.00%
Global Asset Allocation	7.00%
Commodities	3.00%
Cash	1.50%
	<u>100.00%</u>

Plan Administration: The City's pension plan is separately administered by its own respective pension board. The Mayor and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typical meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The "joint pension board" which comprises of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

Concentrations: The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

The following represents the investments of the pension plans that represent more than 5% of the plan's net position as of June 30, 2014:

Prudential Institutional Emerging Market	\$	70,701
MSCI All Country World		63,761
Walter Scott & Partners		58,064
Eaton Vance		55,716

Net Pension Liability of the City: The components of the net pension liability (GASB 67) of the City at June 30, 2014 were as follows:

Net Pension Liability (GASB 67) as of June 30, 2014	MERF	RAF/PBF/ FRF Plan	415 (m) Plan
Total Pension Liability	\$ 1,315,265	\$ 6,173	\$ 338
Plan Fiduciary Net Position	1,062,551	-	-
Net Pension Liability	<u>\$ 252,714</u>	<u>\$ 6,173</u>	<u>\$ 338</u>
Plan Fiduciary Net Position as a percentage of total pension liability	80.79%	0.00%	0.00%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 14.05%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, the was projected forward to the measurement date of June 30, 2014:

- | | |
|------------------------|--|
| Actuarial Method Used: | Entry Age Normal Cost Method (GASB 67) |
| Mortality Basis: | For Police, Fire, Board of Education Corridor Supervisors and Building and Grounds Supervisors: <ul style="list-style-type: none"> • Pre-retirement: RP2000 Employees Table – male and female rates, projected by Scale AA to valuation date with occupational (i.e., non-office worker, blue collar) adjustment. • Post-retirement: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date with occupational (i.e., non-office worker, blue collar) adjustment. No adjustment reflected for assumed future beneficiaries. • Disability: RP2000 Disabled Table – male and female rates. |

City of Hartford, Connecticut

Notes to Financial Statements
(In Thousands)

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

For All Other Groups:

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

Mortality Improvement: Pre and Post-retirement: Projected to date of decrement using Scale AA (generational mortality).

Investment Return: 7.75% per year, net of investment expenses. (Prior valuation: 8.00%)

Salary Scale: 3% for inflationary salary increases plus a percentage for promotion or merit increases as follows:

Yearly Rates of Increases for Promotion or Merit

<u>Age</u>	<u>Police</u>	<u>Fire</u>	<u>Bd of Ed</u>	<u>Munic. Svc. & Lib.</u>
25	6.60%	4.5%	4.40%	6.40%
30	4.80%	2.63%	3.70%	4.78%
35	2.65%	1.25%	3.35%	2.75%
40	1.45%	0.85%	2.50%	2.21%
45	1.10%	0.75%	1.40%	2.00%
50	1.00%	0.75%	0.85%	1.55%
55+	1.00%	0.75%	0.75%	1.25%

Salaries are adjusted for groups in negotiations by 3% per year for the period of each open contract, and non-bargaining groups by 3% per year for one full fiscal year from the measurement date. Any wage increases negotiated beyond the valuation date have been reflected in our projections.*

* The following groups have future salary increases that have been negotiated and are reflected in this valuation:

- Firefighters
- HMEA
- Building and Grounds Supervisors
- MLA
- HESP
- Paraprofessionals
- HSSA
- School Crossing Guards
- Police

For Police, final average pay is loaded by a percentage for assumed private duty and overtime as follows: Pre-7/1/1999 hires: 43%; Post 7/1/1999 hires: 19% for employees remaining in the pre 2012 plan; 25% for employees moving to the 7/1/2012 plan. Disability: None.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 15 years from July 1, 2013, as a level percentage of pay.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>	<u>Weighting</u>
Large Cap Equities	9.00%	4.50%	0.41%
Small/Mid Cap Equities	4.00%	4.75%	0.19%
Int'l Equities (Unhedged)	10.00%	5.00%	0.50%
Emerging Int'l Equities	9.00%	6.25%	0.56%
Core Bonds	5.00%	1.21%	0.06%
High-Yield Bonds	4.00%	2.75%	0.11%
Global Bonds (Unhedged)	3.00%	-0.25%	-0.01%
EMD(External)	3.00%	3.75%	0.11%
EMD (Local Currency)	3.00%	4.00%	0.12%
Global TIPS	4.00%	1.25%	0.05%
Long Govt/Credit	8.50%	2.00%	0.17%
Private Equity	5.00%	6.50%	0.33%
Private Debt	3.00%	5.00%	0.15%
Real Estate (Core)	8.00%	3.25%	0.26%
Hedge Funds	10.00%	3.75%	0.38%
Global Asset Allocation	7.00%	3.61%	0.25%
Commodities	3.00%	2.75%	0.08%
Cash	1.50%	0.50%	0.01%
	100.00%		3.73%
Long-Term Inflation Expectation			3.25%
Long-Term Expected Nominal Return			6.98%

*Long-Term Returns are provided by NEPC, LLC. The returns are geometric means.

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

Discount rate: The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contributions amounts are established by statute or contract or (b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members. If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are projected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, a 7.75% interest rate assumption to discount plan liabilities.

Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to some periods of projected benefit payments to determine the total pension liability. The remaining projected future benefit payments were discounted using the 20-year general obligation municipal bond rate.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of Hartford's MERF Plan, calculated using the discount rate of 7.75% as well as what the City of Hartford's MERF Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
MERF			
Net Pension Liability	\$ 392,250	\$ 252,714	\$ 134,979

City of Hartford, Connecticut

**Notes to Financial Statements
(In Thousands)**

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

RAF/PBF/FRF (GASB 67)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Basis:	Police/Fire: RP2000 Healthy Annuitants Table – male and female rates, projected by a Scale AA to valuation date plus 5 years with occupational adjustment. For all other Groups: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date plus 5 years with no adjustment.
Survivor's Benefits:	The actuarial liability and projected pension payments include provision for these benefit based on actual spouse ages and benefit form elected. It was assumed that all policemen without wives will name beneficiaries for special 10-year annuity benefits.
Escalation:	To adjust for the PBF and FRF escalation provisions, the projected figures include estimated annual increases for pensioners (excluding survivors) based on plan provisions. For RAF, the table of projected annual benefits makes no provision for future escalation.

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

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of Hartford, calculated using the discount rate of 3.75% as well as what the City of Harford's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
RAF/PBF/FRF Plan			
Net Pension Liability	\$ 6,644	\$ 6,173	\$ 5,770

City of Hartford, Connecticut

Notes to Financial Statements
(In Thousands)

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

415 (m) Fund (GASB 67)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Basis:	RP2000 Healthy Annuitants Table – male and female rates.
Mortality Improvement:	Projected to date of decrement using Scale AA (generational mortality).
Investment Return:	3.75% per year, net of investment expenses.
Assumed Retirement:	Immediate as all are retired.
Escalation:	3% per year.

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

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City of Hartford, calculated using the discount rate of 3.75% as well as what the City of Hartford's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
415 (m) Plan			
Net Pension Liability	\$ 350	\$ 338	\$ 328

City of Hartford, Connecticut

Notes to Financial Statements
(In Thousands)

Note 14. Governmental Funds – Fund Balance (Deficit)

Below is a table of fund balance categories and classifications at June 30, 2014 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	-	-	-	-	-	353
Total non-spendable	-	-	-	-	-	8,712
Restricted:						
Development and community affairs	-	-	810	-	-	1,973
Debt Service	-	-	-	116,147	-	-
Recreation and Culture	-	-	-	-	-	16,324
Human services	-	-	-	-	-	4,285
Education	-	-	-	-	4,887	3,075
Capital projects	-	7,287	-	-	-	4,610
Total restricted	-	7,287	810	116,147	4,887	30,267
Committed:						
Capital projects	-	-	-	-	-	1,773
Debt service	-	-	-	579	-	-
Education	-	-	-	-	-	-
Total committed	-	-	-	579	-	1,773
Assigned:						
Recreation	355	-	-	-	-	-
Benefits	-	-	-	-	-	-
Education	3,504	-	-	-	3,198	-
Total assigned	3,859	-	-	-	3,198	-
Unassigned (deficit):						
	13,022	-	-	-	-	(8,495)
Total unassigned (deficit)	13,022	-	-	-	-	(8,495)
Total fund balance (deficit)	\$ 16,881	\$ 7,287	\$ 810	\$ 116,726	\$ 8,085	\$ 32,257

City of Hartford, Connecticut

Notes to Financial Statements (In Thousands)

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 a material effect due to the underfunded pension plan (see Note 13):

- *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. This Statement is effective for fiscal years beginning after June 15, 2014.
- *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.

- *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 address an issue regarding application of the transition provisions of *Statement No. 68, Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of *Statement 68*.

Note 16. Subsequent Events

On October 16, 2014, the City issued \$82,000 of general obligation bonds with an interest rate of 5% maturing on October 31, 2034 and \$50,000 of general obligation bond anticipation notes with an interest rate of 2% maturing on October 27, 2015. The \$56,000 of general obligation bond anticipation notes outstanding at June 30, 2014 were paid off with the issue of the \$82,000. The City also issued \$36,385 of general obligation refunding bonds with interest rates varying from 2% to 5% maturing on August 15, 2026.

**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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Property Tax				
Current year's levy	\$ 237,391	\$ 237,391	\$ 235,908	\$ (1,483)
Levy of prior years	8,750	8,750	8,545	(205)
Interest and liens	3,650	3,650	4,574	924
Proceeds from lien sales	6,750	6,750	6,754	4
Total general property tax	256,541	256,541	255,781	(760)
Other Local Taxes				
Business taxes	1,000	1,000	984	(16)
Licenses, Permits, Fees and Other				
Street use	22	22	30	8
Business Licenses:				
Health licenses	354	354	372	18
Police and protection licenses	43	43	58	15
Professional and occupational licenses	6	6	6	-
Total business licenses	403	403	436	33
Non-Business Licenses and Permits:				
Building structure and equipment permits	5,417	5,417	5,838	421
Other non-business licenses and permits	83	83	97	14
Total non-business licenses and permits	5,500	5,500	5,935	435
Total licenses and permits	5,925	5,925	6,401	476
Fines, Forfeits and Penalties	221	221	154	(67)
Revenue From Use of Money and Property				
Income from investments	606	606	672	66
Income from use of property	660	660	706	46
Income from development properties	3,543	3,543	2,522	(1,021)
Total revenue from use of money and property	4,809	4,809	3,900	(909)

(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, 2014
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Intergovernmental Revenue				
Federal Government	\$ 60	\$ 60	\$ 70	\$ 10
State of Connecticut:				
Education	192,897	192,897	191,164	(1,733)
Housing	5	5	421	416
Public Works	1,205	1,205	1,205	-
Elderly Services	251	251	262	11
Mashantucket Pequot Fund	-	-	6,665	6,665
Payment in Lieu of Taxes	43,496	43,496	44,353	857
Shared Taxes	275	275	248	(27)
Other	4,478	4,478	4,098	(380)
Total State of Connecticut	242,607	242,607	248,416	5,809
Total intergovernmental revenue	242,667	242,667	248,486	5,819
Charges for Services				
General Government:				
Recording legal instruments	267	267	332	65
All other	1,178	1,178	1,111	(67)
Total general government	1,445	1,445	1,443	(2)
Public Safety:				
Police charges	12	12	15	3
Fire protection services	183	183	150	(33)
Total public safety	195	195	165	(30)
Public Works:				
Highways and streets	1	1	1	-
Sanitation	46	46	91	45
Total public works	47	47	92	45

(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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Charges for Services (Continued)				
Other:				
Health	\$ 21	\$ 21	\$ 48	\$ 27
Recreation	9	9	6	(3)
Miscellaneous	28	28	43	15
Total other	<u>58</u>	<u>58</u>	<u>97</u>	<u>39</u>
Total charges for services	<u>1,745</u>	<u>1,745</u>	<u>1,797</u>	<u>52</u>
Reimbursements				
Other	1,094	1,094	52	(1,042)
Reimbursements from other funds	2,985	2,985	3,218	233
Total reimbursements	<u>4,079</u>	<u>4,079</u>	<u>3,270</u>	<u>(809)</u>
Other Revenues				
Settlements	5	5	167	162
Miscellaneous	4,849	4,849	1,627	(3,222)
Total other revenues	<u>4,854</u>	<u>4,854</u>	<u>1,794</u>	<u>(3,060)</u>
Other Financing Sources				
Use of fund balance	8,347	9,447	9,447	-
Premium from Bond Sale	2,555	2,555	-	(2,555)
Transfers in from other funds:				
Hartford Parking Facilities Fund	3,454	3,454	3,240	(214)
Operating Transfers In	-	-	2,168	2,168
Special Police Services	2,594	2,594	5,021	2,427
Total other financing sources	<u>16,950</u>	<u>18,050</u>	<u>19,876</u>	<u>1,826</u>
Total	<u>\$ 538,791</u>	<u>\$ 539,891</u>	<u>542,443</u>	<u>\$ 2,552</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the State Teachers' Retirement System for City teachers are not budgeted			37,749	
Use of fund balance			(9,447)	
Effect of GASB No. 54.			262	
Budgetary revenues derived from reimbursements for expenditures allocated to other funds are excluded for GAAP financial statement reporting purposes			<u>(3,218)</u>	
Total Revenues and Other Financing Sources as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds			<u>\$ 567,789</u>	

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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government				
Mayor	\$ 568	\$ 542	\$ 541	\$ 1
Court of Common Council	602	631	631	-
City Treasurer	359	344	343	1
Registrars of Voters	519	512	512	-
Corporation Counsel	1,964	1,751	1,737	14
Town and City Clerk	802	800	795	5
Internal Audit	480	480	479	1
Chief Operating Officer	1,152	994	959	35
Communications and New Media	821	751	746	5
Metro Hartford Information	2,895	2,895	2,895	-
Finance	2,901	2,839	2,771	68
Human Resources	912	904	903	1
Office of Management and Budget	835	751	719	32
Office of Young Children	5,400	5,380	5,357	23
Total general government	20,210	19,574	19,388	186
Public Safety				
Fire	30,728	31,571	31,548	23
Police	38,553	38,877	38,712	165
Emergency Services and Telecommunications	4,739	4,648	4,518	130
Total public safety	74,020	75,096	74,778	318
Infrastructure and Leisure Services				
Public Works	12,713	14,212	14,161	51
Development and Community Affairs				
Development Services	4,703	4,755	4,739	16
Human Services				
Health and Human Services	5,236	4,902	4,440	462
Education				
Board of Education	283,008	283,008	283,006	2
Benefits and Insurance				
Benefits and insurance	72,818	88,223	86,898	1,325

(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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Sundry				
Debt service	\$ 26,095	\$ 20,775	\$ 20,157	\$ 618
Hartford public library	8,215	8,215	8,215	-
Other sundry items	31,773	32,685	31,715	970
Total sundry	66,083	61,675	60,087	1,588
Total	\$ 538,791	\$ 551,445	547,497	\$ 3,948

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.

37,749

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

(3,218)

Effect of GASB No. 54.

428

Encumbrances
June 30, 2013
June 30, 2014

62

(1,232)

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

\$ 581,286

See Note to Required Supplementary Information.

Required Supplementary Information - Unaudited
Pensions and Other Post Retirement Benefits
Schedule of Funding Progress
June 30, 2014
(In Thousands)

Schedules of Funding Progress

<i>City of Hartford Municipal Employees' Retirement Fund (City MERF)*</i>						
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
07/01/08	\$ 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%
07/01/13	963,269	1,288,961	325,692	74.7%	144,648	225.2%

<i>RAF/PBF/FRF Plan</i>						
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
07/01/08	-	\$ 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
07/01/13	-	6,137	6,137	0.0%	N/A	N/A

<i>City of Hartford 415(m) Fund</i>						
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
07/01/08	-	\$ 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
07/01/13	-	338	338	0.0%	N/A	N/A

**Required Supplementary Information - Unaudited
Pensions and Other Post Retirement Benefits
Schedule of Funding Progress (Continued)
June 30, 2014
(In Thousands)**

Schedules of Funding Progress (Continued)

<i>OPEB</i>							
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	
07/01/08	-	\$ 302,988	\$ 302,988	0.0%	N/A	N/A	
07/01/09	-	241,511	241,511	0.0%	307,857	78.4%	
07/01/10	-	247,852	247,852	0.0%	307,857	81.0%	
07/01/11	-	261,782	261,782	0.0%	326,820	80.1%	
07/01/12	-	273,326	273,326	0.0%	338,608	80.7%	
07/01/13	-	262,716	262,716	0.0%	356,877	73.6%	

Required Supplementary Information - Unaudited
Pensions and Other Post Retirement Benefits
Schedule of Contributions
June 30, 2014
(In Thousands)

<i>City of Hartford Municipal Employees' Retirement Fund (City MERF)</i>						<i>RAF/PBF/FRF Plan</i>					
Year	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll	Year	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll
Emded						Emded					
06/30/05	\$ 14,239	\$ 9,207	\$ 5,032	\$ 107,808	8.54%	06/30/05	\$ 2,519	\$ 2,519	-	N/A	N/A
06/30/06	16,196	11,948	4,248	117,261	10.19%	06/30/06	1,926	1,926	-	N/A	N/A
06/30/07	15,463	16,481	(1,018)	124,837	13.20%	06/30/07	1,757	1,757	-	N/A	N/A
06/30/08	13,253	16,584	(3,331)	133,280	12.44%	06/30/08	1,967	1,967	-	N/A	N/A
06/30/09	11,797	12,829	(1,032)	139,243	9.21%	06/30/09	1,700	1,700	-	N/A	N/A
06/30/10	9,602	10,840	(1,238)	134,143	8.08%	06/30/10	1,521	1,521	-	N/A	N/A
06/30/11	18,846	18,846	-	132,529	14.22%	06/30/11	1,354	1,354	-	N/A	N/A
06/30/12	27,600	27,600	-	136,555	20.21%	06/30/12	1,097	1,097	-	N/A	N/A
06/30/13	34,338	34,338	-	137,919	24.90%	06/30/13	992	992	-	N/A	N/A
06/30/14	42,710	42,710	-	144,648	29.53%	06/30/14	837	837	-	N/A	N/A

<i>City of Hartford 415(M) Fund</i>						<i>OPEB</i>		
Year	Actuarially Determined Contribution	Actual Contribution	(Excess) Deficiency	Covered Payroll	Contributions as a percentage of covered payroll	Year	Annual Required Contribution	Percentage Contributed
Emded						Emded		
06/30/05	\$ 48	\$ 48	-	N/A	N/A	06/30/2009	\$ 24,500	52.8%
06/30/06	39	39	-	N/A	N/A	06/30/2010	24,744	41.8%
06/30/07	53	53	-	N/A	N/A	06/30/2011	15,759	70.3%
06/30/08	61	61	-	N/A	N/A	06/30/2012	18,322	58.6%
06/30/09	50	50	-	N/A	N/A	06/30/2013	10,916	54.6%
06/30/10	43	43	-	N/A	N/A	06/30/2014	11,650	74.7%
06/30/11	84	84	-	N/A	N/A			
06/30/12	121	121	-	N/A	N/A			
06/30/13	102	102	-	N/A	N/A			
06/30/14	87	87	-	N/A	N/A			

Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Fiscal Year
June 30, 2014

	MERF	RAF/PBF/ FRF Plan	415 (m) Plan
Changes in Net Pension Liability			
Total Pension Liability			
Service cost	\$ 21,953	\$ -	\$ -
Interest on total pension liability	98,034	238	14
Benefit payments	(93,683)	(837)	(87)
Net change in total pension liability	26,304	(599)	(73)
Total Pension Liability, beginning	1,288,961	6,772	411
Total pension liability, ending (a)	1,315,265	6,173	338
Fiduciary Net Position			
Employer contributions	42,710	837	87
Member contributions	12,816	-	-
Investment income net of investment expenses	133,646	-	-
Benefit payments	(93,683)	(837)	(87)
Administrative expenses	(2,774)	-	-
Net change in plan fiduciary net position	92,715	-	-
Fiduciary Net Position, beginning	969,836	-	-
Fiduciary net position, ending (b)	1,062,551	-	-
Net pension liability, ending = (a) - (b)	\$ 252,714	\$ 6,173	\$ 338
Fiduciary net position as a % of total pension liability	80.79%	0.00%	0.00%
Covered payroll	\$ 144,648	N/A	N/A
Net pension liability as a % of covered payroll	174.71%	N/A	N/A

NOTE: As 2014 is the implementation year, only 2014 information is available.

