

**GREATER HARTFORD TRANSIT DISTRICT**  
**HARTFORD, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**GREATER HARTFORD TRANSIT DISTRICT**  
**HARTFORD, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Prepared by:  
Accounting Department

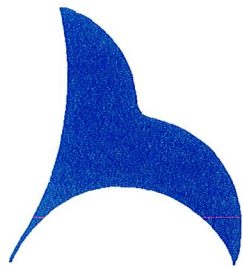
## **INTRODUCTORY SECTION**

**GREATER HARTFORD TRANSIT DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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*Greater  
Hartford  
Transit District*

November 11, 2014

Members of the Board of Directors  
Greater Hartford Transit District  
Hartford, Connecticut

The State of Connecticut statutes require that the Greater Hartford Transit District (the District) publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unqualified (clean) opinion on the District's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the District**

The District is a regional governmental unit formed under the provisions of Chapter 103a of the Connecticut General Statutes. There are currently sixteen member towns: Bloomfield, East Hartford, East Windsor, Enfield, Farmington, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Vernon, West Hartford, Wethersfield and Windsor. Each member town appoints one to four Directors according to population, who collectively form the Board of Directors, which is the policy-making body of the District. The day-to-day affairs of the District are managed by the Executive Director and her staff.

The District has broad powers to acquire, operate, finance, plan, develop, maintain and otherwise provide all forms of land transportation and related services including the development or renewal of transportation centers and parking facilities. It has the power to issue revenue and general obligation bonds. The agency also serves a pass-through function for federal, state and private grants for the purpose of acquiring transportation equipment or providing transportation services. The District adopts an annual budget which serves as a foundation for the District's financial planning and control.

**Economic Impact**

Union Station is located in the City of Hartford. However; the economic condition of the District is dependent on available federal and state funding, the real estate market and the population of elderly and disabled served by the District. Rental income, parking lot fees, vending machine concession and advertising income support the Union Station Transportation Center operations also.

Upgrades to Union Station will continue as part of the District's ongoing effort to improve the facility for its tenants, passengers, and visitors to the area. These enhancements will have a significant impact on making public transportation a more attractive option to commuters and to the general public for trips in and out of the city. It is anticipated that the economic impact of the District's actions will have a positive effect on the city and on the region.

### **Long-Term Financial and Capital Planning Approach**

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. In addition, the District maintains budgetary controls. Budgetary control is maintained by periodic review of year-to-date, actual vs. budgeted expenditures. As demonstrated by the financial statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The District's long term financial and capital planning approach is characterized by a wide range of projections. Short-term and long-term planning processes are managed under a unified planning structure. This includes; monitoring contracts and external agreements in a timely fashion, meeting required reporting deadlines to the District's funding sources, centralizing financial, project, and historical data, tracking projects with multiple funding sources, and establishing and enforcing best practices.

### **Completed Initiatives**

- Spruce Street Parking Lot Revenue continues to increase. The completed installation of an automated parking revenue system in conjunction with an enhanced number of parkers contributed to the 11% increase in revenue from the previous year. There was also a significant annual savings in the parking management fee based on renegotiation of services needed.
- The Spruce Street Parking Lot revenue bond matured and the final payoff was completed.
- As the Limited Agent for the TIGER IV funding, the District is responsible for grant oversight of this project. This past fiscal year all design activities were completed for the four components of the project; Union Station's Transit Center, Bushnell Park North, Asylum and Pearl Streets, and State House Square.
- The District was awarded oversight of \$853,600 which was transferred from FHWA STP Urban funds to FTA Section 5307 for transportation improvements to the Soldiers and Sailors Memorial Arch.
- Interest income has been down significantly over the past several years as the bond rate has remained low. After the Board of Director's approval the District invested in an FFCB bond that will have an explicit guarantee rate.
- During the course of this past year construction activities began on the Mansfield Intermodal Center (Nash-Zimmer) Transportation Center and the Transit Pathway. Within one year the transit center opened with bus circulation.
- A Qualifications Based Selection process was conducted to select a consultant to design the Sigourney Street/CTfastrak Bus Station. The District is overseeing this bus livability project.
- The District received two-years of additional funding for the New Freedom Taxi Ride Program.
- Municipal Dial-A-Ride grants were reinstated and assistance was provided to all member towns.
- The District executed a contract with the City of New Britain to be the grantee for the Bus Livability funds awarded to that city for their multimodal connectivity project.
- The District conducted a qualification based selection for a firm to conduct the assessment and provide design services for 148 Roberts Street, East Hartford. This will be the new home for the ADA Paratransit Operations and Maintenance Facility.

- The District received the 2013 Certificate of Achievement in Financial Reporting by the Government Finance Officers Association.
- A Positive Pay Fraud Prevention process was initiated.
- Negotiated and finalized lease agreements with two of the District's major tenants. The new leases will provide the District with approximately \$700,000 in additional revenue over the course of the next 5 years.
- The release and recording of the Union Station open-ended mortgage was completed.
- The District received a Technical Assistance grant from the Connecticut Trust for Historic Preservation.
- Electricity costs per kWh were reduced based on negotiated pricing through the District's participation in the CROCOG energy savings program.
- The District continues to promote bike parking at the facility and added bike lockers to our site.
- The District has taken the lead in working with the Capitol Region Council of Governments and other agencies to investigate the feasibility of establishing a bike share system in the metro-Hartford region.
- The District chose a contractor to install electronic signage in the Union Station Transportation Center complex. The contractor began their work in December of 2013 and all installations will be complete by Fall 2014. The signage system will consist of electronic signs at the bus bays, arrival and departure screens, and a touchscreen information kiosk.
- The District working in conjunction with the Capitol Region Council of Governments and CTTRANSIT is purchasing and installing passenger waiting shelters for several participating municipalities.
- A total of twenty-two new vehicles were ordered during this past fiscal year to replace those that have met their useful life. (15) were compressed natural gas (CNG) and the remaining (7) were diesel vehicles.
- Installed contemporary replacement benches along the bus berthing area and inside of the transportation center vestibule.
- An upgrade to the ADA Paratransit Trapeze software system was completed including hardware and software updates and staff training. Improved software functionality, on-time performance and increased productivity are anticipated with the upgrade.
- New features added to the ADA IVR system allow clients to receive information in alternative formats such as phone calls, text, and/or email. This has been an extremely useful resource for both the operation and most importantly for our passengers.
- A final Title VI report was submitted to FTA to meet new federal regulations and was approved.

### **Future Initiatives**

- Continue with the design, demolition, and construction of the new ADA Paratransit facility in East Hartford.
- The Transit Center portion of the TIGER IV – Hartford's Intermodal Triangle Project will be completed by December 2014. The District continues to coordinate activities with the City of Hartford, CTDOT and CTTRANSIT for the remainder of the three components of the project.
- Continue to pursue additional federal funds that are applicable and other sources of funding through state programs.
- Continue to seek creative ways to increase the Enterprise Fund revenue.
- Continue to seek all appropriate investment opportunities to increase the District's unrestricted account.
- The Federal Transit Administration (FTA) has scheduled a standard triennial review of the District. The review determines whether a grantee is administering its FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions. It assesses grantee management practices and program implementation to ensure that the programs are administered in accordance with FTA requirements and are meeting program objectives.



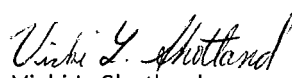
- The concept for bike share is to develop a regional system that starts up in Hartford. A regional entity – the District and the Capitol Region Council of Governments have been identified as the most feasible candidates – will own the system and contract with a vendor to install and operate. Before implementation can happen, funding for both the capital and operating costs will need to be located. Discussions with the legislature regarding bond funding have been initiated.
- The District continues to play a vital role as the grant administrator for the proposed Thompsonville Transit Center in Enfield
- Develop plan to offset additional operating costs based on the opening of the new transit center.
- The District will be issuing a Request for Proposal for ADA paratransit vehicles to replace those that have met their useful life.
- Continue to oversee the administration of both the Asylum Street and Sigourney Street Bus Livability Projects.
- A new electronic touring system will be installed in Union Station to tighten security measures.
- Negotiate the tenant space for the new transit center prior to its opening in September 2015.
- Develop a strategic plan to lease retail space in the Great Hall.

#### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) to the District for its Fiscal Year End 2013. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

I would like to thank all members of the District staff who assisted and contributed to the preparation of this report, as well as the members of the District Board for their interest and continued support in the ongoing efforts of the agency. The District staff and I are very excited about the role that we will play as transit initiatives move forward, and we will continue to rely on our resources and strengths to be successful.

Respectfully Submitted,



Vicki L. Shotland  
Executive Director



Government Finance Officers Association

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

Presented to

**Greater Hartford Transit District  
Connecticut**

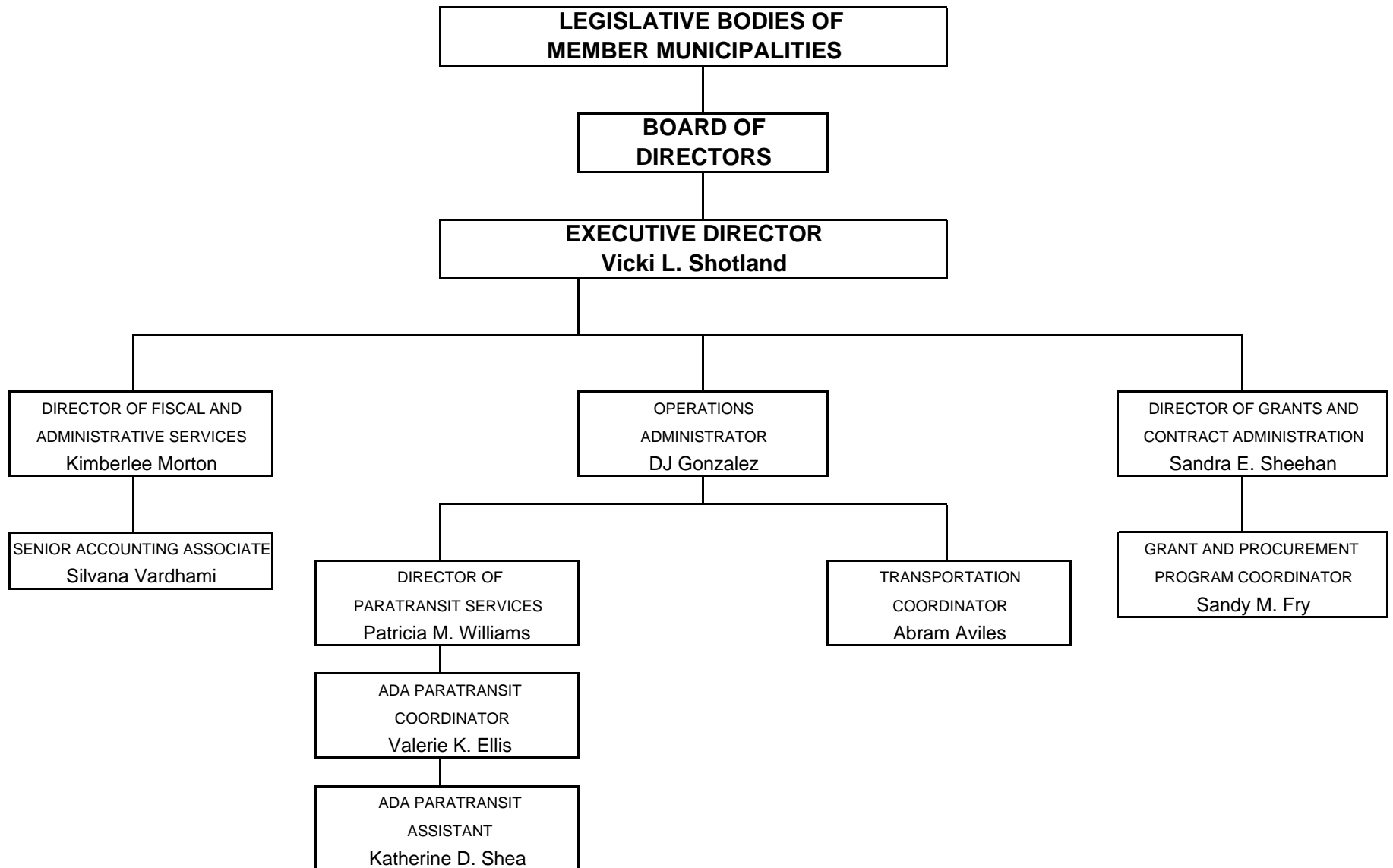
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**



Executive Director/CEO

**ORGANIZATION CHART  
FISCAL YEAR 2014  
GREATER HARTFORD TRANSIT DISTRICT**



**GREATER HARTFORD TRANSIT DISTRICT  
BOARD OF DIRECTORS  
2014**

<b>Member Town</b>		<b>Representation/Director</b>	<b>Primary Occupation</b>	<b>Committee Assignment</b>
Bloomfield	1	Joan Gamble	Artist/Community Volunteer	Nominating
East Hartford	2	Peter J. Bonzani Marilyn Pet	Operating Engineer Attorney	Parking Lot Panel
East Windsor	1	Gilbert Hayes	Community Volunteer	Transportation
Enfield	2	Stephen F. Mitchell Kevin Mooney	Engineer Financial Services	
Farmington	1	Kathleen Eagen	Town Manager	
Granby	1	Russell G. St. John	Railroad Consultant	Parking Lot Panel
Hartford	2	Frank Lord Jennifer Cassidy	Community Volunteer Community Volunteer	Personnel Parking Lot Panel
Manchester	2	James R. McCavanagh Paul McNamara	Businessman Businessman	Nominating By Laws
Newington	2	William G. Hall  John M. Kelly	Community Volunteer  Attorney	Parking Lot Panel, Personnel, Nominating
Rocky Hill	1	Kenneth D. Goldberg	Consultant	
Simsbury	1	Ferguson R. Jansen	Business Executive	Personnel, By Laws
South Windsor	2	Gary S. Pitcock Bruce Snow	Information Technology Businessman	
Vernon	2	Mary A. Oliver Mark S. Etre	Financial Services Engineer	Audit, By Laws
West Hartford	2	Richard F. Messenger A. David Giordano	Community Volunteer Businessman	Personnel Audit, Personnel
Wethersfield	2	Brendan T. Flynn Peter Gardow	Attorney Engineer	Audit
Windsor	2	Ricardo Quintero David Raney	Community Volunteer Health Care Instructor	By Laws

**Executive Director**  
Vicki L. Shotland

**Officers**  
June 30, 2014

Chairman	Stephen F. Mitchell
Vice Chairman	Frank Lord
Secretary	James R. McCavanagh
Assistant Secretary	Peter J. Bonzani
Treasurer	Brendan T. Flynn
Assistant Treasurer	Mary A. Oliver

## **FINANCIAL SECTION**



Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Board of Directors  
Greater Hartford Transit District  
Hartford, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Greater Hartford Transit District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Greater Hartford Transit District as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Hartford Transit District's basic financial statements. The introductory section, combining special revenue fund schedule and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014 on our consideration of the Greater Hartford Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
November 10, 2014



**GREATER HARTFORD TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

The management of the Greater Hartford Transit District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$8,611,657 and \$8,312,069 for the governmental activities and the business-type activities, respectively.
- On a government-wide basis, the government's total net position increased by \$3,903,287; governmental activities increased by \$303,153 and business-type activities increased by \$3,600,134.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$737,338, an increase of \$19,689 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$737,338.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include purchased transportation, transportation projects and general administration. The business-type activities of the District include a transportation center and a public parking lot.

The government-wide financial statements can be found on pages 11-12 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Special Revenue Fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund and Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-17 of this report.

