

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING NOTICE AND AGENDA
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, January 23, 2025, 10:00 AM – 12:00 PM

Meeting Location: This will be a virtual meeting.

Meeting materials may be accessed at the following website:

<https://portal.ct.gov/OPM/Marb/Hartford-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 599 474 528

Agenda

- I. Call to Order & Opening Remarks

- II. Approval of Minutes:
 - a. May 2, 2024, Special Meeting rescheduled from April 25, 2024

- III. Presentation: FY 2024 Audit Reports

- IV. Other Related Business

- V. Adjourn

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

SPECIAL MEETING MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, May 2, 2024, 10:00 AM – 12:00 PM, Rescheduled from April 25, 2024

Meeting Location: This was a virtual meeting. Meeting materials may be accessed at the following website:
<https://portal.ct.gov/OPM/Marb/Hartford-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 617 936 713

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Kevin Alvarez (Treasurer's Designee), Stephen Falcigno, Mark Waxenberg, Robert White, and Lisa Hammersley

City Officials in Attendance: Mayor Arulampalam, Julian Freund, Paul Foster and Leigh Ann Ralls

OPM Staff in Attendance: Bill Plummer, Michael Reis, John Mehr, Simon Jiang, Lori McLoughlin

OAG Staff in Attendance: James Caley, Assistant Attorney General

I. Call to Order & Opening Remarks

The meeting was called to order at 10:01 a.m. Ms. Kennison noted that this is a Special Meeting rescheduled from April 25, 2024. The agenda will be followed with a change in the order of items to accommodate the schedule of the City and the Board of Education (BOE) officials.

II. Approval of Minutes:

a. January 18, 2024, Regular Meeting

Mr. White made a motion to approve the minutes with a second by Ms. Hammersley. The motion was unanimously approved with Mr. Alvarez abstaining.

III. Review, Discussion and Possible Action: Mayor's FY 2025 Recommended Budget

Ms. Kennison noted that with Hartford being a Tier II municipality and according to the Statute, the MARB has approval authority of certain revenue items of the annual budget. OPM staff has provided the Subcommittee with a memorandum on those revenue items and a copy of the October 2023 Grand List.

The Subcommittee members received copies of the Hartford's Proposed Budget for FY25 and the 5-Year Plan. The total budget is \$623.8 million, a 0.75% increase over last year. The 68.95 mill rate for FY25 will remain the same as the prior year budget.

Mayor Arulampalam reviewed the budget stating that their goal was to have a balanced budget without raising the mill rate. The revenue side had a decline in property tax collections that was offset by an increase in State grants, an increase in investment income and a modest increase in building-related permits. On the expense side, payroll costs and utility costs have increased. The City continues to fund its Capital Investment Program (CIP) out of the City operating budget. The City invested in the youth sports and recreation area to create productive after-school programs. Also, they created a business office to act like a concierge service to help new businesses navigate the City Hall licensing process. The Mayor touched upon health insurance benefits, pension, collaborating with the Metropolitan District Commission (MDC) on flood control improvements, and road and sidewalk improvements.

The Subcommittee and the Mayor discussed concerns about police recruitment and the status of the City's tax appeals. The Mayor noted that they budgeted conservatively and kept costs down for the fiscal year. His biggest concern continues to be the value of downtown buildings and their impact. The City is realistic about the amount of commercial space that is not returning and aggressively coming up with a plan together with the State to address this situation.

Mr. Waxenberg made a motion to recommend the Mayor's FY 2025 Recommended City of Hartford Budget to the Full MARB for approval, seconded by Mr. Alvarez. The motion passed unanimously.

IV. Review, Discussion and Possible Action: Hartford's 5-Year Plan

Mayor Arulampalam and Mr. Freund discussed the City of Hartford FY2025-FY2029 5-Year Plan.

Mr. Freund provided an overview of how the forecast was assembled and the assumptions that were used to build this mirrored the ones that were used last year. The plan did not build in any impact for revaluation of the October 2026 Grand List, which would impact FY2028 into the baseline forecast, and kept the mill rate level with a constant collection rate that was used in the FY2025 budget. State aid remained flat.

Payroll was based on existing labor agreements and then forecasted out beyond those agreements. Pension projections are based on actuarial reports and forecasts. The City is maintaining a very austere capital plan. The only debt service in the budget is the revenue bond debt associated with the stadium and a very small Clean Water Act loan.

In the past, the City used a very modest attrition factor that was shown to be very conservative. The City built an attrition factor into the forecast based on historical rates. The FY2025 budget used a 6% vacancy rate and forecasting years two through five the percentage is in line with historical actuals with an attrition factor closer to 9%, a bit more conservative.

The 5-Year Plan forecast for the first few years has projections to be in balance. Not until years four and five did revenues and expenditures projections result with forecasted deficits. The City changed its approach by starting early addressing revaluation. The assessor put together three scenarios of growth in the Grand List that could generate between \$5.25 million to over \$28

million per year in property tax collections. Depending on the results of revaluation, it could more than offset the projected deficits in years four and five of the plan.

Mayor Arulampalam discussed four cost containment and cost mitigation initiatives. The first relates to energy efficiency and renewable energy. With the goal to reduce operating costs within city and school buildings and supporting large scale solar projects. The second is risk management. To continue to reduce claims expense with safety training and developing a managed care plan for workers compensation with a return-to-work program. The third is to reduce long-term pension liabilities. Working with the City Treasurer office to development solutions that would reduce pension liabilities and would bring down the Actuarial Determined Employer Contribution (ADEC) payments. The fourth is working collaboratively on cost containment measures with the Hartford Board of Education and with the School Superintendent to look at the cost of drivers like special education, transportation and tuition, to see if the City and the Board can partner resources.

The Subcommittee discussed the projected deficits in years four and five and closing the gap with a sufficient fund balance. They discussed the flat funding of the Hartford Public Schools (HPS) by the City over the past several years and with no increases in school funding in the 5-Year Plan. The Mayor stated that the City cannot be relied upon to fix funding problems within the schools. Assistance is needed from the State to deal with rising special education costs. Also, 50% of Hartford students go to Choice Schools which creates inequity for those within the HPS and the City cannot fix those problems alone. The Subcommittee discussed disadvantages of starting the school year with a budget deficit because of rising tuition costs, operating and general education costs, and special education costs. The Subcommittee highlighted policy changes and legislative changes that are needed in certain areas.

Ms. Kennison asked the members for their views of the 5-Year Plan. After a brief discussion, it was decided to delay moving on the plan by allowing the City the opportunity to provide additional feedback prior to the next MARB meeting. Staff will speak to the Secretary to determine whether a separate subcommittee meeting will be added or will be discussed at the next MARB meeting.

V. Review and Discussion: Board of Education FY 2025 Budget

A link to the Superintendent's Adopted 2024-2025 Operating Budget, the Proposed FY2024-2025 Budget overview dated April 16, 2024, and the 5-Year Budget Forecast dated April 25, 2024, were provided to the Subcommittee for review.

Mr. Foster provided an Executive Summary of the Superintendent's Hartford Public School (HPS) Proposed FY2024-2025 Recommended Budget. The budget process started earlier than in the past to provide sufficient time to engage the community. The building level school leaders were given some autonomy to make decisions about what was important to sustain their building operations and the unions were engaged throughout the process.

The FY2025 budget shows \$429 million in projected revenue and proposed expenditures of \$466 million before mitigation. The Board has mitigated \$35.7 million of the gap with significant reductions in funding and staffing of school-based positions and district-based positions. The budget represents 11% reductions in positions at the school level and an 18% reduction in positions budgeted at the district level. The district level has 334 positions. Of those positions a

large number are spending all day in schools as instructional coaches who are out observing, providing guidance, and coaching classroom teachers. This group also includes tradespeople that maintain the buildings. General Education Teaching positions have a 14.7% reduction, or 162 positions. As a mitigation strategy, a 5% vacancy assumption was used in FY2025 compared to 6% in FY2024 believing not as many positions will remain vacant. The Board plans to use any remaining ESSER /ARP grant funds to offset costs in July, August, and September. With the 58% cap on GenEd Magnet tuition included in the budget as an \$11.5 million savings and using \$5.6 million in the non-lapsing fund helped balance the budget.

The Subcommittee discussed the affect ESSER and ARPA grant funding had on the school budget and staffing levels. It was confirmed that the temporary positions would end when the grant funds ended. Mr. Foster mentioned that the temporary COVID relief funds allowed for the papering over some of the structural fiscal realities facing Hartford Public Schools. The Subcommittee discussed the Sheff case and the effect it had on Hartford schools.

Mr. Foster walked through a 5-Year forecast. A new mitigation piece was added with the passing of Bill 5212 that related the GenEd Magnet tuition. Salaries and fringe benefits are going at a rate that will require position cuts every year. Transportation costs are forecasted to go from \$29.5 million in FY2025 to \$36 million by 2030. The increase in tuition costs is being driven by special education. Mr. Foster discussed Excess Cost with 250 students that exceed the threshold that triggers it at a cost of \$34 million this year. The funds received from the State are \$8.5 million.

The Subcommittee discussed school enrollment, neighborhood schools, and right sizing of schools. Mr. Foster said that there are eleven schools with less than 300 students and that the Board Chair has asked for the necessary data to be compiled to start the right sizing process.

VI. Adjourn

The next MARB meeting on May 16, 2024, will focus on the Proposed FY25 Budgets and the 5-Year Plans for the Cities of Hartford and West Haven.

Mr. Waxenberg made a motion to adjourn with a second by Mr. White. The meeting adjourned at 12:03 AM.



CONNECTICUT Policy and Management

FY 2023-24 MUNICIPAL AUDIT QUESTIONNAIRE

❖ This Questionnaire is required to be submitted to OPM with the audit reports of municipalities and audited agencies (as defined under Section 7-391 of the Connecticut General Statutes).

Name of Auditee City of Hartford, Connecticut

Fiscal Period under Audit July 1, 2023 - June 30, 2024

CliftonLarsonAllen, LLP
(Audit Firm Name)

Leslie Ann Zoll
(Signature)

December 27, 2024
(Date)

This Questionnaire was reviewed with and a copy given to:

LeighAnn Ralls on December 27, 2024
Name of Municipal Official Date

Finance Director 860-757-4138
Title of Municipal Official Telephone

	<u>YES</u>	<u>NO</u>	<u>NA</u>
1. Did you inform the town, city or Borough clerk of that part of Section 7-394 of the General Statutes which provides that within one week after receiving the audit report he/she shall cause to be published a legal notice in a newspaper having a substantial circulation in the municipality that the report is on file in said clerk's office?	<u>X</u>	<u> </u>	<u> </u>
2. Did you obtain a letter from municipal counsel with respect to unpaid or pending judgments and as to any other legal proceeding affecting the municipality's finances?	<u>X</u>	<u> </u>	<u> </u>
3. Were financial statements and/or books and records of the entity made available within a reasonable time after the close of the fiscal year?	<u>X</u>	<u> </u>	<u> </u>
4. Did the entity issue tax anticipation notes (TANs) or revenue anticipation notes (RANs) during the fiscal year?	<u> </u>	<u>X</u>	<u> </u>
5. Was a separate management letter issued in addition to the Internal Control Report? If so, it must be submitted to the Office of Policy and Management with the audit report.	<u> </u>	<u>X</u>	<u> </u>
6. Were municipal officials (including the chief elected or executive official and governing body of the municipal entity) made aware of findings and recommendations resulting from the audit?	<u> </u>	<u> </u>	<u>X</u>
7. Did you clearly identify in the report each repeated audit Finding and identify the fiscal year in which the finding initially occurred?	<u> </u>	<u> </u>	<u>X</u>
8. Were there any audit findings repeated from both of the two most prior fiscal year ended audits? (FY2022 and FY2023)?	<u> </u>	<u> </u>	<u>X</u>
9. Were municipal officials made aware of section 2(c) of P.A. 23-197 for a public meeting to be held when the OPM Secretary makes certain findings based upon the review of the audit report?	<u> </u>	<u> </u>	<u>X</u>
10. Federal Single Audit Act as Amended, 1996; Uniform Guidance for Federal Awards (Title 2 of CFR, 12/26/13)			
(a) Did you conduct a Single Audit of Federal Financial Assistance expended by the entity for FY 2023-24?	<u>X</u>	<u> </u>	<u> </u>
(b) Is a copy of the Single Audit included in the reporting package submitted?	<u>X</u>	<u> </u>	<u> </u>

	<u>YES</u>	<u>NO</u>	<u>NA</u>
11. State Single Audit (SSA) Act as amended by P.A. 09-7; Regulations to the SSA Act as amended by P.A. 09-7			
(a) Did you conduct a Single Audit of state financial assistance expended by the entity for FY 2023-24 or a program-specific audit of the entity's sole state program?	<u>X</u>	<u> </u>	<u> </u>
(b) Is a copy of the State Single Audit or program-specific audit included in the reporting package submitted?	<u>X</u>	<u> </u>	<u> </u>
(c) If applicable, did officials prepare a Corrective Action Plan (CAP) in sufficient time for inclusion in the audit report package [C.G.S. Sec.4-233(d)] to be filed with OPM as the cognizant state agency (hardcopy and electronic)?	<u> </u>	<u> </u>	<u>X</u>
(d) Did you upload the corrective action plan with the audit report package on OPM's Electronic Audit Reporting System?	<u> </u>	<u> </u>	<u>X</u>

The background of the entire page is a photograph of the Hartford skyline. In the foreground, there are lush green trees and a large bush of pink roses. The sky is blue with scattered white clouds. The text is overlaid on the top half of the image.

City of
Hartford,
Connecticut

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

CITY OF HARTFORD, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

ACKNOWLEDGEMENTS

This report has been prepared by a team of dedicated City employees that on a daily basis provides support throughout the organization on all financial matters and annually undertakes the significant task of developing a concise presentation of the City's finances in an efficient and effective manner. The Department of Finance with the assistance of our external auditors, CliftonLarsonAllen LLP, has accomplished the production of the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The credit belongs with the team whose collective experience allows us to achieve our goals and objectives. The contributions of the entire team at the City of Hartford are sincerely appreciated.

Controller: Constance Reik

Accounting Supervisor: Asha Stapleton

ACFR Team: Ellen McCreery, CPA, Joaquin Lindsay, Kyrra Coleman, Lincoln Milling and John Majkowski

Staff Support: Melinda Gorley and Cheryl Liebhauser

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

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

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

**CITY OF HARTFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL		ix
LIST OF ELECTED AND PRINCIPAL OFFICIALS		xv
ORGANIZATION CHART		xvi
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING		xvii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT		1
MANAGEMENT'S DISCUSSION AND ANALYSIS		5
STATEMENT OF ACTIVITIES	II	17
FUND FINANCIAL STATEMENTS		
GOVERNMENTAL FUNDS		
BALANCE SHEET	III	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	IV	20
PROPRIETARY FUND		
STATEMENT OF NET POSITION	V	22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	VI	23
STATEMENT OF CASH FLOWS	VII	24
FIDUCIARY FUNDS		
STATEMENT OF FIDUCIARY NET POSITION	VIII	25
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	IX	26
NOTES TO FINANCIAL STATEMENTS		27

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL – BUDGETARY BASIS	RSI-1	107
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**CITY OF HARTFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL – BUDGETARY BASIS	RSI-2	109
PENSION TRUST FUNDS		
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CITY OF HARTFORD MUNICIPAL EMPLOYEES’ RETIREMENT FUND (CITY MEFR) PLAN	RSI-3	111
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – RAF/PBF/FRF PLAN	RSI-4	112
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – 415(M) PLAN	RSI-5	113
SCHEDULE OF EMPLOYER CONTRIBUTIONS – CITY OF HARTFORD PENSION PLANS	RSI-6	114
SCHEDULE OF INVESTMENT RETURNS – CITY OF HARTFORD PENSION PLANS	RSI-7	115
SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (CMERS)	RSI-8	116
SCHEDULE OF EMPLOYER CONTRIBUTIONS – CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (CMERS)	RSI-9	117
SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – TEACHERS RETIREMENT PLAN	RSI-10	118
OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS		
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – CITY PLAN	RSI-11	119
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – BOE PLAN	RSI-12	120
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – CITY PLAN	RSI-13	121
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFITS TRUST FUND – BOE PLAN	RSI-14	122
SCHEDULE OF INVESTMENT RETURNS – OTHER POSTEMPLOYMENT BENEFITS TRUST FUND	RSI-15	123
SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – TEACHERS RETIREMENT PLAN	RSI-16	124

**CITY OF HARTFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

COMBINING BALANCE SHEET	A-1	127
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	A-2	128
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING	A-3	129

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET	B-1	132
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	B-2	134
FINANCIAL DATA SCHEDULE SECTION 8 BALANCE SHEET SUMMARY	B-3	136
FINANCIAL DATA SCHEDULE SECTION 8 REVENUE AND EXPENSE SUMMARY	B-3	137

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION	C-1	139
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	C-2	140
COMBINING STATEMENT OF CASH FLOWS	C-3	141

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION	D-1	143
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	D-2	144
COMBINING STATEMENT OF CASH FLOWS	D-3	145

FIDUCIARY TRUST FUNDS

PENSION AND OPEB TRUST FUNDS

COMBINING STATEMENT OF NET POSITION	E-1	148
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	E-2	149

CUSTODIAL FUNDS

COMBINING STATEMENT OF NET POSITION	F-1	151
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	F-2	152

**CITY OF HARTFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

STATISTICAL SECTION

TABLES

FINANCIAL TRENDS

NET POSITION BY COMPONENT	1	155
CHANGES IN NET POSITION	2	156
FUND BALANCES – GOVERNMENTAL FUNDS	3	158
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4	159

REVENUE CAPACITY

ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY	5	160
PRINCIPAL TAXPAYERS	6	161
PROPERTY TAX LEVIES AND COLLECTIONS	7	162

DEBT CAPACITY

RATIOS OF OUTSTANDING DEBT BY TYPE	8	163
COMPUTATION OF LEGAL DEBT MARGIN	9	164
LEGAL DEBT MARGIN INFORMATION	10	165
STATEMENT OF DIRECT AND OVERLAPPING DEBT	11	166

DEMOGRAPHIC AND ECONOMIC STATISTICS

DEMOGRAPHIC AND ECONOMIC STATISTICS	12	167
PRINCIPAL EMPLOYERS	13	168

OPERATING INFORMATION

BUDGETED FULL-TIME EQUIVALENT EMPLOYEES	14	169
OPERATING INDICATORS BY FUNCTION	15	170
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	16	172

INTRODUCTORY SECTION



CITY OF HARTFORD

**DEPARTMENT OF FINANCE
550 Main Street, Room 10
Hartford, CT, 06103**

LUKE A. BRONIN
Mayor

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LEIGH ANN RALLS
Director of Finance

The Honorable Mayor Arunan Arulampalam,
Court of Common Council,
and Esteemed Residents of the
City of Hartford, Connecticut

December 27, 2024

Dear Mayor, Members of Council and Residents:

In accordance with Chapter VIII, Section 5. (a)(1)(iv) of the City of Hartford's Charter, I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Hartford (City) for the fiscal year ended June 30, 2024. This report was prepared in its entirety by the Department of Finance. Responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules and statistical tables rests with the City. To the best of our knowledge and belief, the information provided is accurate in all material respects and is reported to present fairly the financial position of the City as of June 30, 2024. I extend my sincere appreciation and gratitude to our dedicated employees in the Department of Finance and throughout the City for their significant efforts that have resulted in the presentation of this FY2024 ACFR.

The ACFR is designed and prepared in conformance with Generally Accepted Accounting Principles (GAAP) for governmental units as well as the standards of financial reporting promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the laws of the State of Connecticut. This ACFR is consistent with the principles of full disclosure so that the reader may gain the maximum understanding of the City's financial affairs.

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

The City is required to undergo an annual Single Audit in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, Findings, Recommendations and Auditors' Reports on the Internal Control over Financial Reporting and Compliance with Applicable Laws and Regulations are issued under separate cover and are not included in this ACFR. The City is also required to undergo a State Single Audit. Information and reporting related to the State Single Audit is also issued under separate cover.

PROFILE OF THE CITY

The City was founded by Thomas Hooker and his followers in 1635 and was incorporated in 1784. The City is the Capital of the State of Connecticut. Hartford has an estimated 119,000 residents in its 18.4 square mile area and is the employment and cultural center of a metropolitan area with a population of over one million people. The City lies on the west bank of the Connecticut River in the center of the State, midway between New York City and Boston.

The Mayor is the Chief Executive Officer. The Court of Common Council (Council) is comprised of nine members who are elected at large to serve a four-year term in odd numbered years on a partisan basis. The Mayor, who is elected directly to serve a four-year term, acts upon ordinances and resolutions adopted by Council by approving, disapproving, or taking no action. The Board of Education (BOE) is composed of nine members: five appointed by the Mayor and four elected by the voters, all to serve a four-year term. The BOE operates independently of the Council. The City Treasurer is independently elected to serve a four-year term and serves without vote as the Secretary of the City's Pension Commission. The Chief Operating Officer (principal administrative aide of the Mayor), Chief Financial Officer, Corporation Counsel, City Clerk, department heads and members of all boards, commissions, agencies and authorities are appointed by the Mayor subject to Council confirmation, with the exception of the Pension Commission.

The City provides a broad range of services including public safety, street and road maintenance, flood control, solid waste collection, health, social services, parks and recreation, education, planning, development, zoning and general administrative services. The services the City provides originate from a variety of departments and offices, as follows:

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

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

CONTRACT ASSISTANCE, MUNICIPAL OVERSIGHT & LONG-TERM FINANCIAL PLANNING

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

From 2018 until late 2023, the City of Hartford held “Tier 3” designation under the State of Connecticut’s Municipal Accountability Review Board (MARB) to access additional tools in achieving long term fiscal sustainability, welcoming the accountability and oversight of the MARB. As a Tier 3 municipality under MARB oversight, the City of Hartford was required to submit and present monthly financial reports at public meetings to ensure the City was operating responsibly and consistent with its broader financial plan. Additionally, Tier 3 status required that the City’s General Fund recommended budget, labor agreements, and arbitration awards be reviewed by the MARB on an annual basis and revenue assumptions approved by the MARB. Furthermore, in March 2018 the City entered into a Contract Assistance Agreement with the State of Connecticut to service current general obligation debt on an annual basis until such debt is retired. This agreement is backed by the full faith and credit of the State of Connecticut.

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

LONG TERM FINANCIAL PLANNING

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

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

As part of an ongoing commitment to fiscal stability, the city has shifted from the use of debt in financing future infrastructure maintenance and enhancements and ongoing construction to a Pay-As-You-Go capital expense program. Bricks and mortar and longer-lived projects are identified and tracked using a five-year Capital Improvement Plan (CIP). Project requests are received and reviewed by a capital planning committee comprised of various department heads or their designees. The five-year CIP, including each individual project, is adopted annually upon the recommendation of the Mayor and approval by Council. The first year of the five-year CIP is adopted and authorized annually as the “Capital Budget.” The second through the fifth year of the five-year Capital Improvement Plan is adopted as “planned” without authorization to spend.

The CIP is comprised of essential capital needs, with priority placed on maintaining and preserving critical infrastructure such as: streets, sidewalks and bridges, educational facilities, municipal facilities, parks, levies and public safety structure and equipment. A close look at the City’s capital infrastructure reveals an extensive network of assets requiring careful consideration to balance priorities. Four main criteria are considered for all projects including: investments that preserve the City’s existing capital

assets, items of criticality and those that present a material risk, projects that are essential to government functions or enhancements to quality of life, and projects that prioritize health and safety.

In addition to the selection of individual capital projects included in the five-year Capital Improvement Plan, sources of funding are identified including state and federal grants, as well cash contributions. Simultaneous with the five-year capital plan, a vehicle and equipment replacement plan is formulated and reviewed annually. The requested items are reviewed and approved by the capital planning committee and the appropriate funding sources are identified: cash contributions and/or capital leases.

These discrete planning areas provide input for the General Fund long-term planning process. General Fund revenues and expenditures are forecast for five years by both function and category. The long-term planning process is driven not only by affordability, but by the City's core goals and objectives to maintain its infrastructure, provide essential services that support a safe and healthy community for residents, business, and visitors. In addition, the City continuously strives to enhance its fiscal administration by reviewing existing policies and procedures, revising as necessary, and creating new policies and/or procedures that support our evolving environment.

ECONOMIC DEVELOPMENT

Hartford continues its multi-year strategy of fostering a diverse, but strategic set of economic development projects across the city, including residential, multi-use, and commercial property conversion projects downtown along with a renewed focus on the properties, businesses, and supporting city services needed by our outlying neighborhood commercial corridors. Increased residential density in downtown Hartford remains a critical economic development priority – the city continues to see strong occupancy demand for its new residential developments citywide.

The transformation of the “Downtown North” (DoNo) district continues to build on the momentum of 2017's construction of the Yard Goats' Dunkin' Park, home to the Minor League Franchise of the Year, whose attendance has grown for the third consecutive year. The Pennant Apartments opened in 2022 and is nearly 100% occupied at full market rates. The next phases of DoNo construction have broken ground, including the “Arrowhead” parcels, connecting the northern end of downtown to the Albany Avenue commercial corridor at its intersection with Main Street.

Construction has begun on the \$130 million Bushnell South Project, including multi-use buildings in place of surface parking lots south of the landmark Bushnell Park, just one block west of Main Street. New residential, retail, parking garages and performing arts spaces will bring new life to this critically important area between the State Capitol and the rest of downtown.

Hospitals and healthcare are a key focus of development in Hartford. On the south side, approximately \$1 billion in private money is being invested into Hartford Hospital, the Connecticut Children's Hospital, and the neighborhoods and streetscapes surrounding these institutions. Moving to the north side, the city is working closely with Trinity Healthcare on developing surrounding parcels for working wage housing for staff.

In pursuit of additional development opportunities and a renewed vision of Downtown, the city is partnering with the Capital Region Development Authority (CRDA) and the State Department of Economic and Community Development (DECD) to create an action plan to understand and address the aftermath of post-pandemic changes on demand for commercial real estate.

Hartford is entering the final stages of successfully deploying federal American Rescue Plan Act (ARPA) resources to subsidize the renovation and reopening of vacant storefronts in major commercial corridors across the city through the nationally recognized “Hart Lift” program, matching grants for small businesses through the Small Business Investment Fund (SBIF) and a Small Business Façade program.

As recently announced by Mayor Arulampalam, the city will be extending the support of the Hart Lift program to our neighborhood businesses, in addition to housing and youth services grants to bolster

the communities. The city is taking a very active role in encouraging and promoting small business and entrepreneurial services through supporting groups like the Chamber of Commerce, the NRZs, and emerging merchant coalitions.

Parkville also remains a key area of interest for innovation-led development efforts, as the city pursues extensive redevelopment of vacant industrial spaces in the neighborhood. The city is partnering with developers to build hundreds of new apartment units in Parkville, redeveloping the historic Whitney Manufacturing building and building from the ground up on surface parking lots along Bartholomew Avenue.

RELEVANT FINANCIAL POLICIES

The Department of Finance encompasses five divisions: Administration, Accounting & Control, Procurement, Tax Assessment, and Tax Collection. The Department's major responsibilities include general accounting and financial reporting, accounts payable, property assessment, tax collection, debt administration, the procurement of goods and services, contract compliance, payroll and risk management. The Director of Finance is an appointee of the Mayor, subject to confirmation by the Council.

Internal Controls

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

Budgetary Control

Centralized budgetary control of encumbrances and disbursements against appropriations is maintained by department, by major program or activity and by principal object of expenditure with oversight of the City's Office of Management, Budget & Grants. The BOE budget is controlled only as to its total appropriation. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Council.

Cash Management

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

Risk Management

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Leigh Ann Ralls". The signature is fluid and cursive, with the first name "Leigh" being more prominent and larger than the last name "Ralls".