City of Hartford, Connecticut

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

Note 1. Stewardship, Compliance and Accountability

Budgetary Information: The City adopted the legal budget for the 2013-2014 General Fund in accordance with the procedures summarized below:

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

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

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

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

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

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

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

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

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

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

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

City of Hartford, Connecticut

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

Note 1. Stewardship, Compliance and Accountability (Continued)

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

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

During the fiscal year ended June 30, 2014 there was a supplemental budget appropriation of \$1.1 million for the use of fund balance. 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**

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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, 2014**

	General Fund	Hartford Public Library	Special Activities	General Fund Totals
Assets				
Cash and cash equivalents	\$ 54,547	\$ 506	\$ 2,226	\$ 57,279
Receivables, net	82,154	-	110	82,264
Due from other funds	4,387	-	-	4,387
Total assets	\$ 141,088	\$ 506	\$ 2,336	\$ 143,930
Liabilities				
Accounts and other payables	\$ 49,172	\$ 151	\$ -	\$ 49,323
Total liabilities	49,172	151	-	49,323
Deferred inflows of resources				
Unavailable revenue	77,662	-	64	77,726
Total deferred inflows of resources	77,662	-	64	77,726
Fund Balances				
Assigned	1,232	355	2,272	3,859
Unassigned	13,022	-	-	13,022
Total fund balances	14,254	355	2,272	16,881
Total liabilities, deferred inflows of resources and fund balances	\$ 141,088	\$ 506	\$ 2,336	\$ 143,930

**Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2014**

	General Fund	Hartford Public Library	Special Activities	Eliminate Interfund Transfers	Totals
Revenues					
Property taxes	\$ 256,765	\$ -	\$ -	\$ -	\$ 256,765
Licenses and permits	6,555	-	-	-	6,555
Intergovernmental	286,236	-	-	-	286,236
Charges for services	3,327	-	262	-	3,589
Use of property	3,227	-	-	-	3,227
Investment income	489	-	-	-	489
Miscellaneous	498	-	-	-	498
Total revenues	557,097	-	262	-	557,359
Expenditures					
Current:					
General government	19,384	-	-	-	19,384
Public safety	74,778	-	-	-	74,778
Public works	13,761	-	-	-	13,761
Development and community affairs	4,739	-	-	-	4,739
Human services	4,441	-	-	-	4,441
Education	320,755	-	780	-	321,535
Recreation and culture	-	7,863	-	-	7,863
Benefits and insurance	86,898	-	-	-	86,898
Other	21,019	-	-	-	21,019
Total expenditures	545,775	7,863	780	-	554,418
Revenues over (under) expenditures	11,322	(7,863)	(518)	-	2,941
Other Financing Sources (Uses)					
Transfers in	10,430	8,215	-	(8,215)	10,430
Transfers out	(35,083)	-	-	8,215	(26,868)
Net other financing sources (uses)	(24,653)	8,215	-	-	(16,438)
Net change in fund balances	(13,331)	352	(518)	-	(13,497)
FUND BALANCES, beginning of year	27,585	3	2,790	-	30,378
FUND BALANCES, end of year	\$ 14,254	\$ 355	\$ 2,272	\$ -	\$ 16,881

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City of Hartford, Connecticut

Report of Tax Collector
 General Fund
 For the Year Ended June 30, 2014
 (In Thousands)

Grand List Year	Taxes Collectible July 1, 2013	Lawful Corrections		Suspense Transfers
		Additions	Deletions	
1996	\$ -	\$ -	\$ -	\$ -
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	26	2	-
2004	1,489	1	108	-
2005	1,882	84	9	-
2006	3,497	64	223	1,026
2007	3,550	609	50	-
2008	4,502	2	341	-
2009	5,680	142	97	-
2010	7,725	773	428	-
2011	13,304	1,582	4,319	-
Prior Years	41,629	3,283	5,577	1,026
2012	262,101	1,134	14,384	-
Total Grand List	\$ 303,730	\$ 4,417	\$ 19,961	\$ 1,026

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				Total	Overpayments/ Refunds	Taxes Receivable June 30, 2014
	Taxes	Interest	Liens				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24	-	2	-	2	-	24	
1,382	33	48	-	81	-	1,349	
1,957	125	112	-	237	12	1,820	
2,312	177	121	-	298	-	2,135	
4,109	214	169	-	383	(2)	3,897	
4,163	345	219	1	565	(13)	3,831	
5,725	926	419	4	1,349	22	4,777	
8,070	2,122	749	5	2,876	19	5,929	
10,567	3,591	1,054	15	4,660	(648)	7,624	
38,309	7,533	2,893	25	10,451	(610)	31,386	
248,851	238,582	1,348	16	239,946	(2,085)	12,354	
<u>\$ 287,160</u>	246,115	4,241	41	250,397		<u>\$ 43,740</u>	
	-	-	6,754	6,754			
	103	230	-	333			
	<u>\$ 246,218</u>	<u>\$ 4,471</u>	<u>\$ 6,795</u>	<u>\$ 257,484</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, 2014
 (In Thousands)

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
Assets					
Cash and cash equivalents	\$ 1,489	\$ 6,414	\$ 2,381	\$ 22	\$ 220
Investments	-	-	-	-	-
Receivables:					
Intergovernmental receivable	86	6,587	1,943	799	891
Other receivables	-	-	-	-	-
Inventories and other assets	-	1	353	-	-
Total assets	\$ 1,575	\$ 13,002	\$ 4,677	\$ 821	\$ 1,111
Liabilities					
Accounts payable and accrued liabilities	\$ 184	\$ 4,420	\$ 1,383	\$ 579	529
Due to other funds	-	-	-	-	-
Unearned revenue	-	7,079	-	242	-
Total liabilities	184	11,499	1,383	821	529
Deferred inflows of resources					
Unavailable revenue	-	4,102	-	6	-
Total deferred inflows of resources	-	4,102	-	6	-
Fund Balances					
Nonspendable	-	-	353	-	-
Restricted	1,391	-	2,941	-	582
Committed	-	-	-	-	-
Unassigned	-	(2,599)	-	(6)	-
Total fund balances (deficits)	1,391	(2,599)	3,294	(6)	582
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,575	\$ 13,002	\$ 4,677	\$ 821	\$ 1,111

EXHIBIT B-1

Special Revenue Funds						Capital Projects Funds	
HOME Program	Library Grants	Parks and Recreation Trusts	ARRA Capital Grants	Great Path Academy	Total	Capital Lease	Vehicle Equipment & Technology
\$ -	\$ 248	\$ 70	\$ 10	\$ 179	\$ 11,033	\$ -	\$ -
-	-	257	-	-	257	-	-
1	147	-	-	-	10,454	-	-
-	-	-	-	-	-	453	-
-	-	-	-	-	354	-	-
<u>\$ 1</u>	<u>\$ 395</u>	<u>\$ 327</u>	<u>\$ 10</u>	<u>\$ 179</u>	<u>\$ 22,098</u>	<u>\$ 453</u>	<u>\$ -</u>
\$ 1	\$ 78	\$ -	\$ -	\$ 165	7,339	\$ 3,994	\$ 2,347
-	-	-	-	-	-	-	-
-	317	-	-	-	7,638	-	-
<u>1</u>	<u>395</u>	<u>-</u>	<u>-</u>	<u>165</u>	<u>14,977</u>	<u>3,994</u>	<u>2,347</u>
-	2	-	10	-	4,120	-	-
-	2	-	10	-	4,120	-	-
-	-	-	-	-	353	-	-
-	-	327	-	14	5,255	-	-
-	-	-	-	-	-	-	-
-	(2)	-	-	-	(2,607)	(3,541)	(2,347)
-	(2)	327	-	14	3,001	(3,541)	(2,347)
<u>\$ 1</u>	<u>\$ 395</u>	<u>\$ 327</u>	<u>\$ 10</u>	<u>\$ 179</u>	<u>\$ 22,098</u>	<u>\$ 453</u>	<u>\$ -</u>

(Continued)

City of Hartford, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds (Continued)
 June 30, 2014
 (In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
Assets			
Cash and cash equivalents	\$ 3,205	\$ 233	\$ 3,438
Investments	-	-	-
Receivables:			
Intergovernmental receivable	-	4,610	4,610
Other receivables	-	-	453
Inventories and other assets	-	-	-
Total assets	\$ 3,205	\$ 4,843	\$ 8,501
Liabilities			
Accounts payable and accrued liabilities	5	233	6,579
Due to other funds	-	-	-
Unearned revenue	1,427	-	1,427
Total liabilities	1,432	233	8,006
Deferred inflows of resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	-	4,610	4,610
Committed	1,773	-	1,773
Unassigned	-	-	(5,888)
Total fund balances (deficits)	1,773	4,610	495
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,205	\$ 4,843	\$ 8,501

Permanent Funds						
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total	Total	
\$ -	\$ 1,337	\$ 173	\$ -	\$ 1,510	\$	15,981
1	23,811	4,309	131	28,252	\$	28,509
-	-	-	-	-		15,064
-	-	-	-	-		453
-	-	-	-	-		354
<u>\$ 1</u>	<u>\$ 25,148</u>	<u>\$ 4,482</u>	<u>\$ 131</u>	<u>\$ 29,762</u>	<u>\$</u>	<u>60,361</u>
-	-	-	-	-	\$	13,918
-	1,001	-	-	1,001		1,001
-	-	-	-	-		9,065
-	1,001	-	-	1,001		23,984
-	-	-	-	-		4,120
-	-	-	-	-		4,120
1	8,150	197	11	8,359		8,712
-	15,997	4,285	120	20,402		30,267
-	-	-	-	-		1,773
-	-	-	-	-		(8,495)
<u>1</u>	<u>24,147</u>	<u>4,482</u>	<u>131</u>	<u>28,761</u>		<u>32,257</u>
<u>\$ 1</u>	<u>\$ 25,148</u>	<u>\$ 4,482</u>	<u>\$ 131</u>	<u>\$ 29,762</u>	<u>\$</u>	<u>60,361</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, 2014
(In Thousands)**

	Special Revenue Funds				
	Section 8	Miscellaneous Grants	Food Service Program	Health Grants	Community Development Act
Revenues					
Intergovernmental revenues	\$ 47,421	\$ 42,593	\$ 11,994	\$ 8,952	\$ 4,617
Charges for services	-	12,391	865	-	-
Investment income (loss)	2	-	-	-	1
Other revenues	-	55	614	348	10
Total revenues	47,423	55,039	13,473	9,300	4,628
Expenditures					
General government	-	7,768	-	-	693
Public safety	-	21,905	-	-	12
Public works	-	13	-	-	106
Development and community affairs	47,582	2,984	-	-	1,777
Human services	-	13,075	-	9,296	1,668
Education	-	-	13,455	-	218
Recreation and culture	-	394	-	-	223
Capital outlay	-	383	-	-	-
Debt service	-	-	-	-	-
Total expenditures	47,582	46,522	13,455	9,296	4,697
Excess (deficiency) of revenues over expenditures	(159)	8,517	18	4	(69)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(7,094)	-	-	-
Lease proceeds	-	-	-	-	-
Total other financing sources (uses)	-	(7,094)	-	-	-
Changes in fund balance (deficits)	(159)	1,423	18	4	(69)
Fund Balance (Deficits), beginning	1,550	(4,022)	3,276	(10)	651
Fund Balance (Deficits), ending	\$ 1,391	\$ (2,599)	\$ 3,294	\$ (6)	\$ 582

Special Revenue Funds						Capital Projects Funds	
HOME Program	Library Grants	Parks and Recreation Trusts	ARRA Capital Grants	Great Path Academy	Total	Capital Lease	Vehicle Equipment & Technology
\$ 661	\$ 442	\$ -	\$ 152	\$ 2,698	\$ 119,530	\$ -	\$ -
-	133	-	-	793	14,182	-	-
-	-	30	-	-	33	-	-
-	927	-	-	-	1,954	-	-
<u>661</u>	<u>1,502</u>	<u>30</u>	<u>152</u>	<u>3,491</u>	<u>135,699</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	8,461	-	-
-	-	-	-	-	21,917	-	-
-	-	-	8	-	127	-	-
661	-	-	-	-	53,004	-	-
-	-	-	-	-	24,039	-	-
-	-	-	-	3,623	17,296	-	-
-	1,496	3	-	-	2,116	-	-
-	-	-	-	-	383	4,039	127
-	-	-	-	-	-	1,104	-
<u>661</u>	<u>1,496</u>	<u>3</u>	<u>8</u>	<u>3,623</u>	<u>127,343</u>	<u>5,143</u>	<u>127</u>
-	6	27	144	(132)	8,356	(5,143)	(127)
-	-	-	-	-	-	1,108	-
-	-	-	-	-	(7,094)	-	-
-	-	-	-	-	-	2,758	-
-	-	-	-	-	(7,094)	3,866	-
-	6	27	144	(132)	1,262	(1,277)	(127)
-	(8)	300	(144)	146	1,739	(2,264)	(2,220)
<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 3,001</u>	<u>\$ (3,541)</u>	<u>\$ (2,347)</u>

(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, 2014
(In Thousands)

	Capital Projects Funds		
	Redevelop- ment	HUD Special Projects	Total
Revenues			
Intergovernmental revenues	\$ 3	\$ -	\$ 3
Charges for services	56	-	56
Investment income (loss)	2	226	228
Other revenues	-	-	-
Total revenues	61	226	287
Expenditures			
General government	-	-	-
Public safety	-	-	-
Public works	-	1	1
Development and community affairs	6	-	6
Human services	-	-	-
Education	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	4,166
Debt service	-	4,883	5,987
Total expenditures	6	4,884	10,160
Excess (deficiency) of revenues over expenditures	55	(4,658)	(9,873)
Other Financing Sources (Uses)			
Transfers in	-	-	1,108
Transfers out	-	-	-
Lease proceeds	-	-	2,758
Total other financing sources (uses)	-	-	3,866
Changes in fund balance (deficits)	55	(4,658)	(6,007)
Fund Balance (Deficits), beginning	1,718	9,268	6,502
Fund Balance (Deficits), ending	\$ 1,773	\$ 4,610	\$ 495

Permanent Funds							
Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Total		Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,533	
-	-	-	-	-	-	14,238	
-	4,101	485	17	4,603	-	4,864	
-	-	-	-	-	-	1,954	
-	4,101	485	17	4,603	-	140,589	
-	-	-	1	1	-	8,462	
-	-	-	-	-	-	21,917	
-	-	-	-	-	-	128	
-	-	-	-	-	-	53,010	
-	-	89	-	89	-	24,128	
-	-	-	-	-	-	17,296	
-	148	-	-	148	-	2,264	
-	-	-	-	-	-	4,549	
-	-	-	-	-	-	5,987	
-	148	89	1	238	-	137,741	
-	3,953	396	16	4,365	-	2,848	
-	-	-	-	-	-	1,108	
-	-	-	-	-	-	(7,094)	
-	-	-	-	-	-	2,758	
-	-	-	-	-	-	(3,228)	
-	3,953	396	16	4,365	-	(380)	
1	20,194	4,086	115	24,396	-	32,637	
\$ 1	\$ 24,147	\$ 4,482	\$ 131	\$ 28,761	\$ -	\$ 32,257	

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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, 2014
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	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	600	-	600	-	-
W6264	City Buildings Energy Conservation, Security Technology and Communication	11/12/2005	600	-	600	599	-	599	-	1
W6269	Municipal Facility Renovations and Consolidation Study	11/12/2005	1,800	-	1,800	1,744	51	1,795	-	5
W6565	Rising Star Block, Pride Block, Infrastructure Structural Repairs	01/12/2005	3,000	-	3,000	2,988	-	2,988	-	12
A6501	Church Street Façade Restoration	01/12/2005	1,810	-	1,810	1,416	12	1,428	-	382
A6502	MAT Street Garage Façade Restoration	01/12/2005	2,300	-	2,300	1,267	32	1,299	29	972
A6503	Remainder of Construction Contract at Morgan St Garage	01/12/2005	1,590	-	1,590	1,524	-	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	2	855	5	140
A6506	Streetscape Improvements at MAT Garage	01/12/2005	125	-	125	-	-	-	-	125
A6507	Streetscape Improvements at Church St Garage	01/12/2005	280	-	280	213	35	248	10	22
A6508	Landscaping/Lighting Improvements opposite Morgan St Garage	01/12/2005	432	-	432	234	28	262	9	161
W7268	Long Term Document Archive and Storage	07/1/2006	200	-	200	208	(13)	195	-	5
D6576	Acquisition of Land Woodland St./Albany Avenue	11/29/2005	1,325	-	1,325	1,317	2	1,319	-	6
D7576	Economic Development Site Acquisition	07/1/2006	1,450	-	1,450	617	75	692	2	756

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2014
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W8262	City Buildings ADA Modifications FYE 2008 Appropriation	08/14/2007	950	-	950	947	2	949	-	1
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	166	306	-	194
W8279	525 Main St. Building Renovations	08/14/2007	550	-	550	257	44	301	-	249
W8281	City Hall Entrance Plaza Improvements	08/14/2007	950	-	950	919	-	919	-	31
W8282	Burgdorf Environmental Clean-up & Campus Planning	08/14/2007	250	-	250	76	100	176	-	74
W8202	Energy Projects	11/27/2007	2,000	-	2,000	1,139	396	1,535	-	465
D8576	Economic Development Site Acquisition, FYE 2008 Appropriation	08/14/2007	750	-	750	750	-	750	-	-
D9514	Acquisition of Property for Development	5/29/2008	1,000	-	1,000	999	-	999	1	-
D9515	Downtown North/West Redevelopment	5/29/2008	4,250	-	4,250	3,227	(368)	2,859	21	1,370
D9584	Neighborhood Development Fund	5/29/2008	4,000	-	4,000	1,682	1,150	2,832	253	915
M9011	Early Learning Centers		1,000	-	1,000	-	-	-	-	1,000
W9201	Public Works Equipment	5/29/2008	500	-	500	500	-	500	-	-
W9262	City Buildings ADA Modifications FYE 2009 Appropriation	5/29/2008	950	500	1,450	233	263	496	-	954
W9263	City Buildings Environmental Compliance FYE 2009 Appropriation	5/29/2008	500	-	500	219	154	373	-	127
W9264	City Buildings Energy Conservation, Security Technology and Communication FYE 2009 Appropriation	5/29/2008	300	-	300	283	-	283	-	17
W9269	Municipal Facility Renovations	5/29/2008	750	-	750	733	1	734	-	16
W9276	Albany Avenue Library	5/29/2008	3,000	(835)	2,165	2,159	-	2,159	-	6
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)	-	-	-	-	-	-
W9288	North End Senior Center Renovations	5/29/2008	750	-	750	119	632	751	-	(1)

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2014
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W9587	Bulky Waste Recycling Center		1,100	-	1,100	1,083	-	1,083	-	17
A9510	Parking Authority									
	Capital Improvements	6/23/2008	2,000	-	2,000	16	171	187	82	1,731
W0592	South End Senior Center Improvements	09/22/2009	683	-	683	682	-	682	-	1
D1616	Enhance Founder Bridge Gateway	06/01/2010	2,700	-	2,700	263	29	292	76	2,332
D1617	Federal/State Matching Fund	06/01/2010	250	-	250	205	16	221	28	1
W2617	DOJ ADA Improv Municipal Facility	06/01/2011	500	-	500	146	352	498	-	2
W2618	Energy	06/01/2011	750	-	750	721	29	750	-	-
W2619	Renovations	06/01/2011	200	-	200	34	143	177	-	23
W2620	Central Library - auditorium	06/01/2011	1,200	835	2,035	1,161	873	2,034	-	1
D2637	Former Lyric Theater Building	06/01/2011	750	-	750	-	33	33	73	644
D2638	Proj. Initiation & Development	06/01/2011	150	-	150	26	122	148	2	-
D2639	Federal/State Matching Fund	06/01/2011	200	-	200	40	47	87	-	113
D2640	Facility Planning & Decommission	06/01/2011	250	-	250	2	125	127	45	78
W1302	DOJ ADA Improvements	04/16/2012	500	-	500	2	24	26	3	471
W1303	Municipal Facility Renovations	04/16/2012	900	-	900	780	120	900	-	-
W1304	North End Senior Center	04/16/2012	1,517	-	1,517	-	1,377	1,377	40	100
W1306	Keney Clock Tower	04/16/2012	100	-	100	5	34	39	-	61
W1307	Library Renovations and Improvement	04/16/2012	381	224	605	133	456	589	3	13
W1308	Dillon Stadium	04/16/2012	1,000	-	1,000	-	233	233	-	767
W1305	Energy Projects	04/16/2012	-	100	100	-	97	97	-	3
W1322	Citywide Streetscapes	04/16/2012	-	1,000	1,000	-	-	-	-	1,000
W1324	Sidewalk Repair	04/16/2012	-	500	500	-	52	52	-	448
W1327	Bridge Repairs	04/16/2012	-	250	250	-	6	6	-	244
W1331	Parkville Parking Lot	04/16/2012	-	250	250	-	250	250	-	-
D1372	Proj. Initiation & Development	04/16/2012	250	-	250	95	116	211	-	39
D1373	Facility Planning & Decommission	04/16/2012	900	-	900	31	86	117	6	777
D1378	Economic Site Acquisition	04/16/2012	450	-	450	36	252	288	123	39
D1379	State/Federal Matching Fund	04/16/2012	900	-	900	52	62	114	-	786
D1380	iQuilt	04/16/2012	5,000	-	5,000	681	1,149	1,830	2,970	200
D1381	Document Conversion	04/16/2012	300	-	300	54	167	221	79	-
D1382	Homestead Ave Redevelopment	04/16/2012	-	500	500	-	-	-	3	497
D1370	Citywide Streetscapes	04/16/2012	-	250	250	-	7	7	-	243
D1371	Project Initiation & Development	04/16/2012	-	500	500	-	-	-	-	500
D1374	Parkville Municipal Development	04/16/2012	-	500	500	-	-	-	-	500
D1375	Redevelopment	04/16/2012	-	500	500	-	-	-	-	500
D1376	Neighborhood Development	04/16/2012	-	500	500	-	8	8	-	492
D1377	Pedstrian and Traffic Circulation	04/16/2012	-	1,959	1,959	-	-	-	-	1,959
D1470	Lyric Theater-Library and Cultural Center	07/01/2013	-	990	990	-	-	-	-	990
D1471	Project Initiation for Commerical Revitalization	07/01/2013	-	350	350	-	-	-	-	350
D1472	Redevelopment Plan Implementation	07/01/2013	-	2,970	2,970	-	103	103	74	2,793

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2014
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
D1473	Economic Incentive Fund	07/01/2013	-	1,980	1,980	-	-	-	-	1,980
D1474	Economic Site Acquisition	07/01/2013	-	4,750	4,750	-	-	-	-	4,750
D1475	Economic Development Site Analysis	07/01/2013	-	500	500	-	70	70	220	210
D1476	Neighborhood Development & Housing	07/01/2013	-	2,970	2,970	-	73	73	-	2,897
D1477	NRZ Improvements	07/01/2013	-	2,723	2,723	-	-	-	-	2,723
D1478	State/Federal Matching Fund	07/01/2013	-	500	500	-	-	-	-	500
D1479	iQuilt Improvement Fund	07/01/2013	-	990	990	-	-	-	-	990
D1480	Small Business Loan Fund	07/01/2013	-	500	500	-	-	-	-	500
D1481	Façade Program	07/01/2013	-	495	495	-	-	-	-	495
D1482	Bowles & Westbrook Village Site Preparation	07/01/2013	-	990	990	-	-	-	-	990
D1483	1% for the Arts - CIP FY14	07/01/2013	-	664	664	-	-	-	-	664
W1405	DOJ ADA Improvements	07/01/2013	-	495	495	-	-	-	-	495
W1406	Municipal Facilities Renovations	07/01/2013	-	3,217	3,217	-	698	698	-	2,519
W1407	Facility Planning & Design	07/01/2013	-	1,485	1,485	-	505	505	-	980
W1408	Energy Projects	07/01/2013	-	594	594	-	60	60	-	534
W1409	Library Renovations and Improvements	07/01/2013	-	792	792	-	262	262	-	530
W1410	Citywide Security Improvements	07/01/2013	-	495	495	-	207	207	-	288
W1411	Parkville Senior Center Improvements	07/01/2013	-	247	247	-	2	2	-	245
W1412	Roof Replacement	07/01/2013	-	495	495	-	164	164	-	331
W1413	Electronic Documentation Preservation	07/01/2013	-	1,500	1,500	-	550	550	-	950
W1414	Quirk West	07/01/2013	-	7,920	7,920	-	140	140	-	7,780
W1415	Match Funds -Cal Ripken @ A.	07/01/2013	-	1,700	1,700	-	2	2	-	1,698
Total Public Works Projects			67,718	47,345	115,063	36,025	12,036	48,061	4,157	62,845
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	74,603	611	75,214	557	1,229
W7101	Firearms, Equipment Leasing and Transmitter Equipment	06/26/2007	650	-	650	487	40	527	-	123
W8117	Police Headquarters HVAC Improvements & Roof Replacement	08/14/2007	1,800	-	1,800	1,517	-	1,517	-	283
W9109	Fire Houses Citywide - Improvements & Renovations	6/23/2008	1,250	-	1,250	1,249	-	1,249	-	1

**Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2014
(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W9120	50 Jennings Rd Interior Mechanical Renovations	5/29/2008	200	-	200	-	187	187	-	13
W1401	Public Safety Complex Parking Garage	07/01/2013	-	2,475	2,475	-	2	2	-	2,473
W1402	Renovation of Fire Station #11	07/01/2013	-	500	500	-	14	14	-	486
W1403	Fire Training Facility	07/01/2013	-	800	800	-	1	1	-	799
W1404	Veeder Building Improvements	07/01/2013	-	150	150	-	78	78	-	72
W1433	Vehicles, Computers and Other Equipment	07/02/2013	-	2,138	2,138	-	395	395	-	1,743
Total Public Safety Projects			87,100	6,063	93,163	84,056	1,328	85,384	557	7,222
Recreation and Culture Projects:										
W5303	Elizabeth Park Pathway, Traffic and Parking Improvements	05/22/1995	957	-	957	957	-	957	-	-
W7243	Central (Main) Library Renovations/Improvements	08/12/1996	38,849	-	38,849	38,624	225	38,849	-	-
W7239	Library Branch Renovations	08/12/1996	5,500	-	5,500	5,438	62	5,500	-	-
W3010	Pope Park Pool Replacement	05/26/2000	1,581	-	1,581	1,475	-	1,475	-	106
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	413	78	491	-	309
W5313	Colt, Goodwin & Keney Parks Restoration of Playing Fields Hartford Parks Trust Fund	05/24/2005	700	-	700	700	-	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	1,004	2	1,006	-	494
W7306	Pope Park Pool/Master Plan Work	10/11/2006	400	-	400	373	8	381	-	19
W7399	Kelvin Anderson Recreation Center Renovation and Expansion	10/11/2006	16,200	-	16,200	16,128	13	16,141	-	59
W7305	Blue Hills Recreation Center	01/9/2007	150	-	150	75	-	75	-	75
W8383	City Wide Pool Enhancements	08/14/2007	800	-	800	798	-	798	-	2