### **Proprietary Funds**

The District maintains three enterprise-type funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its transportation center, public and private, and for its parking lot.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the three enterprise funds which are considered to be major funds of the District.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-36 of this report.

### **Other Information**

Supplemental, combining and individual fund statements and schedules can be found on pages 37-38 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by \$16,923,726 at the close of the most recent fiscal year.

By far, the largest portion of the District's assets is its investment in capital assets (e.g., buildings, transportation vehicles and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**NET POSITION**  
**JUNE 30, 2014 and 2013**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 8,090,168	\$ 7,519,718	\$ 140,274	\$ (99,455)	\$ 8,230,442	\$ 7,420,263
Capital assets, net of accumulated depreciation	8,725,687	8,243,306	8,846,685	8,666,056	17,572,372	16,909,362
Total assets	<u>16,815,855</u>	<u>15,763,024</u>	<u>8,986,959</u>	<u>8,566,601</u>	<u>25,802,814</u>	<u>24,329,625</u>
Current liabilities	7,352,830	6,802,069	528,503	375,626	7,881,333	7,177,695
Long-term liabilities outstanding	851,368	652,451	146,387	3,479,040	997,755	4,131,491
Total liabilities	<u>8,204,198</u>	<u>7,454,520</u>	<u>674,890</u>	<u>3,854,666</u>	<u>8,879,088</u>	<u>11,309,186</u>
Net position						
Net investment in capital assets	8,725,687	8,243,306	8,846,685	5,332,683	17,572,372	13,575,989
Unrestricted	<u>(114,030)</u>	<u>65,198</u>	<u>(534,616)</u>	<u>(620,748)</u>	<u>(648,646)</u>	<u>(555,550)</u>
Total Net Position	<u>\$ 8,611,657</u>	<u>\$ 8,308,504</u>	<u>\$ 8,312,069</u>	<u>\$ 4,711,935</u>	<u>\$ 16,923,726</u>	<u>\$ 13,020,439</u>

**CHANGES IN NET POSITION**  
**JUNE 30, 2014 and 2013**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenues:						
Program revenues:						
Charges for services	\$ 421,872	\$ 400,622	\$ 1,559,109	\$ 1,545,023	\$ 1,980,981	\$ 1,945,645
Operating grants and contributions	16,790,176	15,437,658	734,050	243,614	17,524,226	15,681,272
Capital grants and contributions	5,897,702	7,713,017	240,651	1,116,110	6,138,353	8,829,127
General revenues:						
Member Town contribution	77,329	77,329			77,329	77,329
Miscellaneous		279			-	279
Unrestricted investment earnings	3,433	4,664			3,433	4,664
Special item:						
Mortgage release			3,300,000		3,300,000	-
Transfer of funds to grant programs		(668,379)			-	(668,379)
Total revenues	<u>23,190,512</u>	<u>22,965,190</u>	<u>5,833,810</u>	<u>2,904,747</u>	<u>29,024,322</u>	<u>25,869,937</u>
Expenses:						
Purchased transportation	15,436,325	14,530,669			15,436,325	14,530,669
Transit projects	3,805,580	5,645,779			3,805,580	5,645,779
Insurance consortium	3,645,454	3,087,661			3,645,454	3,087,661
Transportation center			2,011,788	2,019,125	2,011,788	2,019,125
Parking lot			221,888	286,688	221,888	286,688
Total expenses	<u>22,887,359</u>	<u>23,264,109</u>	<u>2,233,676</u>	<u>2,305,813</u>	<u>25,121,035</u>	<u>25,569,922</u>
Change in net position	303,153	(298,919)	3,600,134	598,934	3,903,287	300,015
Net position at beginning of year	<u>8,308,504</u>	<u>8,607,423</u>	<u>4,711,935</u>	<u>4,113,001</u>	<u>13,020,439</u>	<u>12,720,424</u>
Net Position at End of Year	<u>\$ 8,611,657</u>	<u>\$ 8,308,504</u>	<u>\$ 8,312,069</u>	<u>\$ 4,711,935</u>	<u>\$ 16,923,726</u>	<u>\$ 13,020,439</u>

The District's net position increased by \$3,903,287 during the fiscal year with net position of governmental activities increasing by \$303,153 and business-type activities increasing by \$3,600,134. The increase in the net position of governmental activities is due primarily to grant-funded transit projects. The increase in the net position of business-type activities is mainly attributable to Union Station mortgage release.

### **Governmental Activities**

Approximately 98% of the revenues were derived from operating and capital grants and contributions, followed by 2% from charges for services.

Key elements are as follows:

- State funded operating grants and contributions increased due to additional activity in the ADA, Drug and Alcohol and Insurance Consortia programs. Federal and State capital contributions were down as we move toward closure of the Mansfield Intermodal project.

### **Business-Type Activities**

Business-type activities increased the District's net position by \$3,600,134. Key elements are as follows:

- The public portion of the Transportation Center had a decrease in net position of \$118,838. This decrease was due to depreciation expense and minimal funded capital improvement activity in this cost center.
- The Brownstone portion of the Transportation Center had an increase in net position of \$3,427,449. This increase was due primarily to the release of the mortgage. The Parking Lot had an increase in net position of \$291,523. This increase was due to a decrease in operating expense and federal and an increase in parking lot revenues.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$737,338, an increase of \$19,689 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the General Fund total fund balance was \$737,338, which is entirely unassigned.

The Special Revenue Fund has a fund balance of zero at the end of the year, showing no change from the prior year.

## **Proprietary Funds**

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall proprietary fund net position totaled \$8,312,069 at the end of the year.

- Unrestricted net position of the Public Transportation Center Fund at the end of the year amounted to \$1,832,050, 27% of total net position of the fund.
- The Private Transportation Center Fund had an unrestricted net position deficiency of \$(3,642,900) in the fund.
- The Parking Lot Fund had an unrestricted net position of \$1,276,234.

The total increase in net position for all funds was \$3,600,134. Other factors concerning the finances of these three funds have already been addressed in the discussion of the District's business-type activities.

## **General Fund Budgetary Highlights**

Budget revenues and transfers decreased by \$33,363 or 29%, between the original budget and the final amended budget. This decrease was primarily due to two matters. Disposed Vehicle Revenue will be used to purchase transit assets rather than be recorded as General Fund revenue. Additionally, a portion of unfunded agency-wide indirect costs were incurred in the General Fund. During the year, revenues and expenditures equaled the final budgeted amount.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's net investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounted to \$8,725,687 and \$8,846,685, respectively. This investment in capital assets included buildings, transportation vehicles, equipment and the parking lot. The District's net investment in capital assets increased by \$3,996,383 for the current fiscal year.

Major capital asset events during the current fiscal year included the following:

- Acquisition of 14 CNG vehicles for the ADA Service
- Preliminary A & E Design began for ADA Operations/Maintenance Facility
- Upgrade and improvements to District IT equipment
- Upgrade to ADA scheduling system Trapeze
- Purchase and installation of Bike Lockers for Bike Walk CT
- Purchase and initial implementation phase for Passenger Information display system and information kiosk
- Installation of Spruce Street Parking Lot attendant booth and systems
- A & E and construction in the GHTD Administrative area of the Brownstone
- A & E Streetscape
- A & E Transit Center
- Construction Administration Services Bushnell Park North
- Construction Administration Services Asylum & Pearl Streets

**CAPITAL ASSETS, Net of Depreciation**  
**JUNE 30, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Construction in progress	\$ 556,358	\$	\$ 565,890	\$	\$ 1,122,248	\$
Land	651,699	651,699	300,000	300,000	951,699	951,699
Buildings and improvements	3,640,203	3,924,281	7,548,345	7,222,264	11,188,548	11,146,545
Parking lot			275,463	302,223	275,463	302,223
Equipment	3,877,427	3,667,326	156,987	841,569	4,034,414	4,508,895
Total	\$ 8,725,687	\$ 8,243,306	\$ 8,846,685	\$ 8,666,056	\$ 17,572,372	\$ 16,909,362

Additional information on the District's capital assets can be found in Note 3C on pages 28-29 of this report.