Leigh Ann Ralls

CITY OF HARTFORD, CONNECTICUT
Mayor - Council Form of Government
List of Elected and Principal Officials - As of June 30, 2024

The Honorable Arunan Arulampalam, Mayor

The Honorable Carmen Sierra, Treasurer

The Honorable Court of Common Council

Council President – Shirley Surgeon

Marilyn E. Rossetti, Majority Leader
Thomas Clarke II-Assistant Majority Leader
Alex Thomas-Minority Leader
Kelley Bilodeau

John Q. Gale
Amilcar Hernandez
Joshua Michtom
Maly Rosado

The Honorable Registrars of Voters

Giselle Feliciano (D)

Vanessa Garary-Jackson (R)

Appointed and Other Municipal Officials

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

Olusegun Ajayi
James Woulfe
Jonathan Harding.
Noel F. McGregor
Leigh Ann Ralls, CPA
Constance M. Reik
John S. Philip, CCMA
Nancy S. Raich, Esq., CCMC
Sara Lowenthal
Michelle Harrison
Jeff Auker
Julian Freund
Charisse Snipes
Jason Thody
Rodney L. Barco
Janice Castle
Kristina Baldwin
Jeffrey Covello
Ebony Jackson-Shaheed
Marlene Fleeting
Craig Trujillo, CPA
Christopher Hayes

Board of Education

Jennifer Hockenhull, Chairperson

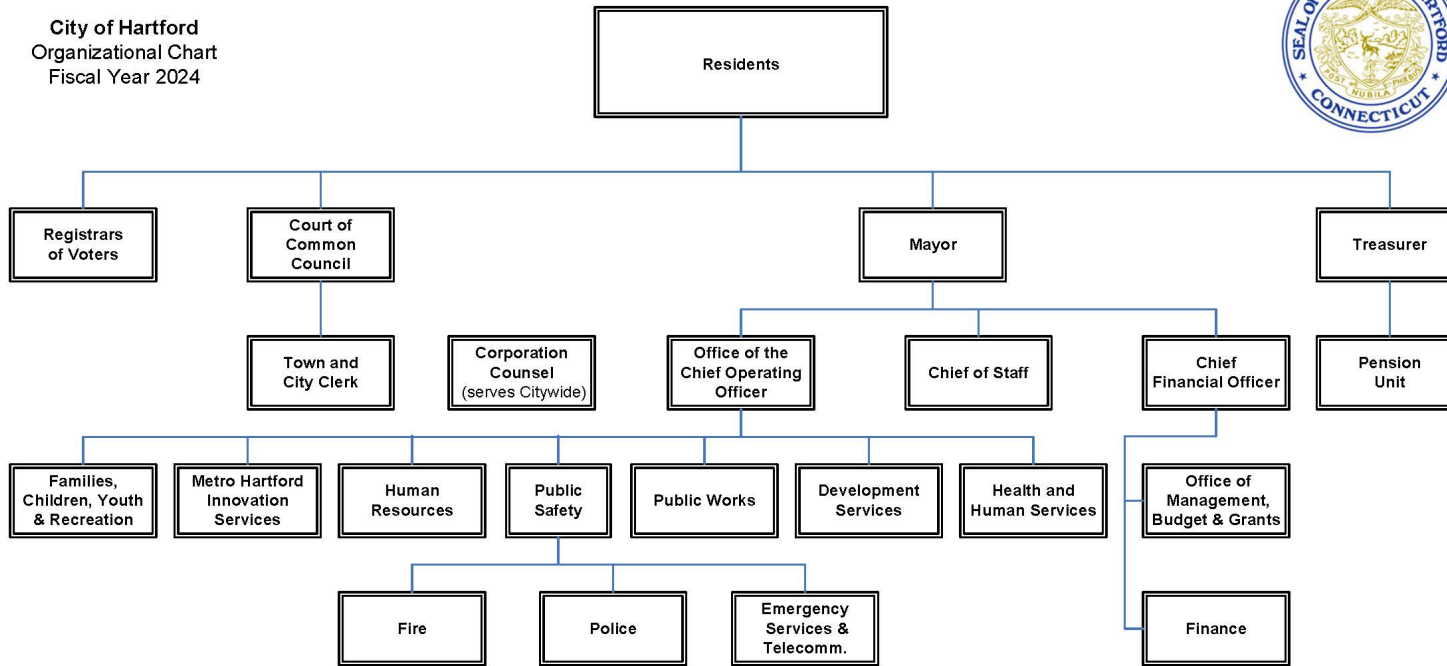
Francoise Deristel-Leger, Vice Chairperson
Tyrone Walker, Second Vice-Chair
Kory Mills, Secretary
Shonta Browdy

Steven Tatum
Ruth Fortune
Steven Wilson
Vacant

Hartford Public Schools

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

City of Hartford
Organizational Chart
Fiscal Year 2024



Boards and Commissions





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hartford
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut, as of June 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Hartford Parking Authority which represents 100% of the assets, net position, revenues and expenses of the discretely presented component unit as of June 30, 2024. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hartford Parking Authority, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hartford, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hartford, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hartford, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules including the financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

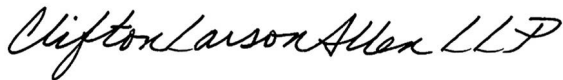
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the City of Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hartford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hartford, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2024

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

This discussion and analysis of the City of Hartford, Connecticut's (the City) financial performance is provided by management to provide an introduction and overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, exhibits I to IX.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

- On a government wide basis, the City's total net position increased \$160.1 million to \$920.9 million including recognition of the OPEB (other post-employment benefits) liability of \$248 million and \$547 million of net pension liability.
- The \$902.1 million net position of governmental activities increased by \$160.5 million, or 21.7%. The increase is mainly due to an increase in construction in progress from mainly 5 schools currently under construction, the paydown of bonds payable by reducing long term liabilities by \$30m as well as a reduction of \$78m to the OPEB and pension liabilities. The net position of our business-type activities remained consistent.
- The city received \$69.9 million in capital grants and contributions related to construction grants from the State in support of several schools being renovated or under construction. The city also received capital grants related to various public works projects.
- The total cost of the City's programs for the year was \$1.03 billion.
- The General Fund reported a total fund balance this year of \$73.4 million.
- The General Fund's revenues available for appropriation and other financing sources were \$19.1 million more than budgeted and expenditures and other financing uses were \$11.0 million less than the appropriated amount of \$643.6 million. The total fund balance increased \$14.2 million in the current year on a budget basis.
- The revenue surplus in the General Fund is primarily due to:
 - increased tax collections over prior year of \$7 million,
 - unplanned interest income due to strong market conditions that exceeded expectations by \$4.0 million
 - an increase of payment in lieu of taxes and municipal revenue sharing grant from the State of CT of \$5.3m revenues over budget.
- The main factors that contributed to the favorable budget variance of \$11.0 million in expenditure in the General Fund was:
 - most departments citywide had payroll savings due to vacant positions,
 - vacancies were partially offset by an increase in overtime,
- vacant positions resulted in additional savings in employee benefits.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by Charter. In addition to the Charter required funds, the Finance Department establishes other funds to organize, control and manage financial activities for specific purposes (e.g., Capital Improvement Fund) or to demonstrate that the City is meeting legal responsibilities for using grants, and other money (e.g., Educational Grants, Health Grants and Miscellaneous Grants Funds). The City's funds are divided into three categories for accounting purposes:

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

- *Governmental funds (Exhibits III and IV)* - Most of the City's basic services are reported in governmental funds, which focus on how resources flow into and out of those funds and the remaining balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's operations and programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation reported separately from the fund financial statements.
- *Proprietary funds (Exhibits V, VI, and VII)* - When the City charges a fee to customers for the services it provides, whether to other units of the City or non-City individuals or entities, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Self-Insurance Internal Service Funds and the City's Metro Hartford Innovation Services Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position increased from a year ago by \$58.7 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	\$ 636,018	\$ 658,600	\$ 4,272	\$ 4,721	\$ 640,290	\$ 663,321
Capital Assets, Net of Accumulated Depreciation	1,811,037	1,721,329	73,335	75,653	1,884,372	1,796,982
Total Assets	2,447,055	2,379,929	77,607	80,374	2,524,662	2,460,303
Deferred Outflow of Resources	55,236	111,846	-	-	55,236	111,846
Liabilities:						
Current	181,928	217,291	1,643	1,740	183,571	219,031
Long-Term Liabilities Outstanding	1,246,139	1,369,285	57,185	59,393	1,303,324	1,428,678
Total liabilities	1,428,067	1,586,576	58,828	61,133	1,486,895	1,647,709
Deferred Inflow of Resources	162,226	163,639	-	-	162,226	163,639
Net Position:						
Net investments in Capital Assets	1,438,838	1,327,948	16,150	16,260	1,454,988	1,344,208
Restricted	122,855	105,843	-	-	122,855	105,843
Unrestricted	(649,695)	(692,231)	2,629	2,981	(647,066)	(689,250)
Total Net Position	\$ 911,998	\$ 741,560	\$ 18,779	\$ 19,241	\$ 930,777	\$ 760,801

The City's government-wide net position of \$902.1 million represents an increase of \$160.5 million over last year's net position of \$741.6 million. This increase was largely due to an increase non depreciable capital assets as there are 5 schools currently under construction. Increased school construction grants related to the 5 schools are responsible for the increase to unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants. City business-type activities net position decreased \$0.5 million in 2024. The reasons for the increase can be found below.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 29,129	\$ 22,410	\$ 6,240	\$ 6,382	\$ 35,369	\$ 28,792
Operating Grants and Contributions	598,772	557,242	-	-	598,772	557,242
Capital Grants and Contributions	69,801	27,275	91	-	69,892	27,275
General Revenues:						
Property Taxes	309,363	310,908	-	-	309,363	310,908
Grants Not Restricted to Specific Programs	163,094	153,101	-	-	163,094	153,101
Unrestricted Investment Earnings	14,696	12,457	46	47	14,742	12,504
Other General Revenues	3,412	3,107	-	-	3,412	3,107
Total Revenues	1,188,267	1,086,500	6,377	6,429	1,194,644	1,092,929
Expenses:						
General Government	157,708	195,904	-	-	157,708	195,904
Public Safety	97,379	105,822	-	-	97,379	105,822
Public Works	43,640	35,254	-	-	43,640	35,254
Development and Community Affairs	30,458	46,414	-	-	30,458	46,414
Human Services	103,693	95,573	-	-	103,693	95,573
Education	537,310	513,630	-	-	537,310	513,630
Recreation and Culture	36,554	30,502	-	-	36,554	30,502
Interest on Long-Term Debt	9,937	15,260	-	-	9,937	15,260
Hartford Parking Facilities	-	-	994	714	994	714
Hartford Stadium Authority	-	-	2,411	2,328	2,411	2,328
Golf Course	-	-	4,584	4,736	4,584	4,736
Total Expenses	1,016,679	1,038,359	7,989	7,778	1,024,668	1,046,137
Change in Net Position Before Transfers	171,588	48,141	(1,612)	(1,349)	169,976	46,792
Transfers	(1,150)	(1,720)	1,150	1,720	-	-
Change in Net Position	170,438	46,421	(462)	371	169,976	46,792
Net Position at Beginning of Year	741,560	695,139	19,241	18,870	760,801	714,009
Net Position at End of Year	\$ 911,998	\$ 741,560	\$ 18,779	\$ 19,241	\$ 930,777	\$ 760,801

The City's total revenue in 2024 of \$1,194.6 million represents an increase of \$101.7 million over last year mainly due to operating grants and capital grants. Operating grants and contributions increased \$41.5 million due mainly to the increased State payment in lieu of taxes payments and the increased municipal revenue share received from the State. Capital grants increased \$42.6 million due to the 5 school construction grants for schools under renovation or full construction.

The following sources of revenue also increased: other grants of \$10.0 million, charges for services \$6.6 million and investment earnings by \$2.2 million. Interest income exceeded budget for a second year due to the favorable investment market resulting in increased interest received.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

The City's total program expenses of \$1.0 billion represent a decrease of \$11.6 million over last year. The increase in the Board of Education's Special Funds revenue and expenditures reflect increased use of Federal COVID relief fund grants. Other departments had increased expenditures as vacant positions that were difficult to fill are gradually filled. There was also significant development activity happening City wide because of pandemic recovery and use of the American Rescue Plan Act grants.

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

Governmental Activities

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

**TABLE 3
GOVERNMENTAL ACTIVITIES (IN THOUSANDS)**

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Government	\$ 157,708	\$ 195,904	\$ 144,802	\$ 167,893
Public Safety	97,379	105,822	85,772	93,358
Public Works	43,640	35,254	29,109	19,985
Human Services	103,693	95,573	83,864	76,262
Education	537,310	513,630	27,305	93,573
Recreation and Culture	36,554	30,502	11,498	3,827
All Others	40,395	61,674	(63,373)	(23,466)
Total	<u>\$ 1,016,679</u>	<u>\$ 1,038,359</u>	<u>\$ 318,977</u>	<u>\$ 431,432</u>

General Fund Budget

City experienced several variances between the adopted budget versus the final budget for the General Fund. For revenues, there was an increase to the adopted budget of \$619,171 million for \$8.5 million. The increases were in the non-business license and permits/building structure and equipment permits for \$6 million and intergovernmental revenue/payment in lieu of taxes for \$2.5 million. The reason for these increases is to appropriate funds by Court of Common Council resolution from the FY2024 projected surplus to support additional funding needs for the vehicle equipment and technology fund (\$2.5 million) as well as the Capital Projects funds (\$6.0 million).

For expenditures, there was 1 decrease to the adopted budget of \$22.6 million in Benefits and Insurance however, the corresponding increase was in the Sundry. There was 1 additional increase in Sundry for \$23.4 million. \$15.9 million of the increase represented use of the FY2023 assigned fund balance. The FY2023 assigned fund balance was used as follows: \$9.9 million to fund a legal settlement, \$3.5 million was used to fund construction of a new library branch, \$1.5 million was used to fund economic development throughout the City, and \$1 million was used to purchase vehicles and equipment for the operating departments. As mentioned above, a Court of Common Council resolution appropriated \$6.0 million from the FY2024 projected surplus to support additional funding needs for Capital Projects in the City. Since the City shifted to using the pay as you go approach to fund capital projects, only essential projects are completed. Additional funding allows the City to work on other capital needs of the City. Lastly, \$1.6 million was transferred to operating departments to cover excess overtime, a shortfall to fund a fire department apparatus, and to fund a capital project regarding drainage.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Business-Type Activities

Both revenues and expenses from the Hartford Parking Authority provided to the Hartford Parking Facilities Fund to finance debt service and capital improvements incurred losses when compared to the previous year's activity. The Golf Courses ended FY2024 with a deficit of \$231 thousand due to less rounds sold in conjunction with increased operational expenses. Parking operations had similar results in 2024 as well with less parking revenues and increased operational expenses. The Hartford Stadium Authority had a reduction to unrestricted net position in FY2024 of \$590 thousand.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

The City's combined General Fund reported an overall fund balance increase of \$14.1 million during 2024 as compared with an increase of \$20.7 million in 2023. This increase is mainly due to increased tax collections over the prior year of \$7m, unplanned interest income due to strong market conditions that exceeded expectations by \$4.0 million, an increase of payment in lieu of taxes and municipal revenue share from the State of CT of \$5.3 revenues over budget and interest income exceeding budgeted expectations by \$2.2 million. In addition to excess revenues on the expenditure side the City experienced significant savings in salaries and benefits due to vacancies throughout all departments in the City which were offset by increased overtime. The combined General Fund's unassigned fund balance on June 30, 2024 is \$43.3 million representing 7.0 percent of the General Fund's 2024 original budgetary appropriations. Refer to RSI-1 and RSI-2 for details on other favorable and unfavorable variances in comparison to budgetary estimates.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

The Capital Improvement Fund reported a fund balance decrease of \$39.7 million which is mainly related to increased school construction capital projects and the timing in receiving reimbursements from the State for these projects. The City shifted to a Pay-As-You-Go Capital Improvement Program, whereby the capital expenditure program is funded primarily from the General Fund. The City closely managed capital project spending throughout the fiscal year by prioritizing projects, completing, and closing out prior years' authorized projects. The Finance Department, Office of Management, Budget & Grants, Director of Capital Projects meet routinely with the staff of public works and development services departments to focus on the capital needs of the City mainly related to maintaining and preserving our capital infrastructure.

The Education Grant Fund had a decrease in fund balance of \$3.2 million. The decrease is due to the timing of the receipt of grant reimbursements.

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

The City's other governmental funds reported an increase of \$7.1 million in fund balance for the year, mainly due to increased revenues resulting from General Fund contributions to several projects..

Internal Service Funds

The net position of the City's self-insurance and technology programs decreased \$3.2 million due to the use of reserves to fund health care claims by Hartford Public Schools in the active employee's health insurance fund. All other internal service funds remained relatively consistent from the previous year. The City will continue its efforts to develop a funding plan for its post-retirement benefits liabilities based on the actuaries' estimates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the City had \$1.8 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 \$90 million (Note 6 to the financial statements). Construction in progress additions of \$124 million represent the majority of capital additions recorded by the City from the multiple schools under construction or renovation. Most active projects qualify for capitalization under the City's asset capitalization policy.

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 86	\$ 87	\$ 6	\$ 6	\$ 92	\$ 93
Land Improvements	32	33	-	-	32	33
Buildings and Improvements	942	973	67	70	1,009	1,043
Machinery and Equipment	21	18	-	-	21	18
Infrastructure	182	185	-	-	182	185
Construction in Progress	543	419	-	-	543	419
Right to use Leased Assets	5	6	-	-	5	6
Total	<u>\$ 1,811</u>	<u>\$ 1,721</u>	<u>\$ 73</u>	<u>\$ 76</u>	<u>\$ 1,884</u>	<u>\$ 1,797</u>

There are approximately 265 active projects in the City's Capital Improvement Fund. Total expenditures for all projects during the fiscal year amounted to \$132.9 million. New and supplemental appropriations are reflected in the FY2024 adopted budget.

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

Long-Term Debt

The City did not issue any long-term debt in fiscal year 2024. However, in March 2018 the City entered into a Contract Assistance Agreement with the State of Connecticut to service \$540 million in current general obligation debt service until such debt was retired. This agreement is backed by the full faith and credit of the State of Connecticut. Under the contract assistance agreement, the City must meet certain financial requirements. Lack of compliance with such requirements would trigger a default, thus placing the City in Tier 4 full oversight by the State of Connecticut. As part of this agreement, the City of Hartford is subject to financial oversight, accepts limitations on the issuance of new debt, and must refinance existing debt when the market conditions produce significant savings. On April 26, 2023, in conjunction with the State of Connecticut, the City did refund \$125 million of existing debt producing \$13 million of savings.

At June 30, 2024, the City had \$343 million in governmental bonds outstanding versus \$376 million last year, a decrease of 8.9% as shown in Table 5. The City has approximately \$6.3 million in restricted cash and investments to offset this debt.

TABLE 5 (IN MILLIONS)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 343	\$ 376	\$ 1	\$ 1	\$ 344	\$ 377
Revenue Bonds	-	-	56	58	56	58
Total	<u>\$ 343</u>	<u>\$ 376</u>	<u>\$ 57</u>	<u>\$ 59</u>	<u>\$ 400</u>	<u>\$ 435</u>

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

**CITY OF HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Connecticut's unemployment rate was estimated by the Connecticut Department of Labor to be 3.0% for October 2024 (seasonally adjusted). This is 0.5% lower than October 2023, and 4.4% lower than the November 2020 rate of 7.9%. The October 2024 unemployment rate for Hartford of 4.3% is 0.8% lower than the 5.1% October 2023. The Consumer Price Index is 2.7 percent (unadjusted - all items) for the 12-months ended November 2024.

The FY2025 Adopted Budget is consistent with the Municipal Recovery Plan and reflects the City's commitment to fiscal discipline. In 2018, the State of Connecticut through PA 17-2, established a Municipal Accountability Review Board to support financially distressed municipalities in achieving fiscal sustainability. The City of Hartford provided a 5-year Municipal Recovery Plan to the MARB in March 2018 which comprised of revenue and expenditures assumptions, contract assistance for debt service, labor concessions, economic development goals and initiatives to generate grand list growth. The recovery plan required the City to shift to a Pay-As-You-Go Capital Improvement Program, whereby the capital expenditure program is funded primarily from the General Fund. The recovery plan was reviewed in detail by the full MARB and a subcommittee thereof and approved in June 2018 where the City received \$20 million in restructuring funds. Under the MARB, the City is required to submit an updated Municipal Recovery Plan annually in concert with the Mayor's Recommended General Fund Budget.

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

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the monies it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Hartford, 550 Main Street, Hartford, Connecticut 06103, or by telephone (860) 757-9670.

BASIC FINANCIAL STATEMENTS

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hartford Parking Authority
ASSETS				
Cash and Cash Equivalents	\$ 259,335	\$ 4,692	\$ 264,027	\$ 731
Investments	31,777	-	31,777	-
Restricted Cash and Cash Equivalents	1,056	2,893	3,949	-
Restricted Investments	6,346	-	6,346	-
Receivables, Net:				
Property Taxes	86,396	-	86,396	-
Accounts	142,929	421	143,350	2,131
Loans	39,325	-	39,325	-
Intergovernmental	62,361	-	62,361	-
Due from Component Unit	-	173	173	-
Internal Balances	3,907	(3,907)	-	-
Other Assets	624	-	624	-
Net OPEB Asset	1,962	-	1,962	-
Capital Assets, Nondepreciable	628,722	6,087	634,809	-
Capital Assets, Net of Accumulated Depreciation	1,182,315	67,248	1,249,563	-
Total Assets	<u>2,447,055</u>	<u>77,607</u>	<u>2,524,662</u>	<u>2,862</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	24,152	-	24,152	-
Deferred Outflows Related to OPEB	31,084	-	31,084	-
Total Deferred Outflows of Resources	<u>55,236</u>	<u>-</u>	<u>55,236</u>	<u>-</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	123,255	1,643	124,898	651
Due to Primary Government	-	-	-	173
Unearned Revenue	58,673	-	58,673	2,038
Noncurrent Liabilities:				
Due Within One Year	55,948	2,125	58,073	-
Due in More than One Year	1,190,191	55,060	1,245,251	-
Total Liabilities	<u>1,428,067</u>	<u>58,828</u>	<u>1,486,895</u>	<u>2,862</u>
DEFERRED INFLOWS OF RESOURCES				
Advance Property Tax Collections	2,458	-	2,458	-
Deferred Charge on Refunding	9,941	-	9,941	-
Deferred Inflows Related to Pensions	6,066	-	6,066	-
Deferred Inflows Related to OPEB	140,880	-	140,880	-
Deferred Inflows Related to Leases	2,881	-	2,881	-
Total Deferred Inflows of Resources	<u>162,226</u>	<u>-</u>	<u>162,226</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	1,438,838	16,150	1,454,988	-
Restricted:				
Debt Service	8,491	-	8,491	-
Housing Loans and Grants	5,363	-	5,363	-
Other Miscellaneous Grants	61,067	-	61,067	-
Education	15,970	-	15,970	-
Trust Purposes:				
Expendable	23,606	-	23,606	-
Nonexpendable	8,358	-	8,358	-
Unrestricted	<u>(649,695)</u>	<u>2,629</u>	<u>(647,066)</u>	<u>-</u>
Total Net Position	<u>\$ 911,998</u>	<u>\$ 18,779</u>	<u>\$ 930,777</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF HARTFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			Component Unit Hartford Parking Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental Activities:								
General Government	\$ 157,708	\$ 1,561	\$ 11,345	\$ -	\$ (144,802)	\$ -	\$ (144,802)	\$ -
Public Safety	97,379	7,732	3,501	374	(85,772)	-	(85,772)	-
Public Works	43,640	408	-	14,123	(29,109)	-	(29,109)	-
Development and Community Affairs	30,458	16,271	87,497	-	73,310	-	73,310	-
Human Services	103,693	234	19,595	-	(83,864)	-	(83,864)	-
Recreation and Culture	36,554	597	24,459	-	(11,498)	-	(11,498)	-
Education	537,310	2,326	452,375	55,304	(27,305)	-	(27,305)	-
Interest on Long-Term Debt	9,937	-	-	-	(9,937)	-	(9,937)	-
Total Governmental Activities	1,016,679	29,129	598,772	69,801	(318,977)	-	(318,977)	-
Business-Type Activities:								
Hartford Parking Facilities	994	3,024	-	-	-	2,030	2,030	-
Golf Course	2,411	2,033	-	91	-	(287)	(287)	-
Hartford Stadium Authority	4,584	1,183	-	-	-	(3,401)	(3,401)	-
Total Business-Type Activities	7,989	6,240	-	91	-	(1,658)	(1,658)	-
Total Primary Government	\$ 1,024,668	\$ 35,369	\$ 598,772	\$ 69,892	(318,977)	(1,658)	(320,635)	-
COMPONENT UNIT								
Hartford Parking Authority	\$ 7,341	\$ 7,341	\$ -	\$ -				
GENERAL REVENUES								
Property Taxes					309,363	-	309,363	-
Grants and Contributions not Restricted to Specific Programs					163,094	-	163,094	-
Unrestricted Investment Earnings					14,696	46	14,742	-
Miscellaneous					3,412	-	3,412	-
Transfers					(1,150)	1,150	-	-
Total General Revenues and Transfers					489,415	1,196	490,611	-
CHANGE IN NET POSITION					170,438	(462)	169,976	-
Net Position - Beginning of Year					741,560	19,241	760,801	-
NET POSITION - END OF YEAR					\$ 911,998	\$ 18,779	\$ 930,777	\$ -

See accompanying Notes to Financial Statements.

**CITY OF HARTFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024
(IN THOUSANDS)**

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and Cash Equivalents	\$ 102,362	\$ 48,368	\$ 2,258	\$ -	\$ -	\$ 7,169	\$ 44,055	\$ 37,922	\$ 242,134
Restricted Cash	-	-	-	1,056	-	-	-	-	1,056
Investments	-	-	-	-	-	-	-	31,777	31,777
Restricted Investments	-	-	-	6,346	-	-	-	-	6,346
Receivables, Net	92,385	132,047	36,228	-	46,486	-	8,962	13,146	329,254
Due from Other Funds	21,463	-	-	1,089	-	-	-	49	22,601
Other Assets	-	-	-	-	-	-	-	624	624
Total Assets	\$ 216,210	\$ 180,415	\$ 38,486	\$ 8,491	\$ 46,486	\$ 7,169	\$ 53,017	\$ 83,518	\$ 633,792
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable and Accrued Liabilities	\$ 51,240	\$ 29,315	\$ 247	\$ -	\$ 21,939	\$ 6	5,542	\$ 4,384	\$ 112,673
Due to Other Funds	49	-	-	-	17,022	-	-	1,623	18,694
Unearned Revenue	174	33,257	-	-	2,674	7,163	9,052	6,353	58,673
Total Liabilities	51,463	62,572	247	-	41,635	7,169	14,594	12,360	190,040
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Property	83,061	-	-	-	-	-	-	-	83,061
Unavailable Revenue - Other Receivable	2,904	131,947	36,178	-	-	-	4,065	4,586	179,680
Deferred Inflows Related to Leases	2,880	-	-	-	-	-	-	-	2,880
Advance Property Tax Collections	2,458	-	-	-	-	-	-	-	2,458
Total Deferred Inflows of Resources	91,303	131,947	36,178	-	-	-	4,065	4,586	268,079
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	8,982	8,982
Restricted	-	-	2,061	8,491	4,851	-	34,358	47,581	97,342
Committed	741	-	-	-	-	-	-	10,063	10,804
Assigned	29,380	-	-	-	-	-	-	-	29,380
Unassigned	43,323	(14,104)	-	-	-	-	-	(54)	29,165
Total Fund Balances	73,444	(14,104)	2,061	8,491	4,851	-	34,358	66,572	175,673
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 216,210	\$ 180,415	\$ 38,486	\$ 8,491	\$ 46,486	\$ 7,169	\$ 53,017	\$ 83,518	\$ 633,792

See accompanying Notes to Financial Statements.

**CITY OF HARTFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$	175,673
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets		2,930,040
Less: Accumulated Depreciation		(1,119,003)
Net Capital Assets		1,811,037

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

Property Tax Receivables Greater than 60 Days		49,001
Interest Receivable on Property Taxes		34,060
Housing Loans Receivable		36,178
Other Receivables		143,502
Deferred Outflows Related to Pensions		24,152
Deferred Outflows Related to OPEB		31,084
Net OPEB Asset		1,962

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

(21,080)

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

Bonds Payable		(342,619)
Premium on Bonds		(31,515)
Deferred Charge on Refunding		(9,941)
Accrued Interest Payable		(6,862)
HUD Loans		(4,095)
Lease Liability		(5,317)
Clean Water Fund Notes		(336)
Compensated Absences		(26,285)
Claims and Judgements		(3,000)
Net OPEB Liability		(248,447)
Net Pension Liability - CMERS		(46,409)
Net Pension Liability - MERF		(500,829)
Net Pension Liability - RAF/PBF/FRF		(938)
Net Pension Liability - 415(m)		(32)
Deferred Inflows Related to Pensions		(6,066)
Deferred Inflows Related to OPEB		(140,880)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$	911,998
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See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	General	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Property Taxes	\$ 310,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,348
Licenses, Permits, and Other Charges	13,364	-	-	-	-	-	-	-	13,364
Intergovernmental Revenues	399,212	68,500	-	-	210,030	25,357	24,422	116,207	843,728
Charges for Services	2,577	-	-	-	-	-	7,081	3,057	12,715
Use of Property	904	-	-	-	-	-	-	-	904
Investment Income	10,750	288	92	337	-	-	-	3,675	15,142
Miscellaneous	1,339	844	1,017	73	-	-	47	91	3,411
Total Revenues	<u>738,494</u>	<u>69,632</u>	<u>1,109</u>	<u>410</u>	<u>210,030</u>	<u>25,357</u>	<u>31,550</u>	<u>123,030</u>	<u>1,199,612</u>
EXPENDITURES									
Current:									
General Government	16,092	-	-	-	-	5,625	8,737	725	31,179
Public Safety	97,338	-	-	-	-	-	6,737	71	104,146
Public Works	21,290	-	-	-	-	-	1,057	8	22,355
Development and Community Affairs	5,079	-	1,866	-	-	-	14,743	9,153	30,841
Human Services	4,103	-	-	-	-	15,352	-	84,248	103,703
Education	331,732	-	-	-	215,019	-	-	23,289	570,040
Recreation and Culture	11,713	-	-	-	-	-	21,893	2,945	36,551
Benefits and Insurance	81,910	-	-	-	-	-	-	-	81,910
Other	50,815	-	-	-	-	-	-	-	50,815
Capital Outlay	-	132,866	-	-	-	-	-	3,402	136,268
Debt Service	220	-	-	50,016	-	-	-	605	50,841
Total Expenditures	<u>620,292</u>	<u>132,866</u>	<u>1,866</u>	<u>50,016</u>	<u>215,019</u>	<u>20,977</u>	<u>53,167</u>	<u>124,446</u>	<u>1,218,649</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	118,202	(63,234)	(757)	(49,606)	(4,989)	4,380	(21,617)	(1,416)	(19,037)
OTHER FINANCING SOURCES (USES)									
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-
Proceeds from Leases	-	-	-	-	-	-	-	-	-
Transfers in from Other Funds	5,858	25,901	-	49,975	1,750	-	27,696	11,948	123,128
Transfers Out to Other Funds	(109,999)	(2,405)	-	-	-	(4,380)	(4,111)	(3,383)	(124,278)
Total Other Financing Sources (Uses)	<u>(104,141)</u>	<u>23,496</u>	<u>-</u>	<u>49,975</u>	<u>1,750</u>	<u>(4,380)</u>	<u>23,585</u>	<u>8,565</u>	<u>(1,150)</u>
NET CHANGE IN FUND BALANCES	14,061	(39,738)	(757)	369	(3,239)	-	1,968	7,149	(20,187)
Fund Balances - Beginning of Year	<u>59,383</u>	<u>25,634</u>	<u>2,818</u>	<u>8,122</u>	<u>8,090</u>	<u>-</u>	<u>32,390</u>	<u>59,423</u>	<u>195,860</u>
FUND BALANCES - END OF YEAR	<u>\$ 73,444</u>	<u>\$ (14,104)</u>	<u>\$ 2,061</u>	<u>\$ 8,491</u>	<u>\$ 4,851</u>	<u>\$ -</u>	<u>\$ 34,358</u>	<u>\$ 66,572</u>	<u>\$ 175,673</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ (20,187)

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

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

Capital Outlay	142,707
Depreciation Expense	(50,486)
Loss on Disposition of Capital Assets	(2,513)

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

Property Taxes Collected After 60 Days	(285)
Interest Income on Property Taxes	(700)
Housing Loans Receivable	1,987
Other Receivables	34,216
Change in Deferred Outflows Related to Pensions	(50,084)
Change in Deferred Outflows Related to OPEB	(4,401)
Change in Net OPEB Asset	1,962

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

Bond Principal Payments	33,618
HUD Loans Principal Payments	385
Clean Water Fund Notes Principal Payments	108
Amortization of Lease Liability	1,631

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

Amortization of Deferred Charges in Refunding	1,998
Amortization of Premium	4,497
Accrued Interest	(1,335)
Change in Long-Term Compensated Absences	(182)
Change in Claims and Judgements	9,900
Change in Net OPEB Liability	41,303
Change in Net Pension Liability - CMERS	(5,901)
Change in Net Pension Liability - MERF	37,647
Change in Net Pension Liability - RAF/PBF/FRF	42
Change in Net Pension Liability - 415(m)	42
Change in Deferred Inflows Related to Pensions	5,013
Change in Deferred Inflows Related to OPEB	(7,393)

The Net Expense of the Internal Service Funds is Reported with Governmental Activities. (3,151)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II) \$ 170,438

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024
(IN THOUSANDS)

	Business-Type Activities Enterprise Funds			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 4,692	\$ 4,692	\$ 17,201
Restricted Cash	2,893	-	2,893	-
Receivables, Net	399	22	421	1,757
Due from Component Unit	-	173	173	-
Total Current Assets	<u>3,292</u>	<u>4,887</u>	<u>8,179</u>	<u>18,958</u>
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated	-	6,087	6,087	-
Being Depreciated, Net	55,777	11,471	67,248	-
Total Noncurrent Assets	<u>55,777</u>	<u>17,558</u>	<u>73,335</u>	<u>-</u>
Total Assets	59,069	22,445	81,514	18,958
LIABILITIES				
Current Liabilities:				
Accounts Payable and Other Payables	1,086	557	1,643	3,721
Due to Other Funds	138	3,769	3,907	-
Current Maturities of Risk Management Claims	-	-	-	20,981
Current Maturities of Bonds Payable	2,010	115	2,125	-
Total Current Liabilities	<u>3,234</u>	<u>4,441</u>	<u>7,675</u>	<u>24,702</u>
Noncurrent Liabilities:				
Risk Management Claims	-	-	-	15,336
Bonds Payable	54,059	1,001	55,060	-
Total Noncurrent Liabilities	<u>54,059</u>	<u>1,001</u>	<u>55,060</u>	<u>15,336</u>
Total Liabilities	57,293	5,442	62,735	40,038
NET POSITION				
Net Investment in Capital Assets	(292)	16,442	16,150	-
Unrestricted	2,068	561	2,629	(21,080)
Total Net Position	<u>\$ 1,776</u>	<u>\$ 17,003</u>	<u>\$ 18,779</u>	<u>\$ (21,080)</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 1,183	\$ 5,057	\$ 6,240	\$ 66,472
Employee and Pensioners Charges for Insurance	-	-	-	18,141
Other	-	-	-	3,438
Total Operating Revenues	<u>1,183</u>	<u>5,057</u>	<u>6,240</u>	<u>88,051</u>
OPERATING EXPENSES				
Administrative	180	-	180	4,267
Operations	-	2,665	2,665	8,549
Insurance Benefits and Claims	-	-	-	78,386
Depreciation	1,725	684	2,409	-
Total Operating Expenses	<u>1,905</u>	<u>3,349</u>	<u>5,254</u>	<u>91,202</u>
OPERATING INCOME (LOSS)	(722)	1,708	986	(3,151)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	46	-	46	-
Interest Expense	(2,679)	(56)	(2,735)	-
Total Nonoperating Revenues (Expenses)	<u>(2,633)</u>	<u>(56)</u>	<u>(2,689)</u>	<u>-</u>
INCOME (LOSS) BEFORE TRANSFERS	(3,355)	1,652	(1,703)	(3,151)
Capital Contributions	-	91	91	-
Transfers In	4,647	-	4,647	-
Transfers Out	(933)	(2,564)	(3,497)	-
CHANGE IN NET POSITION	359	(821)	(462)	(3,151)
Net Position - Beginning of Year	<u>1,417</u>	<u>17,824</u>	<u>19,241</u>	<u>(17,929)</u>
NET POSITION - END OF YEAR	<u>\$ 1,776</u>	<u>\$ 17,003</u>	<u>\$ 18,779</u>	<u>\$ (21,080)</u>

See accompanying Notes to Financial Statements.