Schedule of Expenditures and Encumbrances Compared
With Appropriations, Etc. – Capital Improvement Fund (Continued)
For the Year Ended June 30, 2014
(In Thousands)

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W8272	Central and Branch Library, Dwight	08/14/2007	2,000	-	2,000	2,030	1	2,031	-	(31)
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	590	-	590	-	10
W9398	Playground & Building Improvements	6/23/2008	1,000	-	1,000	718	258	976	-	24
W9588	Lozada Park Improvements	03/09/2009	390	-	390	390	-	390	-	-
W9589	Levee System Improvements	05/12/2009	5,000	-	5,000	5,065	(65)	5,000	-	-
W0591	Hylard Park Improvements and Renovations	09/11/2009	500	-	500	489	-	489	11	-
W0593	Improvements to Pope Park West	06/02/2009	139	-	139	139	-	139	-	-
W0594	North Cemetery	06/02/2009	1,000	-	1,000	955	41	996	9	(5)
W0595	Keney Park Pavilion	06/02/2009	50	-	50	7	37	44	-	6
W0596	Goodwin Park Pond House Improvement	06/02/2009	450	-	450	364	63	427	-	23
W0597	Keney/Waverly Expansion Athletic Fields	06/02/2009	500	-	500	343	156	499	-	1
W1604	Batterson Park Infrastructure Improvements	06/01/2010	1,000	-	1,000	616	111	727	-	273
W1605	I-Quilt/Bushnell Park	06/01/2010	100	-	100	81	-	81	-	19
W2621	DOJ ADA Park Improvement	06/01/2011	500	-	500	264	257	521	-	(21)
W2622	Park Improvement & Playground	06/01/2011	2,250	-	2,250	1,984	262	2,246	-	4
W2623	Urban Forestry Mgmt & Planning	06/01/2011	900	-	900	837	39	876	-	24
W2625	Beautification/Improvements	06/01/2011	250	-	250	256	(6)	250	-	-
W2627	Pulaski Mall Improvements	06/01/2011	250	-	250	246	-	246	-	4
W2637	Goodwin Park Fencing CSAP 201	06/01/2011	125	-	125	124	1	125	-	-
W1309	DOJ ADA Park Improvements	04/16/2012	500	-	500	36	269	305	-	195
W1310	Cemetery Beautification/Improvements	04/16/2012	750	-	750	-	465	465	-	285
W1311	Pulaski Mall Improvements	04/16/2012	600	-	600	323	256	579	-	21
W1332	Cronin Park Improvements	04/16/2012	700	-	700	515	(416)	99	-	601
W1333	Day Park Improvements	04/16/2012	800	-	800	-	706	706	-	94
W1334	Bushnell Park Carousel Study	04/16/2012	150	-	150	4	36	40	-	110
W1335	Goodwin Park Spray Pool	04/16/2012	-	150	150	-	49	49	-	-
W1336	Park Projects Design	04/16/2012	200	-	200	114	71	185	-	15
W1338	Cal Ripken Playing Fields	04/16/2012	2,750	-	2,750	-	1,079	1,079	-	1,671
W2636	Batterson Park Improvements	04/25/2011	139	-	139	82	-	82	-	57
W2638	Cronin Park (Ruby Long Park)	04/25/2011	400	-	400	377	23	400	-	-
W2624	Park Master Plan Update	06/01/2011	350	-	350	-	342	342	-	8
W1416	ADA Park Improvements	07/01/2013	-	495	495	-	2	-	-	495
W1417	Park Improvements and Playground Enhancements	07/01/2013	-	2,100	2,100	-	197	-	-	2,100

**Schedule of Expenditures and Encumbrances Compared
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(In Thousands)**

Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W1418	Cemetery Beautification and Improvements	07/01/2013	-	200	200	-	17	-	-	200
W1419	Urban Forestry Management and Planning	07/01/2013	-	990	990	-	808	-	-	990
W1420	Greenways, and Connections to Regional, National and Multiuse Trails	07/01/2013	-	495	495	-	-	-	-	495
W1421	Dillon Stadium Improvements	07/01/2013	-	1,980	1,980	-	1	-	-	1,980
W1422	Monument Study	07/01/2013	-	50	50	-	-	-	-	50
W1423	Keney & Goodwin Golf Course Improvements	07/01/2013	-	4,950	4,950	-	1,045	-	-	4,950
W1434	Bushnell Park Carousel Improvements	05/12/2014	-	1,000	1,000	-	-	-	-	1,000
Total Recreation and Culture Projects			96,900	12,410	109,310	85,250	6,493	91,743	20	17,547
Education Projects										
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	26,687	144	26,831	-	169
QB546	Renovations and Construction Improvements to Hartford Public Schools	11/07/2000	129,590	-	129,590	131,269	336	131,605	166	(2,181)
QB548	Breakthrough Academy Interdistrict Magnet School	10/28/2002	30,500	-	30,500	30,356	1,829	32,185	5	(1,690)
QB549	Sports Science Academy Magnet High School	05/12/2003	67,649	-	67,649	64,655	-	64,655	903	2,091
QB550	Greater Hartford Classical Magnet School	11/13/2003	37,950	-	37,950	37,812	203	38,015	40	(105)
QB551	Pathways to Technology Magnet School	11/13/2003	36,950	-	36,950	6,822	-	6,822	1,155	28,973
QB553	University High School for Science	08/11/2004	43,000	-	43,000	41,995	7	42,002	323	675
QB554	Capital College Preparatory Magnet	08/11/2004	45,650	-	45,650	40,990	12	41,002	1,892	2,756
QB556	Annie Fisher Magnet School	07/12/2005	45,500	-	45,500	44,199	197	44,396	68	1,036
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	38,622	444	39,066	1,496	2,938
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	26,098	4,680	30,778	692	5,980
Q1565	Dwight Bellizzi Middle School	06/09/2008	13,000	-	13,000	10,507	1,487	11,994	516	490
Q1566	International Baccalaureate School	06/09/2008	55,050	-	55,050	41,215	8,686	49,901	722	4,427
Q9553	Transitional Classroom University of Science	01/12/2009	1,650	-	1,650	1,295	-	1,295	-	355
Q9901/Q9430	MD Fox Elementary School	01/12/2008	54,400	2,000	56,400	42,085	4,145	46,230	1,886	8,284
Q9902	Student Bathrooms - Bulkeley	10/27/2008	700	-	700	518	-	518	-	182
Q9912	Opportunity High School	01/01/2012	700	-	700	406	62	468	215	17
Q0903	Burns Roof & Asbestos Abate	06/02/2009	865	-	865	865	-	865	-	-
Q0904	Roofs/Masonry Intrusion Alan	06/02/2009	4,069	-	4,069	1,499	1,847	3,346	130	593
Q0905	M.L. King (Gifted and Talented)	06/02/2009	100	-	100	100	-	100	-	-
Q0906	Burns (Language Lab)	06/02/2009	700	-	700	12	381	393	211	96
Q2907	West Middle School	07/01/2012	54,600	-	54,600	1,306	6,375	7,681	5,269	41,650
Q2908	Hartford Middle Magnet School	07/01/2012	29,440	-	29,440	584	1,783	2,367	5,302	21,771

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
Q2909	Parkville School HVAC Units	07/01/2012	1,425	-	1,425	818	-	818	-	607
Q2910	Fox Middle School Cooling Tower Unit	07/01/2012	271	-	271	162	-	162	-	109
Q2911	Kinsella High School	07/01/2012	70	-	70	5	39	44	-	26
Q1301	Quirk Renovation	04/16/2012	2,500	-	2,500	32	(32)	-	-	2,500
Q1302	Burns Masonry	04/16/2012	300	-	300	-	300	300	-	-
Q1303	Bellizzi Air Conditioning	04/16/2012	1,500	-	1,500	-	141	141	44	1,315
Q1307	Milner School Renovations	04/16/2012	2,000	-	2,000	64	375	439	1,330	231
Q1304	Sprinklers at Clark	04/16/2012	-	1,000	1,000	-	26	26	59	915
Q1305	Sprinklers at S. Waverly	04/16/2012	-	1,000	1,000	-	25	25	60	915
Q1308	Weaver High School Renovations FY13	04/16/2012	-	67,000	67,000	-	53	53	387	66,560
Q1309	Kinsella Magnet School FY13	04/16/2012	-	33,000	33,000	-	9	9	-	32,991
Q1402	Weaver High School Renovations FY14	7/12/2013	-	33,000	33,000	-	1	1	-	32,999
Q1403	School Facilities Capital Improvement	7/12/2013	-	4,300	4,300	-	166	166	429	3,705
Q1404	Vehicles, Computers, & Other	7/12/2013	-	1,000	1,000	-	734	734	86	180
Q1405	Mark Twain School Sprinklers	7/12/2013	-	1,000	1,000	-	3	3	53	944
Total Education Projects			921,819	143,300	1,065,119	743,229	34,458	777,687	23,528	263,904
Other	Q2905 (QB904) Milner Academy Roof Project	04/16/2012	1,480	-	1,480	1,492	-	1,492	4	(16)
	Q2906 (QB904) Batchelder School Roof Project	04/16/2012	1,820	-	1,820	1,710	-	1,710	3	107
	Q1300 Public Safety	04/16/2012	3,000	-	3,000	60	-	60	-	2,940
	Q1306 Parking Lot	04/16/2012	200	-	200	1	196	197	-	3
			6,500	-	6,500	3,263	196	3,459	7	3,034
Total Facility Services			1,180,037	209,118	1,389,155	951,823	54,511	1,006,334	28,269	354,552
<u>Engineering Services</u>										
W9519	Road Improvement Program	08/11/1998	12,955	-	12,955	10,808	888	11,696	-	1,259
W1519	Streetscape Improvements	11/07/2000	16,700	-	16,700	11,556	902	12,458	-	4,242
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	12,950	-	12,950	-	50
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	4,587	-	4,587	-	413
W7574	School Area Pedestrian Routes Safety Enhancements	07/01/2006	300	-	300	220	-	220	-	80

Schedule of Expenditures and Encumbrances Compared
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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W8562	Match Funds for State/Federal Infrastructure Grants FYE 2008									
	Appropriation	08/14/2007	1,190	-	1,190	953	18	971	-	219
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	7	3,916	-	84
W8519	Streetscapes FYE 2008 Appropriation	08/14/2007	2,000	-	2,000	407	1,580	1,987	-	13
W8577	Main Street, Streetscapes	08/14/2007	475	-	475	329	84	413	-	62
W8518	Streetscape Improvements along Park St. from Sisson Ave. to Prospect Ave.									
		10/11/2007	2,900	-	2,900	2,818	-	2,818	-	82
W8523	Extension of Mark Twain Dr.	04/28/2008	2,728	-	2,728	2,651	-	2,651	-	77
W9510	Street Rehabilitation & Road Improvements	5/29/2008	4,000	-	4,000	3,931	68	3,999	-	1
W9511	Streetscape Projects - North & South									
		6/23/2008	2,000	-	2,000	893	204	1,097	-	903
W9512	Flood Control Infrastructure Improvements									
		5/29/2008	1,600	-	1,600	1,589	6	1,595	-	5
W9549	Central Business District Streetlight Replacement									
		5/29/2008	250	-	250	250	-	250	-	-
W9562	Match Funds for State/Federal Infrastructure Grants FYE 2009									
		5/29/2008	1,500	-	1,500	161	1	162	-	1,338
W9586	Clean Water Related Infrastructure Supplemental Funding									
		5/29/2008	1,500	-	1,500	283	65	348	-	1,152
W0598	Citywide Decorative Light Replacement	06/02/2009	350	-	350	305	-	305	45	-
W0599	Citywide Guide Rail & Traffic Island	06/02/2009	700	-	700	150	-	150	18	532
W1600	Park St./Pope Commons Streetscape Improvements									
		07/01/2010	95	-	95	95	-	95	-	-
W1606	Repair of 12 City Bridges	06/01/2010	900	-	900	-	53	53	-	847
W1609	Street Paving	06/01/2010	3,000	-	3,000	2,869	7	2,876	-	124
W1610	Connect Regional, Nat'l Trails	06/01/2010	200	-	200	-	-	-	-	200
W1613	Farmington/Broad/Asylum Intersection	06/01/2010	3,500	-	3,500	-	7	7	-	3,493
W1614	South Green Ornamental Fence	06/01/2010	200	-	200	79	-	79	-	121
W1615	Traffic Calming	06/01/2010	500	-	500	365	(55)	310	-	190
W1616	Coltville Streetscape Flood Control Design	06/01/2011	850	-	850	566	182	748	-	102
W2629	Improvements	06/01/2011	3,000	-	3,000	1,317	1,132	2,449	-	551
W2630	Traffic calming	06/01/2011	250	-	250	66	38	104	-	146
W2632	Streetlight Replacement Program	06/01/2011	500	-	500	207	249	456	-	44
D2649	Colt Gateway Project	06/01/2011	5,300	-	5,300	24	2,141	2,165	3,389	(254)
W1316	Flood Control Design and Improvements	04/16/2012	2,500	-	2,500	334	573	907	-	1,593
W1317	Albany Ave Road Safety Improvements	04/16/2012	1,000	-	1,000	343	13	356	-	644

**Schedule of Expenditures and Encumbrances Compared
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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W1318	Traffic Calming	04/16/2012	250	-	250	157	(23)	134	-	116
W1320	Colt Gateway Streetscape Phase 1	04/16/2012	13,900	-	13,900	71	274	345	-	13,555
W1321	Pedestrian Wayfinding Signage Program	04/16/2012	300	-	300	70	-	70	-	230
W1326	City Records - Document Conversion	04/16/2012	300	-	300	117	103	220	-	80
W1329	Roof Replacement	04/16/2012	500	-	500	32	199	231	-	269
W1330	Street Light Replacement Program	04/16/2012	250	-	250	171	-	171	-	79
W1315	Traffic Calming	04/16/2012	-	250	250	-	4	4	-	246
W1425	Flood Control Design and Improvements	07/01/2013	-	4,200	4,200	-	84	84	-	4,116
W1432	Citywide Fencing	07/01/2013	-	495	495	-	128	128	-	367
W1301	Radio Communications	04/16/2012	-	200	200	-	117	117	-	83
Total Engineering Services			124,350	5,145	129,495	79,028	9,049	88,077	3,452	37,966
<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	61	3,286	9	5
W1424	Traffic Signalization	07/11/2013	-	1,485	1,485	-	-	-	-	1,485
W1426	Bridge Repairs	07/11/2013	-	500	500	-	-	-	-	500
W1427	Complete Streets	07/11/2013	-	1,000	1,000	-	254	254	-	746
W1428	Complete Streets - repav and repair	07/11/2013	-	8,637	8,637	-	2,805	2,805	-	5,832
W1429	Complete Streets - Streetscape	07/11/2013	-	15,000	15,000	-	1,106	1,106	-	13,894
W1430	Brookfield Street Reconstruction	07/11/2013	-	250	250	-	-	-	-	250
W1431	Street Light Replacement Program	07/11/2013	-	250	250	-	-	-	-	250
Total Transportation Services			5,732	27,122	32,854	5,551	4,226	9,777	9	23,068
<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

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
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	-	23
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	75	-	75	-	-
W4271	Sand/Salt Storage Building - LOCIP Project #248 - 064-03-020	09/15/2003	750	-	750	571	108	679	-	71
W4563	City Bridges Condition Study - LOCIP Project #536 - 064-03-040	09/15/2003	125	-	125	72	4	76	-	49
W4556	Street Resurfacing and Repairs - LOCIP Project #556 - 064-03-050,064-05-040&064-06-030	09/15/2003	3,850	-	3,850	3,849	-	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	-	64
W4268	Department of Public Works Maps and Storage Facility - LOCIP Project #255 - 064-03-070	09/15/2003	100	-	100	4	(4)	-	-	100

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
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	-	18
W5268	City Hall Fourth Floor Improvements - LOCIP Project #260 - 064-04-040	10/13/2004	400	-	400	375	-	375	-	25
W5269	Central Business District Streetlight Replacement - LOCIP Project #549 064-04-050	10/13/2004	500	-	500	500	-	500	-	-
W5383	Colt and Keney Park Swimming Pool Renovations - LOCIP Project #383 - 064-04-070	10/13/2004	250	-	250	109	-	109	-	141
W6572	Plan of Conservation and Development LOCIP Project #572 064-05-050	11/29/2005	500	-	500	491	5	496	-	4
W7568	Citywide Neighborhood Traffic Calming Master Plan LOCIP Project #568, 064-05-070	02/16/2006	250	-	250	136	-	136	-	114
W7265	Roof Replacements at Various City Buildings Project #265, 064-06-010	01/30/2007	750	-	750	685	16	701	-	49
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	147	-	147	-	78
W9590	LOCIP Project #581 - Handicap Ramps	06/09/2009	250	-	250	5	(5)	-	-	250
W1601	Pope Park Recreation Center Building Shell	06/01/2010	1,200	-	1,200	1,218	-	1,218	-	(18)
W1603	525 Main St. Roof Top Unit Replacement	06/01/2010	500	-	500	79	-	79	-	421
W1607	Sidewalk Replacement	06/01/2010	200	-	200	128	-	128	-	72

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Project Number	Description	Date Project Approved	Appropriations			Expenditures			Outstanding Encumbrances	Unencumbered Balance
			Prior to July 1, 2013	Current Period	Cumulative Total	Prior to July 1, 2013	Current Period	Cumulative Total		
W1608	Traffic Signals and Cameras	06/01/2010	1,500	-	1,500	34	106	140	-	1,360
W1612	Streetlight Replacement	06/01/2010	300	-	300	17	-	17	-	283
W2626	Improvements	06/01/2011	250	-	250	132	6	138	-	112
W2628	Traffic signalization	06/01/2011	750	-	750	98	23	121	-	629
W2631	Citywide Bike Lanes	06/01/2011	50	-	50	-	-	-	-	50
W2633	Street Design & Reconstruction	06/01/2011	900	-	900	-	-	-	-	900
W2634	Sidewalk Replacement	06/01/2011	500	-	500	213	211	424	-	76
W2635	Street Repaving & Repair	06/01/2011	300	-	300	300	-	300	-	-
D2636	Citywide Streetscapes - Planning	06/01/2011	250	-	250	-	-	-	247	3
W1325	Street Repaving & Repair	04/16/2012	2,000	-	2,000	548	1,074	1,622	-	378
Total Local Capital Improvement Program			22,127	-	22,127	15,024	1,544	16,568	259	5,300
Non Bonded Projects										
D1363	TIGER GRANT - PROJ MGMT/A&E	07/01/2013	-	1,209	1,209	-	423	423	52.00	734
D1364	TIGER GRANT - UNION STATION HUB	07/01/2013	-	897	897	-	-	-	897.00	-
D1365	TIGER GRANT - BUSHNELL PARK NORTH	07/01/2013	-	5,321	5,321	-	124	124	5,236.00	(39)
D1366	TIGER GRANT - ASYLUM/PEARL TRANSIT	07/01/2013	-	2,437	2,437	-	81	81	2,437.00	(81)
D1368	BUS LIVABILITY GRANT (GHTD)	07/01/2013	-	1,692	1,692	-	317	317	1,325.00	50
D1390	JOHN E ROGERS - STATE URBAN ACT GRA	07/01/2013	-	1,000	1,000	-	2	2	907.00	91
W1310	Cemetery Beautification and Improve	04/16/2012	-	250	250	-	250	250	-	-
W1318	Traffic Calming	04/16/2012	-	56	56	-	56	56	-	-
W1332	Cronin Park Improvements	04/16/2012	-	500	500	-	500	500	-	-
W1337	Citywide Bike Racks	04/16/2012	-	18	18	-	18	18	-	-
W1417	Park Improv. & Playground Enhanc.	07/01/2013	-	300	300	-	-	-	-	300
W1418	Cemetery Beautification and Improv.	07/01/2013	-	200	200	-	-	-	-	200
W1433	Vehicles, Computers and Other Equip	07/01/2013	-	3,930	3,930	-	3,585	3,585	296.00	49
W1440	MICROGRID PILOT PROGRAM-PARKVILLE	07/01/2013	-	2,123	2,123	-	60	60	-	2,063
W1441	MICROGRID-JENNINGS RD PROPOSAL	07/01/2013	-	57	57	-	58	58	-	(1)
W1615	W1615 Traffic Calming	06/01/2010	-	76	76	-	76	76	-	-
W9900	TOWN CLERK'S LOCIP ACCOUNT	07/01/2013	-	79	79	-	-	-	-	79
Total Non Bonded Projects			-	20,145	20,145	-	5,550	5,550	11,150	3,445
TOTAL CAPITAL IMPROVEMENT FUND			\$ 1,332,246	\$ 261,530	\$ 1,593,776	\$ 1,051,426	74,880	\$ 1,126,306	\$ 43,139	\$ 424,331
Conversion to GAAP based financial statement reporting:										
Previous year retainage and off system accrued payables								(5,336)	(5,336)	
Current year retainage and off system accrued payables								2,186	2,186	
TOTAL							\$ 71,730		\$ 39,989	

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Internal Service Funds

Internal Service Funds

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

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

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

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City of Hartford, Connecticut

Combining Statement of Net Position (Deficit) - Internal Service Funds

June 30, 2014

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Assets			
Cash and cash equivalents	\$ 3,736	\$ 49	\$ 2,314
Other receivables	-	-	-
Total assets	3,736	49	2,314
Liabilities			
Current:			
Accounts payable and accrued liabilities	431	59	238
Insurance claims payable	9,900	2,100	-
Claims incurred and not reported	-	-	-
Total current liabilities	10,331	2,159	238
Noncurrent:			
Insurance claims payable	-	1,400	-
Claims incurred and not reported	6,700	1,100	-
Total noncurrent liabilities	6,700	2,500	-
Net Position (Deficit)			
Unrestricted	(13,295)	(4,610)	2,076
Total net position (deficit)	\$ (13,295)	\$ (4,610)	\$ 2,076

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 1,340	\$ 1,957	\$ 39,826	\$ 2,781	\$ 174	\$ 52,177
188	-	209	-	-	397
1,528	1,957	40,035	2,781	174	52,574
471	364	884	-	-	2,447
-	-	-	-	-	12,000
1,057	1,518	3,084	-	-	5,659
1,528	1,882	3,968	-	-	20,106
-	-	-	-	-	1,400
-	-	-	-	-	7,800
-	-	-	-	-	9,200
-	75	36,067	2,781	174	23,268
\$ -	\$ 75	\$ 36,067	\$ 2,781	\$ 174	\$ 23,268

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, 2014

(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Operating Revenues			
City's contribution	\$ 7,641	\$ 2,637	\$ 5,273
Pensioners contribution	-	-	-
Other	-	3	375
Total operating revenues	7,641	2,640	5,648
Operating Expenses			
Administrative	15	369	671
Operations	-	-	4,253
Insurance benefits and claims paid	8,715	1,929	-
Total operating expenses	8,730	2,298	4,924
Changes in net position	(1,089)	342	724
Net Position (Deficit), beginning of year	(12,206)	(4,952)	1,352
Net Position (Deficit), end of year	\$ (13,295)	\$ (4,610)	\$ 2,076

EXHIBIT D-2

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 8,236	\$ 14,495	\$ 32,878	\$ 9,962	\$ -	\$ 81,122
10,164	3,324	7,041	4,298	-	24,827
738	386	708	188	-	2,398
<u>19,138</u>	<u>18,205</u>	<u>40,627</u>	<u>14,448</u>	<u>-</u>	<u>108,347</u>
1,369	3,386	1,582	1,153	-	8,545
-	-	-	-	-	4,253
<u>17,769</u>	<u>16,304</u>	<u>37,089</u>	<u>12,089</u>	<u>-</u>	<u>93,895</u>
<u>19,138</u>	<u>19,690</u>	<u>38,671</u>	<u>13,242</u>	<u>-</u>	<u>106,693</u>
-	(1,485)	1,956	1,206	-	1,654
-	1,560	34,111	1,575	174	21,614
<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 36,067</u>	<u>\$ 2,781</u>	<u>\$ 174</u>	<u>\$ 23,268</u>