### Long-Term Debt

At the beginning of the fiscal year, the District had total bonded debt outstanding of \$33,373 and a mortgage outstanding of \$3,300,000. At fiscal year end those liabilities stand at zero. Beginning in 2009 the District recognized a liability for other postemployment benefits (OPEB) as required by applicable accounting standards.

**OUTSTANDING DEBT**  
**JUNE 30, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue bonds	\$	\$	\$	33,373	\$	33,373
Mortgage				3,300,000		3,300,000
OPEB	851,368	652,451	146,387	145,667	997,755	798,118
Total	\$ 851,368	\$ 652,451	\$ 146,387	\$ 3,479,040	\$ 997,755	\$ 4,131,491

The District's remaining debt increased during the current fiscal year due to an increase from OPEB liabilities.

### Economic Factors

Inflationary trends in the region compare favorably to national indices. This factor was considered in preparing the District's budget for the 2013-2014 fiscal years.

During the current fiscal year, the unreserved fund balance in the General Fund increased to \$737,338.

### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Management of Greater Hartford Transit District.

**GREATER HARTFORD TRANSIT DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Assets:			
Cash and cash equivalents	\$ 3,643,761	\$	\$ 3,643,761
Investments	299,544		299,544
Receivables:			
Federal grants	1,900,298	246,498	2,146,796
State grants	1,571,031	168,580	1,739,611
Local agencies	319,163		319,163
Other	4,030	52,475	56,505
Internal balances	327,279	(327,279)	-
Other assets	25,062		25,062
Capital assets, nondepreciable	1,208,057	865,890	2,073,947
Capital assets, net of accumulated depreciation	7,517,630	7,980,795	15,498,425
Total assets	<u>16,815,855</u>	<u>8,986,959</u>	<u>25,802,814</u>
Liabilities:			
Accounts payable	6,594,865	444,983	7,039,848
Payable to local agencies	86,272		86,272
Payable to State of Connecticut		83,520	83,520
Unearned revenue	671,693		671,693
Noncurrent liabilities:			
Due in more than one year	851,368	146,387	997,755
Total liabilities	<u>8,204,198</u>	<u>674,890</u>	<u>8,879,088</u>
Net Position:			
Net investment in capital assets	8,725,687	8,846,685	17,572,372
Unrestricted	<u>(114,030)</u>	<u>(534,616)</u>	<u>(648,646)</u>
Total Net Position	<u>\$ 8,611,657</u>	<u>\$ 8,312,069</u>	<u>\$ 16,923,726</u>

The accompanying notes are an integral part of the financial statements



**GREATER HARTFORD TRANSIT DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Purchased transportation	\$ 15,436,325	\$ 421,872	\$ 12,866,097	\$	\$ (2,148,356)	\$	\$ (2,148,356)
Insurance consortium	3,645,454		3,645,454				-
Transit projects	3,805,580		278,625	5,897,702	2,370,747		2,370,747
Total governmental activities	<u>22,887,359</u>	<u>421,872</u>	<u>16,790,176</u>	<u>5,897,702</u>	<u>222,391</u>	<u>-</u>	<u>222,391</u>
Business-type activities:							
Transportation center	2,011,788	1,158,044	734,050	128,305		8,611	8,611
Parking lot	221,888	401,065		112,346		291,523	291,523
Total business-type activities	<u>2,233,676</u>	<u>1,559,109</u>	<u>734,050</u>	<u>240,651</u>	<u>-</u>	<u>300,134</u>	<u>300,134</u>
Total	<u>\$ 25,121,035</u>	<u>\$ 1,980,981</u>	<u>\$ 17,524,226</u>	<u>\$ 6,138,353</u>	<u>222,391</u>	<u>300,134</u>	<u>522,525</u>
General revenues:							
Member town contributions					77,329		77,329
Unrestricted investment earnings					3,433		3,433
Special item:							
Mortgage release						3,300,000	3,300,000
Total general revenues and special item					<u>80,762</u>	<u>3,300,000</u>	<u>3,380,762</u>
Change in Net Position					303,153	3,600,134	3,903,287
Net Position at Beginning of Year					<u>8,308,504</u>	<u>4,711,935</u>	<u>13,020,439</u>
Net Position at End of Year					<u>\$ 8,611,657</u>	<u>\$ 8,312,069</u>	<u>\$ 16,923,726</u>

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,643,761	\$	\$ 3,643,761
Investments	299,544		299,544
Federal grants receivable		1,900,298	1,900,298
State grants receivable		1,571,031	1,571,031
Due from other funds	3,728,779	3,856,518	7,585,297
Receivable from local agencies		319,163	319,163
Other receivables	4,030		4,030
Prepays	<u>25,062</u>		<u>25,062</u>
Total Assets	<u>\$ 7,701,176</u>	<u>\$ 7,647,010</u>	<u>\$ 15,348,186</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,851	\$ 6,592,014	\$ 6,594,865
Payable to local agencies		86,272	86,272
Due to other funds	6,960,987	297,031	7,258,018
Unearned revenue		671,693	671,693
Total liabilities	<u>6,963,838</u>	<u>7,647,010</u>	<u>14,610,848</u>
<b>Fund Balances:</b>			
Unassigned	<u>737,338</u>		<u>737,338</u>
Total Liabilities and Fund Balances	<u>\$ 7,701,176</u>	<u>\$ 7,647,010</u>	<u>\$ 15,348,186</u>

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Amounts reported for governmental activities in the statement of net position (page 11) are different because of the following:

Fund balances - total governmental funds (page 13)	\$	737,338
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	24,028,440
Less accumulated depreciation		<u>(15,302,753)</u>
		8,725,687
Liability for other postemployment benefits is not due and payable in the current year and, therefore, is not reported in the funds.		<u>(851,368)</u>
Net Position of Governmental Activities (page 11)	\$	<u><u>8,611,657</u></u>

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:			
Federal grants	\$	\$ 4,326,732	\$ 4,326,732
State grants		17,360,688	17,360,688
Contributions from member towns	77,329		77,329
Local share		904,288	904,288
Private local share		61,170	61,170
Interest income	3,433		3,433
Cash fares/Charter fees		421,872	421,872
Other revenue		35,000	35,000
Total revenues	<u>80,762</u>	<u>23,109,750</u>	<u>23,190,512</u>
Expenditures:			
Current:			
Project administration	44,933	1,407,017	1,451,950
Professional services	14,311	470,306	484,617
Purchased transportation		12,374,835	12,374,835
Insurance and claims		3,382,433	3,382,433
Capital outlay - tangible transit property		5,476,649	5,476,649
Capital outlay - other property	339		339
Total expenditures	<u>59,583</u>	<u>23,111,240</u>	<u>23,170,823</u>
Excess (Deficiency) of Revenues over Expenditures	<u>21,179</u>	<u>(1,490)</u>	<u>19,689</u>
Other Financing Sources (Uses):			
Transfers in	4	1,494	1,498
Transfers out	<u>(1,494)</u>	<u>(4)</u>	<u>(1,498)</u>
Total other financing sources (uses)	<u>(1,490)</u>	<u>1,490</u>	<u>-</u>
Net Change in Fund Balances	19,689	-	19,689
Fund Balances at Beginning of Year	<u>717,649</u>	<u>-</u>	<u>717,649</u>
Fund Balances at End of Year	<u>\$ 737,338</u>	<u>\$ -</u>	<u>\$ 737,338</u>

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Amounts reported for governmental activities in the statement of activities (page 12) are different due to the following:

Net change in fund balances - total governmental funds (page 15)	\$ 19,689
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay	2,717,173
Depreciation expense	(2,112,918)
Loss on disposal of capital assets	(121,874)
Governmental funds report other postemployment benefit costs when paid. In the statement of activities other postemployment benefits costs are recognized when earned by employees.	
	<u>(198,917)</u>
Change in Net Position of Governmental Activities (page 12)	<u><u>\$ 303,153</u></u>