**CITY OF HARTFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Hartford Stadium Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
City's Contribution	\$ -	\$ -	\$ -	\$ 66,472
Receipts from Customers and Users	1,150	5,051	6,201	20,109
Payments to Suppliers	(254)	(2,733)	(2,987)	-
Payments for Benefits and Claims	-	-	-	(92,558)
Cash Received for Interfund Services	(13)	-	(13)	-
Payments for Interfund Services Used	-	670	670	-
Net Cash Provided (Used) by Operating Activities	<u>883</u>	<u>2,988</u>	<u>3,871</u>	<u>(5,977)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer In	4,647	-	4,647	-
Transfer Out	(933)	(2,564)	(3,497)	-
Principal Paid on Bonds	(1,940)	(222)	(2,162)	-
Interest Paid on Bonds	(2,679)	(56)	(2,735)	-
Net Cash Used by Capital Financing Activities	<u>(905)</u>	<u>(2,842)</u>	<u>(3,747)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	<u>46</u>	<u>-</u>	<u>46</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24	146	170	(5,977)
Cash and Cash Equivalents - Beginning of Year	<u>2,869</u>	<u>4,546</u>	<u>7,415</u>	<u>23,178</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,893</u>	<u>\$ 4,692</u>	<u>\$ 7,585</u>	<u>\$ 17,201</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (722)	\$ 1,708	\$ 986	\$ (3,151)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	1,725	684	2,409	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(33)	(6)	(39)	(1,470)
(Increase) Decrease in Due from Other Funds	(13)	1,122	1,109	-
Increase (Decrease) in Accounts Payable	(74)	(68)	(142)	(1,301)
Increase (Decrease) in Due to Other Funds	-	(452)	(452)	-
Increase (Decrease) in Unearned Revenue	-	-	-	-
Increase (Decrease) in Claims Payable	-	-	-	(55)
Total Adjustments	<u>1,605</u>	<u>1,280</u>	<u>2,885</u>	<u>(2,826)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 883</u>	<u>\$ 2,988</u>	<u>\$ 3,871</u>	<u>\$ (5,977)</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Pension and OPEB Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 46,939	\$ -
Investments, at Fair Value:		
U.S. Government Agencies	16,307	-
U.S. Government Securities	14,063	-
Corporate Bonds	66,246	-
Municipal Bonds	1,413	-
Mutual Funds	17,763	-
Alternative Investments	359,138	-
Common and Collective Trusts	288,024	-
Land	5,000	-
Real Estate Funds	73,146	-
Equities	268,025	-
Total Investments	<u>1,109,125</u>	<u>-</u>
Receivables:		
Accounts Receivable	<u>2,167</u>	<u>-</u>
Total Assets	1,158,231	-
LIABILITIES		
Accounts Payable and Accrued Liabilities	<u>5,786</u>	<u>-</u>
Total Liabilities	<u>5,786</u>	<u>-</u>
NET POSITION		
Restricted for Pension Benefits	1,124,257	-
Restricted for OPEB Benefits	<u>28,188</u>	<u>-</u>
Total Net Position	<u>\$ 1,152,445</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Pension and OPEB Trust Funds	Custodial Funds
ADDITIONS:		
Contributions:		
Employer	\$ 68,936	\$ -
Plan Members	17,141	-
Collections from Other Governments	-	1,133
Total Contributions and Other Revenues	86,077	1,133
Investment Income:		
Net Increase in Fair Value of Investments	92,131	-
Interest and Dividends	20,409	-
Total Investment Income	112,540	-
Less: Investment Expenses		
Investment Management Fees	11,901	-
Net Investment Income	100,639	-
Total Additions	186,716	1,133
DEDUCTIONS:		
Benefits	133,623	-
Administrative Expense	2,945	-
Payments to Other Governments	-	1,133
Total Deductions	136,568	1,133
CHANGE IN NET POSITION	50,148	-
Net Position - Beginning of Year	1,102,297	-
NET POSITION - END OF YEAR	\$ 1,152,445	\$ -

See accompanying Notes to Financial Statements.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the fiscal year ended June 30, 2018, the City was designated a Tier III municipality by the state of Connecticut in accordance with CGS § 7-576c which included oversight by the State of Connecticut Municipal Accountability Review Board (MARB). However, it was determined the City met its requirements under Tier III and voluntarily requested to continue its relationship as a Tier II municipality. The State approved the request on December 13, 2023. See Note 15 for additional information.

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

A. Financial Reporting Entity

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

Fiduciary Component Units

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

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Discretely Presented Component Unit

The Hartford Parking Authority (the Parking Authority) has been included in the City's financial statements as a discretely presented component unit. A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. It is financially accountable to the City, or has a relationship with the City such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For the discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the City as a result of the existence of the component unit. The Parking Authority was created pursuant to Chapter 100 of the General Statutes of Connecticut and is governed by five members appointed by the Mayor and approved by the Court of Common Council. The purpose of the Parking Authority is to create, establish, finance, maintain, and operate the City of Hartford's dedicated parking facilities, and regulate the uses and parking rates to be charged at other regulated parking facilities. Separately issued financial statements of the Parking Authority are available at www.hartfordparkingauthority.com.

Blended Component Unit

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

B. Government-Wide Financial Statements

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial position of the City at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, and 3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the statement of activities.

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

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

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

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

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

General Fund

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

Capital Improvement Fund

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

Community Development Loan and Grant Fund

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

Debt Service Fund

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

Educational Grants Fund

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

American Rescue Plan Fund

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Miscellaneous Grants

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

The City reports the following major proprietary funds:

Hartford Stadium Authority Fund

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

Additionally, the City reports the following fund types:

Internal Service Funds

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

Pension and Other Postemployment Benefit

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

Custodial Funds

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

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

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

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Custodial Funds (Continued)

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

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

D. Deposits, Investments, and Risk Disclosure

Cash and Cash Equivalents

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

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

Investments

Investments are stated at fair value.

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

Restricted Cash and Investments

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Taxes Receivable

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

Loans Receivable

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

Other Receivables

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

Allowance for Doubtful Accounts

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

Due from/to Other Funds

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories

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

G. Capital Assets

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

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

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

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

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

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding in the government-wide statement of net position and deferred outflows for pensions and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources for pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). The City also reports a deferred inflow of resources related to advanced property tax collections in the government-wide statement of net position. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, interest on property taxes, intergovernmental revenues and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

I. Compensated Absences

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

K. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period-to-period.

L. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period-to-period.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases

Lessee

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

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

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

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

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

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

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

Lessor

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases (Continued)

Lessor

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

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

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

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

N. Fund Equity

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

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

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

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

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

Assigned Fund Balance – For all governmental funds other than the General Fund, this 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 the Common Council, Mayor, and Finance Director, who have been delegated authority to assign amounts by City Charter.

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

O. Encumbrances

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

P. Use of Estimates

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City adopted the legal budget for the 2023-2024 General Fund in accordance with the procedures summarized below:

- On or before the second council meeting in March, the Mayor must submit to the Court of Common Council a recommended operating budget as well as a capital budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
- Through direction of the Mayor and the Court of Common Council, open meetings and public hearings are held to obtain residents' and taxpayers' comments on the recommended budget.
- The Court of Common Council modifies the budget by resolution (except revenues, debt service and pension requirements) and then submits the budget as amended to the Mayor for certification no later than May 21.
- The Mayor may approve, reduce, and/or disapprove the budget within 48 hours, but no later than May 23.
- The General Fund budget, including all components of the property tax and municipal aid assumptions, must be approved by the Municipal Accountability Review Board before final adoption. Each year an updated Municipal Recovery Plan must be submitted to the MARB for approval and such annual budget must be in conformity with the Plan.
- Upon action by the Mayor, the Court of Common Council has until 1st business day in June to adopt the budget, the appropriation ordinance and the tax levy ordinance. If it fails to adopt the budget by that date the budget as certified by the Mayor shall be deemed to be the budget of the City for the ensuing fiscal year and expenditures shall be made in accordance therewith (Hartford Municipal Code Sec. 9).
- After the budget has been adopted and the new fiscal year begins, an appropriation may be amended. The Mayor may, at any time, transfer any unencumbered balance or portion thereof, from one classification of expenditures to another within the same department.
- At the request of the Mayor, but only within the last three months of the fiscal year, the Court of Common Council may transfer by resolution, any unencumbered appropriation balance or portion thereof from one department or agency to another.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- Supplemental appropriations are made on the recommendation of the Mayor upon certification by the Director of Finance that there exists an available general fund cash surplus to meet this appropriation.
- Budgets for General Fund are presented on a basis consistent with generally accepted accounting principles except that encumbrances and transfers out are shown as budgetary obligations and transfers in are shown as revenues. State of Connecticut on-behalf contributions are shown as revenues and expenses, and reimbursements to and from other funds are shown as reductions of revenues and expenses.
- The General Fund budget is the City's only legally adopted annual budget. Budgets for Special Revenue and Capital Projects Funds are adopted on a project length basis in accordance with related grant or funding agreements.
- The level of control for the General Fund budget is at the department/major activity level which are authorized by ordinance. The level of control for Capital Projects Funds is appropriations at the project level. Total expenditures cannot exceed total appropriations by project, over the length of the project.
- The Community Development Block Grant (Special Revenue) project budgets are approved by Court of Common Council. The level of control for all other Special Revenue Funds is at the project or program level in accordance with agreement provisions and various budgetary periods.
- All unencumbered and unexpended appropriations lapse at year-end for the General Fund. Appropriations do not lapse at year-end for Special Revenue Funds. Appropriations for capital projects are carried forward until such time as the project is completed or terminated.

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Fund Deficits

At June 30, 2024, the City reported deficit fund balance/net position for the following funds:

Governmental Funds:

Nonmajor Funds:

Home Program	\$	54
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Internal Service Funds:

Workers' Compensation	\$	22,082
Liability and Property Damage		4,320

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. The investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board and is regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. The STIF accounts are recorded at amortized cost.

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it.

City – The City’s custodial credit risk policy includes policies on the safety of principal, prudence, and financial dealings with institutions designed to mitigate custodial credit risk. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures* \$232,223 of the City’s bank balance of \$233,974 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	208,826
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, Not in the City’s Name		23,397
Total Amount Subject to Custodial Credit Risk	\$	232,223

Parking Authority – The Parking Authority follows the City’s deposit policies of safety of principal, prudence, and financial dealings with institutions designed to mitigate custodial credit risk. As of June 30, 2024, \$3,506 of the Parking Authority’s bank balance of \$3,896 was uninsured and uncollateralized.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

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

A. Deposits (Continued)

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2024, the cash equivalent amounted to \$120,159. The following table provides summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

B. Investments

Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City's and the Pension and OPEB Plan's formal investment policy limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The City's formal investment policy includes asset allocation percentage ranges to assist in limiting interest rate risk.

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1-10 Years	Over 10 Years
U.S. Government Securities	\$ 14,712	\$ 64	\$ 6,811	\$ 7,837
U.S. Government Agencies	22,648	654	9,042	12,952
Corporate Bonds	67,434	4,761	54,140	8,533
Municipal Bonds	1,413	-	1,025	388
Total	106,207	\$ 5,479	\$ 71,018	\$ 29,710

Other Investments:

Mutual Funds	47,237
Equities	268,496
Common and Collective Trusts	288,024
Land	5,000
Real Estate Funds	73,146
Alternative Investments	359,138
Total Investments	\$ 1,147,248

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

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

B. Investments (Continued)

Foreign Currency Risk (Not in Thousands)

The City of Hartford's Municipal Employee Retirement Fund – (MERF)'s formal investment policy limits at any point in time, the exact level of investment in international equities to between 13% and 23% of the total MERF portfolio. The Plan's exposure to foreign currency risk related to equities and fixed income securities as of June 30, 2024, is as follows:

Currency	Fair Value
Brazilian Real	\$ 1,016
Canadian Dollar	(16,933)
Colombian Peso	724
Euro	5,060,233
Indian Rupee	5,919
Indonesian Rupiah	(368)
Japanese Yen	30,693
Mexican Peso	195,367
New Taiwan Dollar	(144)
Norwegian Krone	122
Peruvian Sol	(1,126)
Polish Zloty	960
Pound Sterling	20,815
South African Rand	8,885
Swedish Krona	262
Swiss Franc	42,252

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

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

B. Investments (Continued)

Credit Risk

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

Average Rating	U.S. Government Securities	U.S. Government Agencies	Foreign Bonds	Corporate Bonds	Municipal Bonds	Total
AAA	\$ -	\$ -	\$ -	\$ 1,028	\$ -	\$ 1,028
AA+	14,062	16,208	-	1,225	393	31,888
AA	-	-	-	253	402	655
AA-	-	-	-	620	296	916
Aaa	650	6,341	-	-	-	6,991
A+	-	-	-	885	-	885
A	-	-	-	1,331	-	1,331
A-	-	-	-	5,300	-	5,300
A2	-	-	-	117	-	117
A3	-	-	-	116	-	116
Baa1	-	-	-	144	-	144
BBB+	-	-	-	6,141	-	6,141
BBB	-	-	-	2,564	-	2,564
BBB-	-	-	-	6,921	-	6,921
BB+	-	-	-	5,633	-	5,633
BB	-	-	-	5,771	-	5,771
BB-	-	-	-	7,477	-	7,477
B+	-	-	-	4,506	-	4,506
B	-	-	-	3,725	-	3,725
B-	-	-	-	3,514	-	3,514
CCC+	-	-	-	1,952	-	1,952
CCC	-	-	-	730	-	730
CCC-	-	-	-	77	-	77
CC	-	-	-	46	-	46
D	-	-	-	49	-	49
Unrated	-	99	-	7,309	322	7,730
Total	\$ 14,712	\$ 22,648	\$ -	\$ 67,434	\$ 1,413	\$ 106,207

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

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

B. Investments (Continued)

Concentration of Credit Risk

The City's OPEB and Pension Funds' policy does not allow for an investment in securities that is not readily marketable in any one issuer that is in excess of 5% of the City's total portfolio. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Additionally, investment manager guidelines require that investment be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio.

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

As of June 30, 2024, the following investments in the pension plans each had fair market values that represented more than 5% of the plan's net position as of June 30, 2024:

Grosvenor Hedge Fund	\$	66,649
----------------------	----	--------

Custodial Credit Risk

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

Fair Value

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

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

B. Investments (Continued)

Fair Value (Continued)

The City and its fiduciary funds have the following recurring fair value measurements as of June 30, 2024:

	June 30, 2024	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 14,712	\$ 14,712	\$ -	\$ -
U.S. Government Agencies	22,648	6,341	16,307	-
Corporate Bonds	67,434	1,188	64,744	1,502
Municipal Bonds	1,413	-	1,413	-
Mutual Funds	47,237	47,237	-	-
Equities	268,496	267,713	220	563
Common and Collective Trusts	288,024	-	-	288,024
Land	5,000	-	-	5,000
Alternative Investments	-	-	-	-
Total Investments by Fair Value Level	714,964	\$ 337,191	\$ 82,684	\$ 295,089
Investments Measured at Net Asset Value (NAV):				
Real Estate Funds	73,146			
Alternative Investments	359,138			
Total Investments Measured at NAV	432,284			
Total Investments	\$ 1,147,248			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The alternative investments classified in Level 3 are not actively traded and significant observable inputs are not available; therefore, a degree of judgment is necessary to estimate fair value. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

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

B. Investments (Continued)

Fair Value (Continued)

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

Investments Measured	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Using NAV:				
Real Estate Funds	\$ 73,146	\$ 13,680	Various	Various
Multi-Strategy Hedge Funds	85,882	-	Quarterly	45 Days
Private Equity	273,256	59,479	None	None

Real Estate Funds

These funds invest primarily in U.S. commercial real estate. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Some of these investments can be redeemed quarterly and have various redemption notice periods ranging from zero to 90 days. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.

Multi-Strategy Hedge Fund

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

Private Equity Funds

These funds invest primarily in domestic middle market companies. Distributions are only received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the underlying assets of the fund would be liquidated over five to eight years. The fair values are measured using the NAV per share (or its equivalent).

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 4 RECEIVABLES

Receivables at June 30, 2024 for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for doubtful accounts, consisted of the following:

	General	Capital Improvement Fund	Community Development Loan and Grant Fund	Educational Grants	Miscellaneous Grants	Hartford Stadium Authority	Aggregate Remaining Funds	Total
Receivables:								
Taxes	\$ 66,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,579
Accrued Interest on Taxes	45,414	-	-	-	-	-	-	45,414
Intergovernmental	8	100	-	46,778	8,962	-	6,805	62,653
Accounts	6,235	13,947	-	-	-	399	7,190	145,771
Housing Loans	-	-	68,378	-	-	-	4,130	72,508
Leases	2,775	-	-	-	-	-	-	2,775
Gross Receivables	<u>121,011</u>	<u>132,047</u>	<u>68,378</u>	<u>46,778</u>	<u>8,962</u>	<u>399</u>	<u>18,125</u>	<u>395,700</u>
Less Allowance for Uncollectibles:								
Taxes	(14,244)	-	-	-	-	-	-	(14,244)
Accrued Interest on Taxes	(11,353)	-	-	-	-	-	-	(11,353)
Intergovernmental	-	-	-	(292)	-	-	-	(292)
Accounts	(3,029)	-	-	-	-	-	-	(3,029)
Housing Loans	-	-	(32,150)	-	-	-	(1,033)	(33,183)
Total	<u>(28,626)</u>	<u>-</u>	<u>(32,150)</u>	<u>(292)</u>	<u>-</u>	<u>-</u>	<u>(1,033)</u>	<u>(62,101)</u>
Net Total Receivables	<u>\$ 92,385</u>	<u>\$ 132,047</u>	<u>\$ 36,228</u>	<u>\$ 46,486</u>	<u>\$ 8,962</u>	<u>\$ 399</u>	<u>\$ 17,092</u>	<u>\$ 333,599</u>

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The balances reflected as due from/to other funds at June 30, 2024 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Hartford Stadium Authority	\$ 138
	Educational Grants Fund	17,022
	Nonmajor Enterprise Funds	2,680
	Nonmajor Governmental Funds	1,623
	Nonmajor Enterprise Funds	1,089
Debt Service Fund	Nonmajor Enterprise Funds	49
Nonmajor Governmental Funds	General Fund	
Total		<u>\$ 22,601</u>

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. All of the balances are expected to be collected in the subsequent year.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

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

	Transfers Out						Total Transfers In	
	General Fund	Capital Improvement Fund	American Rescue Plan	Miscellaneous Grants	Nonmajor Governmental Funds	Hartford Stadium Authority		Nonmajor Enterprise Funds
Transfers In:								
General Fund	\$ -	\$ -	\$ -	\$ 2,361	\$ -	\$ 933	\$ 2,564	\$ 5,858
Capital Improvement Fund	22,518	-	-	-	3,383	-	-	25,901
Debt Service Fund	49,975	-	-	-	-	-	-	49,975
Educational Grants Fund	-	-	-	1,750	-	-	-	1,750
Miscellaneous Grants	20,911	2,405	4,380	-	-	-	-	27,696
Nonmajor Governmental Funds	11,948	-	-	-	-	-	-	11,948
Hartford Stadium Authority	4,647	-	-	-	-	-	-	4,647
Total Transfers Out	<u>\$ 109,999</u>	<u>\$ 2,405</u>	<u>\$ 4,380</u>	<u>\$ 4,111</u>	<u>\$ 3,383</u>	<u>\$ 933</u>	<u>\$ 2,564</u>	<u>\$ 127,775</u>

Transfers from the General Fund to the Debt Service Fund represent the City's payment towards debt service on outstanding bonds. Transfers from the Hartford Parking facilities enterprise fund to the General Fund represent a portion of net activity derived from the City's parking facilities. Transfers from the Nonmajor Governmental Funds to the General Fund primarily include net income derived from the City's police private duty services program. Transfers from Nonmajor Governmental Funds to the Educational Grants Fund represent monies collected on behalf of the Educational Grants Fund. Transfers to the Capital Improvement Fund are for projects not paid for with bond proceeds. Transfers from the General Fund to the Stadium Authority related to payment of debt while transfers from the Stadium Authority to the General Fund represent operating revenue from the Stadium to offset debt payment. Transfers from American Rescue Fund to Miscellaneous Grants relate to funding for the health expenses.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 6 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated or Amortized:					
Land	\$ 86,922	\$ 1,494	\$ 2,300	\$ -	\$ 86,116
Construction in Progress	419,300	129,370	-	(6,064)	542,606
Total Capital Assets Not Being Depreciated or Amortized	506,222	130,864	2,300	(6,064)	628,722
Capital Assets Being Depreciated and Amortized:					
Land Improvements	60,662	-	-	-	60,662
Buildings	1,593,898	2,015	99	1,655	1,597,469
Other Structures	46,201	4,119	-	577	50,897
Furniture and Equipment	30,793	632	2,571	1,383	30,237
Rolling Equipment	50,260	3,891	867	-	53,284
Infrastructure	495,685	357	-	3,278	499,320
Right-to-Use - Leased Equipment	9,449	-	-	-	9,449
Total Capital Assets Being Depreciated and Amortized	2,286,948	11,014	3,537	6,893	2,301,318
Less Accumulated Depreciation and Amortization for:					
Land Improvements	27,347	893	-	-	28,240
Buildings	643,521	37,380	14	-	680,887
Other Structures	24,161	1,124	-	-	25,285
Furniture and Equipment	24,692	915	2,549	-	23,058
Rolling Equipment	38,001	2,670	735	-	39,936
Infrastructure	310,876	6,186	26	-	317,036
Right-to-Use - Leased Equipment	3,243	1,318	-	-	4,561
Total Accumulated Depreciation	1,071,841	50,486	3,324	-	1,119,003
Total Capital Assets Being Depreciated and Amortized, Net	1,215,107	(39,472)	213	6,893	1,182,315
Governmental Activities Capital Assets, Net	<u>\$ 1,721,329</u>	<u>\$ 91,392</u>	<u>\$ 2,513</u>	<u>\$ 829</u>	<u>\$ 1,811,037</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 6,087	\$ -	\$ -	\$ -	\$ 6,087
Total Capital Assets Not Being Depreciated	6,087	-	-	-	6,087
Capital Assets Being Depreciated:					
Land Improvements	29	-	-	-	29
Building and Improvements	73,431	-	-	-	73,431
Parking Garages	20,710	-	-	-	20,710
Other Structures	3,699	-	-	-	3,699
Furniture, Fixtures, and Equipment	664	91	-	-	755
Total Capital Assets Being Depreciated	98,533	91	-	-	98,624
Less Accumulated Depreciation for:					
Land Improvements	26	1	-	-	27
Building and Improvements	11,999	1,836	-	-	13,835
Parking Garages	12,763	471	-	-	13,234
Other Structures	3,515	99	-	-	3,614
Furniture, Fixtures, and Equipment	664	2	-	-	666
Total Accumulated Depreciation	28,967	2,409	-	-	31,376
Total Capital Assets Being Depreciated, Net	69,566	(2,318)	-	-	67,248
Business-Type Activities					
Capital Assets, Net	\$ 75,653	\$ (2,318)	\$ -	\$ -	\$ 73,335

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Government Activities:	
General Government	\$ 7,653
Public Safety	4,362
Public Works	23,148
Development and Community Affairs	338
Education	14,692
Recreation and Culture	293
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 50,486</u>
Business-Type Activities:	
Golf Course	\$ 209
Stadium Authority	1,725
Hartford Parking Facilities	475
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,409</u>

Construction Commitments

The City has various authorized construction projects in the Capital Improvement Fund as of June 30, 2024. The projects include school and general construction and facility improvements, land and structure improvements to parks and cultural facilities, transportation improvement projects, and other capital improvements. At June 30, 2024, the City had outstanding appropriations of approximately \$470.9 million of which \$193.2 million is encumbered. The City, however, is on a pay-as-you-go Capital Improvement Program. Within the authorized \$470.9 million, the City has committed to spend \$118 million over the next five years for specific critical projects, including school construction and renovation, flood control, traffic signalization, bridge repairs, sidewalks, and milling and paving. The commitments are being financed with general fund contributions, remaining general obligation bonds previously issued, and state and federal grants.

NOTE 7 LEASES

Lessor

The City leases certain building, land, and air space rights to other parties under long-term noncancellable lease agreements. The agreements provide for minimum annual rentals plus contingent rentals based on a percentage of cash flow from the properties. The leases expire at various dates through 2064 and provide for renewal options ranging from one to five years. During the year ended June 30, 2024, the City recognized \$390 and \$88 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 7 LEASES (CONTINUED)

Lessor (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 283	\$ 79	\$ 362
2026	293	71	364
2027	207	63	270
2028	123	58	181
2029	132	54	186
2030-2034	575	221	796
2035-2039	513	137	650
2040-2044	323	68	391
2045-2049	147	36	183
2050-2054	51	23	74
2055-2059	60	15	75
2060-2064	68	5	73
Total	<u>\$ 2,775</u>	<u>\$ 830</u>	<u>\$ 3,605</u>

NOTE 8 LONG-TERM LIABILITIES

Governmental Activities

The following table summarizes changes in the City's governmental activities' long-term liabilities for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 376,237	\$ -	\$ 33,618	\$ 342,619	\$ 31,315
Premium	36,012	-	4,497	31,515	-
Total Bonds Payable	<u>412,249</u>	<u>-</u>	<u>38,115</u>	<u>374,134</u>	<u>31,315</u>
Other Long-Term Liabilities:					
Compensated Absences	26,103	1,393	1,211	26,285	1,692
CWF Serial Note	444	-	108	336	110
HUD Section 108 Loans	4,480	-	385	4,095	385
Lease Liability	6,948	-	1,631	5,317	1,465
Net OPEB Liability	289,750	-	41,303	248,447	-
Net Pension Liability - CMERS	40,508	5,901	-	46,409	-
Net Pension Liability - MERF	538,476	-	37,647	500,829	-
Net Pension Liability - RAF/PBF/FRF	980	-	42	938	-
Net Pension Liability - 415(m)	74	-	42	32	-
Claims and Other	12,900	-	9,900	3,000	-
Risk Management Claims	36,373	78,330	78,386	36,317	20,981
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,369,285</u>	<u>\$ 85,624</u>	<u>\$ 208,770</u>	<u>\$ 1,246,139</u>	<u>\$ 55,948</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

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

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2024, consisted of the following:

Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024	Amounts to be Paid from Escrow
2014	2026	2.00-5.00	\$ 36,385	\$ 10,875	\$ -
2014	2034	3.00-5.00	82,000	56,200	6,355
2015	2030	3.00-5.00	20,845	6,605	-
2015	2034	4.00-5.00	57,215	50,415	-
2015	2035	3.00-5.00	125,000	93,880	-
2016	2029	2.00-5.00	26,805	12,129	-
2023	2033	5.00	124,950	112,515	-
Total				<u>\$ 342,619</u>	<u>\$ 6,355</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 31,315	\$ 15,042	\$ 46,357
2026	32,319	13,440	45,759
2027	35,554	11,874	47,428
2028	33,365	10,337	43,702
2029	33,857	8,809	42,666
2030-2034	144,254	21,757	166,011
2035-2037	31,955	913	32,868
Total	<u>\$ 342,619</u>	<u>\$ 82,172</u>	<u>\$ 424,791</u>

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Prior Years' Debt Refunding

In prior years, the City refunded general obligation bond by placing the proceeds of the new bonds in an irrevocable trust account, invested in U.S. Government Agencies, which are subject to credit risk, to provide for all future debt service payments on the old bonds. While this transaction qualifies as a statutory defeasance of debt, it does not, however, meet the generally accepted accounting principle definition of an in-substance defeasance due to the portfolio consisting of mostly Government Agency Securities. Accordingly, the trust account assets and the liability for the defeased bonds are included in the City's financial statements. The balance at June 30, 2024, of the bonds was \$6,355 and the amount held in escrow to pay down these bonds was \$6,346.