City of Hartford, Connecticut

Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2014
(In Thousands)

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services
Cash Flows From Operating Activities			
City's contribution	\$ 7,641	\$ 2,646	\$ 5,273
Cash received from other	-	-	375
Cash received from users	-	-	-
Cash paid for salaries and benefits	-	-	(671)
Cash paid for claims	(7,092)	(2,797)	(4,352)
Net cash provided by (used in) operating activities	549	(151)	625
Net increase (decrease) in cash and cash equivalents	549	(151)	625
Cash and Cash Equivalents, beginning of year	3,187	200	1,689
Cash and Cash Equivalents, end of year	\$ 3,736	\$ 49	\$ 2,314
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ (1,089)	\$ 342	\$ 724
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in other receivables	-	6	-
(Decrease) increase in accounts payable	338	1	(99)
(Decrease) increase in insurance claims payable	700	(400)	-
(Decrease) increase in claims incurred but not reported	600	(100)	-
Net cash provided by (used in) operating activities	\$ 549	\$ (151)	\$ 625

EXHIBIT D-3

Retirees	Municipal Actives	BOE Actives	New Hires	VEBA	Totals
\$ 8,529	\$ 14,495	\$ 32,833	\$ 9,962	\$ -	\$ 81,379
738	386	708	188	-	2,395
10,164	3,324	7,041	4,298	-	24,827
(1,369)	(942)	(1,582)	(1,153)	-	(5,717)
(17,856)	(18,627)	(36,660)	(12,462)	-	(99,846)
206	(1,364)	2,340	833	-	3,038
206	(1,364)	2,340	833	-	3,038
1,134	3,321	37,486	1,948	174	49,139
\$ 1,340	\$ 1,957	\$ 39,826	\$ 2,781	\$ 174	\$ 52,177
\$ -	\$ (1,485)	\$ 1,956	\$ 1,206	\$ -	\$ 1,654
293	-	(45)	-	-	254
79	(10)	(16)	-	-	293
-	-	-	-	-	300
(166)	131	445	(373)	-	537
\$ 206	\$ (1,364)	\$ 2,340	\$ 833	\$ -	\$ 3,038

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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, 2014
(In Thousands)

	Student Activity Funds	Adult Education Book Fund	Totals
Assets			
Cash and cash equivalents	\$ 984	\$ 9	\$ 993
Liabilities			
Due to student groups and other	\$ 984	\$ 9	\$ 993

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds
For the Year Ended June 30, 2014
(In Thousands)**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Student Activity Fund				
Assets				
Cash and cash equivalents	\$ 935	\$ 1,182	\$ 1,134	\$ 984
Liabilities				
Due to student groups	\$ 935	\$ 1,182	\$ 1,134	\$ 984
Adult Education Book Fund				
Assets				
Cash	\$ 9	\$ -	\$ -	\$ 9
Liabilities				
Due to other	\$ 9	\$ -	\$ -	\$ 9
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 944	\$ 1,182	\$ 1,134	\$ 993
Liabilities				
Due to student groups	\$ 935	\$ 1,182	\$ 1,134	\$ 984
Due to other	9	-	-	9
Total	\$ 944	\$ 1,182	\$ 1,134	\$ 993

**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, 2014 and 2013
(In Thousands)**

	<u>2014</u>
Governmental funds capital assets:	
Land and land improvements	\$ 92,336
Buildings	1,226,693
Other structures	32,495
Furniture and equipment	48,140
Rolling equipment	48,577
Infrastructure	472,682
Construction in progress	<u>212,808</u>
Total	<u><u>\$ 2,133,731</u></u>
Investments in governmental funds capital assets:	
Total governmental funds capital assets	<u><u>\$ 2,133,731</u></u>

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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				
	2014	2013	2012	2011	2010
Governmental activities					
Net investment in capital assets	\$ 983,461	\$ 1,006,633	\$ 966,580	\$ 954,780	\$ 956,310
Restricted	75,720	73,049	70,155	62,466	63,564
Unrestricted	25,662	36,029	50,814	47,155	36,231
Total governmental activities net position	1,084,843	1,115,711	1,087,549	1,064,401	1,056,105
Business-type activities					
Net investment in capital assets	26,732	33,910	34,623	35,417	36,256
Restricted	-	-	-	-	-
Unrestricted	820	1,799	2,400	1,678	684
Total business-type activities net position	27,552	35,709	37,023	37,095	36,940
Primary Government					
Net investment in capital assets	1,010,193	1,040,543	1,001,203	990,197	992,566
Restricted	75,720	73,049	70,155	62,466	63,564
Unrestricted	26,482	37,828	53,214	48,833	36,915
Total primary government net position	\$ 1,112,395	\$ 1,151,420	\$ 1,124,572	\$ 1,101,496	\$ 1,093,045

Notes:

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

TABLE 1

		Fiscal Year							
		2009	2008	2007	2006	2005			
\$	910,440	\$	877,583	\$	815,601	\$	737,253	\$	425,801
	63,642		64,098		65,320		55,509		53,375
	12,324		(5,966)		43,920		53,952		58,531
	986,406		935,715		924,841		846,714		537,707
	37,683		35,974		36,969		36,641		33,145
	-		-		-		-		-
	-		-		1,562		1,033		4,604
	37,683		35,974		38,531		37,674		37,749
	948,123		913,557		852,570		773,894		458,946
	63,642		64,098		65,320		55,509		53,375
	12,324		(5,966)		45,482		54,985		63,135
\$	1,024,089	\$	971,689	\$	963,372	\$	884,388	\$	575,456

City of Hartford, Connecticut

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
General government	\$ 69,912	\$ 72,050	\$ 72,165	\$ 58,302	\$ 61,687
Public safety	119,995	106,619	101,603	99,448	98,563
Public works	37,310	44,280	42,428	37,698	38,215
Development and community affairs	61,626	61,652	63,779	61,408	63,475
Human services	29,697	27,561	30,146	28,574	31,799
Education	544,398	503,475	487,717	472,210	477,009
Recreation and culture	10,064	10,106	9,728	9,332	9,632
Benefits and insurance	-	-	-	-	-
Sundry	-	-	-	-	-
Interest on long-term debt	20,665	21,358	14,743	15,322	19,125
Total governmental activities expenses	893,667	847,101	822,309	782,294	799,505
Business-type activities:					
Hartford Parking Facilities	8,640	3,669	3,729	4,096	4,185
Golf Course	200	-	-	-	-
Total business-type activities net position	8,840	3,669	3,729	4,096	4,185
Total primary government expenses	902,507	850,770	826,038	786,390	803,690
Program Revenues					
Governmental activities					
Charges for services:					
General government	5,265	2,150	3,108	2,152	2,241
Public safety	6,132	9,119	1,772	2,472	1,739
Public works	9,289	7,464	10,378	10,770	10,089
Recreation and culture	139	92	194	95	537
Other	7,055	3,849	5,011	6,689	4,808
Operating grants and contributions	482,748	465,918	445,168	408,617	420,882
Capital grants and contributions	18,553	65,774	25,912	15,797	96,958
Total governmental activities program revenues	529,181	554,366	491,543	446,592	537,254

TABLE 2

Fiscal Year				
2009	2008	2007	2006	2005
\$ 58,575	\$ 115,504	\$ 97,524	\$ 94,466	\$ 22,080
95,466	83,414	77,513	74,179	71,142
30,290	29,127	23,821	24,730	16,881
56,269	51,777	47,702	45,570	54,484
34,601	30,042	30,755	24,022	18,853
450,428	496,857	397,355	375,615	295,963
10,227	10,338	10,231	9,991	7,446
-	-	-	-	102,396
-	-	-	-	22,589
17,169	13,723	11,045	6,941	9,409
753,025	830,782	695,946	655,514	621,243
3,760	3,897	3,768	3,701	5,876
-	-	-	-	-
3,760	3,897	3,768	3,701	5,876
756,785	834,679	699,714	659,215	627,119
2,374	2,907	4,324	4,227	4,109
2,053	4,696	5,439	7,843	6,226
14,715	14,224	12,155	12,278	11,142
458	2,514	2,383	2,063	2,077
5,398	1,340	1,434	1,674	1,970
391,919	466,397	382,080	364,191	330,611
71,908	58,545	73,070	122,823	98,134
488,825	550,623	480,885	515,099	454,269

City of Hartford, Connecticut

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Business-type activities:					
Charges for services:					
Parking facilities*	\$ 4,932	\$ 4,511	\$ 4,054	\$ 4,732	\$ 4,791
Other enterprise funds	758	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>5,690</u>	<u>4,511</u>	<u>4,054</u>	<u>4,732</u>	<u>4,791</u>
Total primary government program revenues	<u>534,871</u>	<u>558,877</u>	<u>495,597</u>	<u>451,324</u>	<u>542,045</u>
Net (expense)/revenue					
Governmental activities	(364,486)	(292,735)	(330,766)	(335,702)	(262,251)
Business-type activities	(3,150)	842	325	636	606
Total primary government net expense	<u>(367,636)</u>	<u>(291,893)</u>	<u>(330,441)</u>	<u>(335,066)</u>	<u>(261,645)</u>
General revenues and other changes in net expenses					
Governmental activities:					
Property taxes	267,234	256,943	290,165	283,835	272,939
Unrestricted grants and contributions	55,364	56,696	58,767	55,207	51,975
Investment earnings	5,512	2,781	2,205	3,079	3,319
Other general revenues	498	2,317	2,377	1,389	2,367
Transfers and other	5,010	2,160	400	488	1,350
Special item - net loss on sale of property	-	-	-	-	-
Total governmental activities	<u>333,618</u>	<u>320,897</u>	<u>353,914</u>	<u>343,998</u>	<u>331,950</u>
Business-type activities: (2)					
Investment earnings	3	4	3	7	1
Other general revenues	-	-	-	-	-
Special item - net loss on sale of property	-	-	-	-	-
Transfers and other	(5,010)	(2,160)	(400)	(488)	(1,350)
Total business-type activities	<u>(5,007)</u>	<u>(2,156)</u>	<u>(397)</u>	<u>(481)</u>	<u>(1,349)</u>
Total primary government	<u>328,611</u>	<u>318,741</u>	<u>353,517</u>	<u>343,517</u>	<u>330,601</u>
Changes in net position					
Governmental activities	(30,868)	28,162	23,148	8,296	69,699
Business-type activities	(8,157)	(1,314)	(72)	155	(743)
Total primary government	<u>\$ (39,025)</u>	<u>\$ 26,848</u>	<u>\$ 23,076</u>	<u>\$ 8,451</u>	<u>\$ 68,956</u>

Notes:

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

TABLE 2

Fiscal Year				
2009	2008	2007	2006	2005
\$ 5,309	\$ 6,724	\$ 6,337	\$ 4,840	\$ 3,698
-	-	-	-	-
3,214	167	-	37	43
8,523	6,891	6,337	4,877	3,741
497,348	557,514	487,222	519,976	458,010
(264,200)	(280,159)	(215,061)	(140,415)	(166,974)
4,763	2,994	2,569	1,176	(2,135)
(259,437)	(277,165)	(212,492)	(139,239)	(169,109)
256,520	229,500	229,734	215,285	196,846
53,234	47,698	49,262	41,861	39,907
(416)	3,692	8,519	5,490	3,949
2,492	4,581	3,920	4,779	3,829
3,061	5,562	1,753	1,381	9,815
-	-	-	-	-
314,891	291,033	293,188	268,796	254,346
7	11	41	130	500
-	-	-	-	300
-	-	-	-	-
(3,061)	(5,562)	(1,753)	(1,381)	(9,815)
(3,054)	(5,551)	(1,712)	(1,251)	(9,015)
311,837	285,482	291,476	267,545	245,331
50,691	10,874	78,127	128,381	87,372
1,709	(2,557)	857	(75)	(11,150)
\$ 52,400	\$ 8,317	\$ 78,984	\$ 128,306	\$ 76,222

City of Hartford, Connecticut

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

	Fiscal Year				
	2014	2013	2012	2011	2010
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	3,859	2,850	4,332	2,525	-
Unassigned	13,022	27,528	25,781	22,561	-
Reserved	-	-	-	-	148
Unreserved	-	-	-	-	18,500
Total general fund	\$ 16,881	\$ 30,378	\$ 30,113	\$ 25,086	\$ 18,648
All other governmental funds					
Nonspendable	\$ 8,712	\$ 8,772	\$ 8,706	\$ 18,583	\$ -
Restricted	159,398	171,251	31,782	22,004	-
Committed	2,352	2,620	7,663	31,020	-
Assigned	3,198	9,467	9,585	-	-
Unassigned	(8,495)	(14,379)	(7,522)	(202)	-
Reserved	-	-	-	-	89,367
Unreserved, reported in:					
Debt service funds	-	-	-	-	146
Special revenue funds	-	-	-	-	12,258
Capital project funds	-	-	-	-	(9,057)
Total all other governmental funds	\$ 165,165	\$ 177,731	\$ 50,214	\$ 71,405	\$ 92,714

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				
2009	2008	2007	2006	2005
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
95	-	-	246	143
16,218	27,900	34,467	32,969	30,776
<u>\$ 16,313</u>	<u>\$ 27,900</u>	<u>\$ 34,467</u>	<u>\$ 33,215</u>	<u>\$ 30,919</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
99,213	95,227	81,122	62,397	115,549
146	146	3,238	2,747	1,834
8,748	9,176	17,151	17,771	3,187
(4,404)	8,229	60,226	38,593	(36,609)
<u>\$ 103,703</u>	<u>\$ 112,778</u>	<u>\$ 161,737</u>	<u>\$ 121,508</u>	<u>\$ 83,961</u>

City of Hartford, Connecticut

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Revenues:					
Property taxes	\$ 256,765	\$ 255,546	\$ 277,245	\$ 274,013	\$ 266,990
Licenses, permits, and other charges	6,555	5,661	6,299	4,891	5,608
Intergovernmental revenues	539,420	571,249	509,770	475,622	556,756
Charges for services	17,827	14,538	9,427	10,742	8,777
Use of property	3,227	2,283	4,574	6,354	4,368
Investment income	5,512	2,781	2,204	3,079	3,319
Miscellaneous	15,293	15,927	15,867	13,860	17,449
Total revenues	844,599	867,985	825,386	788,561	863,267
Expenditures:					
General government	27,846	40,237	30,021	21,547	21,642
Public safety	96,695	85,448	83,308	84,283	79,799
Public works	12,329	15,882	21,804	15,282	20,119
Development and community affairs	60,155	60,544	62,798	60,501	61,857
Human services	28,569	26,702	29,315	27,878	31,256
Education	470,445	447,244	435,301	419,099	421,032
Recreation and culture	10,127	9,852	9,483	9,477	9,145
Benefits and insurance	86,898	66,941	64,501	65,160	55,791
Other	21,019	17,858	29,445	26,637	31,042
Capital outlay	76,279	125,790	92,879	68,018	119,275
Debt Service:					
Principal	27,775	27,775	25,100	22,723	20,536
Interest	26,543	17,470	14,547	15,471	16,627
Total expenditures	944,680	941,743	898,502	836,076	888,121
Excess of revenues over (under) expenditures	(100,081)	(73,758)	(73,116)	(47,515)	(24,854)
Other Financing Sources (Uses)					
Transfers in	38,972	48,277	44,203	43,780	52,233
Transfers out	(33,962)	(46,117)	(43,803)	(43,292)	(50,883)
Bonds issued	10,250	48,160	71,280	25,000	14,000
Capital leases	2,758	3,990	-	-	-
Bond premium	-	22,625	7,765	304	1,796
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	-
BANS	56,000	-	-	-	-
Total other financing sources (uses)	74,018	201,540	56,952	32,792	16,052
Net change in fund balances	(26,063)	127,782	(16,164)	(14,723)	(8,802)
Fund Balances, beginning of year	208,109	80,327	96,491	111,214	120,016
Fund Balances, end of year	\$ 182,046	\$ 208,109	\$ 80,327	\$ 96,491	\$ 111,214
Debt Service as a Percentage of Noncapital Expenditures	6.10%	5.83%	4.94%	5.40%	5.40%

Notes:

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

TABLE 4

		Fiscal Year							
		2009	2008	2007	2006	2005			
\$	250,668	\$	232,955	\$	231,638	\$	208,241	\$	197,028
	8,155		9,850		8,594		10,058		9,681
	505,062		567,464		503,669		523,276		454,432
	9,353		7,531		8,184		9,734		8,322
	4,196		4,294		4,314		4,085		3,925
	(416)		3,653		8,452		5,413		3,889
	16,733		18,347		15,120		18,805		19,224
	793,751		844,094		779,971		779,612		696,501
	23,739		25,776		20,487		16,266		14,737
	80,388		79,424		77,898		74,519		69,671
	17,712		14,998		15,820		15,362		16,729
	54,857		52,876		53,441		52,020		63,369
	33,786		29,879		30,581		23,867		18,824
	400,535		479,031		391,131		368,936		286,985
	9,234		9,636		9,401		8,014		6,832
	57,985		57,012		54,754		47,348		100,797
	28,955		28,122		28,755		26,709		22,589
	113,021		101,332		106,647		163,076		136,903
	24,590		19,838		16,810		15,901		14,150
	15,954		13,063		9,965		9,020		6,037
	860,756		910,987		815,690		821,038		757,623
	(67,005)		(66,893)		(35,719)		(41,426)		(61,122)
	56,633		55,761		53,222		40,069		54,881
	(53,572)		(50,199)		(51,469)		(36,239)		(45,066)
	40,225		-		70,000		70,000		66,300
	1,700		3,883		3,164		4,526		2,822
	1,357		-		2,283		2,913		3,093
	-		-		-		-		29,510
	-		-		-		-		(32,866)
	-		1,922		-		-		1,468
	-		-		-		-		-
	46,343		11,367		77,200		81,269		80,142
	(20,662)		(55,526)		41,481		39,843		19,020
	140,678		196,204		154,723		114,880		95,860
\$	120,016	\$	140,678	\$	196,204	\$	154,723	\$	114,880
	5.40%		4.06%		3.79%		3.79%		3.25%

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

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2014	2012	\$ 6,252,718	\$ 666,455	\$ 284,621	\$ 7,203,794	\$ 3,716,013	\$ 3,487,781	74.29%	\$ 6,605,457	(3)
2013	2011	6,180,974	636,333	276,070	7,093,377	3,675,437	3,417,940	74.29%	6,550,210	(3)
2012	2010	6,454,818	663,558	264,267	7,382,643	3,644,266	3,738,377	71.79%	7,739,104	(3)
2011	2009	5,990,870	639,547	257,817	6,888,234	3,302,820	3,585,414	71.79%	7,088,777	(3)
2010	2008	5,981,880	639,564	259,922	6,881,366	3,302,820	3,578,546	72.79%	7,646,419	(3)
2009	2007	5,187,321	678,893	258,996	6,125,210	2,678,393	3,446,817	68.34%	(3)	(3)
2008	2006	4,751,126	672,107	268,835	5,692,068	2,355,636	3,336,432	63.39%	(2)	(2)
2007	2005	4,602,272	695,752	265,073	5,563,097	1,952,351	3,610,746	64.82%	5,158,209	70.00%
2006	2004	4,517,806	674,941	300,819	5,493,566	1,983,982	3,509,584	60.82%	5,013,691	70.00%
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%

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	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power	\$ 135,274	1	3.88%	\$ 89,744	3	2.56%
Hartford Fire Ins. & Twin City Ins.	126,508	2	3.63%	115,841	1	3.31%
Travelers Indemnity Co. Affiliate	120,238	3	3.45%	103,584	2	2.96%
Aetna Life Ins. Co.	105,919	4	3.04%	75,595	4	2.16%
Mac-State Square LLC	49,967	5	1.43%	-	-	-
HUB Properties Trust	48,978	6	1.40%	-	-	-
Talcott II Gold, LLC	45,354	7	1.30%	-	-	-
FGA 280 Trumbull LLC	35,948	8	1.03%	-	-	-
Conn Natural Gas Corp.	35,769	9	1.03%	-	-	-
Hartford Hospital & HHMOB Corp.	35,126	10	1.02%	-	-	-
New Boston Trust & Pearl	-	-	-	58,448	5	1.67%
City Place I LTD Ptnshp	-	-	-	58,189	6	1.66%
Fleet Bank NA	-	-	-	54,788	7	1.56%
State House Financial	-	-	-	45,985	8	1.31%
Bank of Boston, CT	-	-	-	42,942	9	1.23%
Hartford Steam Boiler	-	-	-	41,338	10	1.18%
	<u>\$ 739,081</u>		<u>21.21%</u>	<u>\$ 686,454</u>		<u>19.61%</u>

Source: City of Hartford Assessor's Office

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

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Tax Levy	Amount	Percentage of Levy	Tax Collections in Subsequent Years	Amount	Percentage of Levy
2014	2012	\$ 3,484,647	74.29	\$ 262,101	\$ 250,935	\$ 238,582	91.03%	\$ 7,533	\$ 246,115	93.90%
2013	2011	3,395,085	74.29	256,455	247,519	234,215	91.33%	11,103	245,318	95.66%
2012	2010	3,743,726	71.79	285,281	278,481	261,285	91.59%	7,680	268,965	94.28%
2011	2009	3,604,167	72.79	277,997	268,745	256,253	92.18%	7,104	263,357	94.73%
2010	2008	3,578,546	72.79	252,509	262,987	241,828	95.77%	7,358	249,186	98.68%
2009	2007	3,465,777	68.34	244,858	242,777	233,628	95.41%	5,184	238,812	97.53%
2008	2006	3,704,353	63.39	233,705	221,445	213,260	91.25%	6,154	219,414	93.89%
2007	2005	3,596,490	64.82	233,373	229,963	219,241	93.94%	3,395	222,636	95.40%
2006	2004	3,510,147	60.82	210,146	209,283	198,964	94.68%	5,679	204,643	97.38%
2005	2003	3,545,600	56.32	196,887	185,277	185,277	94.10%	5,846	191,123	97.07%

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	(1) Hartford Parking Facilities	Total Net Primary Government General Obligation Debt	Ratio of Total Net General Bonded Debt to Taxable Grand List	Ratio of Total Net General Bonded Debt Per Capita	Percentage of Personal Income
2014	\$ 549,987	\$ 4,765	\$ 554,752	15.92%	\$ 4,437	18.85%
2013	510,399	23,876	534,275	15.74%	4,278	18.47%
2012	337,607	25,161	362,768	9.69%	2,905	12.46%
2011	303,116	26,376	329,492	9.14%	2,641	11.29%
2010	298,901	27,521	326,422	9.12%	2,631	11.17%
2009	303,988	28,598	332,586	9.60%	2,671	13.40%
2008	275,910	29,617	305,527	8.25%	2,453	9.92%
2007	293,550	30,583	324,133	9.01%	2,603	11.07%
2006	291,085	34,340	325,425	9.27%	2,616	11.23%
2005	232,428	34,340	266,768	7.52%	2,137	9.41%

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, 2014
(In Thousands)

Total Fiscal Year 2014 tax collections (taxes, interest and fees)	\$ 257,484
Tax Relief for the elderly	262
Base for establishing debt limit	<u>\$ 257,746</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 579,929	\$ -	\$ -	\$ -	\$ -	\$ 579,929
4 1/2 times base	-	1,159,857	-	-	-	1,159,857
3 3/4 times base	-	-	966,548	-	-	966,548
3 1/4 times base	-	-	-	837,675	-	837,675
3 times base	-	-	-	-	773,238	773,238
Total debt limitation	<u>579,929</u>	<u>1,159,857</u>	<u>966,548</u>	<u>837,675</u>	<u>773,238</u>	<u>4,317,247</u>
Debt, as defined by Statute:						
Bonds payable	244,562	107,278	-	-	-	351,840
Bonds authorized - unissued	111,080	279,732	8,578	-	-	399,390
Bond anticipation notes	44,625	11,375	-	-	-	56,000
Overlapping debt	-	-	184,612	-	-	184,612
Serial notes payable	-	-	1,322	-	-	1,322
School building grants receivable	-	(17,105)	-	-	-	(17,105)
Total indebtedness	<u>400,267</u>	<u>381,280</u>	<u>194,512</u>	<u>-</u>	<u>-</u>	<u>976,059</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 179,662</u>	<u>\$ 778,577</u>	<u>\$ 772,036</u>	<u>\$ 837,675</u>	<u>\$ 773,238</u>	<u>\$ 3,341,188</u>

Note: Total indebtedness above amounts to \$976.1 million but in no event shall total indebtedness exceed \$2.1 billion (seven times the base for debt limitation computation).