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) -  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund				Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Federal grants	\$	\$	\$	\$ -	\$ 9,636,553	\$ 4,326,732	\$ 4,326,732	\$ -
State grants				-	19,169,813	17,360,688	17,360,688	-
Contributions from member towns	77,329	77,329	77,329	-				-
Local/private share				-	2,117,479	965,458	965,458	-
Interest income	6,000	3,433	3,433	-				-
Fares				-	400,000	421,872	421,872	-
Incidental charter/vehicle sales/misc other receipts	30,800			-		35,000	35,000	-
Total revenues	<u>114,129</u>	<u>80,762</u>	<u>80,762</u>	<u>-</u>	<u>31,323,845</u>	<u>23,109,750</u>	<u>23,109,750</u>	<u>-</u>
Expenditures:								
Current:								
Project administration	24,053	44,933	44,933	-	1,560,437	1,407,017	1,407,017	-
Professional services	16,000	14,311	14,311	-	590,500	470,306	470,306	-
FTA/State/GHTD transportation projects				-	29,172,908	15,757,268	15,757,268	-
Capital outlay		339	339	-		5,476,649	5,476,649	-
Total expenditures	<u>40,053</u>	<u>59,583</u>	<u>59,583</u>	<u>-</u>	<u>31,323,845</u>	<u>23,111,240</u>	<u>23,111,240</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>74,076</u>	<u>21,179</u>	<u>21,179</u>	<u>-</u>	<u>-</u>	<u>(1,490)</u>	<u>(1,490)</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in		4	4	-		1,494	1,494	-
Transfers out		(1,494)	(1,494)	-				-
Transfer of funds to grant programs				-		(4)	(4)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,490)</u>	<u>(1,490)</u>	<u>-</u>	<u>-</u>	<u>1,490</u>	<u>1,490</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 74,076</u>	<u>\$ 19,689</u>	<u>19,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>717,649</u>				<u>-</u>	
Fund Balance - End of Year			<u>\$ 737,338</u>				<u>\$ -</u>	

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Transportation Center</b>		<b>Parking</b>	<b>Total</b>
	<b>Public</b>	<b>Private</b>	<b>Lot</b>	
Assets:				
Current assets:				
Federal grants receivable	\$ 20,730	\$ 223,458	\$ 2,310	\$ 246,498
State grants receivable	38,041	125,701	4,838	168,580
Due from other funds	2,220,732		1,280,865	3,501,597
Other assets	24,517	27,958		52,475
Total current assets	2,304,020	377,117	1,288,013	3,969,150
Noncurrent assets:				
Capital assets, net of accumulated depreciation	4,870,615	3,543,627	432,443	8,846,685
Total assets	7,174,635	3,920,744	1,720,456	12,815,835
Liabilities:				
Current liabilities:				
Accounts payable	353,023	163,701	11,779	528,503
Due to other funds		3,828,876		3,828,876
Total current liabilities	353,023	3,992,577	11,779	4,357,379
Noncurrent liabilities:				
Other postemployment benefits	118,947	27,440		146,387
Total liabilities	471,970	4,020,017	11,779	4,503,766
Net Position:				
Net investment in capital assets	4,870,615	3,543,627	432,443	8,846,685
Unrestricted	1,832,050	(3,642,900)	1,276,234	(534,616)
Total Net Position	\$ 6,702,665	\$ (99,273)	\$ 1,708,677	\$ 8,312,069

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Transportation Center</b>		<b>Parking</b>	
	<b>Public</b>	<b>Private</b>	<b>Lot</b>	<b>Total</b>
Operating Revenues:				
Rental income	\$ 390,402	\$ 538,966	\$	\$ 929,368
Parking fees	1,200		401,065	402,265
Other	17,579	209,897		227,476
Total operating revenues	<u>409,181</u>	<u>748,863</u>	<u>401,065</u>	<u>1,559,109</u>
Operating Expenses:				
Professional services	40,547	468,765	124,389	633,701
Overhead	397,340	500,111	54,967	952,418
Depreciation	353,521	251,504	41,543	646,568
Total operating expenses	<u>791,408</u>	<u>1,220,380</u>	<u>220,899</u>	<u>2,232,687</u>
Operating Income (Loss)	<u>(382,227)</u>	<u>(471,517)</u>	<u>180,166</u>	<u>(673,578)</u>
Nonoperating Revenues (Expenses):				
Federal grants	114,260	470,711		584,971
State grants	31,402	117,677		149,079
Interest expense			(989)	(989)
Total nonoperating revenues (expenses)	<u>145,662</u>	<u>588,388</u>	<u>(989)</u>	<u>733,061</u>
Income (Loss) Before Capital Contributions	<u>(236,565)</u>	<u>116,871</u>	<u>179,177</u>	<u>59,483</u>
Capital Contributions:				
Federal	91,392	8,462	69,157	169,011
State	15,873	1,906	3,810	21,589
Local match	10,462	210	39,379	50,051
Total capital contributions	<u>117,727</u>	<u>10,578</u>	<u>112,346</u>	<u>240,651</u>
Change in Net Position Before Special Item	(118,838)	127,449	291,523	300,134
Special Item:				
Mortgage release		3,300,000		3,300,000
Change in Net Position	(118,838)	3,427,449	291,523	3,600,134
Net Position at Beginning of Year	<u>6,821,503</u>	<u>(3,526,722)</u>	<u>1,417,154</u>	<u>4,711,935</u>
Net Position at End of Year	<u>\$ 6,702,665</u>	<u>\$ (99,273)</u>	<u>\$ 1,708,677</u>	<u>\$ 8,312,069</u>

The accompanying notes are an integral part of the financial statements



**GREATER HARTFORD TRANSIT DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Transportation Center</b>		<b>Parking</b>	
	<b>Public</b>	<b>Private</b>	<b>Lot</b>	<b>Total</b>
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 402,836	\$ 767,704	\$ 401,065	\$ 1,571,605
Payments for interfund services provided (used)	(414,579)	417,814	(242,920)	(239,685)
Payments to suppliers	(293,657)	(873,988)	(178,677)	(1,346,322)
Payments to employees	(60,647)	(17,305)	(8,248)	(86,200)
Net cash provided by (used in) operating activities	<u>(366,047)</u>	<u>294,225</u>	<u>(28,780)</u>	<u>(100,602)</u>
Cash Flows from Noncapital Financing Activities:				
Receipts from federal and state grants	349,403	281,193		630,596
Net cash provided by noncapital financing activities	<u>349,403</u>	<u>281,193</u>	<u>-</u>	<u>630,596</u>
Cash Flows from Capital and Related Financing Activities:				
Receipts from federal and state grants	107,265	10,368	110,215	227,848
Receipts of local match	10,462	210	39,379	50,051
Purchase of capital assets	(101,083)	(585,996)	(86,452)	(773,531)
Payments of matured portion of bonds			(33,373)	(33,373)
Interest paid on bonds payable			(989)	(989)
Net cash provided by (used in) capital and related financing activities	<u>16,644</u>	<u>(575,418)</u>	<u>28,780</u>	<u>(529,994)</u>
Net Increase in Cash and Cash Equivalents	-	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Operating income (loss)	\$ (382,227)	\$ (471,517)	\$ 180,166	\$ (673,578)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	353,521	251,504	41,543	646,568
Change in assets and liabilities:				
Increase in amounts due from other funds	(414,579)		(242,920)	(657,499)
(Increase) decrease in other assets	(6,345)	18,841		12,496
Increase (decrease) in accounts payable	81,851	78,595	(7,569)	152,877
Increase in amounts due to other funds		417,814		417,814
Increase (decrease) in other postemployment benefits liability	1,732	(1,012)		720
Total adjustments	<u>16,180</u>	<u>765,742</u>	<u>(208,946)</u>	<u>572,976</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (366,047)</u>	<u>\$ 294,225</u>	<u>\$ (28,780)</u>	<u>\$ (100,602)</u>

The accompanying notes are an integral part of the financial statements

# **GREATER HARTFORD TRANSIT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

The Greater Hartford Transit District (the District) is a regional governmental unit formed under the provisions of Chapter 103a of the Connecticut General Statutes. The District currently serves sixteen member towns: Bloomfield, East Hartford, East Windsor, Enfield, Farmington, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Vernon, West Hartford, Wethersfield and Windsor. Each member town appoints one to four Directors, according to population, who collectively form the Board of Directors, which is the policy-making body of the District. The day-to-day affairs of the District are managed by the Executive Director and her staff.