Contract Assistance

As further disclosed in Note 15, the City entered into an agreement with the state of Connecticut (the State) to service the general obligation debt until such debt was retired. This agreement is backed by the full faith and credit of the State and is irrevocable. As the City is legally obligated for the debt, it remains a liability of the City. During the year, \$49,860 was paid by the State to the paying agent for City debt service.

Clean Water Fund – Serial Notes Payable

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 110	\$ 6
2026	112	3
2027	114	1
Total	\$ 336	\$ 10

Housing and Urban Development (HUD) Section 108 Loans

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 385	\$ 119
2026	385	108
2027	385	98
2028	385	87
2029	385	78
2030-2031	2,170	94
Total	\$ 4,095	\$ 584

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Lease Liability

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

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

<u>Year Ending June 30,</u>	<u>Lease Principal</u>	<u>Lease Interest</u>
2025	\$ 1,465	\$ 134
2026	1,538	87
2027	1,137	51
2028	1,177	16
Total	<u>\$ 5,317</u>	<u>\$ 288</u>

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

	<u>Amount</u>
Equipment	\$ 9,449
Accumulated Depreciation	(4,561)
Net Leased Equipment	<u>\$ 4,888</u>

Business-Type Activities

The following table summarizes changes in the City's business-type activities' long-term liabilities for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 1,338	\$ -	\$ 222	\$ 1,116	\$ 115
Lease Revenue Bonds	57,540	-	1,940	55,600	2,010
Premium on Bonds	515	-	46	469	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 59,393</u>	<u>\$ -</u>	<u>\$ 2,208</u>	<u>\$ 57,185</u>	<u>\$ 2,125</u>

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2024, consisted of the following:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024
Garage - GO	2015	2030	3.00-5.00	\$ 2,259	\$ 1,116
Total					<u>\$ 1,116</u>
Stadium - Lease Revenue A	2015	2025	3.00-5.00	\$ 39,055	\$ 31,465
Stadium - Lease Revenue B	2015	2042	5.375	23,395	19,200
Stadium - Lease Revenue	2016	2042	2.25-3.00	6,195	4,935
Total					<u>\$ 55,600</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,125	\$ 2,682	\$ 4,807
2026	2,416	2,595	5,011
2027	2,516	2,475	4,991
2028	2,415	2,356	4,771
2029	2,528	2,236	4,764
2030-2034	14,121	9,219	23,340
2035-2039	17,825	5,392	23,217
2040-2042	12,770	1,165	13,935
Total	<u>\$ 56,716</u>	<u>\$ 28,120</u>	<u>\$ 84,836</u>

Legal Debt Limit

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

	Debt Limit	Indebtedness	Balance
General Purpose	\$ 687,850	\$ 309,367	\$ 378,483
Schools	1,375,700	128,517	1,247,183
Sewers	1,146,416	225,464	920,952
Urban Renewal	993,561	-	993,561
Pension Deficit	917,133	-	917,133

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2.1 billion. The authorized/unissued debt of \$38,549 has been reduced by grant proceeds relative to general purpose and school construction projects.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Overlapping Debt

The City is a member of the Metropolitan District (MDC) (a quasi-municipal corporation that provides water supply, sewerage collection, and disposal facilities for members). Member towns are assessed a percentage of MDC's net outstanding debt. As such, the City's overlapping share of debt issued by the MDC is \$225,128 as of June 30, 2024.

Bonds Authorized but Unissued

As of June 30, 2024, the City had \$38,549 of authorized but unissued debt.

NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2024, are as follows:

	General Fund	Capital Improvement Fund	Community Development Loan and Grant	Debt Service	Educational Grants	Miscellaneous Grants	Nonmajor Governmental Funds	Total
Nonspendable:								
Permanent Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,358	\$ 8,358
Inventories	-	-	-	-	-	-	624	624
Total Nonspendable	-	-	-	-	-	-	8,982	8,982
Restricted for:								
Development and Community Affairs	-	-	2,061	-	-	-	3,302	5,363
Debt Service	-	-	-	8,491	-	-	-	8,491
Recreation and Culture	-	-	-	-	-	34,358	26,709	61,067
Public Safety	-	-	-	-	-	-	2	2
Human Services	-	-	-	-	-	-	6,449	6,449
Education	-	-	-	-	4,851	-	11,119	15,970
Total Restricted	-	-	2,061	8,491	4,851	34,358	47,581	97,342
Committed to:								
Education	741	-	-	-	-	-	-	741
Capital Projects	-	-	-	-	-	-	10,063	10,063
Total Committed	741	-	-	-	-	-	10,063	10,804
Assigned to:								
Legal Settlement	7,800	-	-	-	-	-	-	7,800
Other	5,080	-	-	-	-	-	-	5,080
Economic development	11,500	-	-	-	-	-	-	11,500
Youth	5,000	-	-	-	-	-	-	5,000
Total Assigned	29,380	-	-	-	-	-	-	29,380
Unassigned								
	43,323	(14,104)	-	-	-	-	(54)	29,165
Total Fund Balances	\$ 73,444	\$ (14,104)	\$ 2,061	\$ 8,491	\$ 4,851	\$ 34,358	\$ 66,572	\$ 175,673

The City has \$-0- of education encumbrances reported in the General Fund.

NOTE 10 TAX ABATEMENTS

As of June 30, 2024, the City provides tax abatements in accordance with Section 8-215 of the Connecticut General Statutes (CGS) and Section 32-12 of the Hartford Municipal Code. The City is authorized to enter into contracts for the abatement of real property taxes for residential properties when such housing is to be occupied solely by low or moderate-income persons or families as defined in Section 8-202 of the CGS or elderly or disabled.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 10 TAX ABATEMENTS (CONTINUED)

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

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

A tax abatement agreement is a contractual agreement between the City and the owner of the property that fixes taxes on an annual basis at a rate less than the full tax amount. Typically, the term of the abatement is 10 to 15 years and may be renewed by the contracted property with City approval after a minimum of a one-year lapse between abatements, in which case the owner is expected to pay full tax.

For the fiscal year ended June 30, 2024, taxes abated through these programs totaled \$12,864. There are some provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients participating in this program.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plans

Description of Plans

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

The City Municipal Employees' Retirement Fund (City MERF), a contributory, single-employer defined benefit plan. The City provides retirement benefits for employees hired since 1947 through the City MERF Plan.

The Retirement Allowance Fund/Police Benevolent Fund/Firemen's Relief Fund Plan (RAF/PBF/FRF), an unfunded, single-employer plan. Employees hired before May 1, 1947 are paid from the RAF/PBF/FRF Plan. There are no remaining active members, and the unfunded liability is decreasing rapidly.

The State of Connecticut Municipal Employee Retirement System (CMERS), a cost sharing multiple-employer plan with the State.

The State of Connecticut Teachers Retirement System (CTTRS), a plan with the State for certified teachers at the Board of Education in which the City is a noncontributing employer.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

Description of Plans (Continued)

The two single employer plans are administered by the City. The plans provide retirement, disability, and survivorship benefits for all retired employees, in accordance with provisions which are subject to bargaining with unions representing most of the employees. Administrative fees are paid through the plans.

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

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

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

A. Plan Description

The City MERF was established as part of the City Charter. The city provides retirement benefits for employees hired since May 1, 1947, through the City MERF, a single-employer contributory defined benefit plan.

B. Management of the City MERF

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

C. Actuarial Assumptions and Benefits Provided

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2024:

- Actuarial Method Used: Entry Age Normal Cost Method
- Mortality Basis: RP-2014, fully projected (projected to the year of decrement), with separate male and female tables and separate rates for annuitants and non-annuitants, with occupational adjustment.
- Mortality Improvement: Pre and postretirement: projected to date of decrement using Scale MP-2021 (generational mortality).
- Investment Return: 6.75% per year, net of investment expenses.
- Salary Scale: 2.40% for inflationary salary increases plus a percentage for promotion or merit increases as follows:

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

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

- Salary Scale: For Police, final average pay is loaded by a percentage for assumed private duty and overtime as follows: Pre-7/1/1999 hires, 67%; Post 7/1/1999 hires, 19%; for employees remaining in the pre-2012 plan, 27%; for employees moving to the 7/1/2012 plan.

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

C. Actuarial Assumptions and Benefits Provided (Continued)

Retirement Dates:	Police: 100% retire at age 65, regardless of service, must be age 45 to retire. Fire: 100% retire at age 65. Board of Education: 100% retire at age 75. Municipal Services and Library: 100% retire at age 75 with less than 20 years of service.
Disability:	Benefits were explicitly valued using the DP-85 Class 1 male and female disability incidence rate table increased 150% for the police, 10% for all other groups. Benefits were explicitly valued using the DP-85 Class 3 male and female disability incidence rate table for firefighters.
Social Security:	Future tax wage bases are developed by projecting the 2022 base of \$147 forward at 2.40% per year.

D. Plan Changes

There were no significant plan changes since the last valuation.

E. Funding Policy

The obligations of the plan members, employers, and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rate of the employer and the members varies depending on the applicable agreement. The City's funding policy is to contribute the actuarial recommended contribution each year. Each year the plan sponsor pays the normal cost plus an amortization of the plan's unfunded actuarial liability. The unfunded liability developed with the July 1, 2020 valuation is amortized over a 25-year closed level dollar period. As of July 1, 2023, there are 22 years remaining. Gains and losses after July 1, 2020 will be amortized of a 15-year level dollar, open period.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

RAF/PBF/FRF Plan

A. Plan Description

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

B. Actuarial Assumptions and Benefits Provided

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2024:

Investment Rate of Return: 3.93%

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

Mortality improvement based on MP-2021 scale.

Assumed Retirement: Immediate as all are retired.

Survivors Benefits: The actuarial liability and projected pension payments include provision for these benefits based on actual spouse ages and benefit form elected. It was assumed that all policemen without wives will name beneficiaries for special 10-year annuity benefits.

Escalation: To adjust for the PBF and FRF escalation provisions, the projected figures include estimated annual increases for pensioners (excluding survivors) based on plan provisions and an assumed active pay increase of 2.4% per year. For RAF, the table of projected annual benefits makes no provision for future escalation.

C. Plan Changes

There were no significant plan changes since the last valuation.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

RAF/PBF/FRF Plan (Continued)

D. Funding Policy

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

City of Hartford 415(m) Fund

A. Plan Description

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

B. Actuarial Assumptions and Benefits Provided

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2024:

Investment Rate 3.93%
of Return:

Inflation: 2.40%

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

Mortality improvement based on MP-2021 scale.

Assumed retirement Immediate as all are retired.

C. Plan Changes

There were no significant plan changes since the last valuation.

D. Funding Policy

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans – Combining Information and Financial Statements

The City MERF, RAF/PBF/FRF and 415(m) Plan is considered to be part of the City of Hartford’s financial reporting entity and is included in the City’s financial statements as a pension trust fund. Individual stand-alone statements are not issued.

As of the actuarial valuation date, July 1, 2023, membership in the City pension plans consisted of:

	(Not Rounded)		
	City MERF	RAF/PBF/FRF	415(m)
Retirees and Beneficiaries Currently			
Receiving Benefits	3,175	14	1
Active Members	2,040	-	-
Inactive Plan Members Entitled to			
But Not Yet Receiving Benefits	267	-	-
Total	5,482	14	1

A. Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

B. Investments

Investment Policy

The pension plan’s policy in regard to the allocation is established and may be amended by the City Retirement Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. See allocation below.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

B. Investments (Continued)

Investment Policy (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and the best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, are summarized in the following tables:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighted</u>
Cash	2.00 %	(0.30)%	(0.01)%
Large Cap Equities	17.00	4.10	0.70
Small/Mid Cap Equities	8.00	4.10	0.33
International Developed Equity	7.00	4.30	0.30
Emerging Market Equity	9.00	6.20	0.56
Core / Core Plus Bonds	6.00	2.80	0.17
Private Equity	11.00	7.90	0.87
TIPS	2.00	(0.10)	-
High-Yield Bonds	6.00	2.80	0.17
EMD	5.00	3.25	0.16
Private Debt	8.00	5.30	0.42
Private Real Estate	7.00	3.40	0.24
Private Real Assets - Energy / Metals	6.00	1.30	0.08
Hedge Funds	6.00	3.00	0.18
Total Allocation	<u>100.00 %</u>		<u>4.17</u>
Long-Term Inflation Expectation			<u>2.40</u>
Long-Term Expected Normal Return			<u>6.57 %</u>

Money-Weighted Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changes in amounts actually invested.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

C. Discount Rate Calculation

The discount rate used to measure the total pension liability at June 30, 2024 was as follows:

	City MERF	RAF/PBF/FRF	415(m)
Discount Rate	6.75 %	3.93 %	3.93 %

The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan’s fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan’s fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate on the unfunded plans were based on the municipal bond rate at the time of the valuation.

D. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2024 are as follows:

	City MERF	RAF/PBF/FRF	415(m)
Total Pension Liability	\$ 1,625,086	\$ 938	\$ 32
Fund Fiduciary Net Position	1,124,257	-	-
Net Pension Liability	\$ 500,829	\$ 938	\$ 32

Fund Fiduciary Net Position as a Percentage of the Total Pension Liability	69.18%	0.00%	0.00%
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CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

E. Changes in Net Pension Liability

	City MERF		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 1,613,969	\$ 1,075,493	\$ 538,476
Changes for the Year:			
Service Cost	21,203	-	21,203
Interest on Total Pension Liability	106,469	-	106,469
Differences Between Expected and Actual Experience	1,074	-	1,074
Employer Contributions	-	53,528	(53,528)
Member Contributions	-	16,264	(16,264)
Net Investment Income	-	99,362	(99,362)
Benefit Payments, Including Refund to Employee Contributions	(117,629)	(117,629)	-
Administrative Expenses	-	(2,761)	2,761
Net Changes	11,117	48,764	(37,647)
Balances - June 30, 2024	<u>\$ 1,625,086</u>	<u>\$ 1,124,257</u>	<u>\$ 500,829</u>
	RAF/PBF/FRF		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 980	\$ -	\$ 980
Changes for the Year:			
Interest on Total Pension Liability	33	-	33
Differences Between Expected and Actual Experience	86	-	86
Changes in Assumptions	(27)	-	(27)
Employer Contributions	-	134	(134)
Benefit Payments, Including Refund to Employee Contributions	(134)	(134)	-
Net Changes	(42)	-	(42)
Balances - June 30, 2024	<u>\$ 938</u>	<u>\$ -</u>	<u>\$ 938</u>

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

E. Changes in Net Pension Liability (Continued)

	415(m)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 74	\$ -	\$ 74
Changes for the Year:			
Interest on Total Pension Liability	2	-	2
Differences Between Expected and Actual Experience	(34)	-	(34)
Employer Contributions	-	10	(10)
Benefit Payments, Including Refund to Employee Contributions	(10)	(10)	-
Net Changes	(42)	-	(42)
Balances - June 30, 2024	\$ 32	\$ -	\$ 32

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

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

	City MERF		
	Current		
	1% Decrease to 5.75%	Discount Rate 6.75%	1% Increase to 7.75%
Net Pension Liability	\$ 679,000	\$ 500,829	\$ 351,394
	RAF/PBF/FRF		
	Current		
	1% Decrease to 2.93%	Discount Rate 3.93%	1% Increase to 4.93%
Net Pension Liability	\$ 1,010	\$ 938	\$ 875
	415(m)		
	Current		
	1% Decrease to 2.93%	Discount Rate 3.93%	1% Increase to 4.93%
Net Pension Liability	\$ 32	\$ 32	\$ 31

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

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

For the year ended June 30, 2024, the City recognized pension expense (revenue) as follows:

	Pension Expense (Revenue)
City MERF	\$ 67,202
RAF/PBF/FRF	92
415(m)	(31)
Total	\$ 67,263

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	City MERF	RAF/PBF/FRF	415(m)	Total
Deferred Outflows of Resources:				
Differences Between Expected and Actual Experience	\$ 1,377	\$ -	\$ -	\$ 1,377
Changes of Assumptions	2,153	-	-	2,153
Net Difference Between Projected and Actual Earning on Pension Plan Investments	1,656			1,656
Total	\$ 5,186	\$ -	\$ -	\$ 5,186

Deferred Inflows of Resources:				
Differences Between Expected and Actual Experience	\$ 4,686	\$ -	\$ -	\$ 4,686
Total	\$ 4,686	\$ -	\$ -	\$ 4,686

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

Year Ending June 30,	City MERF	RAF/PBF/FRF	415(m)	Total
2025	\$ (6,990)	\$ -	\$ -	\$ (6,990)
2026	26,913	-	-	26,913
2027	(13,734)	-	-	(13,734)
2028	(5,689)	-	-	(5,689)
Total	\$ 500	\$ -	\$ -	\$ 500

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

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

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

	Pension Trust Funds				Total
	Municipal Employees' Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	
ASSETS					
Cash and Cash Equivalents	\$ 42,717	\$ -	\$ -	\$ -	\$ 42,717
Investments, at Fair Value:					
U.S. Government Agencies	16,307	-	-	-	16,307
U.S. Government Securities	14,063	-	-	-	14,063
Corporate Bonds	66,246	-	-	-	66,246
Municipal Bonds	1,413	-	-	-	1,413
Alternative Investments Common and Collective Trusts	359,138	-	-	-	359,138
Land	288,024	-	-	-	288,024
Real Estate Funds	5,000	-	-	-	5,000
Equities	73,146	-	-	-	73,146
Total Investments	260,430	-	-	-	260,430
	1,083,767	-	-	-	1,083,767
Receivables:					
Accounts	2,167	-	-	-	2,167
Total Assets	1,128,651	-	-	-	1,128,651
LIABILITIES					
Accounts Payable	4,394	-	-	-	4,394
NET POSITION					
Restricted for Pension Benefits	\$ 1,124,257	\$ -	\$ -	\$ -	\$ 1,124,257

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

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

	Pension Trust Funds				Total
	Municipal Employees' Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	
ADDITIONS					
Contributions:					
Employer - ARC	\$ 53,528	\$ 7	\$ 17	\$ 110	\$ 53,662
Plan Members	16,264	-	-	-	16,264
Total Contributions	<u>69,792</u>	<u>7</u>	<u>17</u>	<u>110</u>	<u>69,926</u>
Investment Earnings:					
Net Increase in Fair					
Value of Investments	91,560	-	-	-	91,560
Interest and Dividends	19,694	-	-	-	19,694
Total Investment Earnings	<u>111,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,254</u>
Less Investment Expenses:					
Investment Management					
Fees	11,892	-	-	-	11,892
Net Investment Income	<u>99,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,362</u>
Total Additions	169,154	7	17	110	169,288
DEDUCTIONS					
Benefits	117,629	7	17	110	117,763
Administration	2,761	-	-	-	2,761
Other	-	-	-	-	-
Total Deductions	<u>120,390</u>	<u>7</u>	<u>17</u>	<u>110</u>	<u>120,524</u>
CHANGE IN NET POSITION	48,764	-	-	-	48,764
Net Position - Beginning of Year	<u>1,075,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,075,493</u>
NET POSITION - END OF YEAR	<u>\$ 1,124,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,257</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan – State of Connecticut Municipal Employees’ Retirement System (CMERS)

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement (Not Rounded)

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

Early Retirement

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan – State of Connecticut Municipal Employees’ Retirement System (CMERS) (Continued)

B. Benefit Provisions (Continued)

Disability Retirement – Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including workers’ compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement – Non-Service Connected

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

Pre-Retirement Death Benefit

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

C. Contributions

Member

Contributions for members not covered by social security are 6% of compensation; for members covered by social security, 3.25% of compensation up to the social security taxable wage base plus 6% of compensation, if any, in excess of such base. City contributions in the year ended June 30, 2023 total \$4,966.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The City’s required contribution rate for the year ended June 30, 2024 was 15.85% of the annual payroll. Contributions to the pension plan from the City were \$4,872 for the year ended June 30, 2024.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan – State of Connecticut Municipal Employees’ Retirement System (CMERS) (Continued)

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

At June 30, 2024, the City reports a total liability of \$46,409 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2023. The actuarial assumptions used in the June 30, 2023 valuation were based on results of an actuarial experience study for the period July 1, 2017 through June 30, 2022. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2024, the City’s proportion was 3.28%. The increase in proportion from the prior year is 0.33%.

For the year ended June 30, 2024, the City recognized pension expense of \$3,807. At June 30, 2024, the City reported deferred inflow of resources and deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,972	\$ 511
Changes of Assumptions	4,224	-
Change in Proportionate Share	3,009	869
City Contributions after the Measurement Date	4,872	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	3,889	-
Total	\$ 18,966	\$ 1,380

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

Year Ending June 30,	Amount
2025	\$ 2,881
2026	2,420
2027	5,548
2028	1,407
2029	458
Total	\$ 12,714

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan – State of Connecticut Municipal Employees’ Retirement System (CMERS) (Continued)

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary Increase	3.50-9.50%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Including Inflation

Mortality rates were based on:

Pub-2010 Mortality Tables set-forward one year (except Active Employees) are projected generationally with scale MP-2021.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan – State of Connecticut Municipal Employees’ Retirement System (CMERS) (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0 %	6.8 %
Public Credit	2.0	2.9 %
Core Fixed Income	13.0	0.4 %
Liquidity Fund	1.0	(0.4)%
Risk Mitigation	5.0	0.1 %
Private Equity	15.0	11.2 %
Private Credit	10.0	6.1 %
Real Estate	10.0	6.3 %
Infra. and Natural Resources	7.0	7.7 %
Total	100.0 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Plan – State of Connecticut Municipal Employees’ Retirement System (CMERS) (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City’s Proportionate Share of the Net Pension Liability	\$ 65,070	\$ 46,409	\$ 30,853

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

The plan provides retirement, disability, and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

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

Early Retirement

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the State was \$46,853 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

At June 30, 2024, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City’s Proportionate Share of the Net Pension Liability	\$	-
State’s Proportionate Share of the Net Pension Liability Associated with the City		504,961
Total	<u>\$</u>	<u>504,961</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the City recognized pension expense and revenue of \$48,347 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2019.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

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

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

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocations as provided by the State of Connecticut Treasurer’s Office are summarized in the following table:

Asset Class	Expected Return	Target Allocation
Global Equity	6.80 %	37.00 %
Public Credit	2.90	2.00
Core Fixed Income	0.40	13.00
Liquidity Fund	(0.40)	1.00
Risk Mitigation	0.10	5.00
Private Equity	11.20	15.00
Private Credit	6.10	10.00
Real Estate	6.20	10.00
Infrastructure and Natural Resources	7.70	7.00
Total		<u>100.00 %</u>

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

H. Pension Plan Fiduciary Net Position

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

I. Other Information

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

Aggregated Pension Information

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2024:

	City MERF	RAF/PBF/ FRF	415(m)	CMERS	CTRS	Total
Deferred Outflows of Resources						
Related to Pensions	\$ 5,186	\$ -	\$ -	\$ 18,966	\$ -	\$ 24,152
Net Pension Liability	500,829	938	32	46,409	-	548,208
Deferred Inflows of Resources						
Related to Pensions	4,686	-	-	1,380	-	6,066
Pension Expense (Income)	67,202	92	(31)	3,807	48,347	119,417

Defined Contribution Plans

401(a) Defined Contribution Plan

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

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

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

Total contributions to the plan for the year ended June 30, 2024 were \$215 for employees and \$268 for the City.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Contribution Plans (Continued)

Deferred Compensation Plan

The City of Hartford adopted an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code of 1986 (IRC) as amended and restated effective August 1, 2019. Under this plan any employee of the City or Board of Education on either a full-time or part-time basis who is not a participant in another deferred compensation plan can contribute the maximum amount allowed under the Code up to 100% of compensation. Each plan year the City or Board of Education may make employer contributions in accordance with their contract or employment agreements. Participants shall be fully vested at all times for all contributions. Employees will self-direct contributions based on investment vehicles provided by the City. Contributions to this plan for employees and employers are \$6,222 and \$-0-, respectively.

Section 403(b) Retirement Plan

The Hartford Public Schools established a section 403(b) retirement plan as amended and restated effective August 1, 2019 for any employee of Hartford Public Schools who wishes to participate except an employee who provides services as a teacher's aide on a temporary basis while attending school, college, or university on account of performing services described in Code Section 3121(b)(10). Hartford Public Schools shall make nonelective contributions at their discretion and shall equal an amount based on a particular collective bargaining agreement. Contributions to this plan for employees and employers are \$5,031 and \$249, respectively.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

City and Board of Education Plans

A. Description of Plan

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

A. Description of Plan

The number of participants as of June 30, 2024 was as follows:

	(Not Rounded)		
	City	Board of Education	Total
Active Employees	1,403	2,927	4,330
Retired Employees	1,459	143	1,602
Total	2,862	3,070	5,932

B. Investments

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB Committee which is comprised of the voting members of the Pension Commission together with the City Treasurer, who serves as Secretary, as well as the Mayor and the Superintendent or their designees. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Funding Policy

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

Money-Weighted Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was as follows:

City	-5.69%
Board of Education	11.07%

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

C. Net OPEB Liability of the City

The City's net OPEB liability was measured as of June 30, 2024. The components of the net OPEB liability of the City at June 30, 2024 were as follows:

	City	Board of Education	Total
Total OPEB Liability	\$ 251,365	\$ 23,308	\$ 274,673
Plan Fiduciary Net Position	2,918	25,270	28,188
Net OPEB Liability (Asset)	<u>\$ 248,447</u>	<u>\$ (1,962)</u>	<u>\$ 246,485</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 1.16%	 108.42%	 10.26%
Covered Payroll	108,777	195,748	304,525
Net OPEB Liability	228.40%	-1.00%	80.94%

D. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	July 1, 2023
Actuarial Cost Method:	Entry age normal (level percentage of salary)
Investment Rate of Return:	City – 3.93%, net of investment related expense BOE – 6.75%, net of investment related expense
Inflation:	2.40%
Mortality:	City Plan – Fire and Police – RP-2014 adjusted to 2006 blue collar mortality table projected to valuation date with scale MP-2021 All Others – RP-2014 Adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2021

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

D. Actuarial Assumptions (Continued)

Disabled Mortality: City Plan – Fire and Police – RP-2014 Adjusted to 2006 disabled retiree mortality table with scale MP-2021

All Others – N/A

Mortality Improvement: Projected to date of decrement using Scale MP-2021 (generational)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019 for all groups except Local 1716, Local 566 and BOE Certified. The actuarial assumptions used in the valuation for Local 1716, Local 566 and BOE Certified were based on assumptions used by the State of Connecticut Municipal Employee Retirement System actuaries, the Connecticut State Teachers' Retirement System actuaries, where applicable and input from the plan sponsor.

For the City Plan and the BOE Plan, the July 1, 2023 valuation reflects changes in assumptions related to mortality improvement scale, retirement and withdrawal rates for Local 1716 (City plan), retirement and withdrawal rates for Local 566 (BOE Plan), investment rate of return, inflation, and healthcare cost trend rates.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

D. Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimated of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024, and the final investments return assumption for the BOE plan, 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>
US Equity	28.00 %	4.40 %	1.23 %
International Equity	15.00	4.60	0.69
Emerging Market Equity	2.00	8.60	0.17
US Aggregate Bond	20.00	4.60	0.92
US High Yield	10.00	6.10	0.61
Emerging Market Debt	5.00	6.10	0.31
Real Assets - REIT	10.00	6.00	0.60
Liquid Real Assets (Multi-Asset)	5.00	6.00	0.30
Cash	5.00	1.50	0.08
Total Allocation	<u>100.00 %</u>		4.91
Long-Term Inflation Expectation			<u>2.40</u>
Total			<u>7.31 %</u>

E. Discount Rate

The discount rate used to measure the total OPEB liability for the City and the BOE was 3.93% and 6.75%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City/BOE contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

F. Changes in the Net OPEB Liability

	City Plan		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 289,992	\$ 2,825	\$ 287,167
Changes for the Year:			
Service Cost	4,683	-	4,683
Interest on Total OPEB Liability	10,499	-	10,499
Differences Between Expected and Actual Experience	(50,846)	-	(50,846)
Changes in Assumptions	11,202	-	11,202
Employer Contributions	-	14,165	(14,165)
Member Contributions	-	260	(260)
Net Investment Income	-	(167)	167
Benefit Payments	(14,165)	(14,165)	-
Net Changes	(38,627)	93	(38,720)
Balances - June 30, 2024	\$ 251,365	\$ 2,918	\$ 248,447

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

	BOE Plan		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 26,562	\$ 23,979	\$ 2,583
Changes for the Year:			
Service Cost	445	-	445
Interest on Total OPEB Liability	1,767	-	1,767
Differences Between Expected and Actual Experience	(5,066)	-	(5,066)
Changes in Assumptions	1,295	-	1,295
Employer Contributions	-	1,109	(1,109)
Contributions - TRB Subsidy	-	617	(617)
Net Investment Income	-	1,291	(1,291)
Benefit Payments	(1,695)	(1,695)	-
Administrative Expenses	-	(31)	31
Net Changes	(3,254)	1,291	(4,545)
Balances - June 30, 2024	\$ 23,308	\$ 25,270	\$ (1,962)

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

F. Changes in the Net OPEB Liability (Continued)

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

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

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

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net OPEB Liability - City	<u>\$ 280,834</u>	<u>\$ 248,447</u>	<u>\$ 221,501</u>
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB Liability - BOE	<u>\$ 193</u>	<u>\$ (1,962)</u>	<u>\$ (3,842)</u>

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

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

	1% Decrease (6.00% Decreasing to 3.40%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.40%)	1% Increase (8.00% Decreasing to 5.40%)
Net OPEB Liability - City	<u>\$ 218,332</u>	<u>\$ 248,447</u>	<u>\$ 284,558</u>
	1% Decrease (6.00% Decreasing to 3.40%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.40%)	1% Increase (8.00% Decreasing to 5.40%)
Net OPEB Liability - BOE	<u>\$ (3,851)</u>	<u>\$ (1,962)</u>	<u>\$ 211</u>

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

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

For the year ended June 30, 2024, the City recognized OPEB expense (revenue) of \$(14,958) for the City Plan and \$(1,216) for the BOE Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Plan:		
Differences Between Expected and Actual Experience	\$ 1,224	\$ 90,311
Changes of Assumptions	23,484	27,414
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	590	-
BOE Plan:		
Differences Between Expected and Actual Experience	1,964	19,375
Changes of Assumptions	2,617	3,780
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,205	-
Total	\$ 31,084	\$ 140,880

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

Year Ending June 30,	City Plan	BOE Plan
2025	\$ (32,629)	\$ (1,517)
2026	(28,955)	(846)
2027	(19,361)	(1,780)
2028	(7,234)	(1,696)
2029	(4,248)	(1,761)
Thereafter	-	(9,769)
Total	\$ (92,427)	\$ (17,369)

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City and Board of Education Plans (Continued)

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

The following schedules present the net position held in trust for OPEB benefits at June 30, 2024 and the changes in net position for the year ended:

	Statement of Net Position
ASSETS	
Cash and Cash Equivalents	\$ 4,222
Investments, at Fair Value:	
Mutual Funds	17,763
Equities	7,595
Total Investments	25,358
Total Assets	29,580
LIABILITIES	
Accounts Payable	1,392
NET POSITION	
Restricted for OPEB Benefits	\$ 28,188
	Statement of Changes in Net Position
ADDITIONS	
Contributions:	
Employer	\$ 15,274
Plan Members	877
Other Revenue	-
Total Contributions	16,151
Investment Earnings:	
Net Decrease in Fair Value of Investments	571
Interest and Dividends	715
Total Investment Earnings	1,286
Less Investment Expenses:	
Investment Management Fees	9
Net Investment Income (Loss)	1,277
Total Additions	17,428
DEDUCTIONS	
Benefits	15,860
Administration	184
Total Deductions	16,044
CHANGE IN NET POSITION	1,384
Net Position - Beginning of Year	26,804
NET POSITION - END OF YEAR	\$ 28,188

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions (Not in Thousands)

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

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

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

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

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

Survivor Health Care Coverage

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

C. Eligibility (Not in Thousands)

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

Credited Service

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

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

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

Pro-Ratable Retirement

Age 60 with 10 years of Credited Service.