School building grants totaling \$17.1 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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 1,804,222	\$ 1,793,687	\$ 1,914,423	\$ 1,869,469	\$ 1,881,467	\$ 1,764,168	\$ 1,558,669	\$ 1,623,692	\$ 1,454,201	\$ 1,376,389
Total net debt applicable to limit	976,059	800,206	722,204	605,267	588,156	503,253	416,180	396,682	352,585	354,831
Legal Debt Margin	\$ 828,163	\$ 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
Total net debt applicable to the limit as percentage of debt limit	54.10%	44.61%	37.72%	32.38%	31.26%	28.53%	26.70%	24.43%	24.25%	25.78%

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

Fiscal Year	Governmental Activities Total Debt Outstanding	MDC Bonded Debt	MDC Self Funded Debt	MDC Overlapping Debt All		City's Share of MDC Debt	City's Share of MDC Debt	City's Total Direct Debt	City's Total Overlapping Debt	City's Total Direct and Overlapping Debt	Ratio of Debt to Taxable Assessed Value	Debt per Capita
				Participating Governments	Debt							
2014	\$ 554,752	\$ 493,066	\$ 309,625	\$ 650,055		29%	\$ 186,501	\$ 554,752	\$ 186,501	\$ 741,253	21.3%	5.93
2013	534,275	518,340	273,076	559,041		29%	159,942	534,275	159,942	694,217	16.0%	4.38
2012	362,768	320,803	121,821	419,411		28%	118,609	362,768	118,609	440,419	11.8%	3.53
2011	329,492	301,973	122,780	327,393		28%	91,539	329,492	91,539	385,284	10.8%	3.09
2010	326,422	299,391	92,930	206,461		28%	57,437	326,422	57,437	347,457	10.1%	2.79
2009	332,586	218,195	79,888	138,308		28%	38,187	332,586	38,187	325,520	9.4%	2.61
2008	305,527	181,340	74,267	107,073		27%	29,434	305,527	29,434	303,199	9.1%	2.43
2007	324,133	102,162	26,977	75,185		27%	20,353	324,133	20,353	313,063	8.7%	2.51
2006	325,425	112,301	30,053	82,248		27%	22,026	325,425	22,026	261,236	7.4%	2.10
2005	266,768	122,819	33,267	89,552		27%	24,510	266,768	24,510	208,590	5.9%	1.67

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
2014	125,017	21,390	29.8	\$ 29,430	2013	42,396	7,281	14.7%	7.8%	7.8%	7.4%
2013	124,893	20,879	29.7	28,931	2012	45,452	7,748	15.4%	8.2%	8.1%	7.4%
2012	124,867	20,899	29.7	29,107	2011	43,712	8,031	15.5%	8.5%	8.4%	8.2%
2011	124,775	20,953	29.8	29,190	2010	43,054	8,331	16.4%	9.2%	9.1%	9.2%
2010	124,060	22,069	30.1	29,224	2009	43,627	7,192	14.2%	8.3%	8.2%	9.3%
2009	124,512	22,360	30.4	24,820	2008	43,481	7,062	14.0%	8.0%	8.0%	8.9%
2008	124,563	22,319	30.4	30,805	2007	44,534	4,367	8.9%	5.1%	5.9%	6.0%
2007	124,512	22,172	32.0	29,293	2006	44,044	4,178	8.7%	4.4%	4.3%	4.7%
2006	124,397	22,296	30.4	28,984	2005	43,404	4,670	9.7%	5.1%	4.9%	5.1%
2005	124,848	24,407	29.7	28,362	2004	42,899	4,835	10.1%	5.2%	4.9%	5.5%

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

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

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

* Started recording Statistic in FY 10

**Principal Employers - Unaudited
Hartford's Major Employers**

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

Source: Connecticut Department of Labor, 2014

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
City Department										
Mayor's Office	10	10	10	20	23	25	26	28	22	22
Court of Common Council	9	8	7	9	9	10	10	10	10	10
Treasurer	9	9	10	10	10	7	7	7	13	11
Registrars of Voters	5	8	8	8	8	8	10	9	9	9
Corporation Counsel	23	23	22	17	17	17	16	15	13	14
Town & City Clerk	13	15	15	14	15	18	19	16	11	11
Internal Audit	5	5	5	5	5	5	5	5	4	4
Office of Chief Operating Officer*	17	16	17	-	-	-	-	-	-	-
Communications & New Media*	7	8	8	-	-	-	-	-	-	11
Metro Hartford Information System	16	16	17	17	18	22	25	23	20	50
Finance	42	47	46	53	54	57	66	58	61	12
Human Resources	14	15	15	13	13	15	14	13	12	10
Office of Human Relations	-	-	-	8	9	11	9	9	9	14
Office of Management & Budget	10	11	12	12	11	13	15	12	11	-
Fire	373	393	377	407	391	399	361	369	366	404
Police	523	485	526	525	522	559	511	517	533	519
Emergency Services & Telecommunications	72	77	78	69	69	67	60	68	70	60
Public Works	238	234	232	196	198	233	232	245	261	263
Development Services	63	65	60	54	56	59	69	67	81	56
Health & Human Services	40	43	43	50	52	61	65	63	68	76
Office for Young Children *	-	-	-	3	3	3	-	-	-	-
Office for Youth Services	-	-	-	5	5	4	6	3	-	-
Families, Children, Youth and Recreation*	18	20	18	-	-	-	-	-	-	-
Total	1,507	1,508	1,526	1,495	1,488	1,593	1,526	1,537	1,574	1,556
Board of Education										
Teachers	1,709	1,633	1,680	1,658	1,639	1,790	2,058	1,987	1,953	1,869
Administrators	154	105	163	156	110	173	146	160	127	120
Paraprofessionals	471	525	380	370	384	213	484	453	488	540
Clerical	123	96	123	129	125	142	175	202	200	176
Nurses	60	48	54	50	49	40	41	52	53	51
Security	92	84	87	89	87	75	85	99	93	81
Custodial	184	156	195	197	202	207	225	218	212	199
Guidance Counselors	36	32	26	29	31	39	44	47	43	41
Social Workers	54	50	45	50	52	54	62	69	69	66
Psychologists	20	15	21	23	21	25	25	23	23	24
Support Staff	367	348	349	321	282	91	188	271	251	190
Others	210	163	1	1	11	156	163	99	119	87
Total	3,480	3,255	3,124	3,073	2,993	3,005	3,696	3,680	3,631	3,444
Grand Total***	4,987	4,763	4,650	4,568	4,481	4,598	5,222	5,217	5,205	5,000

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

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

	FISCAL YEAR							
	2014	2013	2012	2011	2010	2009	2008	2007
General Government								
Finance								
Number of bills mailed	*	\$ 66,926	\$ 82,241	\$ 80,020	\$ 80,020	\$ 75,710	\$ 75,710	\$ 72,395
Number of invoices approved for payment	68,728	68,683	79,236	68,649	81,611	74,865	74,865	123,587
Number of internal control reviews performed	20	19	18	17	14	14	15	16
Assessor								
Number of deeds processed	2,166	1,827	1,746	1,668	1,501	1,829	2,710	3,365
Number of veterans exemptions	1,124	1,180	1,316	2,270	787	1,374	1,670	1,913
Board of assessment appeals adjustments	(998,831)	(13,893,512)	(1,332,497)	(1,491,791)	(2,094,060)	(1,479,909)	(5,859,236)	(5,962,926)
Personnel								
Number of applications processed	1,771	2,054	1,276	2,779	1,458	1,701	1,974	2,350
Vacancies filled through promotion	64	81	97	72	57	58	67	218
Vacancies filled through new hires	39	138	154	225	85	54	153	166
City Clerk								
Land records recorded	15,033	16,407	11,614	11,602	12,985	13,287	16,500	21,000
Marriage licenses issued	*	1,931	2,451	1,462	1,462	1,680	1,284	910
Death certificates issued	*	13,607	10,634	11,126	11,126	10,992	12,600	2,690
Birth certificates issued	*	21,546	19,889	22,951	22,951	24,568	21,200	7,150
Management Information Systems								
Help desk calls:								
City	3,375	3,298	3,250	3,309	3,034	3,664	3,664	3,356
Schools	11,249	12	11,665	11,494	8,282	10,976	10,976	11,645
Unassigned					-	-	-	-
Availability, all systems	99.7%	99.8%	99.7%	99.9%	99.0%	99.7%	99.0%	99.9%
Federal E-Rate Funds received	998,624	1,429,573	2,626,928	3,463,810	3,553,112	3,381,433	4,070,487	2,504,945
Website hits (www.hartford.gov)	**	**	**	13,386,564	13,386,564	30,639,065	30,639,065	22,187,131
Elections								
Voters added	3,375	11,052	6,756	3,559	5,576	6,801	5,075	3,533
Voters removed	3,828	5,039	5,675	4,280	5,876	6,984	4,455	4,397
Voter changes	7,084	15,489	8,621	7,797	11,263	11,715	11,950	10,836
Total voters	58,285	55,888	45,859	44,368	45,492	46,612	41,026	40,209
Public Safety								
Police								
911 calls	6,066	7,117	8,065	9,687	12,179	15,861	19,030	20,784
Non-emergency calls	96,555	94,035	115,361	117,522	115,310	106,316	106,699	108,625
DWI arrests	397	274	404	336	-	249	168	156
Fire								
Fire	583	621	824	1,005	1,056	1,053	1,228	1,240
No Fire	16	15	20	26	24	24	26	28
Rescue & Emergency Medical Services	16,153	16,086	15,289	14,583	15,460	14,818	14,350	11,465
Hazardous Conditions	611	715	1,233	827	714	766	819	794
Service Calls	2,268	2,203	2,133	2,376	2,361	2,013	2,413	2,523
Good Intent Calls	1,276	1,133	1,174	1,255	1,216	1,046	1,254	3,007
False Alarm & False Calls	1,873	1,613	1,678	1,719	1,988	1,947	1,904	2,143
Severe Weather & Natural Disaster	-	3	8	2	2	2	-	1
Special Incident Type	59	62	89	180	201	138	92	112
Other	-	-	-	-	-	-	-	21

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

	FISCAL YEAR							
	2014	2013	2012	2011	2010	2009	2008	2007
Public Works								
Engineering & Administration								
Lane miles paved	38	38	47	49	37	37	37	37
Development and Community Affairs								
Development Services								
Housing vouchers, residential assistance (families)	5,189	4,698	5,057	4,917	4,720	4,784	4,614	4,619
Zoning Board appeals	16	10	14	11	22	53	60	57
Code violations	4,478	1,879	1,972	1,909	1,931	1,493	6,002	10,415
Citations issued	2,152	1,629	484	372	10	41	1,799	2,786
Human Services								
General Human Services								
Job placements (out of 240 referrals)	**	**	*	-	-	50	52	72
Senior Center								
Preventative health clinic services	**	**	*	3,635	1,216	297		
Outreach services (duplicated units)	**	**	*	2,686	15,679	16,480	63,981	76,820
Youth & Family Services								
Counseling cases	**	**	*	1,223	1,395	1,387	1,387	85
Young parent cases (FYE 2008 No longer done)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45
Education								
Average Class Size - Kindergarten	*	17.7	19.8	19.0	18.3	18.9	19.1	18.6
Average Class Size - Grade 2	*	17.9	18.4	18.7	17.5	18.2	18.2	18.3
Average Class Size - Grade 5	*	19	20.5	20.5	18.6	20.3	20.9	18.9
Average Class Size - Grade 7	*	22.9	20.9	18.2	19.3	22.0	22.0	20.6
Recreation and culture								
Number of youth registrations	3,121	2,565	*	2,319	2,319	2,100	2,549	2,300
Number of youth program hours	48,260	54,213	*	53,550	53,550	26,654	30,995	23,924
Number of hours provided by volunteers	976	1,003	*	1,983	1,983	1,600	1,450	1,302

* Information not available

** Statistic no longer reported.

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

Function/Program	FISCAL YEAR								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety									
Police									
Stations	6	5	3	3	3	3	3	3	3
Vehicles	312	275	280	283	257	235	235	231	225
Fire									
Firefighting/rescue vehicles	25	27	27	27	26	28	29	26	30
Other vehicles	62	61	61	62	55	56	50	48	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	151	150	148	148	148	148	148
Bridges	9	9	9	9	8	8	8	8	8
Traffic lights	245	245	245	245	241	241	241	241	238
Conduit system (miles)	8	8	8	8	8	8	8	8	8
Street Maintenance									
Dump trucks	46	50	47	46	31	31	31	31	42
Sweepers	7	16	9	9	7	7	7	7	16
Parks and Cemeteries									
Parks									
Large multi-use	9	9	9	9	9	9	9	9	9
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	3	1	1	1	1	1
Parking garages	2	2	3	3	3	3	3	3	3
Education									
School buildings	44	44	44	45	44	45	45	44	40
Administrative buildings	3	3	3	3	3	3	3	3	3
Recreation and Culture									
Recreation									
Number of basketball courts	29	30	32	29	32	33	32	32	32
Number of football fields	4	4	5	4	6	6	6	6	6
Number of multi-use fields	3	3	3	3	4	4	4	4	1
Number of playscapes/grounds	22	29	28	27	27	28	27	27	27
Number of soccer fields	6	9	9	3	6	6	6	6	6
Number of softball fields	6	9	9	9	16	16	16	16	16
Number of tennis courts	24	24	25	25	24	27	27	27	27
Mowers	45	45	46	42	42	35	35	35	35
Other vehicles	30	30	31	33	33	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
Library on Wheels	-	-	-	-	-	1	1	1	1

City of Hartford, Connecticut

Federal and State Financial
and Compliance Reports
Year Ended June 30, 2014

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OMB Circular A-133

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**Report on Compliance for Each Major Federal Program; Report on Internal Control
Over Compliance; and Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Hartford, Connecticut's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements. We issued our report thereon dated January 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut
January 23, 2015

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State of Connecticut			
Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 2,345,910
National School Lunch Program	10.555	12060-SDE64370-20560	8,430,845
Child Nutrition Summer Lunch Program	10.559	12060-SDE64370-20540	236,421
Total Child Nutrition Cluster			<u>11,013,176</u>
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	120,685
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051	206,433
Direct Programs:			
Home Care CACFP	10.558	N/A	395,768
Passed through the State of Connecticut			
Department of Public Health:			
Women, Infant and Children (WIC) 10/10-9/11	10.557	ID20892 & DPH LOG2013-0051/WIC	1,330,020
WIC Food Benefits 2014-Non cash	10.557	Non-contract	5,511,597
Total WIC Cluster			<u>6,841,617</u>
Total U.S. Department of Agriculture			<u>18,577,679</u>
U.S. Department of Education			
Passed through the State of Connecticut			
Department of Education:			
Title I Cluster:			
Title I Programs - Local Educational Agencies - 12-14	84.010A	12060-SDE64370-20679	663,079
Title I Programs - Local Educational Agencies - 12-14	84.010A	12060-SDE64370-20679	3,908,387
Title I Programs - Local Educational Agencies - 13-15	84.010A	12060-SDE64370-20679	10,935,469
Total Title I Cluster			<u>15,506,935</u>
Carl Perkins Vocational and Technical Education - Basic Grants to State	84.048A	12060-SDE64370-20742	437,215
Special Education Cluster:			
IDEA, Part B Section 619 - 12-14	84.173A	12060-SDE64370-20983	12,752
IDEA, Part B Section 619 - 13-15	84.173A	12060-SDE64370-20983	156,591
IDEA, Part B Section 611 - 12-14	84.027A	12060-SDE64370-20977	808,992
IDEA, Part B Section 611 - 13-15	84.027A	12060-SDE64370-20977	5,318,701
Total Special Education Cluster			<u>6,297,036</u>
ARRA School Improvement Grant	84.377	12060-SDE64370-29064	217,628
Support for Pregnant and Parenting Teens	N/A	12060-SDE64370-22439	48,020
Title III, Part A - English Language - 12-14	84.365A	12060-SDE64370-20868	18,692
Title III, Part A - English Language - 13-15	84.365A	12060-SDE64370-20868	510,493
Education of Homeless Children and Youth - 12-14	84.196	12060-SDE64370-20770	19,723
Education of Homeless Children and Youth - 13-14	84.196	12060-SDE64370-20770	17,727
Title II, Improving Teacher Quality - 12-14	84.367A	12060-SDE64370-20858	872,118
Title II, Improving Teacher Quality - 13-15	84.367A	12060-SDE64370-20858	2,207,495
Choosing to Succeed	N/A	S360A1000068	2,803,186
Total U.S. Department of Education			<u>28,956,268</u>
U.S. Department of Transportation			
Direct Programs:			
FTA-Federal Transit Administration	20.514	N/A	148,586
Hartford Birds Habitat	15.563	N/A	30,222
Passed through the State of Connecticut			
Department of Transportation:			
Highway Planning and Construction	20.205	12062-DOT57141-22108	7,923
Total U.S. Department of Transportation			<u>186,731</u>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
U.S. Department of Commerce			
Direct Programs:			
Strong Cities, Strong Communities	11.309	N/A	\$ 36,852
Total U.S. Department of Commerce			<u>36,852</u>
U.S. Department of Health and Human Services			
Direct Programs:			
Ryan White Part A 3/13-2/14	93.914	N/A	2,257,359
Ryan White Part A 3/14-2/15	93.914	N/A	1,018,415
Total			<u>3,275,774</u>
Healthy Hartford Campaign Account	93.365	HHSP233200900522P	1,776
Teen Pregnancy & STD/HIV Prevention 9/12-9/13	93.297	N/A	425,166
Teen Pregnancy & STD/HIV Prevention 9/11-9/12	93.297	N/A	520,173
Total			<u>945,339</u>
			<u>4,222,889</u>
Passed through the State of Connecticut			
Department of Public Health:			
Public Health Preparedness	93.069	SID22333 DPH LOG2012-1077/PHP	59,673
Vaccines - Non Cash	93.268	NON-CONTRACT	16,775
Immunization Action Plan 1/14 - 12/14	93.268	SID20911 LOG2012-0124	114,120
Total			<u>130,895</u>
Federal Healthy Start	93.926	SID22348&DPH LOG2010-0188-1	156,000
HIV Prevention	93.940	SID22511&12236	176,586
Sexually Transmitted Diseases	93.991	SID20980 LOG2010-0012-3/STD&TB	75,471
Ryan White - MHIS Careware	93.914	Pass thru	7,000
Ryan White - MHIS Careware	93.914	Pass thru CHCAC	7,114
Total			<u>14,114</u>
School-Based Health Clinics	93.994	DPH LOG 2011-0112	2,055,626
Hepatitis/HPV Vaccines	93.539	SID22483 & DPH LOG2010-0012-4/STD&TB	60,153
			<u>2,115,779</u>
Passed through the Massachusetts			
Department of Public Health:			
Center for Disease Control Grant	93.991	VC6000202053	10,786
Total U.S. Department of Health and Human Services			<u>6,962,193</u>
U.S. Department of Homeland Security			
Direct Programs:			
Citizenship Instruction	97.010	DUNS # 114932424	41,851
FEMA Passed through the United Way:			
Emergency Shelter McKinney-Utility	97.024	N/A	28,804
Total U.S. Department of Homeland Security			<u>70,655</u>
U.S. Institute of Museum & Library Services			
Direct Programs:			
IMLS 2012 Sparks Ignition Grant	45.312	N/A	22,491
IMLS Summer Learning	45.312	LG-07-10-0239-10	23,846
National Leadership Program 10/11-9/12	45.312	LG-07-10-0239-10	164,776
Total U.S. Institute of Museum & Library Services			<u>211,113</u>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs:			
Lead Hazard Reduction Demonstration	14.905	N/A	\$ 1,103,412
Emergency Shelter Grants Program (ESG)	14.231	N/A	337,684
Home Investment Partnership Program	14.239	N/A	599,330
Section 8 Moderate Rehab	14.856	N/A	2,136,376
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	1,017,599
Section 8 Housing Choice Vouchers	14.871	N/A	45,446,475
			<u>50,640,876</u>
CDBG - Entitlement Cluster:			
Community Development Block Grant/Entitlement	14.218	N/A	3,271,794
ARRA CDBG Recovery Program (CDBG-R) B-09-MY-09-001	14.253	N/A	5,269
Total CDBG - Entitlement Cluster			<u>3,277,063</u>
Passed through the State of Connecticut Department of Housing:			
Neighborhood Stabilization-Acquisition	14.228	12060-DOH46930-22466	326,133
Neighborhood Stabilization-Redevelopment	14.228	12060-DOH46930-22466	230,000
Neighborhood Stabilization-Admin	14.228	12060-DOH46930-22466	34,385
			<u>590,518</u>
Total U.S. Department of Housing and Urban Development			<u>54,508,457</u>
U.S. Department of Environmental Protection			
Direct Programs:			
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	PRG-BF, DOC ID96135301	\$ 2,240
Federal Emergency Management Agency			
Direct Programs:			
Assist to Firefighter Fire Prevention	97.044	N/A	2
Safer Firefighter Staffing	97.044	N/A	1,920,871
Emergency Management Performance	97.042	N/A	122,372
Fire Prevention Safety- Safety Stove	97042	N/A	93,471
Total Federal Emergency Management Agency			<u>2,136,716</u>
U.S. Department of Justice			
Direct Programs:			
Cops Hiring Grant	16.710	N/A	725,090
Cops Hiring Grant	16.710	N/A	611,667
FY'10 JAG Grant	16.710	NA	47,877
			<u>1,384,634</u>
OJJDP Mentoring	16.541	N/A	14,948
FBI Safe Street	16.111	N/A	51,062
Hartford Resident Office DEA	16.111	N/A	32,066
FED US ATT	16.111	N/A	44,061
ATF Task Force OCDETF Reimb	16.111	N/A	17,216
			<u>144,405</u>
FY'11 JAG Grant	16.738	NA	235,234
FY'13 JAG Grant	16.738	NA	35,991
			<u>271,225</u>
CTFTF CT Fin'l Crime TF	N/A	N/A	1,681
CTVFTF Grant	N/A	N/A	24,034
Fed Seized & Forfeited Property Fund	16.922	N/A	86,331
Total U.S. Department of Justice			<u>1,927,258</u>
Total Federal Awards Expended			<u>\$ 113,576,162</u>

N/A – Not Available
See Notes to Schedule.

City of Hartford, Connecticut

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Hartford, Connecticut (the "City") under programs of the federal government for the year ended June 30, 2014. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, changes in fund balances or changes in cash flows of the City.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule of are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Contributions

Donated commodities in the amounts of \$5,511,597 and \$16,775 are included in the Department of Agriculture's WIC program, CFDA # 10.557 and the Department of Public Health and Human Services' Vaccine program, CFDA # 93.268, respectively. These amounts represent the market value of commodities received.