The District has broad powers to acquire, operate, finance, plan, develop, maintain and otherwise provide all forms of land transportation and related services including the development or renewal of transportation centers and parking facilities. It also has the power to issue revenue and general obligation bonds, although it has no power to levy taxes.

The District also serves as a pass-through entity for federal, state and private grants for the purpose of acquiring transportation equipment and providing transportation services.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

#### **B. Basis of Presentation**

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) 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 more significant of the District's accounting policies are described below:

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by member town contributions and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 as net current assets. Nongrant 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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Federal and state grant revenues are considered to be available when eligible expenses have been incurred under the grants. All sources of revenue except interest become measurable when the District has rendered a service. Interest revenue is measurable when its rate becomes known.

Federal and state grants, member town contributions, local share, fares and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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The District reports the following major governmental funds:

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

The *Special Revenue Fund* is used to account for the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes. The major source of revenue for this fund is governmental grants.

The District reports the following major proprietary funds:

The *Transportation Center - Public and Private* funds are used to account for operation and maintenance of the public and private portions, respectively, of the Union Station facility.

The *Parking Lot* is used to account for operation and maintenance of the parking lot adjacent to Union Station.

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 the enterprise funds and various other functions of the government. 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. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

**C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking and money market accounts with an original maturity of less than 90 days are considered to be cash equivalents.

**D. Investments**

Investments are reported at fair value using quoted market prices.

## GREATER HARTFORD TRANSIT DISTRICT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **E. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Equipment	7 years
Parking lot	20 years
Buildings and improvements	30 years
Passenger vans	4 years
Buses	12 years
Office equipment	5 years
Radios	5 years
ADA/DAR computer system	5 years
Company vehicles	5 years
Land and Union Station Transportation Center	40 years
Renovations of Union Station Transportation Center	40 years

#### **F. Payable to Local Agencies**

Amounts shown as payable to local agencies in the Special Revenue Fund are amounts due to towns or agencies that are subrecipients of state and federal grants relating to transportation services and capital equipment purchases.

#### **G. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefit Amounts**

Accumulated unpaid vacation, sick pay and other employee benefit amounts are accrued when incurred in the government-wide and proprietary fund financial statements (using the accrual basis of accounting). Such amounts are accrued in governmental funds (using the modified accrual basis of accounting) only if they have matured, for example, as a result of employee resignations and retirements.

The District has a policy of reimbursing an employee for any accumulated vacation or other employee benefits at the end of each fiscal year. The District is not obligated to pay accumulated sick time until the Board of Directors approves the expenditure. Therefore, no liability for vacation or sick pay has been recognized in the District's financial statements.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**H. Long-Term Obligations**

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

**I. Fund Equity**

Equity in the government-wide financial statements and proprietary funds is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Unrestricted - This component consists of net position that does not meet the definition of “Net investment in capital assets.”

Equity in the governmental fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts). There is currently no nonspendable fund balance for the District.

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, contributors or laws and regulations of their governments. There is currently no restricted fund balance for the District.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (the District’s Board of Directors). The Board of Directors may commit resources by resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation. There is currently no committed fund balance for the District.

## **GREATER HARTFORD TRANSIT DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Directors. There is currently no assigned fund balance for the District.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance. There is \$737,338 of unassigned fund balance at June 30, 2014.

#### **J. Special Items**

Special items represent significant transactions within the control of management that are either unusual in nature or infrequent in occurrence. The release of mortgage debt described in Note 3E has been presented as a special item.

#### **K. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **Budgetary Information**

During the last quarter of the fiscal year, the ensuing year's proposed operating budget, including proposed expenditures and the means of financing them, is compiled and prepared by the Executive Director. A public hearing is held on the budget. The proposed operating budget is then published in line item format in one or more local newspapers servicing the District and is submitted to the Board of Directors for acceptance and adoption.

The Executive Director has the authority to transfer budgeted amounts between published line items (object class: project administration, professional services, FTA/State/GHTD transportation projects and contingency); however, any revisions that alter the total expenditures plus transfers of a fund must have the prior approval of the District Board and are subject to public hearing.

A budget is adopted for the General and Special Revenue Funds on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations are classified by object classes. Due to the nature and size of the organization, no breakdown by function or activity is made. The budget for the Special Revenue Fund is adopted on a generic basis for the fund as a whole rather than for the individual projects. Encumbrance accounting is not

**GREATER HARTFORD TRANSIT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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employed by the District because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control. Appropriations for all expenditures lapse at year-end.

A budget is adopted for the Enterprise Funds on the accrual basis, except for debt principal and capital improvements, which are budgeted for on a cash basis.

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The following is a summary of cash and cash equivalents at June 30, 2014:

Deposits:		
Demand accounts	\$	104,176
Money market accounts		<u>40,410</u>
Total deposits		144,586
 Petty cash		 331
Cash equivalent:		
State Short-Term Investment Fund (STIF)		<u>3,498,844</u>
 Total Cash and Cash Equivalents	\$	<u><u>3,643,761</u></u>

No cash or cash equivalents have maturity periods as all are available for immediate withdrawal.

As of June 30, 2014, the District had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity Less than One Year</u>
Interest-bearing investments:			
Federal agency notes	Aaa	\$ 299,544	\$ <u><u>299,544</u></u>

**Interest Rate Risk** - The District is not subject to interest rate risk as all cash and cash equivalents maintain their dollar unit value and are not subject to declines in value.



## GREATER HARTFORD TRANSIT DISTRICT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**Credit Risk** - State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by the Standard and Poor's or P-1 by Moody's Investor Service, the State Treasurer's investment pool, and certain other pooled investments, including the MBIA Class Plus Investment. The District does not have a policy relating to the credit risk of investments. As of June 30, 2014, the District's cash equivalent amounted to \$3,498,844 held in STIF, which was rated AAAm by Standard and Poor's.

**Concentration of Credit Risk** - The District's investment policy does not limit the investment in any one investment vehicle.

**Custodial Credit Risk** - In the case of deposits, this represents the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$888,345 of the District's bank balance was exposed to custodial credit risk as follows: \$106,335 was uninsured, with collateral held by the pledging bank's trust department, not in the District's name, and \$782,010 was uninsured and uncollateralized.

Custodial credit risk of 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 District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk for investments. At June 30, 2014, the District had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