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

C. Eligibility (Not in Thousands) (Continued)

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the State was \$638 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

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

At June 30, 2024, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability Associated with the City		47,308
Total	\$	<u>47,308</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the City recognized OPEB expense and revenue of \$(5,573) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Costs Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, including inflation
Investment Rate of Return	3.00%, net of OPEB plan investment expense, including inflation
Year Fund Net Position will be Depleted	2028

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

F. Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

- Discount rate changed from 3.53% to 3.64%.
- Expected annual per capita claims costs were updated to better reflect anticipated Medical and prescription drug claim experience.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense, and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

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

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

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

J. Other Information

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 CONTINGENCIES, COMMITMENTS, AND RISK MANAGEMENT

A. Litigation

The City, its officers, and employees, are defendants in various lawsuits including personal injury, property damage, civil rights violations, and other miscellaneous claims. The City is insured for damages (see section C. below). Judgments or settlements for less than the deductible are paid from the General Fund. Corporation Counsel expects that none of the cases currently in litigation, if adversely decided would have a material negative impact on the finances of the City. The City has recorded \$3.0 million in the government-wide financial statement to cover probable claims.

B. Contingencies

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

C. Contractual Commitments

On July 1, 2022, the City contracted with Murphy Road Recycling LLC, with a 5-year term with 2 options to extend the term for an additional 5 years. The fee for the 2024 fiscal year was \$3.2 million with tip fees of \$106.00/ton and \$128.75/ton for Acceptable Solid waste and Non-Processible waste respectively.

D. Risk Management (Not Rounded)

The City has established a risk management program to account for and finance its uninsured risk of loss for employee benefits (including comprehensive life, hospital, and major medical benefits), workers' compensation, and liability and property damage. Under this program, primary coverage is provided by the city up to a maximum of \$500,000 in health insurance claims for each individual per claim year, a \$2.0 million self-insurance retention for workers' compensation claims for the City (\$1.5 million for the BOE), \$500,000 self-insurance retention for auto and general liability claims as well as public officials, law enforcement and school board claims, \$250,000 self-insurance retention for property damage claims. In addition, there is a crime policy with multiple deductibles from \$5,000 to \$300,000. Each of these self-insurance programs was established by Council Ordinance and accounted for in an Internal Service Fund to account for and report on the City's total costs associated with risk management. The General Fund makes monthly payments to the Internal Service Fund based on amounts budgeted as necessary to meet all current and a portion of future claims and administrative expenses. In addition, the City Treasurer and Pension Commission are covered by fiduciary liability insurance. The City also has flood coverage as part of the property insurance with a \$250,000 deductible.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)**

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

D. Risk Management (Not Rounded) (Continued)

The City purchases insurance for all legal liabilities in excess of a \$500,000 self-insured retention and public officials' liability in excess of a \$500,000 deductible. All City property is insured for fire and extended coverage with a \$100,000 deductible. Certain settled claims have exceeded the self-insured retention amounts in any one year, but no claims have exceeded our primary layer of insurance coverage. In addition, the City has \$20 million in excess liability coverage.

The City is also insured for pollution liability with a \$250,000 deductible, underground storage tanks with a variable deductible, and cyber liability at a \$500,000 deductible. Smaller policies are also in effect.

Workers' compensation salary continuation, if applicable, is initially paid from the employee's respective department budget after which statutory compensation payment is administered by PMA Companies, the City's workers' compensation third-party administrator.

Claims Payable

The General Fund makes payments to the Self Insurance Fund based on actuarial or underwriting estimates of the amounts needed to pay current-year claims, additional estimated losses on current claims, and amount to cover incurred but not reported claims and administrative expenses. The claims liability of \$36,317, reported in the fund at June 30, 2024, 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 2024 and 2023 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
Self -Insurance Fund:				
2022-2023	\$ 35,262	\$ 77,765	\$ 76,654	\$ 36,373
2023-2024	36,373	78,330	78,386	36,317

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 14 CONTRACT ASSISTANCE AND MUNICIPAL OVERSIGHT

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

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

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

CITY OF HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 15 CONTRACT ASSISTANCE AND MUNICIPAL OVERSIGHT (CONTINUED)

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

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Property Tax:				
Current Year's Levy	\$ 292,019	\$ 292,019	\$ 293,353	\$ 1,334
Levy of Prior Years	4,504	4,504	8,351	3,847
Interest and Liens	4,100	4,100	6,169	2,069
Proceeds from Lien Sales	-	-	196	196
Total General Property Tax	300,623	300,623	308,069	7,446
Other Local Taxes:				
Current Year's Levy	1,800	1,800	2,278	478
Licenses, Permits, Fees, and Other:				
Street Use	-	-	-	-
Business Licenses:				
Health Licenses	236	236	219	(17)
Police and Protection Licenses	181	181	153	(28)
Professional and Occupational Licenses	2	2	38	36
Total Business Licenses	419	419	410	(9)
Non-Business Licenses and Permits:				
Building Structure and Equipment Permits	5,784	11,784	12,380	596
Other Non-Business Licenses and Permits	393	393	476	83
Total Business Licenses	6,177	12,177	12,856	679
Total Licenses, Permits, Fees, and Other	6,596	12,596	13,266	670
Fines, Forfeits, and Penalties	154	154	98	(56)
Revenue from Use of Money and Property:				
Income from Investments	6,769	6,769	10,750	3,981
Income from Use of Property	389	389	499	110
Income from Development Properties	321	321	406	85
Total Revenue from Use of Money and Property	7,479	7,479	11,655	4,176
Intergovernmental Revenue:				
State of Connecticut:				
Education	188,030	188,030	187,334	(696)
Housing	3	3	132	129
Public Works	1,166	1,166	1,162	(4)
Payment on Lieu of Taxes	97,058	99,558	105,408	5,850
Shared Taxes	166	166	156	(10)
Other	7,622	7,622	7,669	47
Total Intergovernmental Revenue	294,045	296,545	301,861	5,316
Charges for Services:				
General Government:				
Recording Legal Instruments	318	318	349	31
All Other	1,269	1,269	1,549	280
Total General Government	1,587	1,587	1,898	311
Public Safety:				
Police Charges	4	4	3	(1)
Fire Protection Services	174	174	254	80
Total Public Safety	178	178	257	79

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works:				
Highways and Streets	\$ 1	\$ 1	\$ 1	\$ -
Sanitation	162	162	80	(82)
Total Public Works	<u>163</u>	<u>163</u>	<u>81</u>	<u>(82)</u>
Other:				
Health	3	3	1	(2)
Miscellaneous	46	46	340	294
Total Other	<u>49</u>	<u>49</u>	<u>341</u>	<u>292</u>
Total Charges for Services	1,977	1,977	2,577	600
Reimbursements:				
Other	3	3	1	(2)
Reimbursements from Other Funds	87	87	115	28
Total Reimbursements	<u>90</u>	<u>90</u>	<u>116</u>	<u>26</u>
Other Revenues:				
Settlements	3	3	-	(3)
Miscellaneous	273	273	1,002	729
Total Other Revenues	<u>276</u>	<u>276</u>	<u>1,002</u>	<u>726</u>
Other Financing Sources:				
Transfers in from Other Funds:				
Revenue from Hartford Parking Authority	2,325	2,325	2,564	239
Downtown North (Dono)	1,056	1,056	933	(123)
Special Police Services	2,750	2,750	2,361	(389)
Total Other Financing Sources	<u>6,131</u>	<u>6,131</u>	<u>5,858</u>	<u>(273)</u>
Total	<u>\$ 619,171</u>	<u>\$ 627,671</u>	646,780	<u>\$ 19,109</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf pension contributions to the State Teachers' Retirement System for City teachers are not budgeted	46,853
State of Connecticut on-behalf OPEB contributions to the State Teachers' Retirement System for City teachers are not budgeted	638
State of Connecticut contract assistance agreement	49,860
Effect of GASB Statement No. 54	<u>221</u>
Amount Available from Current Year Operations	<u>\$ 744,352</u>

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor	\$ 824	\$ 824	\$ 804	\$ 20
Court of Common Council	978	978	683	295
City Treasurer	533	533	379	154
Registrars of Voters	550	1,012	840	172
Corporation Counsel	1,529	1,529	1,475	54
Town and City Clerk	985	985	890	95
Internal Audit	534	534	530	4
Chief Operating Officer	1,527	1,527	1,362	165
Metro Hartford Information	5,076	5,076	5,076	-
Finance	4,154	4,154	3,949	205
Personnel	1,971	1,971	1,474	497
Office of Management and Budget	1,515	1,515	1,443	72
Office of Young Children	5,100	5,100	4,620	480
Total General Government	25,276	25,738	23,525	2,213
Public Safety:				
Fire	41,694	41,694	41,650	44
Police	53,137	53,137	50,398	2,739
Emergency Services and Telecommunications	5,231	5,231	5,290	(59)
Total Public Safety	100,062	100,062	97,338	2,724
Infrastructure and Leisure Services:				
Public Works	21,504	21,504	21,290	214
Development and Community Affairs:				
Development Services	6,826	6,826	5,827	999
Human Services:				
Health and Human Services	5,759	5,759	5,078	681
Education:				
Education	284,013	284,013	284,013	-
Benefits and Insurance				
Benefits and Insurance	101,208	80,245	76,834	3,411

**CITY OF HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Sundry:				
Debt Service	\$ 17,398	\$ 50,361	\$ 50,361	\$ -
Hartford Public Library	9,201	9,201	9,201	-
Other Sundry Items	47,924	59,862	59,089	773
Total Sundry	<u>74,523</u>	<u>119,424</u>	<u>118,651</u>	<u>773</u>
 Total	 <u>\$ 619,171</u>	 <u>\$ 643,571</u>	 632,556	 <u>\$ 11,015</u>

Budgetary expenditures are different than GAAP expenditures because:

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

46,853

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

638

State of Connecticut contract assistance agreement

49,860

Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes

228

Encumbrances for purchases and commitments ordered but not received are reported in the in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes

-

Effect of GASB Statement No. 54

156

Amount Available from Current Year Operations

\$ 730,291

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 21,203	\$ 21,085	\$ 21,265	\$ 19,268	\$ 18,886	\$ 19,594	\$ 21,250	\$ 21,934	\$ 21,995	\$ 22,612
Interest	106,469	106,591	105,599	106,751	106,620	106,170	105,620	105,283	102,350	99,934
Change in Benefit Terms	-	-	-	-	-	-	(627)	-	-	-
Differences Between Expected and Actual Experience	1,074	(11,382)	4,078	6,118	3,945	18,799	4,786	6,155	18,454	(11,737)
Changes of Assumptions	-	-	2,514	76,148	14,644	3,062	(7,557)	27,543	-	21,176
Benefit Payments, Including Refunds of Member Contributions	(117,629)	(118,806)	(118,333)	(118,123)	(117,332)	(116,283)	(112,768)	(108,145)	(101,778)	(98,654)
Net Change in Total Pension Liability	11,117	(2,512)	15,123	90,162	26,763	31,342	10,704	52,770	41,021	33,331
Total Pension Liability - Beginning	1,613,969	1,616,481	1,601,358	1,511,196	1,484,433	1,453,091	1,442,387	1,389,617	1,348,596	1,315,265
Total Pension Liability - Ending	1,625,086	1,613,969	1,616,481	1,601,358	1,511,196	1,484,433	1,453,091	1,442,387	1,389,617	1,348,596
Plan Fiduciary Net Position:										
Contributions - Employer	53,528	53,697	55,633	51,040	46,602	44,455	44,574	37,650	43,891	42,874
Contributions - Member	16,264	15,337	15,133	14,017	13,647	13,942	14,355	13,175	13,042	13,360
Net Investment Income (Loss)	99,362	107,825	(129,469)	244,680	21,068	65,756	59,906	104,204	8,696	20,779
Benefit Payments, Including Refunds of Member Contributions	(117,629)	(118,806)	(118,333)	(118,123)	(117,332)	(116,283)	(112,768)	(108,145)	(101,778)	(98,654)
Administrative Expense	(2,761)	(2,620)	(2,760)	(2,485)	(2,516)	(2,487)	(2,958)	(2,653)	(2,433)	(2,715)
Other	-	-	-	-	-	-	9	(3,087)	-	-
Net Change in Plan Fiduciary Net Position	48,764	55,433	(179,796)	189,129	(38,531)	5,383	3,118	41,144	(38,582)	(24,356)
Plan Fiduciary Net Position - Beginning	1,075,493	1,020,060	1,199,856	1,010,727	1,049,258	1,043,875	1,040,757	999,613	1,038,195	1,062,551
Plan Fiduciary Net Position - Ending	1,124,257	1,075,493	1,020,060	1,199,856	1,010,727	1,049,258	1,043,875	1,040,757	999,613	1,038,195
Net Pension Liability - Ending	\$ 500,829	\$ 538,476	\$ 596,421	\$ 401,502	\$ 500,469	\$ 435,175	\$ 409,216	\$ 401,630	\$ 390,004	\$ 310,401
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.18%	66.64%	63.10%	74.93%	66.88%	70.68%	71.84%	72.16%	71.93%	76.98%
Covered Payroll	\$ 156,351	\$ 153,334	\$ 148,341	\$ 147,405	\$ 147,709	\$ 145,103	\$ 141,067	\$ 144,122	\$ 151,305	\$ 144,227
Net Pension Liability as a Percentage of Covered Payroll	320.32%	351.18%	402.06%	272.38%	338.82%	299.91%	290.09%	278.67%	257.76%	215.22%

Notes to Schedule:

Assumption Changes:

2024:

Investment Rate of Return
Mortality

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Interest	\$ 33	\$ 44	\$ 31	\$ 40	\$ 54	\$ 68	\$ 122	\$ 119	\$ 228	\$ 218
Change in Benefit Terms										
Differences Between Expected and Actual Experience	86	(224)	58	(196)	339	7	(1,264)	(134)	(1,124)	(229)
Changes of Assumptions	(27)	(8)	(115)	(26)	133	29	(117)	(671)	414	587
Benefit Payments, Including Refunds of Member Contributions	(134)	(157)	(191)	(202)	(278)	(356)	(452)	(525)	(660)	(755)
Net Change in Total Pension Liability	(42)	(345)	(217)	(384)	248	(252)	(1,711)	(1,211)	(1,142)	(179)
Total Pension Liability - Beginning	980	1,325	1,542	1,926	1,678	1,930	3,641	4,852	5,994	6,173
Total Pension Liability - Ending	938	980	1,325	1,542	1,926	1,678	1,930	3,641	4,852	5,994
Plan Fiduciary Net Position:										
Contributions - Employer	134	157	191	202	278	356	452	525	660	755
Benefit Payments, Including Refunds of Member Contributions	(134)	(157)	(191)	(202)	(278)	(356)	(452)	(525)	(660)	(755)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-	-	-	-
Net Pension Liability - Ending	\$ 938	\$ 980	\$ 1,325	\$ 1,542	\$ 1,926	\$ 1,678	\$ 1,930	\$ 3,641	\$ 4,852	\$ 5,994
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Assumption Changes:

2024:

Investment Rate of Return
Mortality

3.93%, Net of Investment-Related Expenses; Prior Valuation: 3.65%, Net of Investment-Related Expenses
Mortality Improvement is based on the MP-2021 Scale.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Interest	\$ 2	\$ 4	\$ 3	\$ 3	\$ 6	\$ 9	\$ 10	\$ 6	\$ 9	\$ 11
Differences Between Expected and Actual Experience	(34)	(51)	34	8	(3)	(45)	-	67	66	4
Changes of Assumptions	-	-	(6)	5	7	17	(3)	17	11	(1)
Benefit Payments, Including Refunds of Member Contributions	(10)	(16)	(28)	(36)	(38)	(45)	(58)	(73)	(79)	(79)
Net Change in Total Pension Liability	(42)	(63)	3	(20)	(28)	(64)	(51)	17	7	(65)
Total Pension Liability - Beginning	74	137	134	154	182	246	297	280	273	338
Total Pension Liability - Ending	32	74	137	134	154	182	246	297	280	273
Plan Fiduciary Net Position:										
Contributions - Employer	10	16	28	36	38	45	58	73	79	79
Benefit Payments, Including Refunds of Member Contributions	(10)	(16)	(28)	(36)	(38)	(45)	(58)	(73)	(79)	(79)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-	-	-	-
Net Pension Liability - Ending	\$ 32	\$ 74	\$ 137	\$ 134	\$ 154	\$ 182	\$ 246	\$ 297	\$ 280	\$ 273
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Assumption Changes:

2024:

Investment Rate of Return
Mortality

3.93% Net of Investment-Related Expenses; Prior Valuation: 3.65%
Mortality Improvement is based on the Scale MP-2021.

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 53,528	\$ 53,685	\$ 55,633	\$ 51,040	\$ 46,602	\$ 44,455	\$ 44,574	\$ 37,650	\$ 43,891	\$ 42,874
Contributions in Relation to the Actuarially Determined Contribution	53,528	53,697	55,633	51,040	46,602	44,455	44,574	37,650	43,891	42,874
Contribution Deficiency (Excess)	\$ -	\$ (12)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 156,351	\$ 153,334	\$ 148,341	\$ 147,405	\$ 147,709	\$ 145,103	\$ 141,067	\$ 144,122	\$ 151,305	\$ 144,227
Contributions as a Percentage of Covered Payroll	34.24%	35.02%	37.50%	34.63%	31.55%	30.64%	31.60%	26.12%	29.01%	29.73%

City of Hartford RAF/PBF/FRF Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 134	\$ 157	\$ 191	\$ 202	\$ 278	\$ 356	\$ 452	\$ 525	\$ 659	\$ 755
Contributions in Relation to the Actuarially Determined Contribution	134	157	191	202	278	356	452	525	659	755
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Hartford 415(m) Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 10	\$ 16	\$ 28	\$ 36	\$ 38	\$ 45	\$ 58	\$ 73	\$ 79	\$ 79
Contributions in Relation to the Actuarially Determined Contribution	10	16	28	36	38	45	58	73	79	79
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	22 Years, Level Dollar, Closed
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.40%
Salary Increases	2.40% for Inflationary Salary Increases
Investment Rate of Return	6.75%, Net of Investment-Related and Administrative Expenses
Retirement Age	Police - 100% retire at 65, regardless of service and must be age 45 to retire; Fire - 100% retire at age 65; BOE 100% retire at age 75; Municipal Services and Library - If less than 20 years of service, 100% retire at 75
Mortality	RP-2014 fully projected with separate male and female tables and separate rates for annuitants and non-annuitants with occupational adjustment
Mortality Improvement	Scale MP-2021;

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense:										
City of Hartford MERF	9.47%	10.86%	-11.00%	24.91%	2.07%	6.49%	5.97%	10.44%	.86%	2.00%
City of Hartford RAF/PBF/FRF Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City of Hartford 415(m) Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	3.28%	2.95%	3.17%	3.27%	3.38%	3.84%	7.04%	6.23%	7.80%	4.00%
City's Proportionate Share of the Net Pension Liability \$	46,409	\$ 40,508	\$ 22,529	\$ 36,373	\$ 34,903	\$ 36,691	\$ 17,468	\$ 20,742	\$ 15,062	\$ 10,678
City's Covered Payroll	\$ 30,700	\$ 25,380	\$ 25,756	\$ 24,339	\$ 24,342	\$ 25,156	\$ 27,785	\$ 27,342	\$ 27,342	\$ 27,342
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	151.17%	159.61%	87.47%	149.44%	143.39%	145.85%	62.87%	75.86%	55.09%	39.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.54%	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

*Notes:

- The measurement date is one year earlier than the employer's reporting date.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 4,872	\$ 4,966	\$ 4,272	\$ 3,849	\$ 3,130	\$ 2,856	\$ 2,851	\$ 3,162	\$ 3,681	\$ 3,681
Contributions in Relation to the Actuarially Determined Contribution	4,872	4,966	4,272	3,849	3,130	2,856	2,851	3,162	3,681	3,681
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 30,739	\$ 28,269	\$ 25,577	\$ 25,756	\$ 24,339	\$ 24,342	\$ 25,156	\$ 27,785	\$ 27,342	\$ 27,342
Contributions as a Percentage of Covered Payroll	15.85%	17.57%	16.70%	14.94%	12.86%	11.73%	11.33%	11.38%	13.46%	13.46%

Notes to Schedule:

Valuation Date: June 30, 2023
 Measurement Date: June 30, 2023

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Closed
Single Equivalent Amortization Period	Blended 24.3 to 24.4 years depending on Tier
Asset Valuation Method	Market Value on the measurement date. Plan's fiduciary net position also included the present value of receivable initial liability payments established by participating employers upon entry into MERS

Inflation	2.50%
Salary Increases	3.50% - 9.50%, Including Inflation
Investment Rate of Return	7%, Net of Investment Related Expense
Changes in Assumptions	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	504,961	557,204	471,982	595,931	577,962	445,642	528,969	558,067	435,145	401,684
Total	\$ 504,961	\$ 557,204	\$ 471,982	\$ 595,931	\$ 577,962	\$ 445,642	\$ 528,969	\$ 558,067	\$ 435,145	\$ 401,684
City's Covered Payroll	\$ 140,389	\$ 137,724	\$ 137,272	\$ 136,709	\$ 135,090	\$ 135,085	\$ 157,332	\$ 161,604	\$ 158,736	\$ 156,312
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Plan Information:

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	27.8 Years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 4,683	\$ 4,594	\$ 8,957	\$ 8,499	\$ 6,211	\$ 6,468	\$ 12,913	\$ 9,297
Interest	10,499	10,243	8,725	8,851	15,127	15,628	13,535	14,072
Changes in Benefit Terms	-	-	-	-	(8,095)	-	(96,632)	-
Differences Between Expected and Actual Experience	(50,846)	1,903	(58,705)	(2,899)	(98,041)	(2,111)	131,191	4,640
Changes of Assumptions	11,202	(3,865)	(53,694)	2,672	64,484	20,523	(13,956)	51,221
Benefit Payments, Including Refunds of Member Contributions	(14,165)	(15,137)	(15,888)	(12,429)	(12,427)	(13,786)	(15,981)	(14,303)
Net Change in Total OPEB Liability	(38,627)	(2,262)	(110,605)	4,694	(32,741)	26,722	31,070	64,927
Total OPEB Liability - Beginning	289,992	292,254	402,859	398,165	430,906	404,184	373,114	308,187
Total OPEB Liability - Ending	251,365	289,992	292,254	402,859	398,165	430,906	404,184	373,114
Plan Fiduciary Net Position:								
Contributions - Employer	14,165	15,137	15,888	12,429	12,427	13,786	18,156	14,303
Contributions - Member	260	255	249	246	243	249	170	36
Net Investment Income	(167)	(232)	(217)	(216)	(145)	12	-	-
Benefit Payments, Including Refunds of Member Contributions	(14,165)	(15,137)	(15,888)	(12,429)	(12,427)	(13,786)	(15,981)	(14,303)
Net Change in Plan Fiduciary Net Position	93	23	32	30	98	261	2,345	36
Plan Fiduciary Net Position - Beginning	2,825	2,802	2,770	2,740	2,642	2,381	36	-
Plan Fiduciary Net Position - Ending	2,918	2,825	2,802	2,770	2,740	2,642	2,381	36
Net OPEB Liability - Ending	\$ 248,447	\$ 287,167	\$ 289,452	\$ 400,089	\$ 395,425	\$ 428,264	\$ 401,803	\$ 373,078
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.16%	0.97%	0.96%	0.69%	0.69%	0.61%	0.59%	0.01%
Covered Payroll	\$ 108,777	\$ 106,695	\$ 104,195	\$ 101,403	\$ 98,930	\$ 93,221	\$ 90,726	\$ 115,952
Net OPEB Liability as a Percentage of Covered Payroll	228.40%	269.15%	277.80%	394.55%	399.70%	459.41%	442.88%	321.75%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 445	\$ 426	\$ 1,003	\$ 962	\$ 722	\$ 693	\$ 464	\$ 435
Interest	1,767	1,714	3,253	3,047	3,096	2,980	2,832	2,753
Changes in Benefit Terms	-	-	-	-	-	-	(2,223)	-
Differences Between Expected and Actual Experience	(5,066)	569	(16,929)	124	(2,864)	339	2,662	333
Changes of Assumptions	1,295	-	(4,949)	-	1,946	-	478	-
Benefit Payments, Including Refunds of Member Contributions	(1,695)	(2,191)	(398)	(2,243)	(2,506)	(2,516)	(2,397)	(2,310)
Net Change in Total OPEB Liability	(3,254)	518	(18,020)	1,890	394	1,496	1,816	1,211
Total OPEB Liability - Beginning	26,562	26,044	44,064	42,174	41,780	40,284	38,468	37,257
Total OPEB Liability - Ending	23,308	26,562	26,044	44,064	42,174	41,780	40,284	38,468
Plan Fiduciary Net Position:								
Contributions - Employer	1,109	1,562	3	1,781	2,093	2,062	1,853	556
TRB Subsidy	617	659	423	495	441	481	544	621
Net Investment Income	1,291	1,912	(2,864)	4,814	142	1,150	662	112
Benefit Payments, Including Refunds of Member Contributions	(1,695)	(2,191)	(398)	(2,243)	(2,506)	(2,516)	(2,397)	(2,310)
Administrative Expense	(31)	(30)	(28)	(33)	(27)	(27)	(25)	-
Net Change in Plan Fiduciary Net Position	1,291	1,912	(2,864)	4,814	143	1,150	637	(1,021)
Plan Fiduciary Net Position - Beginning	23,979	22,067	24,931	20,117	19,974	18,824	18,187	19,208
Plan Fiduciary Net Position - Ending	25,270	23,979	22,067	24,931	20,117	19,974	18,824	18,187
Net OPEB Liability (Asset) - Ending	\$ (1,962)	\$ 2,583	\$ 3,977	\$ 19,133	\$ 22,057	\$ 21,806	\$ 21,460	\$ 20,281
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	108.42%	90.28%	84.73%	56.58%	47.70%	47.81%	46.73%	47.28%
Covered Payroll	\$ 195,748	\$ 196,692	\$ 192,082	\$ 204,272	\$ 199,289	\$ 202,917	\$ 197,486	\$ 213,458
Net OPEB Liability as a Percentage of Covered Payroll	-1.00%	1.31%	2.07%	9.37%	11.07%	10.75%	10.87%	9.50%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 24,686	\$ 24,422	\$ 25,983	\$ 25,698	\$ 30,485	\$ 30,154	\$ 27,025	\$ 26,583
Contributions in Relation to the Actuarially Determined Contribution	14,165	15,137	15,888	12,429	12,428	13,786	18,156	14,303
Contribution Deficiency (Excess)	\$ 10,521	\$ 9,285	\$ 10,095	\$ 13,269	\$ 18,057	\$ 16,368	\$ 8,869	\$ 12,280
Covered Payroll	\$ 108,777	\$ 106,695	\$ 104,195	\$ 101,403	\$ 98,930	\$ 93,221	\$ 90,726	\$ 115,952
Contributions as a Percentage of Covered Payroll	13.02%	14.19%	15.25%	12.26%	12.56%	14.79%	20.01%	12.34%

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

Notes to Schedule:

Measurement Date: June 30, 2024
 Valuation Date: July 1, 2023
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Remaining Amortization Period	22 Years, Closed
Asset Valuation Method	Market Value
Inflation	2.40%
Healthcare Cost Trend Rates	7.00% for 2023, Decreasing 0.2% Each Year, to an Ultimate Rate of 4.40% for 2036 and Later.
Salary Increases	2.40%
Investment Rate of Return	3.93%
Retirement Age	Aged Base Table
Mortality:	
Fire and Police	RP-2014 Mortality Table Adjusted to 2006 BlueCollar Projected to Valuation Date with Scale MP-2021.
All Others	RP-2014 Mortality Table Adjusted to 2006 Total Dataset Projected to Valuation Date with Scale MP-2021.

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

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 664	\$ 645	\$ 2,722	\$ 2,678	\$ 2,462	\$ 2,428	\$ 1,973	\$ 1,928
Contributions in Relation to the Actuarially Determined Contribution	1,109	1,562	3	1,781	2,093	2,062	1,853	556
Contribution Deficiency (Excess)	<u>\$ (445)</u>	<u>\$ (917)</u>	<u>\$ 2,719</u>	<u>\$ 897</u>	<u>\$ 369</u>	<u>\$ 366</u>	<u>\$ 120</u>	<u>\$ 1,372</u>
Covered Payroll	\$ 195,748	\$ 196,692	\$ 192,082	\$ 204,272	\$ 199,289	\$ 202,917	\$ 197,486	\$ 213,458
Contributions as a Percentage of Covered Payroll	0.57%	0.79%	0.00%	0.87%	1.05%	1.02%	0.94%	0.26%

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

Notes to Schedule:

Measurement Date: June 30, 2024
 Valuation Date: July 1, 2023
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Remaining Amortization Period	22 Years, Closed
Asset Valuation Method	Market Value
Inflation	2.40%
Healthcare Cost Trend Rates	7.00% in 2023, Decreasing 0.2% Each Year, to an Ultimate Rate of 4.40% for 2036 and Later.
Salary Increases	2.40%
Investment Rate of Return	6.75%
Retirement Age	Aged Base Table
Mortality	RP-2014 Mortality Table Adjusted to 2006 Total Dataset Projected to Valuation Date with Scale MP-2021.