Note 4. Subrecipients

Of the expenditures presented in the Schedule of Expenditures of Federal Awards, the City provided the following federal awards to subrecipients:

<u>Name of Program</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Section 8 Housing Choice Vouchers	14.871	\$45,446,475
Section 8 Moderate Rehab	14.856	2,136,376

City of Hartford, Connecticut

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
84.010A	Title I Cluster
10.553 / 10.555 / 10.559	Child Nutrition Cluster
10.557	Women, Infant and Children (WIC)
14.871	Section 8: Housing Choice Vouchers
97.044	Safer Firefighter Staffing
93.994	School Based Health Clinics
14.905	Lead Hazard Reduction Demonstration
14.231	Emergency Shelter Grants Program (ESG)

Dollar threshold used to distinguish between type A and type B programs

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No

City of Hartford, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

II. Financial Statement Findings

No matters reported.

III. Federal Award Findings and Questioned Costs

No matters reported.

City of Hartford, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014**

Summary Schedule of Prior Audit Findings

Finding No. 2013-1

Condition:

The City issued checks the day after they were approved to be paid. The City included these checks on its outstanding check list and as a reconciling item on the bank reconciliation.

Current Status:

The finding has been corrected.

Finding No. 2013-2

Condition:

The City Treasury department wired funds to an unapproved vendor.

Current Status:

The finding has been corrected.

Finding No. 2013-3

Condition:

The City failed to submit certain payroll filings to the IRS on the required dates.

Current Status:

The finding has been corrected.



**Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Government
Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "McGladrey LLP". The signature is written in a cursive, flowing style.

New Haven, Connecticut
January 23, 2015



Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the City of Hartford, Connecticut's (the "City") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2014. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements. We issued our report thereon dated January 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut
January 23, 2015

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
OFFICE OF POLICY AND MANAGEMENT:		
Property Tax Disability Exemption	11000-OPM20600-17011	\$ 9,810
Property Tax Relief on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	705,721
Property Tax Relief for Manufacturing, Machinery, Equipment	11000-OPM20600-17031	281,563
Property Tax Relief for Elderly and Totally Disabled Homeowners/Circuit Breaker/Life Use Grant	11000-OPM20600-17018	337,119
Property Tax Relief for Veterans	11000-OPM20600-17024	55,050
Municipal Grants-in-Aid	12052-OPM20600-43587	1,334,719
Project Longevity	11000-OPM20350-17098	42,335
Municipal Aid Adjustment Grant	12052-OPM20660-43587	2,682,981
Municipal Video Competition	12060-OPM20600-35362	2,926,293
Local Capital Improvement Program	12050-OPM20600-40254	5,246,407
PILOT on State Owned Property	11000-OPM20600-17004	13,792,383
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	24,234,225
Total Office of Policy and Management		<u>51,648,606</u>
DEPARTMENT OF EDUCATION:		
Family Resource Center	11000-SDE64370-16110	627,000
Adult Education	11000-SDE64000-17030	1,874,956
Health Services	11000-SDE64370-17034	92,863
Bilingual Education	11000-SDE64370-17042	293,435
Priority School Districts - 13-14	11000-SDE64370-17043-82052	3,078,125
Priority School Districts - 13-15	11000-SDE64370-17043-82052	1,907,045
Extended School Hours	11000-SDE64000-17043-82054	404,347
Interdistrict Cooperative Grant	11000-SDE64370-17045	141,297
Youth Services Bureau	11000-SDE64000-17052	163,271
Youth Services Bureau-Enhancement	11000-SDE64370-16201	9,874
Open Choice	11000-SDE64370-17053	755,606
Magnet Schools	11000-SDE64370-17057	53,443,076
Magnet Great Path Academy	11000-SDE64370-12457	2,600,307
Magnet School Academic Support	11000-SDE64370-12457	91,441
Low Performing Schools - Capital Improvements	12052 43539	7,046
Wrap Around Grant	11000-SDE64370-17043	75,000
Alliance - Governors Turnaround - 12-14	11000-SDE64700-17041	321,288
Alliance - Governors Turnaround - 13-14	11000-SDE64700-17041	1,500,000
Alliance - Governors Turnaround - 13-15	11000-SDE64700-17041	7,524,842
Sheff Settlement	11000-SDE64370-12457	1,601,732
Sheff Settlement - Incubation Funds	11000-SDE64370-12052	2,113,926
Science Program for Edu Reform	11000-12543-82164	62,345
High Quality Schools & Common Core	12052-43538-82166	621,515
Immigrant & Youth Education	12060-20868-82076	113,448
Investing & Personal Finance Ed	12060-35351-84013	15,000
SERC Parent Leadership	N/A	20,985
Charter School Jumoke Academy	N/A	7,392,000
Charter School Achievement First	N/A	9,135,000
Program Improvement Project 7/10-6/11	N/A	3,913
Program Improvement Project 7/13-6/14	SID#20784	28,373
Summer School Accountability Grant	11000-SDE64000-17043	474,556
Owl Enrichment Center 7/13-6/15	SID #20863	121,155
RSCO Grant	SID #20784	22,281
School Readiness/Accreditation SUP	11000-SDE64000-170081-82056	1,125
Total Department of Education		<u>96,638,173</u>
DEPARTMENT OF LABOR		
CT Department of Labor Fines		<u>419</u>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants	12001-DOT57131-17036	\$ 1,205,202
Bus Operations	12001-DOT57931-12175	66,789
Colt Gateway Streetscape - Phase 1	N/A	274,234
Coltsville Streetscape	N/A	182,403
Comprehensive DUI Enforcement	N/A	31,546
Comprehensive DUI Enforcement	N/A	134,053
Farmington/Broad/Asylum Intersection	N/A	7,350
Traffic Calming	N/A	37,796
Total Department of Transportation	N/A	<u>271,230</u>
		<u>2,210,603</u>
EDUCATION AND SERVICES FOR THE BLIND:		
Services for the Blind	11000-ESB65020-12060	<u>3,748</u>
JUDICIAL DEPARTMENT:		
Juvenile Review Board	11000-JUD91178-16043	308,375
Local Prevention Council Grant	N/A	7,130
Non-Budgeted Operating Appropriation	34001-JUD95162-40001	51,792
Total Judicial Department		<u>367,297</u>
CONNECTICUT STATE LIBRARY:		
Central Library Renovations	N/A	225,194
Historic Documents Preservation Grant	12060-CSL66094-35150	9,500
Total Connecticut State Library		<u>234,694</u>
DEPARTMENT OF SOCIAL SERVICES:		
Nurturing Families Network 1/1/12-12/31/14	SID12042 & CONTRACT12DSS8301EG	217,191
Emergency Shelter Grant McKinney CITY	N/A	143,535
Healthy Start 7/1/12-6/30/13	SID16105 & CONTRACT064-HUO-06/05DSS1001EG-A6	305,855
Total Department of Social Services		<u>666,581</u>
DEPARTMENT OF REVENUE SERVICES		
Non-Budgeted Operating Appropriation	34004-DCP18306-40001	<u>248,294</u>
DEPARTMENT OF PUBLIC HEALTH:		
Childhood Lead Poisoning Prevention	11000-DPH48664-10020	109,761
Comprehensive Cancer Planning	SID#21530 & CONTRACT 2012-0021-1 CFDA #93.991	38,530
Tuberculosis Control and Prevention	11000-DPH48666-16112	44,656
Per capita 7/1/2013-6/30/2014	11000-DPH48500-17009	166,137
Sexually Transmitted Disease Control	11000-DPH48665-17013	39,732
Ryan White MHIS Careware	11000-DPH 48854-12236	7,000
Total Department of Public Health		<u>405,816</u>
EMERGENCY SERVICES AND PUBLIC PROTECTION:		
State Asset Forfeiture Revolving Fund	12060-DPS32155-35142	104,890
Public Safety Telecommunication Services Reimbursement	N/A	112,916
Reimbursement for ICAC	N/A	143,212
Reimbursement for CTIC Participation	N/A	70,000
State Wide Narcotics TF	N/A	14,734
Emergency Operations Center Grant	N/A	213,708
2013 School Security Grant	N/A	5,500
911 Subsidy Grant	N/A	664,186
911 Enhancement Grant	N/A	13,330
Enhanced 911 Subsidy	N/A	67,056
Training Fund Grant	N/A	11,998
Total Emergency Services and Public Protection		<u>1,421,530</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES		
Property Tax - 25 Sigourney	DASM1	<u>10,505</u>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
OFFICE OF EARLY CHILDHOOD		
ELC Child Care Asylum	N/A	\$ 418,035
ELC Child Care	11000-OEC64845-17101-82056	1,004,078
ELC School Readiness	11000-OEC64845-17101-82056	1,165,415
Quality Enhancement Grant	11000-OEC64845-17097	150,123
School Readiness	11000-OEC64845-17101-82056	10,831,322
Total Office of Early Childhood		<u>13,568,973</u>
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION:		
Cronin Park Improvement	N/A	23,315
Goodwin Park Fencing CSAP 2011-10	N/A	749
Batterson Park Improvements UGCG-15	N/A	47
Microgrid Pilot Program- Parkville	N/A	60,000
Microgrid Pilot Program Proposal	N/A	57,970
Total Department of Energy and Environmental Protection		<u>142,081</u>
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Tax Abatement Program	11000-ECD46400-17008	418,770
Payment in Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	488,583
Swift Factory Brownfield's Project	SID# 12052-46000-43236	33,006
Arts Catalyze Placemaking Program	N/A	44,778
Arts Grant: Burns Latino Studies Academy	2013 ACPI-20619	10,000
Downtown Housing Study	41233	133,236
Brownsfield - 120 Wyllys	21058	3,879
Brownsfield - Albany/Woodland	21058	448,620
Brownsfield - 111 Sigourney Street	21058	174,318
John Rogers	Proj#3400022017	2,355
Park Street Streetscape Phase III	12052-46000-43470	293,524
CCEDA II Home Ownership Appraisal GAP	12059-ECD46400-40577	162,176
Total Department of Economic and Community Development		<u>2,213,245</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		<u>169,780,565</u>
EXEMPT PROGRAMS		
DEPARTMENT OF EDUCATION:		
Department of Education Public School Transportation	11000-SDE64000-17027	1,949,411
Education Cost Sharing	11000-SDE64000-17041	187,196,519
Excess Cost - Student Based	11000-SDE64000-17047	9,747,767
		<u>198,893,697</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES:		
School Construction - Interest	13009-DAS64000-40896	127,901
School Construction - Progress Payment	13009-DAS64000-40901	32,309,780
School Construction - Principal	11000-DAS64000-17049	1,797,433
		<u>34,235,114</u>
OFFICE OF POLICY AND MANAGEMENT		
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005	6,664,829
		<u>6,664,829</u>
Total Exempt Programs		<u>239,793,640</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 409,574,205</u>

See Notes to Schedule.

N/A=Not Available

City of Hartford, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of the City of Hartford, Connecticut ("the City"), under programs of the State of Connecticut for the year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education, public safety, social services, public health, road construction, school construction, community development and general government. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in fund balance, and changes in net position or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

Note 3. Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2014:

Department of Environmental Protection

Clean Water Funds 21014-OTT4230-4001

Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
\$ 1,410,347	\$ -	\$ (88,182)	\$ 1,322,165

City of Hartford, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

**I. Summary of Independent Auditor's Results
Financial Statements**

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: unmodified.

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes X No

The following schedule reflects the major programs included in the state single audit:

State Grantor and Program	State CORE-CT Number	Expenditures
Department of Education:		
Magnet Schools	11000-SDE64370-17057	\$ 53,443,076
High Quality Schools & Common Core	12052-43538-82166	\$ 621,515
Office of Early Childhood:		
School Readiness	11000-OEC64845-17101-82056	\$ 13,000,815
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	\$ 24,234,225
Municipal Grants-in-Aid	12052-OPM20600-43587	\$ 1,334,719
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	\$ 337,119
Property Tax Relief for Veterans	11000-OPM20600-17024	\$ 55,050
JUDICIAL DEPARTMENT:		
Juvenile Review Board	11000-JUD91178-16043	\$ 308,375
DEPARTMENT OF SOCIAL SERVICES:		
Emergency Shelter Grant McKinney CITY	N/A	\$ 143,535
DEPARTMENT OF TRANSPORTATION:		
Bus Operations	12001-DOT57931-12175	\$ 66,789

- Dollar threshold used to distinguish between Type A and Type B programs \$ 3,391,611

City of Hartford, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

II. Financial Statement Findings

No matters reported.

III. State Financial Assistance Findings and Questioned Costs

No matters reported.

City of Hartford, Connecticut

**Summary of Prior Year Audit Findings - State
For the Year Ended June 30, 2014**

Finding No. 2013-1

Condition:

The City issued checks the day after they were approved to be paid. The City included these checks on its outstanding check list and as a reconciling item on the bank reconciliation.

Current Status:

The finding has been corrected.

Finding No. 2013-2

Condition:

The City Treasury department wired funds to an unapproved vendor.

Current Status:

The finding has been corrected.

Finding No. 2013-3

Condition:

The City failed to submit certain payroll filings to the IRS on the required dates.

Current Status:

The finding has been corrected.

CERTAIN DEFINED TERMS

Included below are certain terms defined and used in the Lease and the Trust Agreement and appear throughout this Official Statement. Reference is made to the Lease and Trust Agreement for complete information as to the usage of such terms.

“Act” means Sections 7-130a to 7-130w, inclusive, of the Connecticut General Statutes, as amended from time to time.

“Additional Rent” means any payments required to be made under the Lease in addition to the Base Rent.

“Assignment” means the Assignment of Lease, dated as of February 1, 2015 by the Authority to the Trustee.

“Ballpark” means new, first class, state-of-the-art, natural turf, open-air Minor League Baseball ballpark, and related facilities-, together with any additions, modifications and substitutions to those facilities, described in and to be constructed pursuant to the Construction Agreement on the Project Site.

“Ballpark Dedicated Parking” shall mean the one hundred ninety-nine (199) parking spaces to be provided by the City to the Club at 150 Windsor Street, Hartford, Connecticut.

“Ballpark Development Agreement” means the Ballpark Development Agreement, dated as of January 26, 2015, by and between the City and the Club, as amended from time to time, including any replacement thereof.

“Base Rent” means the payments, including the principal and interest components of those payments, specified in the Lease.

“Business Day” means any day of the year other than (i) any day which is a legal holiday for the City or (ii) any day which the offices of the Trustee or Paying Agent are closed.

“Bond Fund” means the Bond Fund established under the Trust Agreement.

“Bond Payments” means, for any period or payable at any time, the principal of, premium, if any, and interest on the Series 2015 Bonds for that period or payable at maturity or prior redemption.

“Bonds” means the Series 2015 Bonds and Additional Bonds.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof and made applicable to the Lease, the Trust Agreement and the Series 2015 Bonds. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

“Construction Agreement” means collectively, the Ballpark Development Agreement and the Development Services Agreement.

“Credit Facility” means any financial guaranty insurance policy, letter of credit, guarantee, Surety Bond, standby bond purchase agreement or other credit enhancement or liquidity facility whereby a national banking association or other entity which has a long-term credit rating assigned by a Rating Agency which is not lower than the three highest ratings then assigned by any such rating service without regard to qualification by symbols “+” or “-” or a numerical notation agrees to provide for any or all of the principal or Sinking Fund Installments and/or interest on any Bonds.

“Credit Facility Provider” means any provider of a Credit Facility with respect to Additional Bonds issued pursuant to a Supplemental Agreement.

“Debt Service Reserve Fund” means the Bond Fund established under the Trust Agreement.

“Debt Service Reserve Fund Requirement” means, for each series of Bonds, an amount determined on the Closing Date equal to fifty percent (50%) of the maximum annual Bond Payments on such Bonds. The Debt Service Reserve Fund Requirement may be satisfied in whole or in part by one or more surety bonds to make up such amount.

“Defeasance Obligations” means (a) direct obligations of (including obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) or obligations the timely payment of principal of and the interest and any premium on which are fully and unconditionally guaranteed by, the United States of America, and (b) obligations of any state of the United States or any political subdivision of any state, provided that: (i) the interest on such obligations shall be excluded from gross income for federal income tax purposes if purchased in order to prevent any Bonds from becoming “arbitrage bonds” under Sections 103(b) and 148 or any successor provision of the Code, and (ii) the payment of such obligations is secured by direct obligations of (including obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) or obligations the timely payment of principal of and the interest and any premium on which are fully and unconditionally guaranteed by, the United States of America.

“Developer” means DoNo Hartford LLC, a limited liability company organized and existing under the laws of the State, with its principal place of business located in Middletown, Connecticut, and its successors and assigns.

“Development Services Agreement” means the Development Services Agreement, dated as of February 4, 2015, by and between the City and the Developer, as amended from time to time, including any replacement thereof.

“Eligible Investments” means any of the below-listed investments or deposits: (a) Government Securities; (b) joint and several obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all the federal land banks, all the federal intermediate credit banks, the Central Bank for Cooperatives, The Tennessee Valley Authority, or any other agency of the United States government; (c) shares or other interests in any custodial arrangement, pool or no-load, open-end management-type investment company or investment trust registered or exempt under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 et seq.), as from time to time amended; provided: (i) the portfolio of such custodial arrangement, pool, investment company or investment trust is limited to obligations described in (a) and (b) above and repurchase agreements fully collateralized by any such obligations; (ii) such custodial arrangement, pool, investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; (iii) such custodial arrangement or pool is managed to maintain its shares at a constant net asset value or such investment company or investment trust is rated within one of the top two credit rating categories and, for any investment company or investment trust not managed to maintain its shares at a constant net asset value, within one of the top two risk rating categories of any nationally recognized rating service or any rating service recognized by the Commissioner of Banking; and (iv) the Authority only purchases and redeems shares or other interests in such investment company or investment trust through the use of, or the custodian of such custodial arrangement or pool is, a bank, as defined in Section 36a-2 of the Connecticut General Statutes, or an out-of-state bank, as defined in said Section, having one or more branches in the State, including the State Short Term Investment Fund; (d) obligations of any state of the United States or of any political subdivision, authority or agency thereof, provided that at the time of investment such obligations are rated within one of the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Commissioner of Banking; (e) obligations of the State, or any regional school district, town, city, borough or metropolitan district in the State, provided that at the time of investment the obligations of such governmental entity are rated within one of the top three rating categories of any nationally recognized rating service or of any rating service recognized by the Commissioner of Banking; (f) any other investment permitted by law and readily available to Trustee, provided such investment is rated within one of the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Commissioner of Banking; and (g) shares of a money market mutual fund or other collective investment fund registered under the Investment Company Act of 1940, whose shares are registered under

the Securities Act of 1933, having assets of at least \$100,000,000 and rated in the one of the two highest letter rating categories of S&P or Moody's; and (h) if otherwise qualified as obligations described in items (a) through (g) above, obligations of the Trustee or any of their affiliates.

"Force Majeure" means, without limitation, the following: (i) acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any civil or military authority, other than the City (with respect to Lessee only); insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or (ii) any other cause, circumstance or event not reasonably within the control of Lessee.

"GMP Contractor" means Centerplan Construction Company LLC.

"Holder" or "Holder of a Bond" means the person in whose name a Bond is registered on the Register.

"Lease" means the Lease Agreement, dated as of February 1, 2015, by and between the Authority, as Lessor, and the City, as Lessee, as amended or supplemented from time to time.

"Lease Payment Date" means each February 1 and August 1 during the Lease Term.

"Lease Payments" means the sum of the Base Rent and Additional Rent due at or during a stated time as provided in the Lease.

"Lessor" means the Authority or its successors or assigns, including, specifically, the Trustee (as hereinafter defined) upon the assignment to the Trustee contemplated under the Lease.

"Paying Agent" means the Trustee acting in that capacity.

"Principal Payment Date" means February 1 of each year, commencing February 1, 2017 and ending February 1, 2042.

"Project" means, collectively, (a) the acquisition, construction, equipping and furnishing of the Project Facilities on the Project Site and the Ballpark Dedicated Parking, (b) the funding of certain reserves for the Series 2015 Bonds, (c) the payment of interest on the Series 2015 Bonds and (d) the payment of certain costs of issuance of the Series 2015 Bonds.

"Project Costs" means costs incurred directly or indirectly for or in connection with the acquisition, construction, equipping and furnishing of the Project Site, or the Project Facilities or the Ballpark Dedicated Parking, including, but not limited to: costs incurred in respect of preliminary planning and studies; fees for legal, engineering, accounting, consulting, supervisory and other services; costs of labor, services and materials; inspection costs; permit fees; filing and recording costs; fees and charges of the Clerk of the Works; and any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, equipping and furnishing of the Project Site and the Project Facilities or the Ballpark Dedicated Parking and financing thereof; and for which sufficient moneys are on deposit in the Project Fund.

"Project Facilities" means a new, first class, state-of-the-art, natural turf, open-air Minor League Baseball ballpark and related facilities, together with any additions, modifications and substitutions to those facilities, described in and to be constructed pursuant to the Construction Agreement on the Project Site.

"Project Fund" means the Project Fund established pursuant to the Trust Agreement.

"Project Site" means the real estate described in the Lease, together with all appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto, and all rights of Lessor in and to means of ingress into and egress out of said premises, and all rights of Lessor in and to any award for condemnation, eminent

domain, or proceeding in lieu thereof with respect to the real estate, subject only, as of the date of execution hereof, to certain encumbrances or exceptions to title.

“Sublease” means the Ballpark Sublease Agreement, dated as of January 26, 2015, by and between the Tenant and the Club, whereby the Tenant has agreed to sublet to the Club and the Club has agreed to sublet from Tenant, the Project Facilities.

“Substantial Completion” means what such term means in the Construction Agreement.

“Surety Bond” means an agreement for deposit in the Debt Service Reserve Fund, which Surety Bond is in a form acceptable to the Credit Facility Provider of the Series 2015 Bonds for which such Debt Service Reserve Fund is established, if any. Any such Surety Bond shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payment thereunder other than a certification by the Trustee that the funds drawn thereunder are to be used for the purposes of the Debt Service Reserve Fund set forth in the Trust Agreement. Such Surety Bond shall provide that the Trustee shall receive payment thereunder: (a) whenever moneys are required for the purposes for which Debt Service Reserve Fund moneys may be applied and (b) thirty (30) days prior to any expiration or termination thereof; provided however, that no such drawing need be made if other moneys (including another Surety Bond) are available in the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement. The Trustee may request and be entitled to rely on an opinion of Bond Counsel that such Surety Bond meets the requirements of this definition.

“Tax Opinion” means the opinion of a nationally recognized bond counsel selected by the Lessee under the Lease, to the effect that the action or event referred to will not result in the interest payable on the Series 2015 Bonds becoming includable in gross income for federal income tax purposes.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated as of February 24, 2015 and executed as of the date of delivery of the Series 2015 Bonds, by the City and the Authority, together with the appended certificates executed and delivered by the respective parties thereto.

HARTFORD STADIUM AUTHORITY

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of February 24, 2015, is executed and delivered by the Hartford Stadium Authority (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 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.

“Annual Report” means an Annual Report described in and consistent with Section 3 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, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure 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 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.

“Disclosure Representative” means the Treasurer 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.

“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, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“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.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

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, 2015. 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-1.

(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-1.