#### **B. Receivables**

Receivables consist of grants receivable from the federal government and State of Connecticut, and amounts due from local agencies for services provided. Based on historical experience, management believes these receivables are fully collectible and, therefore, has not provided for an allowance for uncollectible amounts.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**C. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 651,699	\$ 556,358	\$ -	\$ 556,358
Land	651,699			651,699
Total capital assets not being depreciated	<u>651,699</u>	<u>556,358</u>	<u>-</u>	<u>1,208,057</u>
Capital assets being depreciated:				
Buildings and improvements	12,057,687			12,057,687
Equipment	10,533,931	2,160,815	1,932,050	10,762,696
Total capital assets being depreciated	<u>22,591,618</u>	<u>2,160,815</u>	<u>1,932,050</u>	<u>22,820,383</u>
Less accumulated depreciation for:				
Buildings and improvements	8,133,406	284,078		8,417,484
Equipment	6,866,605	1,828,840	1,810,176	6,885,269
Total accumulated depreciation	<u>15,000,011</u>	<u>2,112,918</u>	<u>1,810,176</u>	<u>15,302,753</u>
Total capital assets being depreciated, net	<u>7,591,607</u>	<u>47,897</u>	<u>121,874</u>	<u>7,517,630</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,243,306</u>	<u>\$ 604,255</u>	<u>\$ 121,874</u>	<u>\$ 8,725,687</u>
	<u>Beginning Balance</u>	<u>Increases / Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 300,000	\$ 565,890	\$ -	\$ 565,890
Land	300,000			300,000
Total capital assets not being depreciated	<u>300,000</u>	<u>565,890</u>	<u>-</u>	<u>865,890</u>
Capital assets being depreciated:				
Buildings and improvements	14,582,874	931,106		15,513,980
Parking lot	1,120,871	(1,950)		1,118,921
Equipment	869,722	(667,849)		201,873
Total capital assets being depreciated	<u>16,573,467</u>	<u>261,307</u>	<u>-</u>	<u>16,834,774</u>
Less accumulated depreciation for:				
Buildings and improvements	7,360,610	605,025		7,965,635
Parking lot	818,648	24,810		843,458
Equipment	28,153	16,733		44,886
Total accumulated depreciation	<u>8,207,411</u>	<u>646,568</u>	<u>-</u>	<u>8,853,979</u>
Total capital assets being depreciated, net	<u>8,366,056</u>	<u>(385,261)</u>	<u>-</u>	<u>7,980,795</u>
Business-Type Capital Assets, Net	<u>\$ 8,666,056</u>	<u>\$ 180,629</u>	<u>\$ -</u>	<u>\$ 8,846,685</u>

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

Governmental activities:	
Purchased transportation	\$ 1,784,856
Transit projects	280,968
General administration	<u>47,094</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,112,918</u>
Business-type activities:	
Transportation Center	\$ 605,025
Parking Lot	<u>41,543</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 646,568</u>

**D. Individual Fund Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Transportation Center - Private	\$ 3,728,779
Special Revenue Fund	General Fund	3,856,518
Transportation Center - Public	General Fund	1,823,604
Transportation Center - Public	Special Revenue Fund	297,031
Transportation Center - Public	Transportation Center - Private	100,097
Parking Lot	General Fund	<u>1,280,865</u>
Total		<u>\$ 11,086,894</u>

Interfund receivable/payable balances are the result of pooled cash and investments, which are reported in the General Fund.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Interfund transfers were as follows:

	<b>Transfers In</b>		
	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total</b>
Transfers out:			
General Fund	\$	\$ 1,494	\$ 1,494
Special Revenue Fund	4		4
Total	\$ 4	\$ 1,494	\$ 1,498

Transfers are used primarily to fund special revenue program deficits.

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Government activities:					
Other postemployment benefits	\$ 652,451	\$ 198,917	\$ -	\$ 851,368	\$ -
Business-type activities:					
Revenue bonds	\$ 33,373		\$ 33,373	\$ -	
Mortgage	3,300,000		3,300,000	-	
Other postemployment benefits	145,667	720	-	146,387	
Long-Term Liabilities	\$ 3,479,040	\$ 720	\$ 3,333,373	\$ 146,387	\$ -

**Revenue Bonds Payable**

The Parking Lot Enterprise Fund issued tax-exempt revenue bonds on April 1, 1984, which matured on April 1, 2014, in the original amount of \$500,000. The bond proceeds were used to fund the costs for the design, construction and improvement of a parking area adjacent to the Union Station Transportation Center. The bonds were funded by the net revenues of the Parking Lot Enterprise Funds. The interest rate was 6.34%.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Mortgage Payable**

On February 26, 1994, the District entered into an Assignment Agreement, effective July 1, 1993, with Union Station Associates Limited Partnership (USA) and the Aetna Casualty and Surety Company (Aetna). Under the terms of the agreement, USA assigned the District all of its rights, title and interest in a certain leasehold estate included in the Union Place property subject to a mortgage and assignment of rents.

Under a Mortgage Modification Agreement also effective July 1, 1993, repayment was to be made in accordance with a formula based on “reconfigured net cash flow.” Reconfigured net cash flow was defined in the agreement as being an amount equal to certain gross cash receipts less certain gross cash expenditures with respect to the property. No payments of interest or repayments of principal were to be made until such cash flows are positive and a reserve account of \$400,000 was established. As net cash flow from the property has been negative since assignment of the mortgage, no interest or principal payments have been made through June 30, 2014. In June 2014, the District was released from mortgage indebtedness by the lender.

**F. Lease Commitments**

On December 21, 1981, the District entered into a lease agreement with the State of Connecticut for approximately 1.4 acres of land adjacent to the Union Station Transportation Center for use as a parking lot. The term of the lease commenced on January 1, 1982 and runs for 40 years. A single payment of \$300 was made at the execution of the lease, and no additional payments are due as long as the land remains under the control of the District.

**NOTE 4 - OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the years ended June 30, 2014, 2013 and 2012.

In addition, as the owner of public transportation vehicles operated in both the public and private sectors, as well as the operator of an intermodal transportation center, the District is exposed to various risks of loss related to these activities. The District requires all public and private agencies operating the vehicles to purchase appropriate commercial insurance coverage through third-party carriers and to include the District as a loss payee.

**B. Leases**

The District’s largest tenant is Amtrak, whose annual lease payment is based on actual space costs incurred with respect to the leased property.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Minimum future rental income to be received by the District from its operating leases in effect at June 30, 2014 is \$12,810,978 assuming future rental income for Amtrak is equal to the current year amount. Scheduled rental income under the terms of the lease agreements for the next five years and thereafter is as follows:

**Year Ending June 30**

2015	\$	976,150
2016		976,002
2017		931,857
2018		878,814
2019		623,347
2020-2081		8,424,808

Many of the leases in effect at June 30, 2014 contain an option to renew upon expiration.

The following is a summary of property leased to others as of June 30, 2014:

Cost:		
Buildings and improvements	\$	16,932,901
Less accumulated depreciation		<u>8,809,093</u>
Net Book Value	\$	<u>8,123,808</u>

Depreciation expense related to property leased to others totaled \$629,835 for the year ended June 30, 2014.

**C. Contingent Liabilities**

The District receives grants from state and federal governments for capital projects and operating assistance. These grants are subject to audit by grantors, which could result in the disallowance of costs and resulting liabilities to grantors. The District is not aware of any such liabilities.

**D. Employee Retirement Plan**

The District has established the Greater Hartford Transit District Simplified Employee Pension Plan as a qualified, defined contribution retirement plan that covers substantially all employees exceeding 21 years of age. All funds contributed to the plan are deposited to individual accounts in the name of each eligible employee within a qualified financial institution. The financial institutions are responsible for the administration of the accounts. The Board of Directors authorized the establishment of the plan and can make amendments to the plan and contribution requirements. The District administers the plan. Required and actual contributions made by the District to the plan were \$128,966 for the year ended June 30, 2014. There were no employee contributions made during the year.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**E. Other Postemployment Benefits - Retiree Health Plan**

**Plan Description**

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the District. The RHP provides medical and dental benefits to eligible retirees and their spouses. Employees of the District are eligible to participate in the plan if they are at least 62 years old and have more than 10 years of service. Benefit provisions are established by the Executive Director.

The District has opted not to create a trust fund and to remain on a pay-as-you-go basis; therefore, there is no fund statement presented for the RHP on the financial statements. The District recognizes the annual insurance premiums and claims costs as expenditures or expenses, as appropriate. The other postemployment benefits liability has been liquidated primary by the special revenue fund in prior years.

At June 30, 2013, plan membership consisted of the following:

	<b>Retiree Health Plan</b>
Retired members	3
Active plan members	9
Total Participants	<u>12</u>

**Funding Policy**

The contribution requirements of plan members and the District are determined by the Executive Director. Retired plan members and beneficiaries currently receiving benefits do not contribute towards the cost of health insurance premiums.