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

	2024	2023	2022	2021	2020	2019	2018	2017
City Plan:								
Annual Money-Weighted Rate of Return, Net of Investment Expense	-5.69%	-7.95%	-7.52%	-7.57%	-5.28%	0.48%	0.00%	0.00%
BOE Plan:								
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.07%	8.69%	-11.47%	24.01%	0.72%	6.11%	3.64%	0.59%

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

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

	2024	2023	2022	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the City	47,308	48,798	51,422	88,883	90,136	89,087	136,151
Total	<u>\$ 47,308</u>	<u>\$ 48,798</u>	<u>\$ 51,422</u>	<u>\$ 88,883</u>	<u>\$ 90,136</u>	<u>\$ 89,087</u>	<u>\$ 136,151</u>
City's Covered Payroll	\$ 140,389	\$ 137,724	\$ 137,272	\$ 136,709	\$ 135,090	\$ 135,085	\$ 157,332
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms

There were no changes to benefit terms since the prior Measurement Date

Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023;

Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Investment Rate of Return
Price Inflation

Entry Age
Level Percent of Payroll Over an Open Period
30-Years
Market Value of Assets
3.00%, Net of Investment Related Expense, Including Price Inflation
2.50%

Notes:

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

CITY OF HARTFORD, CONNECTICUT
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2024
(IN THOUSANDS)

	General Fund	Hartford Public Library	Total
ASSETS			
Cash and Cash Equivalents	\$ 101,830	\$ 532	\$ 102,362
Receivables, Net	92,385	-	92,385
Due from Other Funds	21,463	-	21,463
Total Assets	\$ 215,678	\$ 532	\$ 216,210
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts and Other Payables	\$ 50,944	\$ 296	\$ 51,240
Unearned Revenue	174	-	174
Due to Other Funds	49	-	49
Total Liabilities	51,167	296	51,463
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property	83,061	-	83,061
Unavailable Revenue - Other Receivable	2,904	-	2,904
Deferred Inflows Related to Leases	2,880	-	2,880
Advance Property Tax Collections	2,458	-	2,458
Total Deferred Inflows of Resources	91,303	-	91,303
FUND BALANCES			
Committed	741	-	741
Assigned	29,380	-	29,380
Unassigned	43,087	236	43,323
Total Fund Balances	73,208	236	73,444
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 215,678	\$ 532	\$ 216,210

CITY OF HARTFORD, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE GENERAL FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	General Fund	Hartford Public Library	Eliminate Interfund Transfers	Total
REVENUES				
Property Taxes	\$ 310,348	\$ -	\$ -	\$ 310,348
Licenses and Permits	13,364	-	-	13,364
Intergovernmental	399,212	-	-	399,212
Charges for Services	2,577	-	-	2,577
Use of Property	904	-	-	904
Investment Income	10,750	-	-	10,750
Miscellaneous	1,118	221	-	1,339
Total Revenues	<u>738,273</u>	<u>221</u>	<u>-</u>	<u>738,494</u>
EXPENDITURES				
Current:				
General Government	16,092	-	-	16,092
Public Safety	97,338	-	-	97,338
Public Works	21,290	-	-	21,290
Development and Community Affairs	5,079	-	-	5,079
Human Services	4,103	-	-	4,103
Education	331,732	-	-	331,732
Recreation and Culture	2,356	9,357	-	11,713
Benefits and Insurance	81,910	-	-	81,910
Other	50,815	-	-	50,815
Debt Service	220	-	-	220
Total Expenditures	<u>610,935</u>	<u>9,357</u>	<u>-</u>	<u>620,292</u>
REVENUES OVER (UNDER) EXPENDITURES	127,338	(9,136)	-	118,202
OTHER FINANCING SOURCES (USES)				
Transfers In	5,858	9,201	(9,201)	5,858
Transfers Out	(119,200)	-	9,201	(109,999)
Total Other Financing Sources (Uses)	<u>(113,342)</u>	<u>9,201</u>	<u>-</u>	<u>(104,141)</u>
NET CHANGE IN FUND BALANCES	13,996	65	-	14,061
Fund Balances - Beginning of Year	<u>59,212</u>	<u>171</u>	<u>-</u>	<u>59,383</u>
FUND BALANCES - END OF YEAR	<u>\$ 73,208</u>	<u>\$ 236</u>	<u>\$ -</u>	<u>\$ 73,444</u>

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTION, AND OUTSTANDING
GENERAL FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

Grand List Year	Taxes Receivable	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Collections				Taxes Receivable
	July 1, 2023		Additions	Deletions			Taxes	Interest	Liens	Total	June 30, 2024
2022	\$ -	\$ 318,827	\$ 5,255	\$ 15,987	\$ -	\$ 308,095	\$ 293,363	\$ 1,501	\$ 12	\$ 294,876	\$ 14,732
2021	16,065	-	743	4,261	1	12,546	4,905	1,292	315	6,512	7,641
2020	8,139	-	11	75	2	8,073	2,247	794	173	3,214	5,826
2019	4,740	-	737	102	2	5,373	1,188	444	66	1,698	4,185
2018	4,386	-	186	36	4	4,532	515	366	45	926	4,017
2017	3,285	-	3	20	2	3,266	271	429	26	726	2,995
2016	2,182	-	1	15	2	2,166	196	222	14	432	1,970
2015	1,722	-	1	9	2	1,712	131	153	10	294	1,581
2014	2,316	-	2	9	3	2,306	115	163	12	290	2,191
2013	2,159	-	-	5	4	2,150	97	156	7	260	2,053
2012	1,914	-	1	6	1	1,908	77	135	5	217	1,831
2011	1,903	-	1	6	5	1,893	72	158	6	236	1,821
2010	1,844	-	2	6	6	1,834	160	313	6	479	1,674
2009	1,630	-	2	7	7	1,618	21	41	4	66	1,597
2008	1,692	-	-	3	-	1,689	15	51	6	72	1,674
2007	1,632	-	-	1,632	-	-	-	-	-	-	-
Total	\$ 55,609	\$ 318,827	\$ 6,945	\$ 22,179	\$ 41	\$ 359,161	\$ 303,373	\$ 6,218	\$ 707	\$ 310,298	\$ 55,788

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Fund	Funding Source	Function
Section 8	Federal Grants	Housing Assistance
Food Services Program	State and Federal Grants, and Sales of Food	School Lunch and Breakfast Programs
Health Grants	State and Federal Grants	Health and Human Services
Library Grants	Grants and Contributions	Public Library System
Community Development	Federal Block Grants	Housing and Development
Home Program	Federal Grants	Affordable Housing
Great Path Academy	State Grants	Education
Parks and Recreation Trusts	Donation and Trust Income	Park and Recreation
Special Activities	Fees for Community Use of Schools	Education
Student Activities	Charges for Services for Student Activities	Education
Dillon Stadium	Fees for Community Use of Stadium	Park and Recreation

Capital Projects Funds

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

Permanent Funds

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

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(IN THOUSANDS)**

	Special Revenue Funds									
	Section 8	Food Service Program	Health Grants	Community Development Act	HOME Program	Library Grants	Parks and Recreation Trusts	Dillon Stadium	Great Path Academy	Special Activities
ASSETS										
Cash and Cash Equivalents	\$ 1,938	\$ 3,970	\$ 3,396	\$ -	\$ -	\$ 10,809	\$ -	\$ 405	\$ 4,438	\$ 1,473
Investments	-	-	-	-	-	-	526	-	-	-
Intergovernmental Receivable	69	2,692	945	991	1,634	474	-	-	-	-
Other Receivables, Net	129	-	1,918	103	-	608	-	13	-	472
Due from Other Funds	-	-	-	49	-	-	-	-	-	-
Other Assets	-	624	-	-	-	-	-	-	-	-
Total Assets	\$ 2,136	\$ 7,286	\$ 6,259	\$ 1,143	\$ 1,634	\$ 11,891	\$ 526	\$ 418	\$ 4,438	\$ 1,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable and Accrued Liabilities	\$ 54	\$ 588	\$ 1,739	\$ 825	\$ 11	\$ 317	\$ -	\$ 48	\$ 337	\$ -
Due to Other Funds	-	-	-	-	1,623	-	-	-	-	-
Unearned Revenue	2,082	-	2,661	11	-	1,510	-	-	-	-
Total Liabilities	2,136	588	4,400	836	1,634	1,827	-	48	337	-
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenue	-	-	1,855	103	54	318	-	-	-	287
Total Deferred Inflows of Resources	-	-	1,855	103	54	318	-	-	-	287
FUND BALANCES										
Nonspendable	-	624	-	-	-	-	-	-	-	-
Restricted	-	6,074	4	204	-	9,746	526	-	4,101	-
Committed	-	-	-	-	-	-	-	370	-	1,658
Unassigned	-	-	-	-	(54)	-	-	-	-	-
Total Fund Balances	-	6,698	4	204	(54)	9,746	526	370	4,101	1,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,136	\$ 7,286	\$ 6,259	\$ 1,143	\$ 1,634	\$ 11,891	\$ 526	\$ 418	\$ 4,438	\$ 1,945

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024
(IN THOUSANDS)**

	Special	Capital Project Funds			Permanent Funds				Total
	Revenue			HUD Special Projects Fund	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	
	Student Activities	Capital Equipment	Redevelopmen Fund						
ASSETS									
Cash and Cash Equivalents	\$ 746	\$ 6,315	\$ 4,243	\$ -	\$ -	\$ -	\$ 189	\$ -	\$ 37,922
Investments	-	-	-	-	2	24,587	6,453	209	31,777
Intergovernmental Receivable	-	-	-	-	-	-	-	-	6,805
Other Receivables, Net	-	-	-	3,098	-	-	-	-	6,341
Due from Other Funds	-	-	-	-	-	-	-	-	49
Other Assets	-	-	-	-	-	-	-	-	624
Total Assets	\$ 746	\$ 6,315	\$ 4,243	\$ 3,098	\$ 2	\$ 24,587	\$ 6,642	\$ 209	\$ 83,518
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable and Accrued Liabilities	\$ -	\$ 465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,384
Due to Other Funds	-	-	-	-	-	-	-	-	1,623
Unearned Revenue	-	89	-	-	-	-	-	-	6,353
Total Liabilities	-	554	-	-	-	-	-	-	12,360
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue	-	-	1,969	-	-	-	-	-	4,586
Total Deferred Inflows of Resources	-	-	1,969	-	-	-	-	-	4,586
FUND BALANCES									
Nonspendable	-	-	-	-	-	8,150	197	11	8,982
Restricted	746	-	-	3,098	2	16,437	6,445	198	47,581
Committed	-	5,761	2,274	-	-	-	-	-	10,063
Unassigned	-	-	-	-	-	-	-	-	(54)
Total Fund Balances	746	5,761	2,274	3,098	2	24,587	6,642	209	66,572
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 746	\$ 6,315	\$ 4,243	\$ 3,098	\$ 2	\$ 24,587	\$ 6,642	\$ 209	\$ 83,518

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Special Revenue Funds									
	Section 8	Food Service Program	Health Grants	Community Development Act	HOME Program	Library Grants	Parks and Recreation Trusts	Dillon Stadium	Great Path Academy	Special Activities
REVENUES										
Intergovernmental	\$ 65,547	\$ 15,288	\$ 17,356	\$ 5,154	\$ 2,929	\$ 5,768	\$ -	\$ -	\$ 4,077	\$ -
Charges for Services	-	1,845	-	-	-	220	-	247	-	261
Investment Income	-	-	-	20	-	-	38	-	-	15
Contribution and Donations	-	-	-	-	-	-	-	91	-	-
Total Revenues	<u>65,547</u>	<u>17,133</u>	<u>17,356</u>	<u>5,174</u>	<u>2,929</u>	<u>5,988</u>	<u>38</u>	<u>338</u>	<u>4,077</u>	<u>276</u>
EXPENDITURES										
Current:										
General Government	-	-	-	699	-	-	-	-	-	-
Public Safety	-	-	-	71	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Development and Community Affairs	1,676	-	-	1,435	2,479	3,549	-	-	-	-
Human Services	63,871	-	18,390	1,953	-	-	-	-	-	-
Education	-	18,458	-	-	-	-	-	-	4,216	53
Recreation and Culture	-	-	-	120	-	2,640	6	168	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>65,547</u>	<u>18,458</u>	<u>18,390</u>	<u>4,278</u>	<u>2,479</u>	<u>6,189</u>	<u>6</u>	<u>168</u>	<u>4,216</u>	<u>53</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,325)	(1,034)	896	450	(201)	32	170	(139)	223
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	1,537	-	-	3,500	-	200	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,537</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(1,325)	503	896	450	3,299	32	370	(139)	223
Fund Balances - Beginning of Year	-	8,023	(499)	(692)	(504)	6,447	494	-	4,240	1,435
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 6,698</u>	<u>\$ 4</u>	<u>\$ 204</u>	<u>\$ (54)</u>	<u>\$ 9,746</u>	<u>\$ 526</u>	<u>\$ 370</u>	<u>\$ 4,101</u>	<u>\$ 1,658</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Special Revenue	Capital Project Funds			Permanent Funds					Total
	Student Activities	Capital Equipment	Redevelopment Fund	HUD Special Projects Fund	Public Safety	Parks and Recreation Trusts	Human Services Trusts	Education Trusts	Eliminations	
REVENUES	\$ -	\$ -	\$ -	\$ 88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,207
Intergovernmental	476	8	-	-	-	-	-	-	-	3,057
Charges for Services	-	-	116	255	-	2,442	766	23	-	3,675
Investment Income	-	-	-	-	-	-	-	-	-	91
Contribution and Donations	476	8	116	343	-	2,442	766	23	-	123,030
Total Revenues										
EXPENDITURES	-	26	-	-	-	-	-	-	-	725
Current:	-	-	-	-	-	-	-	-	-	71
General Government	-	8	-	-	-	-	-	-	-	8
Public Safety	-	-	14	-	-	-	-	-	-	9,153
Public Works	-	-	-	-	-	-	34	-	-	84,248
Development and Community Affairs	558	-	-	-	-	-	-	4	-	23,289
Human Services	-	-	-	-	-	11	-	-	-	2,945
Education	-	3,402	-	-	-	-	-	-	-	3,402
Recreation and Culture	-	-	-	605	-	-	-	-	-	605
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service	558	3,436	14	605	-	11	34	4	-	124,446
Total Expenditures										
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82)	(3,428)	102	(262)	-	2,431	732	19	-	(1,416)
OTHER FINANCING SOURCES (USES)	-	6,711	-	-	-	-	-	-	-	11,948
Transfers In	-	-	-	-	-	(3,383)	-	-	-	(3,383)
Transfers Out	-	6,711	-	-	-	(3,383)	-	-	-	8,565
Total Other Financing Sources (Uses)										
NET CHANGE IN FUND BALANCES	(82)	3,283	102	(262)	-	(952)	732	19	-	7,149
Fund Balances - Beginning of Year	828	2,478	2,172	3,360	2	25,539	5,910	190	-	59,423
FUND BALANCES - END OF YEAR	\$ 746	\$ 5,761	\$ 2,274	\$ 3,098	\$ 2	\$ 24,587	\$ 6,642	\$ 209	\$ -	\$ 66,572

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
FINANCIAL DATA SCHEDULE SECTION 8 BALANCE SHEET SUMMARY
YEAR ENDED JUNE 30, 2024
(NOT ROUNDED)**

	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.856 Lower Income Assistance Program - Section 8 Moderate	Total
ASSETS				
Cash - Unrestricted	\$ 1,050,292	\$ -	\$ -	\$ 1,050,292
Cash - Other Restricted	-	-	886,752	886,752
Cash - Restricted for Payment of Current Liabilities	-	-	1,308	1,308
Total Cash	<u>1,050,292</u>	<u>-</u>	<u>888,060</u>	<u>1,938,352</u>
Accounts Receivable - Other Government Total Receivable, Net of Allowances for Doubtful Accounts	<u>174,182</u>	<u>13,978</u>	<u>9,270</u>	<u>197,430</u>
Total Current Assets	<u>1,224,474</u>	<u>13,978</u>	<u>897,330</u>	<u>2,135,782</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,224,474</u>	<u>\$ 13,978</u>	<u>\$ 897,330</u>	<u>\$ 2,135,782</u>
LIABILITIES				
Accounts Payable <= 90 Days	\$ 38,704	\$ 13,978	\$ 1,308	\$ 53,990
Unearned Revenue	1,185,770	-	896,022	2,081,792
Total Current Liabilities	<u>1,224,474</u>	<u>13,978</u>	<u>897,330</u>	<u>2,135,782</u>
Total Liabilities	<u>1,224,474</u>	<u>13,978</u>	<u>897,330</u>	<u>2,135,782</u>
Total Liabilities, Deferred Inflows of Resources and Equity, Net	<u>\$ 1,224,474</u>	<u>\$ 13,978</u>	<u>\$ 897,330</u>	<u>\$ 2,135,782</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
FINANCIAL DATA SCHEDULE SECTION 8 REVENUE AND EXPENSE SUMMARY
YEAR ENDED JUNE 30, 2024
(NOT ROUNDED)**

Line Item	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.856 Lower Income Assistance Program - Section 8 Moderate	Total
REVENUES				
70600 HUD PHA Operating Grants	\$ 62,366,546	\$ 679,636	\$ 1,674,663	\$ 64,720,845
71400 Fraud Recovery	192,236	-	974	193,210
71500 Other Revenue	632,771	-	-	632,771
70000 Total Revenue	63,191,553	679,636	1,675,637	65,546,826
EXPENDITURES				
91100 Administrative Salaries	176,237	51,981	203,906	432,124
91200 Auditing Fees	18,500	-	5,000	23,500
91300 Management Fee	5,116,913	-	-	5,116,913
91600 Office Expenses	52,065	-	-	52,065
91810 Allocated Overhead	229,124	-	-	229,124
91900 Other	36,000	-	21,621	57,621
91000 Total Operating Administrative	5,628,839	51,981	230,527	5,911,347
96900 Total Operating Expenses	5,628,839	51,981	230,527	5,911,347
97000 Excess of Operating Revenue over Operating Expenses	57,562,714	627,655	1,445,110	59,635,479
97300 Housing Assistance Payments	56,939,290	622,009	1,445,110	59,006,409
97350 HAP Portability In	629,070	-	-	629,070
90000 Total Expenses	63,197,199	673,990	1,675,637	65,546,826
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(5,646)	5,646	-	-
11190 Unit Months Available	60,177	600	2,076	62,853
11210 Number of Unit Months Leased	56,932	547	1,159	58,638

NONMAJOR ENTERPRISE FUNDS

Nonmajor Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

Hartford Parking Facilities – is used to account for revenues and expenditures related to the Parking Fund.

Golf Course – is used to account for revenues and expenditures related to the City's Golf Courses.

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)**

	Hartford Parking Facilities	Golf Course	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,882	\$ 810	\$ 4,692
Receivables, Net	-	22	22
Due from Component Unit	173	-	173
Total Current Assets	<u>4,055</u>	<u>832</u>	<u>4,887</u>
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	5,935	152	6,087
Being Depreciated, Net	7,499	3,972	11,471
Total Noncurrent Assets	<u>13,434</u>	<u>4,124</u>	<u>17,558</u>
Total Assets	<u>17,489</u>	<u>4,956</u>	<u>22,445</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	101	456	557
Due to Other Funds	2,359	1,410	3,769
Current Maturities of Bonds Payable	115	-	115
Total Current Liabilities	<u>2,575</u>	<u>1,866</u>	<u>4,441</u>
Noncurrent Liabilities:			
Bonds Payable	1,001	-	1,001
Total Noncurrent Liabilities	<u>1,001</u>	<u>-</u>	<u>1,001</u>
Total Liabilities	<u>3,576</u>	<u>1,866</u>	<u>5,442</u>
NET POSITION			
Net Investment in Capital Assets	12,318	4,124	16,442
Unrestricted	1,595	(1,034)	561
Total Net Position	<u>\$ 13,913</u>	<u>\$ 3,090</u>	<u>\$ 17,003</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Hartford Parking Facilities	Golf Course	Total
OPERATING REVENUES			
Charges for Services	\$ 3,024	\$ 2,033	\$ 5,057
Total Operating Revenues	<u>3,024</u>	<u>2,033</u>	<u>5,057</u>
OPERATING EXPENSES			
Operations	519	2,146	2,665
Depreciation and Amortization	<u>475</u>	<u>209</u>	<u>684</u>
Total Operating Expenses	<u>994</u>	<u>2,355</u>	<u>3,349</u>
OPERATING INCOME (LOSS)	2,030	(322)	1,708
NONOPERATING REVENUE (EXPENSES):			
Interest Expense	<u>(56)</u>	<u>-</u>	<u>(56)</u>
Total Nonoperating Revenue (Expenses)	<u>(56)</u>	<u>-</u>	<u>(56)</u>
INCOME (LOSS) BEFORE TRANSFERS	1,974	(322)	1,652
Capital Contributions		91	91
Transfers Out	<u>(2,564)</u>	<u>-</u>	<u>(2,564)</u>
CHANGE IN NET POSITION	(590)	(231)	(821)
Net Position - Beginning of Year	<u>14,503</u>	<u>3,321</u>	<u>17,824</u>
NET POSITION - END OF YEAR	<u>\$ 13,913</u>	<u>\$ 3,090</u>	<u>\$ 17,003</u>

**CITY OF HARTFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Hartford Parking Facilities	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 3,024	\$ 2,027	\$ 5,051
Payments to Suppliers	(520)	(2,213)	(2,733)
Receipts from Interfund Services Used	670	-	670
Net Cash Provided (Used) by Operating Activities	<u>3,174</u>	<u>(186)</u>	<u>2,988</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer to General Fund	(2,564)	-	(2,564)
Principal Paid on Bonds	(222)	-	(222)
Interest Paid on Bonds	(56)	-	(56)
Net Cash Used by Noncapital Financing Activities	<u>(2,842)</u>	<u>-</u>	<u>(2,842)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	332	(186)	146
Cash and Cash Equivalents - Beginning of Year	<u>3,550</u>	<u>996</u>	<u>4,546</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,882</u>	<u>\$ 810</u>	<u>\$ 4,692</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 2,030	\$ (322)	\$ 1,708
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	475	209	684
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(6)	(6)
(Increase) Decrease in Due from Other Funds	1,122	-	1,122
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1)	(67)	(68)
Increase in Due to Other Funds	(452)	-	(452)
Total Adjustments	<u>1,144</u>	<u>136</u>	<u>1,280</u>
Net Cash Provided by Operating Activities	<u>\$ 3,174</u>	<u>\$ (186)</u>	<u>\$ 2,988</u>

INTERNAL SERVICE FUNDS

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

The City maintains four (4) internal service funds to account for the risk management program for employee benefits including retirees, actives, workers' compensation, and general liability, including property damage.

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

**CITY OF HARTFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services	Retirees	Actives	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 4,245	\$ 763	\$ 1,219	\$ 1,664	\$ 9,310	\$ 17,201
Accounts Receivable, Net	-	-	-	1,372	385	1,757
Total Assets	<u>4,245</u>	<u>763</u>	<u>1,219</u>	<u>3,036</u>	<u>9,695</u>	<u>18,958</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	155	483	490	593	2,000	3,721
Insurance Claims Payable	14,036	1,400	-	-	-	15,436
Claims Incurred but Not Reported	-	-	-	1,163	4,382	5,545
Total Current Liabilities	<u>14,191</u>	<u>1,883</u>	<u>490</u>	<u>1,756</u>	<u>6,382</u>	<u>24,702</u>
Noncurrent Liabilities:						
Claims Incurred but Not Reported	<u>12,136</u>	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,336</u>
Total Liabilities	<u>26,327</u>	<u>5,083</u>	<u>490</u>	<u>1,756</u>	<u>6,382</u>	<u>40,038</u>
NET POSITION						
Unrestricted	<u>\$ (22,082)</u>	<u>\$ (4,320)</u>	<u>\$ 729</u>	<u>\$ 1,280</u>	<u>\$ 3,313</u>	<u>\$ (21,080)</u>

**CITY OF HARTFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services	Retirees	Actives	Total
OPERATING REVENUES						
Charges for Services - Employer	\$ 8,621	\$ 1,924	\$ 9,049	\$ 85	\$ 46,793	\$ 66,472
Charges for Services - Employees	-	-	-	5,059	13,082	18,141
Other	-	156	-	1,372	1,910	3,438
Total Operating Revenues	<u>8,621</u>	<u>2,080</u>	<u>9,049</u>	<u>6,516</u>	<u>61,785</u>	<u>88,051</u>
OPERATING EXPENSES						
Administrative	-	833	-	846	2,588	4,267
Operations	-	-	8,549	-	-	8,549
Insurance Benefits and Claims	8,593	1,647	-	5,247	62,899	78,386
Total Operating Expenses	<u>8,593</u>	<u>2,480</u>	<u>8,549</u>	<u>6,093</u>	<u>65,487</u>	<u>91,202</u>
INCOME (LOSS) FROM OPERATIONS	28	(400)	500	423	(3,702)	(3,151)
CHANGE IN NET POSITION	28	(400)	500	423	(3,702)	(3,151)
Net Position - Beginning of Year	<u>(22,110)</u>	<u>(3,920)</u>	<u>229</u>	<u>857</u>	<u>7,015</u>	<u>(17,929)</u>
NET POSITION - END OF YEAR	<u>\$ (22,082)</u>	<u>\$ (4,320)</u>	<u>\$ 729</u>	<u>\$ 1,280</u>	<u>\$ 3,313</u>	<u>\$ (21,080)</u>

**CITY OF HARTFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Workers' Compensation	Liability and Property Damage	Metro Hartford Information Services	Retirees	Actives	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
City's Contribution	\$ 8,621	\$ 1,924	\$ 9,049	\$ 85	\$ 46,793	\$ 66,472
Cash Received from Other	-	156	-	162	1,650	1,968
Cash Received from Users	-	-	-	5,059	13,082	18,141
Cash Payments for Claims and Operations	(9,025)	(2,621)	(9,491)	(6,091)	(65,330)	(92,558)
Net Cash Used by Operating Activities	(404)	(541)	(442)	(785)	(3,805)	(5,977)
NET CHANGE IN CASH	(404)	(541)	(442)	(785)	(3,805)	(5,977)
Cash and Cash Equivalents - Beginning of Year	4,649	1,304	1,661	2,449	13,115	23,178
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,245</u>	<u>\$ 763</u>	<u>\$ 1,219</u>	<u>\$ 1,664</u>	<u>\$ 9,310</u>	<u>\$ 17,201</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Income (Loss) from Operations	\$ 28	\$ (400)	\$ 500	\$ 423	\$ (3,702)	\$ (3,151)
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:						
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	-	-	-	(1,210)	(260)	(1,470)
Increase (Decrease) in Accounts Payable	(404)	(541)	(942)	131	455	(1,301)
Increase (Decrease) in Claims Payable	(28)	400	-	(129)	(298)	(55)
Net Cash Used by Operating Activities	<u>\$ (404)</u>	<u>\$ (541)</u>	<u>\$ (442)</u>	<u>\$ (785)</u>	<u>\$ (3,805)</u>	<u>\$ (5,977)</u>

FIDUCIARY TRUST FUNDS

FIDUCIARY TRUST FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS

The pension and other postemployment benefits (OPEB) trust funds are used to account for the activities of the Hartford Retirement System, which accumulates resources for pension benefit payments to qualified City employees and the activities of the OPEB trust fund, which accounts for the health and other postemployment benefits provided to eligible retirees and their spouses.

**CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
TRUST FUNDS
JUNE 30, 2024
(IN THOUSANDS)**

	Pension Trust Funds					Total
	Municipal Employees' Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	OPEB Trust Fund	
ASSETS						
Cash and Cash Equivalents	\$ 42,717	\$ -	\$ -	\$ -	\$ 4,222	\$ 46,939
Investments, at Fair Value:						
U.S. Government Agencies	16,307	-	-	-	-	16,307
U.S. Government Securities	14,063	-	-	-	-	14,063
Corporate Bonds	66,246	-	-	-	-	66,246
Municipal Bonds	1,413	-	-	-	-	1,413
Mutual Funds	-	-	-	-	17,763	17,763
Alternative Investments	359,138	-	-	-	-	359,138
Common and Collective Trusts	288,024	-	-	-	-	288,024
Land	5,000	-	-	-	-	5,000
Real Estate Funds	73,146	-	-	-	-	73,146
Equities	260,430	-	-	-	7,595	268,025
Total Investments	1,083,767	-	-	-	25,358	1,109,125
Receivables:						
Accounts Receivable	2,167	-	-	-	-	2,167
Total Receivables	2,167	-	-	-	-	2,167
Total Assets	1,128,651	-	-	-	29,580	1,158,231
LIABILITIES						
Accounts Payable and Accrued Liabilities	4,394	-	-	-	1,392	5,786
NET POSITION						
Restricted for Pension and OPEB Benefits	\$ 1,124,257	\$ -	\$ -	\$ -	\$ 28,188	\$ 1,152,445

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
TRUST FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Pension Trust Funds					Total
	Municipal Employees Retirement Fund	Retirement Allowance Fund	Fireman's Relief Fund	Police Benevolent Fund	OPEB Trust Fund	
ADDITIONS						
Contributions:						
Employer	\$ 53,528	\$ 7	\$ 17	\$ 110	\$ 15,274	\$ 68,936
Plan Members	16,264	-	-	-	877	17,141
Total Contributions and Other Revenue	<u>69,792</u>	<u>7</u>	<u>17</u>	<u>110</u>	<u>16,151</u>	<u>86,077</u>
Investment Earnings:						
Net Increase in Fair Value of Investments	91,560	-	-	-	571	92,131
Interest and Dividends	19,694	-	-	-	715	20,409
Total Investment Earnings	<u>111,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,286</u>	<u>112,540</u>
Less Investment Expenses:						
Investment Management Fees	11,892	-	-	-	9	11,901
Net Investment Income	<u>99,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,277</u>	<u>100,639</u>
Total Additions	169,154	7	17	110	17,428	186,716
DEDUCTIONS						
Benefits	117,629	7	17	110	15,860	133,623
Administration	2,761	-	-	-	184	2,945
Total Deductions	<u>120,390</u>	<u>7</u>	<u>17</u>	<u>110</u>	<u>16,044</u>	<u>136,568</u>
INCOME BEFORE TRANSFERS	<u>48,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,384</u>	<u>50,148</u>
CHANGE IN NET POSITION	48,764	-	-	-	1,384	50,148
Net Position - Beginning of Year	<u>1,075,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,804</u>	<u>1,102,297</u>
NET POSITION - END OF YEAR	<u>\$ 1,124,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,188</u>	<u>\$ 1,152,445</u>

CUSTODIAL FUNDS

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

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

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024
(IN THOUSANDS)

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

CITY OF HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Park Street Special District Fund	Downtown Business District Fund	Columbia District Fund	Total
ADDITIONS				
Property Tax Collections for Other Governments	\$ 97	\$ 1,020	\$ 16	\$ 1,133
DEDUCTIONS				
Payments of Property Taxes to Other Governments	97	1,020	16	1,133
CHANGE IN NET POSITION	-	-	-	-
Net Position - Beginning of Year	-	-	-	-
NET POSITION - END OF YEAR	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,438,838	\$ 1,327,948	\$ 1,291,944	\$ 1,241,108	\$ 1,158,555	\$ 1,007,839	\$ 933,475	\$ 903,318	\$ 898,847	\$ 939,951
Restricted	122,855	105,843	104,012	106,199	40,124	67,554	81,961	79,842	73,285	75,640
Unrestricted	(649,695)	(692,231)	(700,817)	(711,968)	(639,593)	(642,000)	(629,525)	(380,721)	(317,247)	(247,809)
Total Governmental Activities Net Position	<u>\$ 911,998</u>	<u>\$ 741,560</u>	<u>\$ 695,139</u>	<u>\$ 635,339</u>	<u>\$ 559,086</u>	<u>\$ 433,393</u>	<u>\$ 385,911</u>	<u>\$ 602,439</u>	<u>\$ 654,885</u>	<u>\$ 767,782</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 16,150	\$ 16,260	\$ 16,591	\$ 17,130	\$ 17,769	\$ 18,375	\$ 18,815	\$ 15,792	\$ 15,923	\$ 15,316
Unrestricted	2,629	2,981	2,279	1,842	1,214	1,131	819	(953)	(1,552)	(577)
Total Business-Type Activities Net Position	<u>\$ 18,779</u>	<u>\$ 19,241</u>	<u>\$ 18,870</u>	<u>\$ 18,972</u>	<u>\$ 18,983</u>	<u>\$ 19,506</u>	<u>\$ 19,634</u>	<u>\$ 14,839</u>	<u>\$ 14,371</u>	<u>\$ 14,739</u>
Primary Government:										
Net Investment in Capital Assets	\$ 1,454,988	\$ 1,344,208	\$ 1,308,535	\$ 1,258,238	\$ 1,176,324	\$ 1,026,214	\$ 952,290	\$ 919,110	\$ 914,770	\$ 955,267
Restricted	122,855	105,843	104,012	106,199	40,124	67,554	81,961	79,842	73,285	75,640
Unrestricted	(647,066)	(689,250)	(698,538)	(710,126)	(638,379)	(640,869)	(628,706)	(381,674)	(318,799)	(248,386)
Total Primary Government Net Position	<u>\$ 930,777</u>	<u>\$ 760,801</u>	<u>\$ 714,009</u>	<u>\$ 654,311</u>	<u>\$ 578,069</u>	<u>\$ 452,899</u>	<u>\$ 405,545</u>	<u>\$ 617,278</u>	<u>\$ 669,256</u>	<u>\$ 782,521</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
Governmental Activities:										
General Government	\$ 157,708	\$ 195,904	\$ 187,195	\$ 162,805	\$ 156,557	\$ 199,352	\$ 127,405	\$ 106,179	\$ 101,834	\$ 86,715
Public Safety	97,379	105,822	100,698	109,800	103,228	104,077	72,492	110,468	118,433	114,610
Public Works	43,640	35,254	44,023	32,006	33,310	45,617	35,350	42,650	70,219	62,095
Development and Community Affairs	30,458	46,414	17,687	12,173	12,845	12,459	12,471	56,504	58,474	58,001
Human Services	103,693	95,573	75,391	66,840	64,917	59,678	61,015	30,581	31,142	30,652
Education	537,310	513,630	485,354	454,754	438,226	449,116	443,410	558,270	571,999	563,815
Recreation and Culture	36,554	30,502	25,862	21,999	21,402	21,757	22,677	10,113	11,858	12,135
Interest on Long-Term Debt	9,937	15,260	17,646	18,579	20,532	25,258	24,218	18,733	41,613	20,850
Total Governmental Activities Expenses	<u>1,016,679</u>	<u>1,038,359</u>	<u>953,856</u>	<u>878,956</u>	<u>851,017</u>	<u>917,314</u>	<u>799,038</u>	<u>933,498</u>	<u>1,005,572</u>	<u>948,873</u>
Business-Type Activities:										
Hartford Parking Facilities	994	714	590	658	816	955	822	933	998	1,850
Golf Course	2,411	2,328	2,131	2,389	2,429	2,102	2,284	1,841	1,810	893
Stadium Authority	4,584	4,736	4,628	4,731	4,742	4,817	1,730	2,153	332	846
Total Business-Type Activities Expenses	<u>7,989</u>	<u>7,778</u>	<u>7,349</u>	<u>7,778</u>	<u>7,987</u>	<u>7,874</u>	<u>4,836</u>	<u>4,927</u>	<u>3,140</u>	<u>3,589</u>
Total Primary Government Expenses	<u>\$ 1,024,668</u>	<u>\$ 1,046,137</u>	<u>\$ 961,205</u>	<u>\$ 886,734</u>	<u>\$ 859,004</u>	<u>\$ 925,188</u>	<u>\$ 803,874</u>	<u>\$ 938,425</u>	<u>\$ 1,008,712</u>	<u>\$ 952,462</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,561	\$ 1,471	\$ 1,458	\$ 1,706	\$ 1,536	\$ 1,772	\$ 1,827	\$ 5,567	\$ 7,568	\$ 9,464
Public Safety	7,732	6,431	5,898	8,532	8,643	8,513	7,097	2,601	2,977	3,761
Public Works	408	376	342	190	171	187	195	7,157	9,353	9,257
Development and Community Affairs	16,271	10,628	7,937	10,539	4,222	7,107	9,066	-	-	127
Human Services	234	316	305	229	183	344	464	56	2,941	3,669
Education	597	971	176	139	305	402	693	4,435	4,293	2,208
Recreation and Culture	2,326	2,217	2,245	2,152	1,767	1,523	1,565	1,844	130	132
Operating Grants and Contributions:										
General Government	11,345	26,540	39,707	10,926	5,426	2,021	5,291	7,595	18,618	19,710
Public Safety	3,501	5,210	3,784	5,537	8,498	10,531	5,837	6,626	12,820	13,255
Public Works	-	-	-	-	603	-	-	1,212	1,568	1,311
Development and Community Affairs	87,497	74,512	65,403	54,759	53,107	52,106	51,401	50,403	55,324	53,999
Human Services	19,595	18,995	18,176	15,030	13,563	10,370	11,629	22,994	21,546	23,390
Education	24,459	25,704	18,014	14,044	15,004	13,827	14,530	398,812	394,426	389,889
Recreation and Culture	452,375	406,281	395,917	356,426	351,131	374,178	301,130	1,861	1,592	1,822
Capital Grants and Contributions:										
Public Safety	374	823	3	344	3,371	-	-	-	-	-
Public Works	14,123	14,893	11,149	9,584	12,043	1,499	17,291	11,452	8,169	5,469
Development and Community Affairs	-	-	-	-	-	-	247	-	-	-
Education	55,304	11,559	12,718	25,170	106,131	64,375	22,744	8,049	28,339	29,544
Total Governmental Activities Program Revenues	<u>697,702</u>	<u>606,927</u>	<u>583,232</u>	<u>515,307</u>	<u>585,704</u>	<u>548,755</u>	<u>451,007</u>	<u>530,664</u>	<u>569,664</u>	<u>567,007</u>

**TABLE 2
(CONTINUED)**

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PROGRAM REVENUES (CONTINUED)										
Business-Type Activities:										
Charges for Services:										
Parking Facilities	\$ 3,024	\$ 3,082	\$ 2,680	\$ 2,390	\$ 3,123	\$ 4,109	\$ 3,579	\$ 2,744	\$ 2,561	\$ 3,783
Golf Course	2,124	2,134	1,784	2,356	1,894	1,535	6,288	2,220	1,453	398
Stadium Authority	1,183	1,166	1,138	950	792	909	1,367	-	-	-
Total Business-Type Activities										
Program Revenues	6,331	6,382	5,602	5,696	5,809	6,553	11,234	4,964	4,014	4,181
Total Primary Government Program Revenues	704,033	613,309	588,834	521,003	591,513	555,308	462,241	535,628	573,678	571,188
Net Revenues (Expenses):										
Governmental Activities	(318,977)	(431,432)	(370,624)	(363,649)	(265,313)	(368,559)	(348,031)	(402,834)	(435,908)	(381,866)
Business-Type Activities	(1,658)	(1,396)	(1,747)	(2,082)	(2,178)	(1,321)	6,398	37	874	592
Total Primary Government Net Expense	\$ (320,635)	\$ (432,828)	\$ (372,371)	\$ (365,731)	\$ (267,491)	\$ (369,880)	\$ (341,633)	\$ (402,797)	\$ (435,034)	\$ (381,274)
GENERAL REVENUES AND OTHER										
Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 309,363	\$ 310,908	\$ 289,609	\$ 295,201	\$ 285,052	\$ 285,346	\$ 292,067	\$ 267,921	\$ 269,989	\$ 260,063
Grants and Contributions Not Restricted to Specific Programs	163,094	153,101	141,576	121,640	111,748	114,353	98,102	75,852	50,758	56,484
Unrestricted Investment Earnings	14,696	12,457	(1,776)	10,680	3,235	5,469	4,136	6,854	847	948
Other General Revenues	3,412	3,107	2,611	13,523	(7,429)	12,003	10,861	115	109	128
Transfers	(1,150)	(1,720)	(1,596)	(2,016)	(1,600)	(1,130)	(1,574)	(354)	1,308	16,754
Total Governmental Activities	489,415	477,853	430,424	439,028	391,006	416,041	403,592	350,388	323,011	334,377
Business-Type Activities:										
Unrestricted Investment Earnings	46	47	49	50	55	63	(3,177)	61	66	4
Other General Revenues	-	-	-	5	-	-	-	16	-	-
Transfers	1,150	1,720	1,596	2,016	1,600	1,130	1,574	354	(1,308)	(16,754)
Special Item - Net Loss on Sale of Property	-	-	-	-	-	-	-	-	-	3,345
Total Business-Type Activities	1,196	1,767	1,645	2,071	1,655	1,193	(1,603)	431	(1,242)	(13,405)
Total Primary Government General Revenues	\$ 490,611	\$ 479,620	\$ 432,069	\$ 441,099	\$ 392,661	\$ 417,234	\$ 401,989	\$ 350,819	\$ 321,769	\$ 320,972
CHANGE IN NET POSITION										
Governmental Activities	\$ 170,438	\$ 46,421	\$ 59,800	\$ 75,379	\$ 125,693	\$ 47,482	\$ 55,561	\$ (52,446)	\$ (112,897)	\$ (47,489)
Business-Type Activities	(462)	371	(102)	(11)	(523)	(128)	4,795	468	(368)	(12,813)
Total Primary Government	\$ 169,976	\$ 46,792	\$ 59,698	\$ 75,368	\$ 125,170	\$ 47,354	\$ 60,356	\$ (51,978)	\$ (113,265)	\$ (60,302)

(157)

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Committed	\$ 741	\$ 5,680	\$ 5,680	\$ 5,680	\$ 5,680	\$ 2,933	\$ -	\$ -	\$ -	\$ -
Assigned	29,380	17,300	-	-	5,262	-	-	583	8,663	1,712
Unassigned	43,323	36,403	33,045	26,166	18,880	9,652	4,884	4,510	5,468	20,214
Total General Fund	<u>\$ 73,444</u>	<u>\$ 59,383</u>	<u>\$ 38,725</u>	<u>\$ 31,846</u>	<u>\$ 29,822</u>	<u>\$ 12,585</u>	<u>\$ 4,884</u>	<u>\$ 5,093</u>	<u>\$ 14,131</u>	<u>\$ 21,926</u>
All Other Governmental Funds:										
Nonspendable	\$ 8,982	\$ 8,966	\$ 9,034	\$ 8,816	\$ 9,090	\$ 8,798	\$ 8,822	\$ 8,882	\$ 8,970	\$ 8,817
Restricted	97,342	123,121	95,654	60,350	47,782	69,619	82,880	103,321	165,287	137,001
Committed	10,063	6,085	30,945	17,763	8,408	11,479	3,135	2,150	1,867	2,435
Assigned	-	-	-	-	1,008	830	603	-	8,663	-
Unassigned	(14,158)	(1,695)	(660)	(230)	(3,977)	(307)	(3,220)	(10,669)	(775)	(7,425)
Total All Other Governmental Funds	<u>\$ 102,229</u>	<u>\$ 136,477</u>	<u>\$ 134,973</u>	<u>\$ 86,699</u>	<u>\$ 62,311</u>	<u>\$ 90,419</u>	<u>\$ 92,220</u>	<u>\$ 103,684</u>	<u>\$ 184,012</u>	<u>\$ 140,828</u>
Total Governmental Funds	<u>\$ 175,673</u>	<u>\$ 195,860</u>	<u>\$ 173,698</u>	<u>\$ 118,545</u>	<u>\$ 92,133</u>	<u>\$ 103,004</u>	<u>\$ 97,104</u>	<u>\$ 108,777</u>	<u>\$ 198,143</u>	<u>\$ 162,754</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Property Taxes, Interest, and Liens, Net	\$ 310,348	\$ 307,851	\$ 297,771	\$ 299,217	\$ 280,410	\$ 278,967	\$ 283,758	\$ 260,363	\$ 266,870	\$ 260,640
Licenses, Permits, and Other Charges	13,364	10,466	6,419	8,459	6,579	6,630	6,218	5,376	7,613	7,778
Intergovernmental	843,728	770,973	744,282	643,409	697,761	655,506	596,632	579,357	566,745	572,213
Charges for Services	12,715	11,197	10,408	12,867	12,593	12,722	11,267	13,013	12,902	17,826
Use of Property	904	805	413	694	943	1,153	979	1,925	2,265	1,920
Investment Income (Loss)	15,142	13,044	(1,627)	10,835	3,397	5,637	4,305	6,840	847	948
Miscellaneous	3,411	3,029	2,545	13,646	11,973	11,972	10,708	18,325	18,380	18,238
Total Revenues	1,199,612	1,117,365	1,060,211	989,127	1,013,656	972,587	913,867	885,199	875,622	879,563
EXPENDITURES										
Current:										
General Government	31,179	32,454	41,448	16,457	14,336	13,913	14,047	22,574	41,938	38,877
Public Safety	104,146	99,667	98,253	93,484	92,575	89,959	92,543	88,067	93,837	91,413
Public Works	22,355	18,586	18,353	17,679	14,193	13,179	12,236	32,342	32,905	31,105
Development and Community Affairs	30,841	46,946	16,142	12,834	11,660	11,128	11,106	55,131	56,617	56,493
Human Services	103,703	95,618	75,738	66,913	65,112	59,832	61,113	29,523	29,585	29,460
Education	570,040	546,353	513,696	479,934	471,435	479,187	470,686	496,259	482,112	488,221
Recreation and Culture	36,551	30,031	25,851	21,710	21,280	21,553	22,155	9,901	11,701	10,961
Benefits and Insurance	81,910	72,936	70,963	88,895	81,326	87,260	93,366	78,172	81,255	85,690
Other	50,815	40,923	37,265	33,294	30,668	33,525	31,286	33,121	29,969	32,403
Capital Outlay	136,268	55,278	46,258	72,009	153,375	91,686	46,650	21,916	93,477	93,969
Debit Service:										
Principal Retirement	34,111	172,465	37,726	34,829	41,258	33,998	32,276	76,341	35,891	26,575
Interest	16,730	(115,923)	21,769	23,535	25,709	30,337	36,502	19,488	41,613	22,727
Total Expenditures	1,218,649	1,095,334	1,003,462	961,573	1,022,927	965,557	923,966	962,835	1,030,900	1,007,894
SURPLUS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,037)	22,031	56,749	27,554	(9,271)	7,030	(10,099)	(77,636)	(155,278)	(128,331)
OTHER FINANCING SOURCES (USES)										
Transfers in from Other Funds	123,128	131,039	183,336	122,278	90,676	96,261	73,881	40,499	22,279	35,918
Transfers Out to Other Funds	(124,278)	(132,759)	(184,932)	(124,294)	(92,276)	(97,391)	(75,455)	(40,853)	(20,971)	(19,164)
Leases	-	789	-	-	-	-	-	2,634	5,917	2,090
Payment to Refunded Bond Escrow Agent	-	(137,784)	-	-	-	-	-	-	(27,653)	(40,169)
Bonds Issued	-	-	-	-	-	-	-	-	203,010	26,000
Refunding Bonds Issued	-	124,950	-	-	-	-	-	-	24,596	36,385
Bond Premium	-	-	-	-	-	-	-	-	19,358	17,979
Refunding Premium	-	13,896	-	-	-	-	-	-	-	-
BANS	-	-	-	-	-	-	-	-	(50,000)	50,000
Total Other Financing Sources (Uses)	(1,150)	131	(1,596)	(2,016)	(1,600)	(1,130)	(1,574)	2,280	176,536	109,039
NET CHANGE IN FUND BALANCES	\$ (20,187)	\$ 22,162	\$ 55,153	\$ 25,538	\$ (10,871)	\$ 5,900	\$ (11,673)	\$ (75,356)	\$ 21,258	\$ (19,292)
Debt Service as a Percentage to Noncapital Expenditures	4.73%	5.42%	6.19%	6.55%	7.81%	7.54%	7.77%	10.33%	8.26%	5.38%

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

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2024	2022	\$ 8,427,612	\$ 913,469	\$ 542,043	\$ 9,883,124	\$ 4,917,436	\$ 4,965,688	68.95 and 32.46	\$ 8,719,147	(1)
2023	2021	8,403,176	844,866	488,338	9,736,380	4,939,198	4,797,182	68.95 and 32.46	8,542,604	(1)
2022	2020	7,072,867	836,131	378,953	8,287,951	4,142,711	4,145,240	68.95 and 45.00	7,249,752	(1)
2021	2019	7,042,012	803,564	359,307	8,204,883	4,146,935	4,057,948	74.29 and 45.00	7,223,797	(1)
2020	2018	7,082,967	753,638	346,519	8,183,124	4,152,825	4,030,299	74.29 and 45.00	7,186,704	(1)
2019	2017	7,219,553	743,698	330,709	8,293,960	4,215,755	4,078,205	74.29 and 45.00	7,136,364	(1)
2018	2016	7,048,936	754,836	316,839	8,120,611	4,047,467	4,073,144	74.29 and 45.00	7,150,314	(1)
2017	2015	6,440,703	741,215	307,830	7,489,748	3,787,843	3,701,905	74.29	6,691,444	(1)
2016	2014	6,352,555	732,125	298,349	7,383,029	3,759,957	3,623,072	74.29	6,664,914	(1)
2015	2013	6,309,174	697,908	292,686	7,299,767	3,764,364	3,535,403	74.29	6,640,460	(1)

Source: City of Hartford, Assessor's Office

Note:

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

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

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eversource Energy Co. (formerly CLP)	\$ 233,935	1	4.80 %	\$ 139,443	1	3.94 %
Travelers Indemnity Co. & Standard Fire Ins.	133,062	2	2.70	130,706	2	3.70
Aetna Life Ins. Co.	106,400	3	2.20	105,487	4	2.98
Hartford Fire Ins. & Twin City Ins.	114,586	4	2.30	118,704	3	3.36
Shelburne Entities	81,360	5	1.70	-		
RP Asylum LLC	54,026	6	1.10	-		
Hartford Hospital	57,495	7	1.20	35,653	8	1.01
Mac-State Square LLC	47,060	8	1.00	44,450	7	1.26
Constitution Plaza Holding LLC	47,995	9	1.00	-		
LS Gold, LLC	39,233	10	0.80	-		
Talcott II Gold LLC	-		-	45,401	6	1.28
Conn Natural Gas	-		-	33,444	9	0.95
FGA Trumbull, LLC	-		-	31,360	10	0.89
HUB Properties	-		-	48,978	5	1.39
Total	\$ 915,152		18.80 %	\$ 733,626		20.76 %

Source: City of Hartford Assessor's Office

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

Fiscal Year Ended June 30	Grand List Year (1)	Adjusted Net Taxable Grand List	Mill Rates	Original Tax Levy	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Tax Collections in Subsequent Years	Total Collections To Date	
						Tax Collections First Year of Levy	Percentage of Adjusted Levy (2)		Total Collections to Date (4)	Percentage of Adjusted Levy (3)
2024	2022	\$ 4,954,044	68.95 and 32.46	\$ 318,827	\$ 308,095	\$ 293,363	95.22 %	\$ 10,010	\$ 303,373	98.47 %
2023	2021	4,843,500	68.95 and 32.46	313,146	307,510	292,363	95.07	4,528	296,892	96.55
2022	2020	4,214,077	68.95 and 45.00	299,459	293,764	282,280	96.09	10,757	293,037	99.75
2021	2019	4,109,294	74.29 and 45.00	292,708	287,960	276,963	96.18	11,931	288,894	100.32
2020	2018	4,109,294	74.29 and 45.00	292,708	284,124	270,217	95.11	4,181	274,398	96.58
2019	2017	4,106,248	74.29 and 45.00	293,266	279,414	268,369	96.05	4,586	272,955	97.69
2018	2016	4,133,801	74.29 and 45.00	292,215	282,465	270,517	95.77	5,787	276,304	97.82
2017	2015	3,748,677	74.29	264,387	257,563	247,432	96.07	5,238	252,670	98.10
2016	2014	3,623,072	74.29	271,647	262,887	253,206	96.32	5,595	258,801	98.45
2015	2013	3,520,695	74.29	264,923	253,545	245,520	96.83	4,881	250,401	98.76

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

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

No problem,

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

Fiscal Year	(1) General Obligation Bonds	(2) Hartford Parking Facilities	(3) Debt Payable from Enterprise Revenues	Loans and Notes Payable	(4) Leases	Total Net Primary Government General Obligation Debt	Ratio of Total Net General Bonded Debt to Taxable Grand List	Ratio of Total Net General Bonded Debt per Capita	Percentage of Personal Income
2024	\$ 374,134	\$ 1,116	\$ 56,069	\$ 4,431	\$ 5,317	\$ 441,067	7.55 %	3.687 %	10.542 %
2023	412,249	1,338	58,055	4,924	6,948	483,514	8.51	4.006	12.902
2022	463,869	1,554	59,952	5,640	7,502	538,517	11.01	4.466	14.895
2021	504,492	1,651	61,765	5,553	5,959	579,420	12.28	4.781	14.293
2020	542,381	1,743	63,495	6,004	2,479	616,102	13.20	5.026	17.942
2019	586,779	1,830	65,146	6,454	4,007	664,216	14.29	5.389	19.628
2018	623,785	2,274	66,723	6,901	5,664	705,347	15.09	5.716	21.977
2017	658,861	2,688	68,232	7,346	12,551	749,678	17.58	6.083	23.358
2016	748,070	3,078	69,516	8,005	7,444	836,113	20.65	6.743	27.297
2015	613,855	3,970	63,372	8,652	10,111	699,960	17.44	5.613	23.879

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

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

**CITY OF HARTFORD, CONNECTICUT
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2024
(IN THOUSANDS)
(UNAUDITED)**

Total Fiscal Year 2023 Tax Collections (Taxes, Interest, and Fees)	\$ 305,339
Tax Relief for the Elderly	372
	<u>305,711</u>
Base for Establishing Debt Limit	<u>\$ 305,711</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt Limitation by Purpose						
2-1/4 Times Base	\$ 687,850	\$ -	\$ -	\$ -	\$ -	\$ 687,850
4-1/2 Times Base	-	1,375,700	-	-	-	1,375,700
3-3/4 Times Base	-	-	1,146,416	-	-	1,146,416
3-1/4 Times Base	-	-	-	993,561	-	993,561
3 Times Base	-	-	-	-	917,133	917,133
Total Debt Limitation	<u>687,850</u>	<u>1,375,700</u>	<u>1,146,416</u>	<u>993,561</u>	<u>917,133</u>	<u>5,120,659</u>
Debt, as Defined by Statute:						
Bonds Payable	287,304	112,031	-	-	-	399,335
Bonds Authorized-Unissued	22,063	16,486	-	-	-	38,549
Serial Notes Payable	-	-	336	-	-	336
Overlapping Debt	-	-	225,128	-	-	225,128
Total Indebtedness	<u>309,367</u>	<u>128,517</u>	<u>225,464</u>	<u>-</u>	<u>-</u>	<u>663,348</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 378,483</u>	<u>\$ 1,247,183</u>	<u>\$ 920,952</u>	<u>\$ 993,561</u>	<u>\$ 917,133</u>	<u>\$ 4,457,311</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 2,139,977	\$ 2,097,025	\$ 2,097,025	\$ 1,974,520	\$ 1,974,368	\$ 1,966,083	\$ 1,799,014	\$ 1,799,742	\$ 1,875,615	\$ 1,829,667
Total Net Debt Applicable to Limit	663,348	699,720	667,921	784,560	832,435	958,949	1,181,014	846,864	859,443	1,168,278
Legal Debt Margin	<u>\$ 1,476,629</u>	<u>\$ 1,397,305</u>	<u>\$ 1,429,104</u>	<u>\$ 1,189,960</u>	<u>\$ 1,141,933</u>	<u>\$ 1,007,134</u>	<u>\$ 618,000</u>	<u>\$ 952,878</u>	<u>\$ 1,016,172</u>	<u>\$ 661,389</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>31.00%</u>	<u>33.37%</u>	<u>31.85%</u>	<u>39.73%</u>	<u>42.16%</u>	<u>48.77%</u>	<u>65.65%</u>	<u>47.05%</u>	<u>45.82%</u>	<u>63.85%</u>

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

Fiscal Year	Governmental	MDC Bonded	MDC Self	MDC	City's	City's Share of	City's Total	City's Total	City's Total	Ratio of Debt	Debt per
	Activities Total			Overlapping							
	Debt	Debt	Funded Debt	Debt All	Share of MDC	MDC Debt	Direct Debt	Overlapping	Overlapping	Assessed	
	Outstanding			Participating	Debt			Debt	Debt	Value	
				Governments							
2024	\$ 383,882	\$ 1,404,365	\$ 129,214	\$ 864,215	26 %	\$ 225,128	\$ 383,882	\$ 225,128	\$ 609,010	12.26 %	\$ 5,091
2023	437,123	1,376,440	652,278	862,267	26	226,173	437,123	226,173	663,296	13.83	5,496
2022	477,011	1,376,090	651,611	794,313	27	210,493	477,011	210,493	687,504	16.59	5,701
2021	504,492	1,286,621	587,726	866,704	26	221,703	504,492	221,703	726,195	18.83	6,304
2020	542,381	1,298,107	505,059	903,187	25	228,687	542,381	228,687	771,068	18.91	6,256
2019	586,779	1,260,606	495,342	922,227	26	236,736	586,779	236,736	823,515	20.20	6,684
2018	623,785	1,084,327	526,010	972,976	26	249,763	623,785	249,763	873,548	21.45	7,079
2017	658,861	1,041,026	523,917	949,066	26	249,699	658,861	249,699	908,560	24.54	7,372
2016	748,070	904,360	497,737	914,104	26	238,855	748,070	238,855	986,925	27.24	7,959
2015	613,855	799,951	453,352	601,753	28	165,482	613,855	165,482	779,337	22.04	6,249

Notes:

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

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

Fiscal Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	City of Hartford	Hartford Labor Market Area (LMA)	State of Connecticut	United States (1)
2024	119,626	16,443	32.4	\$ 41,841	2023	51,745	3,004	5.8 %	3.7 %	3.8 %	3.6 %
2023	120,686	17,874	33.0	37,477	2022	49,527	3,464	6.5	4.2	4.2	3.8
2022	120,593	16,757	32.9	36,154	2021	48,966	3,144	6.0	4.9	5.0	4.9
2021	121,203	17,304	32.1	40,540	2020	45,341	5,695	11.2	7.8	6.1	5.2
2020	122,587	18,880	31.5	34,338	2019	48,165	7,554	13.6	7.3	7.8	7.9
2019	123,243	19,765	30.0	33,841	2018	50,467	3,707	11.0	6.8	3.6	3.7
2018	123,400	20,142	30.6	32,095	2017	50,082	3,462	6.9	3.8	4.4	4.0
2017	123,243	20,891	30.6	32,095	2016	48,474	5,046	9.4	5.1	5.1	4.7
2016	124,006	21,463	30.3	30,630	2015	48,459	5,537	10.3	6.0	5.5	5.3
2015	124,705	21,487	30.1	29,313	2014	47,895	6,649	12.2	6.6	6.5	6.1

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

(2) State Department of Education

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

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

Business Name	Nature of Business	2024		2015	
		Employees	Percentage of Total Town Employment	Employees	Percentage of Total Town Employment
Aetna Inc.	Insurance	1,000 - 4,999	2.05 %	1,000 - 4,999	2.09 %
Connecticut Children's Med Ctr	Hospitals	1,000 - 4,999	2.05	1,000 - 4,999	2.09
St. Francis Hospital Medical Ctr	Hospitals	1,000 - 4,999	2.05	1,000 - 4,999	2.09
State of Connecticut	Government Offices	5,000 - 9,999	10.24	5,000 - 9,999	10.44
Hartford Hospital	Hospitals	5,000 - 9,999	10.24	5,000 - 9,999	10.44
Hartford Financial Svc Group	Insurance	5,000 - 9,999	10.24	5,000 - 9,999	10.44
Travelers Indemnity Co	Insurance	1,000 - 4,999	2.05	1,000 - 4,999	2.09
Institute of Living	Mental Health Services	1,000 - 4,999	2.05	1,000 - 4,999	2.09
Cib/Neat	Restaurants	1,000 - 4,999	2.05		
The City of Hartford	Government Offices	1,000 - 4,999	2.05	1,000 - 4,999	2.09
Lincoln Waste Solutions	Waste Reduction			1,000 - 4,999	2.09

Source: Connecticut Department of Labor
US Department of Census

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City Department (General Fund Only):										
Mayor's Office	8	8	8	7	11	11	11	7	8	9
Court of Common Council	9	9	9	7	7	7	7	9	10	10
Treasurer	9	9	9	9	9	9	9	9	10	10
Registrars of Voters	7	7	7	7	7	6	6	6	6	6
Corporation Counsel	15	15	15	16	16	17	16	16	19	20
Town & City Clerk	12	11	11	10	10	11	11	11	13	13
Internal Audit	5	5	5	5	5	5	5	5	5	5
Office of Chief Operating Officer*	16	17	17	14	6	6	6	4	14	13
Communications & New Media*	-	-	-	-	-	-	-	3	7	6
Metro Hartford Information System	19	18	17	14	14	14	14	17	21	21
Finance	48	46	45	44	45	46	46	46	44	45
Human Resources	16	16	16	14	13	13	13	13	17	16
Office of Management, Budget & Grants	12	13	13	13	13	11	8	9	8	8
Fire	375	370	366	365	368	362	372	340	361	389
Police	517	515	512	507	537	540	529	523	521	494
Emergency Services & Telecommunications	57	52	51	51	49	49	49	51	52	54
Public Works	232	217	211	206	197	185	178	177	207	209
Development Services	66	63	61	56	52	54	42	42	49	57
Health & Human Services	38	37	37	34	33	31	28	26	39	37
Families, Children, Youth and Recreation*	14	15	15	12	11	11	11	12	18	17
Total	1,475	1,443	1,425	1,391	1,403	1,388	1,361	1,326	1,429	1,439
Board of Education:										
Teachers	1,416	1,455	1,582	1,455	1,338	1,483	1,496	1,570	1,700	1,786
Administrators	132	141	199	182	176	181	185	194	219	196
Paraprofessionals	380	378	474	425	422	484	479	494	496	473
Clerical	101	101	107	103	95	100	101	103	119	124
Nurses	65	60	46	46	46	49	47	55	55	60
Security	138	148	118	103	88	87	85	96	96	97
Custodial	228	242	218	205	206	206	201	207	207	209
Guidance Counselors	43	37	39	36	36	33	31	30	34	35
Social Workers	101	101	110	92	81	84	84	62	62	62
Psychologists	28	19	22	19	18	19	19	22	21	23
Support Staff	337	327	301	234	222	204	217	215	243	297
Others	572	515	159	166	161	182	176	187	214	129
Total	3,541	3,524	3,375	3,066	2,889	3,112	3,121	3,235	3,466	3,488
Grand Total	5,016	4,967	4,800	4,457	4,292	4,500	4,482	4,561	4,895	4,927