(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) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

“Principal and interest payment delinquencies;”

“Non-Payment related defaults, if material;”

“Unscheduled draws on debt service reserves reflecting financial difficulties;”

“Unscheduled draws on credit enhancements reflecting financial difficulties;”

“Substitution of credit or liquidity providers, or their failure to perform;”

“Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

“Modifications to rights of securities holders, if material;”

“Bond calls, if material;”

“Defeasances;”

“Release, substitution, or sale of property securing repayment of the securities, if material;”

“Rating changes;”

“Tender offers;”

“Bankruptcy, insolvency, receivership or similar event of the obligated person;”

“Merger, consolidation, or acquisition of the obligated person, if material;” and

“Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

- (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 the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. “amendment to continuing disclosure undertaking;”
 - 2. “change in obligated person;”
 - 3. “notice to investors pursuant to bond documents;”
 - 4. “certain communications from the Internal Revenue Service;”
 - 5. “secondary market purchases;”
 - 6. “bid for auction rate or other securities;”
 - 7. “capital or other financing plan;”
 - 8. “litigation/enforcement action;”
 - 9. “change of tender agent, remarketing agent, or other on-going party;”

10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data.”
- (viii) 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) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) as required by the laws of the State of Connecticut will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as required by the laws of the State of Connecticut will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

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.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

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

Principal and interest payment delinquencies;

Non-payment related defaults, if material;

Unscheduled draws on debt service reserves reflecting financial difficulties;

Unscheduled draws on credit enhancements reflecting financial difficulties;

Substitution of credit or liquidity providers, or their failure to perform;

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;

Modifications to rights of Bond holders, if material;

Bond calls, if material, and tender offers;

Defeasances;

Release, substitution, or sale of property securing repayment of the Bonds, if material;

Rating changes;

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.

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

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 (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), 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 (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), 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) or (b)(ii) 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 in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

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, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, 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.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), 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. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), 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. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

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, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, 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, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure 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, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

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

HARTFORD STADIUM AUTHORITY
as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: _____
Obligated Person: _____
Name of Bond Issue: _____
Date of Issuance: _____
Date of Official Statement _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure Agreement: _____

CUSIP Number: _____

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-1
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:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of February 24, 2015 between the Issuer and DAC.

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 notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

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:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of February 24, 2015 between the Issuer and DAC.

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 notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

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:

CITY OF HARTFORD

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of February 24, 2015, is executed and delivered by The City of Hartford, Connecticut (the “Obligated Person”) 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 Obligated Person 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 (hereinafter defined), the Obligated Person, or anyone on behalf of the Issuer or Obligated Person, 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 Obligated Person 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, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be (or voluntarily) submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person 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 Obligated Person, or his or her designee, or such other person as the Obligated Person 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 Obligated Person pursuant to Section 9 hereof.

“Failure to File Event” means the Obligated Person’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 Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Hartford Stadium Authority, as issuer of the Bonds.

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

“Official Statement” means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Appendix A.

“Obligated Person” means the City of Hartford, Connecticut.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Issuer, 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 Obligated Person, commencing with the fiscal year ending June 30, 2015. 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), with a copy to the Issuer, to remind the Obligated Person 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, with a copy to the Issuer, that the Obligated Person 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-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the 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 Obligated Person 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-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person 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, together with a copy for the Issuer, 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 (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;
- (v) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”

8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vi) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data.”

(vii) provide the Obligated Person and 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 Obligated Person 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, Issuer 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 Obligated Person, including the information provided in Appendix A to the Official Statement under the headings: “DEBT SECTION” and “FINANCIAL SECTION”.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) as described in Appendix A of 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 Appendix A of the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

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 Obligated Person 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 Obligated Person will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

The occurrence of any events with respect to the Bonds is not applicable to the Obligated Person.

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, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Obligated Person 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 Obligated Person 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 Obligated Person, 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 Obligated Person 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.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person 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, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Obligated Person 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 Obligated Person 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 Obligated Person has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor to the Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person 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 Obligated Person 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 and the Obligated Person.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Obligated Person 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 Obligated Person 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 Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person'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 Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person 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 Obligated Person.

(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. No Issuer Responsibility. The Obligated Person and the Disclosure Dissemination Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 13. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person 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 Obligated Person 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 Obligated Person nor 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 and the Obligated Person. No such amendment shall become effective if the Obligated Person 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 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, 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 15. 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 16. 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 Obligated Person 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: _____
Title: _____

CITY OF HARTFORD, CONNECTICUT
as Obligated Person

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: _____
Obligated Person: _____
Name of Bond Issue: _____
Date of Issuance: _____
Date of Official Statement _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

Name of Issuer _____
Obligated Person(s) _____
Name of Bond Issue: _____
Date of Issuance: _____
Date of Official Statement _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure Agreement: _____

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Obligated Person and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Obligated Person 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
Obligated Person

cc:

**EXHIBIT C-1
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 Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

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

Number of pages of attached: _____

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Obligated Person 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:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of February 24, 2015 between the Obligated Person and DAC.

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

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

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the Obligated Person 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:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of February 24, 2015 between the Obligated Person and DAC.

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

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

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the Obligated Person 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:
rev/ 12/11

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

February 24, 2015

Hartford Stadium Authority
550 Main Street
Hartford, Connecticut 06103

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the Hartford Stadium Authority (the "Authority") of \$62,450,000 aggregate principal amount of Hartford Stadium Authority Lease Revenue Bonds, Series 2015, comprised of \$39,055,000 Hartford Stadium Authority Lease Revenue Bonds, Series 2015A (the "Series 2015A Bonds") and \$23,395,000 Hartford Stadium Authority Lease Revenue Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds" and collectively with the Series 2015A Bonds, the "Series 2015 Bonds"). The Authority was created pursuant to an ordinance of the City of Hartford, Connecticut adopted January 26, 2015 (the "Establishment Ordinance"). The Series 2015 Bonds are issued under and pursuant to Sections 7-130a to 7-130w, inclusive, of the General Statutes of Connecticut, Revision of 1958, as amended (the "Act"), a resolution of the Authority adopted January 30, 2015 (the "Series 2015 Authority Resolution"), and a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Trust Agreement.

The Series 2015A Bonds delivered on the date hereof are dated and bear interest from the date of delivery, payable semiannually on February 1 and August 1 in each year until maturity or earlier redemption, commencing August 1, 2015. The Series 2015A Bonds are issuable only in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000. The Series 2015A Bonds bear interest at the interest rates per annum and mature on February 1 in each of the years and principal amounts as follows:

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>
2017	\$795,000	5.00%	2023	\$1,065,000	5.00%
2018	835,000	5.00	2024	1,120,000	3.00
2019	875,000	5.00	2025	1,150,000	3.00
2020	920,000	5.00	2036*	16,855,000	5.00
2021	965,000	5.00	2042*	13,460,000	4.00
2022	1,015,000	5.00			

*Term bonds.

The Series 2015A Bonds are subject to optional, mandatory sinking fund and extraordinary optional redemption prior to maturity in the manner and upon the terms and conditions as described in the Trust Agreement.

The Series 2015B Bonds delivered on the date hereof are dated and bear interest from the date of delivery, payable on February 1 and August 1 in each year until maturity or earlier redemption, commencing August 1, 2015. The Series 2015B Bonds are issuable only in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000. The Series 2015B Bonds bear interest at the interest rates per annum and mature on February 1 in each of the years and principal amounts as follows:

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>
2042*	\$23,395,000	5.375%

*Term bond.

The Series 2015B Bonds are subject to optional, mandatory sinking fund and extraordinary optional redemption prior to maturity in the manner and upon the terms and conditions as described in the Trust Agreement.

The City of Hartford, Connecticut (the "City") has leased certain real property (the "Project Site") to the Authority pursuant to a Ground Lease, dated as of February 1, 2015 (the "Ground Lease"). The Authority has leased the Project Site, together with the all buildings and improvements to be constructed thereon, to the City pursuant to the Lease Agreement, dated as of February 1, 2015 (the "Lease"). The City is obligated under the Lease to make Base Rent payments from funds appropriated therefor. Pursuant to the Assignment of Lease Agreement, dated as of February 1, 2015 (the "Assignment"), the Authority has assigned all of its right, title and interest in the Lease (including the right to receive Base Rent from the City) to the Trustee for the benefit of the Holders of the Series 2015 Bonds, subject to the Ground Lease.

The obligation of the City to make lease payments pursuant to the Lease is subject to and dependent upon lawful appropriations being made by the Court of Common Council of the City for such purpose. The Authority's obligation to make bond payments on the Series 2015 Bonds is limited to the amount of Lease Payments received by the Trustee from the City pursuant to the Assignment as set forth in the Trust Agreement. The Series 2015 Bonds do not represent or constitute indebtedness of, or a pledge of the full faith and credit or taxing power of, the State of Connecticut (the "State"), the City or the Authority. The Authority has no taxing power.

We have examined certified copies of the Establishment Ordinance and the Series 2015 Authority Resolution and executed copies of the Trust Agreement, the Ground Lease, the Lease and the Assignment. We have also examined an executed copy of the Tax Regulatory Agreement, dated as of February 24, 2015 (the “Tax Regulatory Agreement”), by the Authority and the City, including the appendices, certificates and attachments thereto. We have examined one of the Series 2015A Bonds and one of the Series 2015B Bonds as executed. The Series 2015 Bonds, the Trust Agreement, the Ground Lease, the Lease, the Assignment and the Tax Regulatory Agreement are hereinafter referred to as the “Financing Documents.”

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Trust Agreement, the Lease and the Tax Regulatory Agreement, the record of proceedings and other certifications furnished to us, and certifications by officers of the Authority, the City and the Trustee without undertaking to verify the same by independent investigations. In rendering this opinion, we have assumed the power to enter into and perform, and the due authorization, execution and delivery by all parties (other than the Authority) of the documents and agreements to which the Authority is a party.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at and subsequent to the issuance and delivery of the Series 2015A Bonds in order that the interest thereon will be and remain excludable from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Series 2015A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2015A Bonds. Pursuant to the Trust Agreement, Lease and Tax Regulatory Agreement, the Authority and the City have made certain representations and covenants relating to compliance with such requirements to ensure the exclusion of interest on the Series 2015A Bonds from gross income for federal income tax purposes.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Authority is a validly existing public body politic and corporate created by the City pursuant to the Establishment Ordinance and has the authority and power pursuant to the Act to enter into and perform its obligations under the Trust Agreement and to issue the Series 2015 Bonds.
2. The Series 2015 Bonds have been duly authorized, executed and delivered by the Authority in accordance with the Act, the Series 2015 Authority Resolution and the terms of the Trust Agreement, and are legal, valid and binding special limited obligations of the Authority payable solely out of the revenues and other receipts, funds or moneys of the Authority pledged therefor pursuant to the Trust Agreement. The Series 2015 Bonds are enforceable in accordance with their terms and the terms of the Trust Agreement and are entitled to the benefit of the Act and the Trust Agreement.
3. The Financing Documents have each been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding agreements of the Authority enforceable against it in accordance with their terms.
4. The Trust Agreement creates a valid pledge of the Revenues and the Authority’s right, title and interest in the other property pledged under the Trust Agreement (except the rights specifically reserved thereunder), subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. No opinion is rendered herein regarding the perfection or priority of such pledge.

5. The Series 2015 Bonds are not general obligations of the City, and the full faith and credit of the City are not pledged for the payment of the Series 2015 Bonds. Neither the State, the City, the Authority (other than pursuant to the Trust Agreement) nor any other political subdivision of the State is obligated to pay the principal of, premium or interest on any of the Series 2015 Bonds and neither the faith and credit nor the taxing power of the State, the City or any other political subdivision of the State is pledged to the payment of the principal of or premium or interest on the Series 2015 Bonds. The Authority has no taxing power.

6. Assuming the accuracy of the representations and compliance with the aforementioned tax covenants in the Trust Agreement, the Lease and the Tax Regulatory Agreement, based on existing statutes and court decisions, interest on the Series 2015A 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 Series 2015A Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

7. Based on existing law, interest on the Series 2015B Bonds is included in gross income for federal income tax purposes.

8. Based on existing statutes, interest on the Series 2015 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. Interest on the Series 2015 Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, State or local tax consequences with respect to the ownership or disposition of, or receipt of interest on, the Series 2015 Bonds. Furthermore, we express no opinion as to any Federal, State or local tax law consequences with respect to the Series 2015 Bonds or the interest thereon, if any action is taken with respect to the Series 2015 Bonds, or any changes are made in the requirements or procedures contained or referred to in the Trust Agreement, the Tax Regulatory Agreement and other relevant documents, upon the advice or with the approving opinion of other bond counsel.

In addition, we have not made or undertaken to make any investigation of the status or quality of title to any of the real or personal property described in the Ground Lease or the Lease, or the accuracy or sufficiency of the description of such property contained therein, and we express no opinion with respect to such matters.

The rights of the Holders of the Series 2015 Bonds and the enforceability of the Financing Documents may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally or by application of equitable principles, whether considered at law or in equity, or with respect to actions commenced against municipalities or state agencies and authorities.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement related to the Series 2015 Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Series 2015A 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 Series 2015A Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Series 2015A Bonds or adversely affect the market price of the Series 2015A Bonds.

These opinions are given 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 hereafter come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

Very truly yours,

[INTENTIONALLY LEFT BLANK]

SUMMARY OF CERTAIN PROVISIONS OF THE BALLPARK AGREEMENTS

The following summarizes certain provisions of the Ballpark Development Agreement (the “Development Agreement”), dated as of January 26, 2015 by and between the City and Connecticut Double Play LLC, a Delaware limited liability company qualified to do business in the State (the “Club”), the Ballpark Sublease Agreement (the “Sublease”), dated as of January 26, 2015 by and between the City and the Club, and the Non-Relocation Agreement (the “Non-Relocation Agreement” collectively with the Development Agreement and the Sublease, the “Ballpark Agreements”), dated as of January 26, 2015 by and between the City and the Club. Terms used but not defined herein shall have the meaning ascribed to such terms in the Ballpark Agreements.

This summary does not purpose to be complete and reference is made to the Ballpark Agreements for full and complete statements of their respective terms and provisions.

General

The Ballpark Agreements have been entered into by the City and the Club. The Club is the owner of a Double A Minor League Baseball franchise currently known as the “New Britain Rock Cats” (the “Team”). The franchise is granted to the Club by The National Association of Professional Baseball Leagues, Inc. (the “NAPBL”), and the corresponding interests in the Eastern League of Professional Baseball Clubs, Inc. (the “Eastern League”). The Eastern League, the NAPBL, and any other baseball organizations that may govern Club activities as further described in the Non-Relocation Agreement are collectively referred to as “Minor League Baseball”. Under the terms of the Ballpark Agreements, the Club agrees it shall change the name of the Team to include the name of “Hartford” as part of the Team’s name.

Development Agreement

Pursuant to the provisions of the Development Agreement, the City has agreed to finance, own, design, develop and construct the Ballpark. The Development Agreement provides that the City shall cause Substantial Completion, as described herein, to be completed on or before March 11, 2016 (the “Substantial Completion Deadline”).

Commencement of Construction. The City shall not be obligated to commence the design, development and construction of the Ballpark and the Ballpark Dedicated Parking (including any associated infrastructure, demolition or site preparation) until the following conditions are satisfied: (i) the City and Club shall mutually agree on (a) an owner’s representative, (b) a Project Architect (c) a GMP Contractor, (d) the form of the Ballpark Construction Contract; (ii) the Ballpark budget, as attached to the Development Agreement as Exhibit C, shall be attached to the Ballpark Construction Contract, (iii) when finalized by the design team and approved by each of the Club, City and GMP Contractor – all of which will be subsequent to the Execution Date of the Ballpark Development Agreement, the final Project Plans and Specifications shall be attached to the Ballpark Development Agreement (as fully signed and delivered by the parties hereto) will be incorporated into the Ballpark Construction Contract (iv) as soon as commercially reasonable after the execution of the Ballpark Construction Contract and in accordance with all Applicable Laws, City shall cause to be finalized, with input and the involvement of the Club Representative, the Authority and the GMP Contractor, the Ballpark Construction Schedule, (v) the Series 2015 Bonds shall have closed in accordance with all applicable laws, and the proceeds thereof shall be available, and (vi) as soon as commercially reasonable after the completion and delivery to City of the Project Plans and Specifications and in accordance with all Applicable Laws, City shall have obtained all Governmental Authorizations necessary to permit commencement of construction of the Ballpark Improvements, including building permits and engineering and land use approvals necessary for the commencement of development and construction of the Ballpark Improvements (collectively, “Conditions to Commencement”).

If for any reason all of the Conditions to Commencement have not been fully satisfied (or waived in writing as specifically authorized by the Court of Common Council) by thirty (30) days following January 26, 2015 (the "Execution Date"), as the same may be extended by any Club delay which is caused by or attributable to (but only to the extent of) force majeure (an "Excusable Club Delay"), then in such event, City may elect to terminate the Development Agreement. If for any reason all of the Conditions to Commencement have not been fully satisfied by forty-five (45) days following the Execution Date, as the same may be extended by any City delay which is caused by or attributable to (but only to the extent of) force majeure (an "Excusable City Delay") or an Excusable Club Delay, as applicable and in accordance with the Development Agreement, then such failure shall not be construed to be an Event of Default, as further described herein, under the Development Agreement, but in such event, either Club or City may elect to terminate the Development Agreement. Upon the termination of the Development Agreement as the result of the failure of City Obligations or Club Obligations not being satisfied, the Sublease Agreement and Non-Relocation Agreement shall also terminate.

Deadlines Subsequent to Commencement of Term. Subject to extension as a result of an Excusable City or Club Delay under the Development Agreement, and after the date the Conditions to Commencement are satisfied, (the "Construction Commencement Date"), the parties shall meet the following deadlines in connection with the following matters: (i) City shall cause the construction (which includes demolition and other site preparation) of the Ballpark to commence on or before the day that is thirty (30) days after the Construction Commencement Date, (ii) except to take into account any change orders entered into pursuant to the Development Agreement, the City shall not modify the Ballpark Budget, as attached to the Development Agreement, in any material respect without the prior approval of the Club Representative, (iii) except to take into account any change orders entered into pursuant to the Development Agreement, City will provide Club Representative with notice of any material change to the Ballpark Construction Schedule for Club's Approval, (iv) the City shall cause Substantial Completion of the Ballpark to occur on or before the Substantial Completion Deadline, (v) upon Substantial Completion, City shall provide notice thereof to Club, and (vi) on or before ninety (90) days after the Substantial Completion Date, City shall cause Final Completion of the Ballpark to occur. For purposes of the Development Agreement, Substantial Completion shall mean the receipt of (i) a certificate of the Project Architect certifying that such improvements have been completed in accordance with the Project Plans and Specifications (except for punchlist items), and (ii) a certificate of occupancy from the City acting in accordance with its Governmental Function that such Improvements are ready for use and occupancy for their intended purposes in accordance with Applicable Law, and (iii) the Ballpark and such FF&E having been completed and supplied in order that the same shall be deliverable to the Club in a "turn-key" condition except for punchlist or other final completion items as are necessary to allow the Club to begin operations at the Ballpark upon taking possession thereof, including but not limited to, all concessions, luxury suites and offices, all as set forth in the Project Plans and Specifications.

Certain Deadlines and Deliverables; Liquidated Damages; Letter of Credit. In the event City fails to achieve Substantial Completion of the Ballpark on or before the Substantial Completion Deadline, the Development Agreement will not terminate and City shall have the continuing right and obligation to continue the Ballpark so that City may cause Substantial Completion of the Ballpark to occur, provided each of the following requirements is satisfied: (a) City must continue to diligently and continuously prosecute the Ballpark (subject to Excusable City Delay) after the original Substantial Completion Deadline; (b) so long as the Development Agreement is in full force and effect and a Club Default does not remain uncured, Club shall be entitled to the following relief, as liquidated damages and not as a penalty and as Club's sole remedy, for each day after the Substantial Completion Deadline which elapses before Substantial Completion of the Ballpark, the following are a reasonable amount to be paid for such failure: (i) in the event the GMP Contractor fails to cause Substantial Completion of the Ballpark to occur on or before the Substantial Completion Deadline and, otherwise, the date required by the Ballpark Construction Contract, i.e., March 11, 2016, Club may draw on the Letter of Credit (defined below) the sum of Fifty Thousand Dollars (\$50,000.00); (ii) Club shall be entitled to receive the Late Opening Charges; and (iii) Club shall be entitled to receive the Fixed Rental Abatement. Provided Club shall recover the amounts set forth in the foregoing provision (iii) Club shall otherwise be and become fully responsible for the timely payment of the Fixed Rental due under the Sublease Agreement without further delay or abatement.

In connection with the foregoing and as additional security to City and Club for the responsibilities of the Authority and GMP Contractor for timely construction, completion and delivery of the Ballpark, City agrees to secure, pursuant to the Prime Lease, an irrevocable, transferable, standby letter of credit (the "Letter of Credit") in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), which Letter of Credit may be drawn upon by

Club or City; however, City may not draw upon the Letter of Credit in excess of \$200,000.00. Subject to annual renewal requirements, the Letter of Credit shall remain in effect from issuance and delivery to the City and Club to and until written notification (in a single or in multiple, separate transmittals) from the City to the Authority and GMP Contractor providing confirmation that Substantial Completion of the Ballpark has occurred.

Bond Proceeds. Club acknowledges that Series 2015 Bond proceeds are the sole and exclusive source of funds available to pay for the Ballpark Costs, and the City is not obligated to provide funds to pay for the Ballpark Costs except for funds allocated by the City to pay for the costs of performing its obligations related to pre-existing site conditions as described in the Development Agreement. The Club will take any and all actions necessary, at no cost to the Club, to ensure that the tax status of any tax exempt or tax advantaged obligation comprising any part of the Financing will be and remain tax exempt or advantaged. In the event the Ballpark Costs are less than the Series 2015 Bond Proceeds, then such remaining Series 2015 Bond Proceeds shall be used in the following order of priorities: (a) First, to purchase any items and/or to perform any work that was included in the “in progress” design plans concerning the Ballpark (or subsequent “in progress” versions thereof) referenced in the Development Agreement, but later removed as a result of value engineering, as mutually determined by the Parties; (b) Second, to make any incentive payment to the GMP Contractor (or to The Authority for the further benefit of the GMP Contractor) for achieving such savings as set forth in the Prime Lease; (c) Third, for capital expenditures to enhance the value of the Ballpark Improvements, as mutually agreed to by the parties; and (d) Fourth, for construction of additional Ballpark parking, as mutually agreed to by the parties.

Termination by Club. Notwithstanding anything to the contrary set forth in the Development Agreement, in the event City has not caused the construction of the Ballpark to commence on or before February 11, 2015 or the pricing relevant to the Series 2015 Bonds has not been completed by February 11, 2015, or the closing of the Series 2015 Bonds to be completed by February 24, 2015 (collectively, the “Club Termination Contingencies”), Club shall have the right to terminate the Ballpark Agreements, and any and all other documents executed by Club with respect to this transaction. With respect to only the City’s failure to cause the construction of the Ballpark to commence on or before February 11, 2015, or the pricing of the Series 2015 Bonds to be completed on or before February 11, 2015, City shall have ten (10) days within which to cause, as applicable, “construction of the Ballpark to commence” or “pricing of the Series 2015 Bonds to be completed” (as described, the “Club Termination Contingencies”). In the event that, as applicable, City fails to satisfy the Club Termination Contingencies within ten (10) days, the Ballpark Agreements and any and all other documents executed by Club with respect to this transaction shall be deemed terminated.

Construction of Ballpark Improvements; General Work Requirements. Prior to the Operating Term Commencement Date, City shall be responsible for performing or causing to be performed, and for paying the cost of performing, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by applicable law to be performed with respect to any (i) state historical landmarks present at, in, on or under the Ballpark prior to the Construction Commencement Date, and (ii) any Pre-Existing Environmental Conditions.

Events of Default and Remedies. The occurrence of any of the following shall be an “Event of Default” by Club or a “Club Default”: (i) the failure of Club to keep, observe or perform any of the terms, covenants or agreements contained in the Development Agreement on Club’s part to be kept, performed or observed and such failure is not remedied by Club in accordance with the Development Agreement; (b) the occurrence of an Insolvency Event with respect to Club, or of the then managing member(s) of the Club; or (c) a “Club Default” as defined in the Sublease shall have occurred and remain uncured. The occurrence of the following shall be an “Event of Default” by City or a “City Default”: (a) the failure of City to perform or observe any of the obligations, covenants or agreements to be performed or observed by City under the Development Agreement and such failure is not remedied by the City in accordance with the Development Agreement; (b) the occurrence of an Insolvency Event with respect to City; or (c) a “City Default” as defined in the Sublease shall have occurred and remain uncured.

Upon the occurrence of any Club Default, City may, in its sole discretion, pursue any one or more of the following remedies, without any notice or demand whatsoever, other than any notice (including Final Notice) expressly provided in the Development Agreement: (a) City may terminate the Development Agreement; (b) City may exercise any and all other remedies available to City at law or in equity, or otherwise provided in the Development Agreement. Upon the occurrence of any City Default, Club may, at its sole discretion, pursue any one

or more of the following remedies without any notice or demand whatsoever, other than any notice (including Final Notice) expressly provided in the Development Agreement: (a) Club may terminate the Development Agreement, or (b) Club may exercise any and all other remedies available to Club at law or in equity or otherwise provided in the Development Agreement, *provided* that notwithstanding the foregoing or anything contained in the Development Agreement to the contrary, Club's rights shall be subject to the terms and provisions of the Development Agreement that limit Club's damages in the event of a delay in achieving Substantial Completion by the Substantial Completion Deadline to the Late Opening Charges. Late Opening Charges means (i) seventy five (75%) of the per diem liquidated damages (as set forth in the Ballpark Construction Contract) actually paid to City by the Authority or GMP Contractor pursuant to the terms of the Ballpark Construction Contract for the GMP Contractor's failure to cause Substantial Completion of the Ballpark to occur on or before the Substantial Completion Deadline, net of any third party expenses of City associated with collecting any such amounts, but in no event to be less than \$3,750.00 per day; or (ii) in the event that no or insufficient amounts are received by City in connection with (i) above, a per diem liquidated damages totaling Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) for each day that any of The Authority or GMP Contractor or City, as applicable, shall fail to cause Substantial Completion of the Ballpark to be completed by the Substantial Completion Deadline. In no event shall the Late Opening Charges received by Club from City pursuant to the Development Agreement (ii) be more than Two Hundred Fifty Thousand Dollars (\$250,000.00) Upon the occurrence of a Club Default or a City Default, the non-defaulting party, in addition to its other remedies at law or in equity, shall have the right to give the defaulting party notice (a "Final Notice") of the non-defaulting Party's intention to terminate the Development Agreement after the expiration of a period of thirty (30) days from the date such Final Notice is delivered unless the Event of Default is cured, and upon expiration of such thirty (30) day period, if the Event of Default is not cured, the Development Agreement shall terminate without liability to the non-defaulting Party.

Subject to the provisions of the Development Agreement, each right or remedy of City and Club provided for shall be cumulative of and shall be in addition to every other right or remedy of City or Club provided for in the Development Agreement, and the exercise or the beginning of the exercise by City or Club of any one or more of the rights or remedies provided for in the Development Agreement shall not preclude the simultaneous or later exercise by City or Club of any or all other rights or remedies provided for in the Development Agreement or hereafter existing at law or in equity, by statute or otherwise. In no event shall either party be liable to the other party under any provision of the Development Agreement or otherwise for lost profits, including lost or prospective profits, or for any other special, indirect, incidental, consequential, exemplary or punitive damages, in contract, tort or otherwise whether or not caused by or resulting from such party's own sole or concurrent negligence or the negligence of any of its affiliates or related parties; provided that without limiting the foregoing, this limitation of liability shall not apply to claims of each party arising out of the third party claims for any of the foregoing: naming and advertising rights; broadcasting rights; premium seating; concessions and merchandise. In addition to the remedies previously set forth, the parties shall be entitled to seek injunctive relief prohibiting or mandating action by the other party in connection with an Event of Default and to seek declaratory relief with respect to any matter under the Development Agreement for which such remedy is available hereunder, at law or in equity.

Subject to Appropriation. Notwithstanding any other provision of the Development Agreement, the City's obligation to pay any money to Club under the Development Agreement is contingent upon an appropriation of the money by the Court of Common Council. The City's failure to make an appropriation is not a default under the Development Agreement, but the Club, as its sole and exclusive remedy, may terminate the Development Agreement as a result thereof. The City retains all of its governmental prerogatives and rights as a city under State law with respect to the planning, design, construction and development of the Ballpark.

The Sublease Agreement

Pursuant to the Sublease Agreement, the City has agreed to lease, let, demise and rent unto Club, and Club has agreed to rent and lease from City, on and subject to the terms, conditions and provisions thereof, the Ballpark, the Ballpark Dedicated Parking and certain personal property of the City (collectively, the "Leasehold Estate") for a term of twenty-five full baseball seasons, subject to three consecutive additional renewal periods of five years each. The City will deliver to Club possession and occupancy of the Leasehold Estate subject only to (i) the Permitted Exceptions, (ii) the rights and reservations of City under the Sublease Agreement including the Reservations and (iii) all Applicable Laws. Subject to Club's rights to access the Ballpark pursuant to the Development Agreement,

Club shall not have the right to use or occupy any part of the Real Property, the Ballpark, the Ballpark Dedicated Parking or City Personal Property prior to the Commencement Date.

Initial Term; Renewals. Subject to the terms and conditions of the Sublease Agreement, City agrees to sublease the Ballpark to Club for a period commencing on the date of the latest to occur: (i) achievement of Substantial Completion, and (ii) possession of the Leasehold Estate has been tendered to Club by City (the “Commencement Date”) and ending on September 30 (or such later date as is reasonably necessary to accommodate any Team Ballpark Events (e.g., playoff games)) of that year in which the twenty-fifth (25th) full Baseball Season after the Commencement Date has occurred, unless the Sublease Agreement is sooner terminated pursuant to any applicable provision hereof, by application of law or pursuant to the terms and conditions of this the Sublease Agreement (the “Initial Term”). Club shall have the option to extend the Initial Term of the Sublease Agreement for three (3) consecutive additional periods of five (5) years each (each such option is referred to herein as a “Renewal Option” and each such period as a “Renewal Option Period”).

Fixed Rental Payments. In consideration of the use and occupancy of the Ballpark by Club, and the costs incurred or to be incurred by City to construct the Ballpark, beginning on the Commencement Date, Club agrees to pay to City the Fixed Rental in two equal, semi-annual installment payments which aggregate the total amount of Fixed Rental to be paid for the applicable year. In calendar year 2016 such payments are to be made on “Opening Day” for the Ballpark, which is currently scheduled for April 7, 2016, and on August 1, 2016, and for each calendar year of the Term subsequent to calendar year 2016 such payments are to be made on May 1 and September 1.

Except as otherwise expressly provided by the terms of the Sublease Agreement, the Club shall be entitled to receive and retain all revenues generated from the Team and/or at the Ballpark, including, without limitation, all revenues from Events, ticket sales, the Ballpark Dedicated Parking, Concessions, Merchandise, suite, lounge box and club seat rentals, interior and exterior Ballpark advertising and signage, sponsorships, any and all naming rights and other advertising, sales of broadcast and telecast rights, internet rights, league expansion fees and team fundraising, and any other sources of revenue, in each case subject to applicable sales, use, admission, stamp or excise taxes, if any, imposed by the United States or the State of Connecticut, which shall be, as between the City and the Club, the sole responsibility of the Club to pay. In the event that the Ballpark or Club shall be or become exempt from an obligation to pay any such admission tax, Club shall promptly remit to City, as additional rent under the Sublease Agreement, an amount equal to such amount as would have been paid to the State pursuant to Chapter 225 of the Connecticut General Statutes.

The City has agreed to make available 199 parking spaces, located on a portion 150 Windsor Street, Hartford, Connecticut for the use by and not to/by the general public at any time on a year round basis (the “Ballpark Dedicated Parking”). The Sublease provides that the City shall have the right to provide the Ballpark Dedicated Parking at another location contiguous or adjacent to the Stadium.

Operation of the Ballpark and Capital Improvements. Except as otherwise provided in the Sublease Agreement, Club shall be responsible for all aspects of operating the Ballpark (including the sale of Concessions and Merchandise directly or through a Concessions Agreement or Merchandise Agreement) to in all ways include Routine Maintenance of the Ballpark, etc. and the Routine Maintenance of the Ballpark and shall be responsible for all operating expenses and costs for the Ballpark, including all direct or indirect expenses associated with the Team or Ballpark Events, and the provision of adequate, qualified and sufficient personnel to perform the duties and obligations of Club under this Lease, including public address announcers, scoreboard operators, ticket sellers and takers, Concessions and Merchandise personnel, ushers, first aid and security personnel, groundskeepers and cleaning and maintenance personnel and other personnel necessary for the proper and safe operation of the Ballpark. Club intends and will use its good faith efforts to operate the Ballpark so as to enhance the opportunities and occurrences for revenue generating Ballpark Events – in addition to the Team’s pre-season, regular season and playoff baseball games. Without limiting the generality of applicable sections of the Sublease Agreement, Club shall, throughout the Term, at its own expense and, except as set forth in the Sublease Agreement with respect to City Maintenance Items, at no cost or expense to City, and in compliance with Applicable Laws perform all Routine Maintenance and otherwise keep and maintain, or cause to be kept and maintained the Ballpark, Ballpark Dedicated Parking Facilities. Club shall be permitted to make additions or improvements to the Ballpark, at its sole cost and expense and in its sole and absolute discretion.

Subject to the terms and conditions of the Sublease Agreement, and after exhausting all applicable warranties and guaranties, Club shall be responsible for making all Capital Improvements and City Maintenance Items at the Ballpark and the Ballpark Dedicated Parking during the Term in order to ensure that the same continue to meet the Ballpark Standard, ordinary wear and tear excepted, provided, that such Capital Improvements and City Maintenance Items shall be made at the cost and expense of the City.

Capital Improvements Reserve Fund. On or before the Commencement Date, the City shall establish a capital improvements reserve fund (the "Capital Improvements Reserve Fund"), which shall be used solely for the funding of Approved Capital Improvements in order to ensure that the Ballpark continues to meet the Ballpark Standard, ordinary wear and tear excepted. The Capital Improvements Reserve Fund shall be funded as follows: (i) The City shall fund the amount of \$250,000.00 on the Commencement Date; (ii) The City shall contribute the sum of \$150,000 from the annual Fixed Rental received from Club into the Capital Improvements Reserve Fund, (iii) The City shall contribute an additional sum of \$100,000 per year on or before June 30 in each calendar year during the Term from the annual Fixed Rental or from revenue received by the City from City Sponsored Events or Naming Rights, *provided, however,* that City's obligation as detailed in the Sublease Agreement shall terminate after the twentieth (20th) year of the Initial Term. All interest earned on the Capital Improvements Reserve Fund shall become a part of the Capital Improvements Reserve Fund.

Events of Defaults; Remedies. An event of default by Club (a "Club Default") shall be deemed to have occurred under the Sublease Agreement if: (i) Club fails to make any payment of Rent as it falls due and which failure is not cured within five (5) days after written notice to Club of such failure; (ii) The failure of Club to cause the Ballpark and the Ballpark Dedicated Parking to be operated continuously as required by the Sublease Agreement within thirty (30) days after City gives notice to Club of such failure; (iii) The failure of Club to cause the Ballpark and the Ballpark Dedicated Parking to be operated in accordance with the requirements of the Ballpark Standard or Article VI within forty-five (45) days after City gives notice to Club of such failure; (iv) Club fails to observe or to perform any other material obligation, condition or covenant on its part to be performed or observed in accordance with the Sublease Agreement and such failure remains uncured for more than forty-five (45) days after Club's receipt of written notice of such failure from City (or such longer period as may be reasonably necessary to effect such cure, if such cure cannot be effected within such forty-five (45) day period using reasonable efforts); (v) Club fails to observe or perform any obligation or covenant on its part to be performed or observed under the Non-Relocation Agreement and any such default is not cured within any applicable notice or grace period, in which event the remedies availed to the City in connection with which are and shall be those set forth in the Non-Relocation Agreement as well as in the Sublease Agreement; (vi) A "Club Default" or "Event of Default" as defined in the Ballpark Development Agreement shall have occurred and remained uncured beyond any applicable cure or grace period; (vii) An Insolvency Event has occurred with respect to Club or the then managing member(s) of the Club; or (viii) Substantially all of Club's assets are levied upon by virtue of a writ of court of competent jurisdiction; or Club ceases to do business in any manner.

Subject to the provisions of the Sublease Agreement, upon the occurrence of any Club Default, City may, in its sole discretion, pursue any one or more of the following remedies, in addition to any other remedies available to City at law or in equity or as otherwise specified in the Sublease Agreement, after delivery of written notice to Club: (i) City may terminate the Sublease Agreement or the Club's right of occupancy of all or any part of the Ballpark and the Ballpark Dedicated Parking and upon such termination City may forthwith reenter and repossess the Ballpark and the Ballpark Dedicated Parking in accordance with law and be entitled to recover, as damages under the Sublease Agreement, a sum of money equal to the total of (i) the reasonable cost of recovering the Ballpark, (ii) the reasonable cost of removing and storing Club's Personal Property or any other occupant's Property, (iii) any increase in insurance premiums caused by the vacancy of the Ballpark, (iv) leasing costs, (v) reasonable costs incurred by City (including attorney's fees), and (vi) whether this Lease or Club's possession of the Ballpark and the Ballpark Dedicated Parking is terminated or not, City shall recover damages from Club in accordance with either of the following provisions: (A) The present value of the entire amount of the Rent which would become due and payable during the remainder of, as applicable, the Initial Term or the then Renewal Option Period. Such present value shall be determined utilizing a discount rate of six percent (6%); or (B) Sums equal to the Rent which would have been payable by Club in accordance with the Lease, payable upon the due dates as set forth in the Lease, through the expiration of, as applicable, the Initial Term or the then Renewal Option Period. (ii) the City may enter upon the Ballpark and the Ballpark Dedicated Parking and do whatever the Club is obligated to do under the terms of the Sublease Agreement; (iii) City may exercise any and all other remedies available to City at

law or in equity, including enforcing specific performance of Club's obligation to continuously operate the Ballpark and the Ballpark Dedicated Parking, and seeking monetary damages, including interest on the unpaid Rent at the Default Rate.

An event of default by City (a "City Default") shall be deemed to have occurred under the Sublease Agreement if the City fails to perform or observe any material obligation or condition on its part to be performed or observed in accordance with the Sublease Agreement; or A "City Default" or "Event of Default" as defined in the Ballpark Development Agreement shall have occurred and remained uncured. Upon the occurrence of a City Default, Club shall be entitled to seek all rights and remedies available to it at law, or in equity, including, but not limited to, the right to: (i) seek monetary damages; (ii) terminate the Sublease Agreement; and (iii) cure such default on behalf of City. Club shall have no right to set off amounts due to City pursuant to any of the Ballpark Agreements due to a City Default. In no event shall either party be liable to the other party under any provision of the Development Agreement or otherwise for lost profits, including lost or prospective profits, or for any other special, indirect, incidental, consequential, exemplary or punitive damages, in contract, tort or otherwise whether or not caused by or resulting from such party's own sole or concurrent negligence or the negligence of any of its affiliates or related parties; provided that without limiting the foregoing, this limitation of liability shall not apply to claims of each party arising out of the third party claims for any of the foregoing: naming and advertising rights; broadcasting rights; premium seating; concessions and merchandise.

Club shall have the exclusive right to and shall be solely responsible for identifying and entering into third party contracts with all concessionaires, merchandisers and other vendors for the Ballpark. Club shall have the exclusive right to name, or contract with a naming sponsor for the Ballpark, from time to time during the Term and to install permanent signage and displays related thereto in, on and about any portion of the Ballpark, subject to certain restrictions in the Sublease Agreement. All revenues throughout the Term from such naming rights shall, for each calendar year during the Term, be accounted for by Club and be shared between Club and City in accordance with the Sublease Agreement. Club shall have the exclusive right to all sponsorship revenues and (b) sell, contract for, and retain all revenues throughout the Term from advertising, promotional, and pouring rights of every kind in, on or about the Ballpark, and to install permanent signage and displays. Subject to the rights of MiLB and Major League Baseball, Club has the exclusive right to (a) all broadcasting or reports of Ballpark Events during the Term, including without limitation, radio, television, cable, internet and other media broadcasts, whether currently existing or developed during the Term, and (b) all revenues therefrom. Club has the right to exercise such right at such times and in such manner as it considers appropriate, as determined in Club's sole discretion. Subject to the provisions the Sublease, Club has the exclusive right to contract for, market, sell and retain all revenue from the sale of and fees and payments associated with (i) all premium seating at the Ballpark (e.g., luxury suites, boxes and club seats), and (ii) Concessions and Merchandise at the Ballpark.

Covenants, Representations and Warranties of Club. Club, and its successors or assigns, covenants that during the Term (or such shorter period as provided herein):

(a) Club shall assure that the Team plays all preseason, regular season and postseason home games at the Ballpark; provided that the Team shall be authorized to play no more than one (1) neutral site baseball home game each Baseball Season as directed and approved by NAPBL, EL, MiLB and/or the Commissioner of Major League Baseball, as applicable.

(b) Club shall use commercially reasonable efforts to ensure that the pricing of tickets for Team Ballpark Events will be in amounts that provide an affordable recreational activity in the City and provide attractive and meaningful programs designed to keep home games affordable for families in the City, including special programs for seniors and children during each year of the Term as well as an annual "Hartford" day providing free admission to residents of the City (with the scheduling thereof to be by mutual agreement of the City and the Team);

(c) Club shall endeavor to provide attractive and meaningful programs that are designed to promote baseball and baseball programs within the City, including clinics and instructional events, Team appearances and providing free admission to players and coaches involved in such baseball programs;

(d) As more particularly described in the Non-Relocation Agreement, Club shall not relocate the Team or the home territory of the Team outside of City limits of Hartford, Connecticut during the Term;

(e) The Team shall include the name "Hartford" as part of the Team's name;

(f) At all times during the Term and in connection with any activity under the Sublease Agreement or with respect to the Ballpark, Club shall comply with the requirements of all Applicable Laws;

(g) At all times during the Term, Club shall obtain and maintain all Governmental Authorizations necessary for the use and occupancy of the Ballpark and the Ballpark Dedicated Parking in accordance with the terms of the Sublease Agreement;

(h) At all times during the Term, Club shall comply with, and any contractor under any Concession Agreement, Management Agreement, Merchandise Agreement or other similar agreement to comply with, all Applicable Laws, including City Ordinances; and

(i) At all times during the Term, Club shall (i) provide and maintain a charitable foundation dedicated to providing social, educational and scholarship opportunities for youth in the City and its surrounding communities in connection with the activities of the Team in a manner consistent with the activities of the Team's existing foundation and (ii) provide and maintain community programs in conjunction with non-profit organizations located within the City and its surrounding communities in a manner consistent with the Team's historic community outreach activities.

Effect of Delays. Regardless of the existence or absence of references to Excusable Club Delay elsewhere in the Sublease Agreement, any deadline or time period within which Club must fulfill the obligations of Club elsewhere in the Sublease Agreement shall each be adjusted as appropriate to include that number of days of delay in the performance by Club of its obligations hereunder actually resulting from such Excusable Club Delay, unless otherwise expressly provided in the Sublease Agreement to the contrary; *provided* that (i) the obligation to pay Rent as and when due pursuant to the terms of the Sublease Agreement is not subject to adjustment or extension due to Excusable Club Delay unless otherwise expressly provided in the Sublease Agreement to the contrary and (ii) Club complies with the requirements of the Sublease Agreement. Regardless of the existence or absence of references to Excusable City Delay elsewhere in the Sublease Agreement, any deadline or time period within which City must fulfill the obligations of City in the Sublease Agreement shall each be adjusted as appropriate to include that number of days of delay in the performance by City of its Obligations hereunder actually resulting from such Excusable City Delay; *provided* that (i) the obligation to pay amounts when due pursuant to the terms of the Sublease Agreement is not subject to adjustment or extension due to Excusable City Delay unless otherwise expressly provided herein to the contrary and (ii) the City complies with the requirements of the Sublease Agreement.

Upon the occurrence of any Club delay or City delay, the Parties shall endeavor to continue to perform their obligations under the Sublease Agreement so far as reasonably practicable. Toward that end, Club and City each agrees that it shall make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any Club delay or City delay occasioned by an Excusable Club Delay or Excusable City Delay, and shall diligently and continuously use its commercially reasonable efforts to ensure resumption of performance of its obligations under the Sublease Agreement after the occurrence of any Excusable Club Delay or Excusable City Delay. The Parties shall use and continue to use all commercially reasonable efforts to prevent, avoid, overcome and minimize any City delay or Club delay.

The Non-Relocation Agreement

Non-Relocation Covenants. Pursuant to the provisions of the Non-Relocation Agreement, neither the Club nor the Team shall exercise any additional extension or renewal option which would extend the term of the Team's existing lease, operating license, facilities commitment or other arrangement with the City of New Britain, Connecticut beyond December 31, 2015. Further, subject to the Club's right to sell or assign the Sub-Lease Agreement pursuant to the terms thereof, the Club covenants and agrees that throughout the term of the Non-Relocation Agreement that, among other things:

- (a) the Club and the Team shall maintain their principal place of business in the City;
- (b) the Club shall maintain its Minor League Baseball franchise in the City;
- (c) the Team shall play all of its pre-season, regular season, playoff and championship home games at the Ballpark, subject to certain exceptions for one home game and playoff or championship games required to be played at a neutral site;
- (d) the Club will not enter into or participate in any negotiations or discussions with, or apply for or seek approval from, any third parties, including Minor League Baseball, with respect to any agreement, legislation or financing that would contravene the covenants listed in (a) through (c) above; and
- (e) the Club shall not enter into any contract or agreement with any person, entity or counterparty, or make any request or application to Minor League Baseball, to (i) relocate outside of the City the Club's franchise pertaining to the Team, or (ii) play any regular season or playoff home game in any location other than the Ballpark, except as expressly permitted by the Non-Relocation Agreement.

Events of Default; Remedies. Upon the occurrence of any violation of one of the covenants set forth above (the "Non-Relocation Covenants"), in addition to customary remedies and relief, the City shall be entitled to seek injunctive relief prohibiting or mandating action by the Club in accordance with, or declaratory relief with respect to, the Non-Relocation Covenants, including but not limited to the following: (i) a temporary restraining order, together with temporary, preliminary and permanent injunctive or other equitable relief, from any court of competent jurisdiction, to restrain or enjoin any actual or threatened breach by the Club of any Non-Relocation Covenant without the necessity of posting a bond or other security and without any further showing of irreparable harm, and (ii) specific performance and/or other relevant equitable remedies. The City shall also have the right to terminate the Ballpark Agreements.

Eastern League Consent

In connection with the execution and delivery of the Ballpark Agreements, the Eastern League provided its written agreement and commitment to the City that, throughout the term of the Ballpark Agreements: (i) the Eastern League shall not accept, consider or act on any application from current ownership or any successor ownership of the Team and franchise (the "Franchise") which seeks a proposed relocation of the Franchise from the City or the Ballpark, and (ii) for so long as the Eastern League retains the Hartford, Connecticut territory, the Eastern League shall require the person controlling operation of the Franchise to recognize and abide by all terms of the Ballpark Agreements pertaining to continuous occupancy, operation and maintenance of the Ballpark and related facilities to be located in Hartford, Connecticut as the exclusive home field of the Franchise. The Eastern League's consent was delivered to the City and the Club on January 23, 2015.

The Eastern League Consent is predicated upon the following: (a) the City's ongoing performance of the material terms and conditions of the Ballpark Agreements; (b) the remedies available to the City in connection with a breach by the Eastern League shall be limited to temporary or permanent (as applicable) injunctive relief, specific performance and other non-economic or non-monetary equitable relief; and (c) under no circumstances shall the Eastern League be or become obligated to the City, the Club or any of their affiliates for economic or monetary damages.

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