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

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Finance										
Number of Bills Mailed*	108,996	99,239	103,130	102,798	109,185	105,236	108,264	108,171	123,691	115,872
Number of Invoices Approved for Payment	67,200	62,987	60,496	55,016	57,300	55,072	63,781	66,736	69,137	68,673
Number of Internal Control Reviews Performed	15	20	20	18	18	21	20	21	21	20
* Excludes Tax Bills Delivered Electronically and Second Installment Mailing										
Assessor										
Number of Deeds Processed	2,990	5,186	3,251	2,586	2,426	2,583	2,367	2,147	2,337	2,373
Number of Veterans Exemptions	1,146	1,168	1,123	1,504	1,482	1,438	1,385	1,303	1,185	1,137
Board of Assessment Appeals Adjustments	\$ (2,837,369)	\$ (11,269,220)	\$ 264	\$ (5,694,809)	\$ (4,728,705)	\$ (4,818,555)	\$ (8,876,090)	\$ (2,200,398)	\$ (3,728,457)	\$ (4,078,657)
Personnel										
Number of Applications Processed	3,602	2,413	2,492	2,032	2,852	1,097	2,517	1,114	1,838	1,650
Vacancies Filled through Promotion	77	103	144	62	108	141	130	118	124	102
Vacancies Filled through New Hires	211	225	199	100	166	300	232	39	61	110
City Clerk										
Land Records Recorded	16,566	15,758	20,550	16,490	16,333	17,274	14,562	13,968	13,105	12,791
Marriage Licenses Issued	2,497	1,273	1,090	990	804	982	1,166	*	*	*
Death Certificates Issued	1,793	2,096	3,343	15,229	13,118	15,527	10,814	*	*	*
Birth Certificates Issued	15,318	13,954	11,255	11,509	10,513	15,050	19,078	*	*	*
Management Information Systems										
Help Desk Calls:										
City	3,557	2,731	3,195	7,178	3,990	3,498	3,065	*	4,346	*
Schools	8,668	6,849	8,170	13,538	9,216	10,502	8,850	*	8,165	*
Availability, All Systems	100.0%	99.9%	98.5%	97.2%	99%	99%	99%	*	1	*
Federal E-Rate Funds Received	1,016,686	2,358,279	2,358,279	1,844,755	726,958	979,398	1,134,345	*	2,774,811	*
Election										
Voters Added	9,008	5,182	5,399	1,240	11,429	5,038	4,814	11,271	*	*
Voters Removed	20,190	9,022	12,015	5,490	8,833	4,447	4,141	10,285	*	*
Voter Changes	8,297	8,537	24,287	2,456	14,779	10,954	5,092	14,862	*	*
Total Voters	66,428	62,389	62,961	64,733	70,425	71,808	69,563	68,958	*	*
Public Safety:										
Police										
911 Calls	138,400	140,136	142,057	111,491	32,946	33,150	33,627	31,807	4,492	3,723
Non-Emergency Calls	364,621	276,360	356,402	305,145	58,601	66,003	66,319	72,713	104,114	98,976
DWI Arrests	92	295	133	264	279	221	206	424	326	376
Fire										
Fire	418	603	570	546	627	523	568	642	731	635
No Fire	16	-	7	6	4	12	7	14	7	10
Rescue and Emergency Medical Services	22,559	19,376	19,718	18,968	20,273	20,487	21,454	20,175	18,110	15,696
Hazardous Conditions	442	279	467	413	540	583	609	541	633	611
Service Calls	5,016	4,182	4,321	3,724	3,713	5,753	3,675	2,719	2,390	2,236
Good Intent Calls	2,517	1,965	2,316	1,919	2,039	2,333	1,969	1,835	1,700	1,371
False Alarm and False Calls	2,634	2,346	2,349	1,827	2,034	2,062	1,948	1,912	1,900	1,833
Severe Weather and Natural Disaster	-	-	1	-	-	1	-	-	-	-
Special Incident Type	161	161	74	41	60	58	422	301	68	60

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Works:										
Engineering and Administration										
Lane Miles Paved	28	24	24	28	41	-	38	38	38	38
Development and Community Affairs:										
Development Services										
Housing Vouchers, Residential Assistance (Families)	-	5,100	5,002	5,002	4,992	4,992	4,805	4,835	*	55,411
Zoning Board Appeals	20	6	13	25	37	25	33	30	16	17
Code Inspections	24,121	20,499	15,802	11,758	3,026	4,778	3,586	6,985	6,388	6,264
Citations Issued	139	42	148	-	-	-	1,153	2,193	*	1,985
Education:										
Average Class Size - Kindergarten	18.4	17.6	15.9	*	*	*	*	*	*	20.0
Average Class Size - Grade 2	19.0	18.6	17.6	*	*	*	*	*	*	18.6
Average Class Size - Grade 5	21.2	21.6	18.1	*	*	*	*	*	*	19.5
Average Class Size - Grade 7	19.1	19.6	17.9	*	*	*	*	*	*	19.4

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

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

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety:										
Police:										
Number of Stations	6	6	6	6	6	6	6	6	7	6
Vehicles	269	355	294	272	241	278	263	269	287	295
Fire:										
Number of Stations	11	11	11	12	12	12	12	12	12	12
Vehicles	97	95	92	92	87	87	95	81	95	83
Public Works:										
Infrastructure:										
Concrete Road Miles	63	63	63	63	63	63	63	63	63	63
Asphalt Road Miles	151	151	151	151	151	151	151	151	151	151
Bridges	15	15	15	15	15	9	9	9	9	9
Traffic Lights	248	248	248	248	248	248	248	248	247	245
Conduit System (Miles)	8	8	8	8	8	8	8	8	8	8
Street Maintenance Vehicles	66	66	63	69	38	38	38	38	38	40
Parks and Cemeteries:										
Parks	29	29	29	29	29	29	29	29	29	29
Cemeteries	5	5	5	5	5	5	5	5	5	5
Building Maintenance:										
Parking Lots	3	3	3	3	3	3	3	3	3	3
Parking Garages	2	2	2	2	2	2	2	2	2	2
Education:										
Number of Buildings	41	41	41	47	47	47	47	47	47	47
Recreation and Culture:										
Recreation:										
Number of Athletic Fields	76	76	74	73	73	73	73	73	73	73
Number of Playscapes/Grounds	22	22	22	22	22	22	22	22	22	22
Number of Vehicles	30	30	30	26	31	77	77	77	77	77
Library:										
Number of Branches	7	7	7	7	7	7	7	10	10	10

CITY OF HARTFORD, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2024



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**CITY OF HARTFORD, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT	1
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	4
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	9
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

Board of Finance
City of Hartford, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Hartford, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City of Hartford, Connecticut's major state programs for the year ended June 30, 2024. City of Hartford, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Hartford, Connecticut complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Hartford, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City of Hartford, Connecticut's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Hartford, Connecticut's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Hartford, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Hartford, Connecticut's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Hartford, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Hartford, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Hartford, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2024, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements. We have issued our report thereon dated December 27, 2024, which contained unmodified opinions on the financial statements. Our report included a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the City's 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 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2024

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Education			
English Learner Success	11000-SDE64370-17084		\$ 4,330
RSCO School Choice	11000-SDE-12457		73,893
Youth Services Prevention Programs	11000-SDE-12457		29,930
English Learner Success - Two Year	11000-SDE-12457		51,294
Sheff Settlement	11000-SDE64180-12457-82160	\$ 525,100	
Sheff Settlement	11000-SDE64370-12457-82079	2,350,953	
			<u>2,876,053</u>
Commissioner's Network	11000-SDE64370-12547		1,388,840
Talent Development	11000-SDE64370-12552		37,159
School-Based Diversion Initiat	11000-SDE64370-12587		6,000
Family Resource Centers	11000-SDE64370-16110		563,145
Child Nutrition State Match	11000-SDE64370-16211		104,947
Health Foods Initiative	11000-SDE64370-16212		196,792
Adult Education	11000-SDE64370-17030	126,152	
Adult Education	11000-SDE64370-17030	3,082,530	
			<u>3,208,682</u>
Health & Welfare-Private School Pupil	11000-SDE64370-17034		54,480
Alliance District	11000-SDE64370-17041-82164		27,672,434
Education Equalization Grants	11000-SDE64370-17041		298,845
Bilingual Education	11000-SDE64370-17042		355,520
Priority School Districts	11000-SDE64370-17043-82052		4,412,125
School Breakfast Program	11000-SDE64370-17046		111,393
Open Choice Program	11000-SDE64370-17053		110,910
Magnet Schools	11000-SDE64370-17057	52,947,141	
Magnet Schools	11000-SDE64370-17057	3,000,000	
			<u>55,947,141</u>
Extended School Hours	11000-SDE64370-17108		333,913
School Accountability	11000-SDE64370-17109		387,422
Low Performing Schools SB1502	12052-SDE64370-43728		<u>407,251</u>
Total Department of Education		<u>\$ -</u>	<u>98,632,499</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Children and Families			
Juvenile Review Boards	11000-DCF91178-16280		\$ 254,089
Community Based Prevent Program	11000-DCF91185-16092		36,600
Youth Service Bureaus	11000-DCF91185-17052		258,786
Youth Service Bureaus - Enhancement	11000-DCF91185-17107		17,208
Total Department of Children and Families		-	566,683
Division of Criminal Justice			
Drug Asset Forfeit Revenue Account DCJ	12060-DCJ30133-35141		730
Total Division of Criminal Justice		-	730
Department of Emergency Services and Public Protection			
Drug Asset Forfeit Revenue Account DPS	12060-DPS32155-35142	\$ 5,110	
Drug Asset Forfeit Revenue Account DPS	12060-DPS32155-35142	65,160	
			70,270
Enhanced 911 Telecommunication Fund	12060-DPS32741-35190		812,753
Total Department of Emergency Services and Public Protection		-	883,023
Mental Health and Addiction Services			
Drug Asset Forfeit Revenue Account MHA	12060-MHA53282-35148		1,460
Total Mental Health and Addiction Services		-	1,460
Department of Energy and Environmental Protection			
Aid Flood Control (South Meadow)	13019-DEP43720-41239		95,719
Community Conservation & Development	13019-DEP43153-41239	3,196	
Community Conservation & Development	13019-DEP43310-41239	52,715	
			55,911
Total Department of Energy and Environmental Protection		-	151,630

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures	
Department of Housing				
Sustainable Housing Solutions	12064-DOH46915-40237		\$	86,045
Housing / Homeless Services	11000-DOH46920-16149	\$ 460,000		256,456
Housing / Homeless Services	11000-DOH46920-17038	<u>305,881</u>		<u>509,425</u>
Total Department of Housing		<u>765,881</u>		<u>851,926</u>
Department of Transportation				
2024 Distracted Driving	12062-DOT57513-22600			63,931
Citywide Streetscape Improvement / Traffic	13019-46000-41240			1,715
Hartfordd Traffic Signalization System	13019-46000-41240			7,966
Traffic Controls Signals	12062-DOT57191-22108-34001			9,916
Traffic Signalization Project 63-718	17DOT0099AA 63-718			547,721
Town Aid Road Grants	12001-DOT57131-17036			1,162,089
Pay-As-You-Go Transport Prjcts	12001-DOT57256-12518			25
Bus Operations	12001-DOT57931-12175			61,107
Intrastate Highway Projects	13033-DOT57191-41404			8,207
Local Transport Capital Program	13033-DOT57197-43584			921,203
FAD-Temporary Holding Account	34003-DOT57331-42350			<u>58,966</u>
Total Department of Transportation		<u>-</u>		<u>2,842,846</u>
Department of Public Health				
Local & District Departments Of Health	11000-DPH48558-17009	72,645		303,241
School Based Health Clinics	11000-DPH48832-17019			963,046
Venereal Disease Control	12004-DPH48665-17013	1,200		41,388
X-Ray Screen & Tuberculss Care	12004-DPH48666-16112			47,034
Needle & Syringe Exchange Program	12004-DPH48852-12100			23,553
Aids Services	12004-DPH48852-12236	251,750	243,320	243,320
Ryan White II Rebate Revenue	12060-DPH48854-30401		371,682	
Ryan White II Rebate Revenue	12060-DPH48854-30401	1,198,397	<u>961,858</u>	<u>1,333,540</u>
Total Department of Public Health		<u>1,523,992</u>		<u>2,955,122</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Economic and Community Development			
Urban Act Grant-OPM	13019-ECD46250-41240		\$ 1,000,000
Bace Barlow Way and North Main Street	13019-ECD46250-41240		11,584
Streetscapes	13019-ECD46250-41240		39,274
Urban Act Grant-OPM	13019-ECD46210-41240		91,594
Transit Oriented Development	17151-ECD46260-43550		7,290
Total Economic and Community Development		\$ -	1,149,742
Judicial Branch			
Youth Services Prevention Program	11000-JUD96114-12559		5,695
Total Judicial Branch		-	5,695
Office of Early Childhood			
CDC Start Up	12060-OEC64845-28227		1,350,000
Early Care and Education	11000-OEC64841-16274	3,909,539	3,898,523
Early Care and Education	11000-OEC64841-16274	1,701,424	1,712,440
			5,610,963
Child Care Quality Enhancement	11000-OEC64845-16158		106,795
Early Care and Education	11000-OEC64845-16274	5,082,468	7,298,714
Total Office of Early Childhood		10,693,431	14,366,472
Office of Policy and Management			
Local Capital Improvement	12050-OPM20600-40254		3,656,192
Local Capital Improvement / Citywide ADA Improvements	12050-OPM20600-40254		80,570
Local Capital Improvement/ City Municipal Facility Renovations	12050-OPM20600-40254		2,254
Reimburse Property Tax-Disability Exemption	11000-OPM20600-17011		5,794
Tiered PILOT	12002-OPM20600-17111		60,417,977
Municipal Purposes & Projects	12052-OPM20600-43587		1,419,161
HFTD-Infrastructure Projects	12052-OPM20870-43472		416,049
Total Office of Policy and Management		-	65,997,997

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Office of the Secretary of State			
Early Voting	11000-SOS12500-12651	_____	\$ 10,500
Total Office of the Secretary of State		_____ -	_____ 10,500
Department of Social Services			
Medicaid	11000-DSS60000-16020	_____	_____ 808,677
Total Department of Social Services		_____ -	_____ 808,677
Total State Financial Assistance Before Exempt Programs		_____ -	_____ 189,225,002
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041-82010		187,272,566
Excess Cost - Student Based	11000-SDE64370-17047	\$ 1,641,443	
Excess Cost - Student Based	11000-SDE64370-17047	6,865,548	
		_____	_____ 8,506,991
Total Department of Education		_____ -	_____ 195,779,557
Department of Administrative Services			
School Construction Progress	13010-DAS27635-43744	_____	_____ 74,543,305
Total Department of Administrative Services		_____ -	_____ 74,543,305
Office of Policy and Management			
Supplemental Revenue Sharing	12002-OPM20600-17102		15,792,632
Motor Vehicle Tax Grants	12002-OPM20600-17103		22,167,601
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005-13045		6,136,523
Municipal Revenue Sharing	12060-OPM20600-35458	_____	_____ 4,539,203
Total Office of Policy and Management		_____ -	_____ 48,635,959
Total Exempt Programs		_____ -	_____ 318,958,821
Total State Financial Assistance		\$ 12,983,304	\$ 508,183,823

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, under programs of the state of Connecticut for the year ended June 30, 2024. 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. Because the Schedule presents only a selected portion of the operations of the City of Hartford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the City of Hartford, Connecticut.

Basis of Accounting

The accounting policies of the City of Hartford, Connecticut, 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 2 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, 2024:

Department of Energy and Environmental Protection

Clean Water Funds:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Ending</u>
6/30/2008	2%	\$ 1,921,859	\$ 443,969	\$ -	\$ 107,687	\$ 336,282

**CITY OF HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024**

NOTE 3 LOCAL CAPITAL IMPROVEMENT PROGRAMS

The following is a list of expenditures for individual projects funded under the local capital improvement program for the fiscal year ended June 30, 2024:

<u>Project No.</u>	<u>Expenditures</u>
064-10-030	\$ 32,458
064-18-010	229,249
064-18-020	615,935
064-18-030	1,042
064-18-040	2,254
064-18-060	46,782
064-20-010	390,186
064-22-020	275,838
064-23-010	2,145,272
	<hr/>
Total	\$ <u><u>3,739,016</u></u>



**INDEPENDENT AUDITORS' 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***

Board of Finance
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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Hartford, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 27, 2024. Our report includes a reference to other auditors who audited the financial statements of the Hartford Parking Authority, as described in our report on the City of Hartford's financial statements. This report does not include the results of the other auditors' testing of internal controls and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Hartford, Connecticut's internal control over financial reporting (internal control) as a basis for designing 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 of Hartford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hartford, Connecticut'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hartford, Connecticut'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 financial statements. 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2024

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

State Financial Assistance

1. Internal control over major programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major programs: Unmodified
3. 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 audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Office of Early Childhood:		
Early Care and Education	11000-OEC64841-16274	\$ 5,610,963
Department of Education:		
Magnet Schools	11000-SDE64370-17057	55,947,141
Priority School Districts	11000-SDE64370-17043-82052	
Office of Policy and Management:		
Tiered PILOT	11000-OPM20600-17111	60,417,977
Local Capital Improvement	12050-OPM20600-40254	3,739,016

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,761,103

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – State Financial Assistance

Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.



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**CITY OF HARTFORD, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2024**



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**CITY OF HARTFORD, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Hartford, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Hartford, Connecticut's major federal programs for the year ended June 30, 2024. The City of Hartford, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Hartford, Connecticut complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Hartford, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Hartford, Connecticut's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Hartford, Connecticut's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Hartford, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Hartford, Connecticut's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Hartford, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Hartford, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Hartford, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

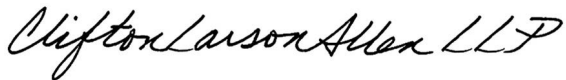
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2024, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements. We have issued our report thereon dated December 27, 2024, which contained unmodified opinions on the financial statements. Our report included a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the City's 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 the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2024

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
<i>Passed Through the State of Connecticut Department of Education:</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 945,814	
National School Lunch Program	10.555	12060-SDE64370-20560	8,846,151	
School Breakfast Program	10.553	12060-SDE64370-20508	3,078,143	
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	29,233	
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	30,724	
Summer Food Service Program for Children	10.559	12060-SDE64370-23292	<u>1,308</u>	
				\$ 12,931,373
Child and Adult Care Food Program	10.558	12060-SDE64370-20514	64,551	
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	320,859	
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	<u>1,995</u>	
				387,405
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126		420,085
P- EBT Local Admin	10.649	12060-SDE64370-29802		31,335
<i>Direct:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		11,907	
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		3,620,169	
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	12060-DPH48872-20892	1,109,017	
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	12060-DPH48872-21915	10,470	
			<u>45,282</u>	
				<u>4,786,375</u>
Total United States Department of Agriculture			<u>\$ 10,470</u>	<u>18,556,573</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Transportation				
<i>Direct:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600		\$ 17,706	
<i>Passed Through the State of Connecticut Department of Transportation:</i>				
State and Community Highway Safety	20.600	12062-DOT57513-20559	\$ 7,247	<u>119,356</u>
				137,062
Highway Planning and Construction	20.205	12062-DOT57141-22108		2,044,992
Highway Planning and Construction	20.205	12062-DOT57191-22108		<u>35,009</u>
				2,080,001
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091		<u>242,109</u>
Total United States Department of Transportation			<u>7,247</u>	<u>2,459,172</u>
United States Department of Education				
<i>Passed Through the State of Connecticut Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	12060-SDE64370-20977-2024		3,822,263
Special Education Grants to States	84.027	12060-SDE64370-20977-2023		2,835,143
Special Education Grants to States	84.173	12060-SDE64370-20983-2024		17,614
Special Education Grants to States	84.173	12060-SDE64370-20983-2023		<u>182,835</u>
				6,857,855
Education Stabilization Fund:				
COVID- 19 ESSERF K- 12 Fund	84.425D	12060-SDE64370-29571		626,529
COVID- 19 ESSER Homeless Children and Youth	84.425U	12060-SDE00005-29650-82079		136,014
COVID- 19 American Rescue Plan - Emergency	84.425U	12060-SDE64370-29636-2021		<u>60,285,132</u>
				61,047,675
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2024		145,351
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2023		767,500
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2024		9,478,608
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2023		<u>4,410,576</u>
				14,802,035
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2024		590,086
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2024		845,450
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2023		<u>291,563</u>
				1,137,013

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Direct:</i>				
Twenty-First Century Community Learning Centers	84.287			\$ 85,812
<i>Passed Through the State of Connecticut Department of Education:</i>				
Title IV - Student Support	84.424	12060-SDE64370-22854-2024	\$ 271,874	
Title IV - Student Support	84.424	12060-SDE64370-22854-2023	<u>513,130</u>	785,004
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2024	223,426	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2023	240,263	
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2023	<u>7,000</u>	470,689
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2023	27,357	
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770-2021	<u>21,080</u>	48,437
<i>Direct:</i>				
Adult Education - Basic Grants to States	84.002		160	
Adult Education - Basic Grants to States	84.002		80,181	
Adult Education - Basic Grants to States	84.002		<u>69,865</u>	150,206
Fund for the Improvement of Education	84.215			<u>124,530</u>
Total United States Department of Education			<u>\$ -</u>	<u>86,099,342</u>
United States Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		38,923	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		143,164	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>83,536</u>	265,623
Project Safe Neighborhoods	16.609			28,412
Public Safety Partnership and Community Policing Grants	16.710			242,530
Total United States Department of Justice			<u>-</u>	<u>536,565</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Housing and Urban Development				
<i>Direct:</i>				
Section 8 Project- Based Cluster:				
Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.856		\$ 130,275	
Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.856		762,043	
Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.856		104,097	
Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.856		2,304	
Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.856		<u>676,918</u>	
				\$ 1,675,637
Housing Voucher Cluster:				
Section 8 Housing - Emergency Housing Voucher	14.EHV		679,636	
Section 8 Housing Choice Vouchers	14.871		<u>63,191,553</u>	
				63,871,189
CDBG - Entitlement/Special Purpose Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218		52,773	
Community Development Block Grants/Entitlement Grants	14.218		21,855	
Community Development Block Grants/Entitlement Grants	14.218		527,385	
Community Development Block Grants/Entitlement Grants	14.218		1,097,069	
Community Development Block Grants/Entitlement Grants	14.218		<u>2,652,813</u>	
				4,351,895
Emergency Solutions Grant Program	14.231		28,619	
Emergency Solutions Grant Program	14.231		5,371	
Emergency Solutions Grant Program	14.231		<u>28,620</u>	
				62,610
Home Investment Partnerships Program	14.239		22,501	
Home Investment Partnerships Program	14.239		31,248	
Home Investment Partnerships Program	14.239		94,134	
Home Investment Partnerships Program	14.239		142,953	
Home Investment Partnerships Program	14.239		932,147	
Home Investment Partnerships Program	14.239		1,039,479	
Home Investment Partnerships Program	14.239		84,666	
Home Investment Partnerships Program	14.239		<u>185,111</u>	
				2,532,239
Riverfront Recapture	14.251			358,572
Lead Hazard Reduction Demonstration Grant Program	14.905			150,352

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Passed Through the State of Connecticut Human Rights and Opportunities:</i>				
Fair Housing Assistance Program_State and Local	14.401	12060- HRO4 1110- 204 15	<u> </u>	\$ <u> 1,328</u>
Total United States Department of Housing and Urban Development			<u>\$ -</u>	<u> 73,003,822</u>
United States Department of Health and Human Services				
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12060- DPH48882- 22664		10,003
<i>Direct:</i>				
Racial and Ethnic Approaches to Community Health	93.304			\$ 122,567
HIV Care Formula Grants	93.917			455,009
<i>Direct:</i>				
Healthy Start Initiative	93.926			13,333
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
Healthy Start Initiative	93.926	12060- DPH48831- 22348	18,739	<u> 51,876</u> 65,209
<i>Direct:</i>				
Special Projects of National Significance	93.928			166,596
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738		1,552,692	
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738		<u> 112,080</u>	1,664,772
HIV Emergency Relief Project Grants	93.914		2,245,337	
HIV Emergency Relief Project Grants	93.914		<u> 907,104</u>	3,152,441

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Injury Prevention and Control Research and State and Community Based Programs	93.136			425,898
<i>Passed Through the State of Connecticut</i>				
<i>Department of Public Health</i>				
Injury Prevention and Control Research and State and Community Based Programs	93.136		26,338	<u>33,147</u> 459,045
Food and Drug Administration_Research	93.103			1,686
Community Programs to Improve Minority Health Grant Program	93.137		\$ 112,974	
Community Programs to Improve Minority Health Grant Program	93.137		<u>219,413</u>	332,387
National Bioterrorism Hospital Preparedness Program	93.889			74,827
<i>Passed Through the State of Connecticut Department of Public Health:</i>				
CT Inv in Public Health	93.967	12060-DPH48560-23186		70,364
Immunization Cooperative Agreements	93.268	12060-DPH48664-29654		77,409
Immunization Cooperative Agreements	93.268	12060-DPH48664-29632	32,001	<u>45,329</u>
				122,738
Maternal and Child Health Services Block Grant to the States	93.994	12060-DPH48832-21531		95,246
State Act to Improve Oral Health	93.366	12060-DPH48834-22926	<u> </u>	<u>150,000</u>
Total United States Department of Health and Human Services			<u>\$ 77,078</u>	<u>6,942,890</u>
United States Department of Homeland Security				
<i>Direct:</i>				
Homeland Security Grant Program	97.067			60,000
Citizenship Education and Training	97.010			40,961
Citizenship Education and Training	97.010			211,452
Citizenship Education and Training	97.010			<u>104,226</u>
			<u> </u>	<u>356,639</u>
Total United States Department of Homeland Security			<u>-</u>	<u>416,639</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States National Endowment for the Humanities				
<i>Direct:</i>				
National Leadership Grants	45.312			\$ 92,835
Total United States National Endowment for the Humanities			\$ -	92,835
United States Department of the Treasury				
<i>Direct:</i>				
Elderly Nutrition Program	21.027		\$ 15,893	
<i>Passed Through the State of Connecticut Department of Education:</i>				
COVID- 19 ARPA- Leamer Engagement LEAP	21.027	12060-SDE64370-28089		555,377
COVID- 19 ARPA- FAFSA Completion	21.027	12060-SDE64370-28092-2024		17,120
COVID- 19 ARPA- Magnets - 1Year Tuition	21.027	12060-SDE64370-28112		1,971,608
COVID- 19 ARPA- Right to Read	21.027	12060-SDE64370-29732		155,287
COVID- 19 ARPA- Faith Acts PSDs	21.027	12060-SDE64370-29733		691,872
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>				
COVID- 19 ARPA- Auto Theft and Violence	21.027	12060-DPS32155-28122		85,710
COVID- 19 ARPA- Gun Tracing Task Force	21.027	12060-DPS32521-28121		10,614
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>				
COVID- 19 SCHOOL READINESS - PRIORITY COLA	21.027	12060-OEC64845-28227		568,134
COVID- 19 ARPA- School Readiness	21.027	12060-OEC64845-28227	519,199	850,496
COVID- 19 ARPA- School Readiness	21.027	12060-OEC64845-28227		5,565
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027			25,357,216
<i>Passed Through the State of Connecticut Department of Rehabilitation Services:</i>				
ARPA- Senior Centers	21.027	12060-SDR63901-28009		4,606
				30,289,498
<i>Direct:</i>				
Federal Seized and Forfeited Property	21.016			324,653
Federal Seized and Forfeited Property	21.016			31,883
				356,536
Total United States Department of the Treasury			519,199	30,646,034

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Environmental Protection Agency				
<i>Direct:</i>				
U.S. Environmental Protection Agency	66.312			<u>\$ 5,733</u>
Total United States Environmental Protection Agency			<u>\$ -</u>	<u>5,733</u>
United States Social Security Administration				
<i>Passed Through the State of Connecticut Department of Rehabilitation Services:</i>				
Disability Insurance/SSI Cluster:				
Social Security Disability Insurance	96.001	12060-SDR637 10-20821	<u>\$ 25</u>	<u>25</u>
Total United States Social Security Administration			<u>-</u>	<u>25</u>
Total Expenditures of Federal Awards			<u>\$ 613,994</u>	<u>\$ 218,759,630</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Hartford, Connecticut, under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the City of Hartford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position, or cash flows of the City of Hartford, Connecticut

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RECOVERY

The State of Connecticut Department of Education has approved a maximum allowable indirect cost rate for the period of July 1, 2023, through June 30, 2024, as 2.47% for restricted grants and 13.20% for unrestricted grants in accordance with the July 2023 LEA Indirect Cost Handbook.

The City of Hartford, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance for all other grants.

NOTE 3 NONCASH AWARDS

Donated commodities in the amount of \$945,814 are included in the Department of Agriculture's National School Lunch Program, Federal Assistance Listing Number 10.555. The amount represents the market value of commodities received.

Donated commodities in the amount of \$3,620,169 are included in the Department of Agriculture's WIC Program, Federal Assistance Listing Number 10.557.



**INDEPENDENT AUDITORS' 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**

Honorable Mayor and the 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, 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, 2024 and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 27, 2024. Our report includes a reference to other auditors who audited the financial statements of the Hartford Parking Authority, as described in our report on the City of Hartford, Connecticut's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Hartford, Connecticut's internal control over financial reporting (internal control) as a basis for designing 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 of Hartford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hartford, Connecticut'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 or significant deficiencies may exist that were not identified.

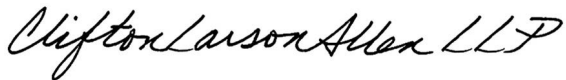
Honorable Mayor and the Members of the
Court of Common Council
City of Hartford, Connecticut

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hartford, Connecticut'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 financial statements. 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 City of Hartford, Connecticut'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 City of Hartford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2024

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425U, 84.425D	COVID-19 Education Stabilization Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? _____ yes x no

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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