**Annual OPEB Cost and Net OPEB Obligations**

The District's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount determined using the Alternative Measurement Method permitted by GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**GREATER HARTFORD TRANSIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	<b><u>Retiree Health Plan</u></b>
Annual required contribution	\$ 225,307
Interest on net OPEB obligation	27,936
Adjustment to annual required contribution	<u>(30,697)</u>
Annual OPEB cost	222,546
Contributions made	<u>(22,909)</u>
Increase in net OPEB obligation	199,637
Net OPEB Obligation, beginning of year	<u>798,118</u>
Net OPEB Obligation, End of Year	<u><u>\$ 997,755</u></u>

The net OPEB obligation is reported as \$851,368 and \$146,387 between governmental and business-type activities, respectively.

**Three-Year Trend Information**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal years ended June 30, 2014, 2013 and 2012, is presented below.

<b><u>Fiscal Year Ended</u></b>		<b><u>Annual OPEB Cost (AOC)</u></b>	<b><u>Actual Contribution</u></b>	<b><u>Percentage of AOC Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
June 30, 2014	\$	222,545	\$ 22,909	10.29%	\$ 997,755
June 30, 2013		215,598	21,331	9.89	798,118
June 30, 2012		194,226	18,637	9.60	603,851



# GREATER HARTFORD TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

<b>Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll [(B-A)/C]</b>
June 30, 2013	\$ -	\$ 1,450,059	\$ (1,450,059)	0%	\$ 819,984	177%
June 30, 2012	-	1,272,916	(1,272,916)	0	756,785	168
June 30, 2011	-	1,140,718	(1,140,718)	0	746,662	153

The following is a schedule of employer contributions to the plan.

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Annual Percentage Contributed</b>
June 30, 2014	\$ 225,307	10.17%
June 30, 2013	217,688	9.80
June 30, 2012	193,512	9.60

### Actuarial Valuations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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

In the June 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The annual healthcare cost trend rate is 9% initially, reduced by decrements to a rate of 5% after four years and 4.7% after ten years. The general inflation assumption is 2.5% - 3.0%. Projected salary increases are 3.5%. The discount rate baseline is 3.5%. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2013 was 26 years.

## **SUPPLEMENTAL COMBINING SCHEDULE**

## **SPECIAL REVENUE FUND**

**ADA Program** - to account for paratransit operations in participating communities under the Americans with Disabilities Act. The program is supported by the State of Connecticut, cash fares from riders and advertising income.

**Other Transportation** - to account for various projects not reported elsewhere.

**Drug and Alcohol Testing Consortium** - to account for the administration of a Statewide Drug and Alcohol Testing Program in accordance with FTA regulatory requirements, covering nearly 40 locations and 2,200 employees. The program is supported 100% by the State of Connecticut.

**Municipal DAR Grants** - to account for municipal operating assistance provided by the State of Connecticut to the District, which administers the program and passes through the funds to local towns and agencies.

**Buses, Equipment and Property** - to account for the purchase of handicapped-accessible buses, administrative equipment and an operations center property used to support the ADA Paratransit Program. The program is funded 80% by FTA and 20% local match is funded by the State of Connecticut.

**USTC, Sigourney Street and New Britain Livability** - to account for improved pedestrian connections to Union Station that will create safe, convenient and attractive routes to the station from surrounding residential, shopping and employment districts. The program is funded 80% by FTA and 20% by the State of Connecticut.

**Transportation Improvements Generating Economic Recovery (TIGER)** - to account for improvements to downtown intermodal connections, including pedestrian, bike, taxi, bus, rail and air connections, through creation of intermodal hubs, transit-priority streets and Complete Green Streets.

**Transit Enhancement Funding of Municipal Bus Shelters** - to account for the procurement of bus shelters being installed in numerous municipalities within the Region. Single municipality shelter projects are funded 80% by the FTA and 20% local match is provided by the municipality. With regard to the Regional Bus Shelter Program, 80% is funded by FTA, 10% by benefitting municipalities and 10% by the State of Connecticut.

**Statewide Transit District Insurance Consortium** - to account for the administration of a Statewide Transit District Insurance Program providing Primary and Excess Automobile Liability, Collision/Physical Damage and Property Liability Insurance coverage. The program is supported 100% by the State of Connecticut.

**Intermodal Centers** - to account for Intermodal Center projects in the towns of Vernon, Enfield and Mansfield.

**New Freedom Grants** - to account for operation of a taxi voucher/debit card program for people with disabilities.

**Federal Highway Program - STP Urban Grants** - to account for federal surface transportation projects to enhance transportation alternatives and efficiencies on public roadways.

**GREATER HARTFORD TRANSIT DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES BY PROJECT  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>ADA Program</b>	<b>Other Transportation</b>	<b>Drug and Alcohol Testing Consortium</b>	<b>Municipal DAR Grants</b>	<b>Buses, Equipment and Property</b>	<b>USTC and Sigourney Street and New Britain Livability</b>
Revenues:						
Federal grants	\$	\$	\$	\$	\$	\$
State grants	12,373,514	3,208	278,625	359,590	1,917,546	355,549
Local share					605,307	88,810
Private contributions	61,170				33,859	78
Cash fares	421,872					
Miscellaneous	35,000					
Total revenues	<u>12,891,556</u>	<u>3,208</u>	<u>278,625</u>	<u>359,590</u>	<u>2,556,712</u>	<u>444,437</u>
Expenditures:						
Current:						
Project administration	757,880		140,008	14,500	131,653	61,726
Professional services	136,368		138,616			
Purchased transportation	11,997,308	3,208		345,090		
Insurance and claims						
Capital outlay - tangible transit property					2,426,539	382,713
Total expenditures	<u>12,891,556</u>	<u>3,208</u>	<u>278,624</u>	<u>359,590</u>	<u>2,558,192</u>	<u>444,439</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1,480)</u>	<u>(2)</u>
Other Financing Sources (Uses):						
Transfers in					1,482	2
Transfers out			(1)		(2)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1,480</u>	<u>2</u>
Net Changes in Fund Balances	-	-	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

**GREATER HARTFORD TRANSIT DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES BY PROJECT (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Transportation Improvements Generating Economic Recovery</b>	<b>Transit Enhancement Funding of Municipal Bus Shelters</b>	<b>Statewide Transit District Insurance Consortium</b>	<b>Intermodal Centers</b>	<b>New Freedom Grant</b>	<b>Federal Highway Program- STP Urban Grants</b>	<b>Total</b>
Revenues:							
Federal grants	\$ 418,538	\$ 32,687	\$	\$ 1,457,600	\$ 25,542	\$ 119,270	\$ 4,326,732
State grants		3,986	3,645,454		2,194		17,360,688
Local share	457,320	3,986		364,613	14,614	29,818	904,288
Private contributions							61,170
Cash fares							421,872
Miscellaneous							35,000
Total revenues	<u>875,858</u>	<u>40,659</u>	<u>3,645,454</u>	<u>1,822,213</u>	<u>42,350</u>	<u>149,088</u>	<u>23,109,750</u>
Expenditures:							
Current:							
Project administration	162,314	16,408	79,397	30,010	13,121		1,407,017
Professional services	11,697		183,625				470,306
Purchased transportation					29,229		12,374,835
Insurance and claims			3,382,433				3,382,433
Capital outlay - tangible transit property	701,847	24,254		1,792,208		149,088	5,476,649
Total expenditures	<u>875,858</u>	<u>40,662</u>	<u>3,645,455</u>	<u>1,822,218</u>	<u>42,350</u>	<u>149,088</u>	<u>23,111,240</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(3)</u>	<u>(1)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(1,490)</u>
Other Financing Sources (Uses):							
Transfers in	1	3	1	5			1,494
Transfers out	<u>(1)</u>						<u>(4)</u>
Total other financing sources (uses)	<u>-</u>	<u>3</u>	<u>1</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>1,490</u>
Net Changes in Fund Balances	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Greater Hartford Transit District's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	39-45
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	46-47
These schedules contain information to help the reader assess the District's most significant revenue source, federal and state grants.	
Debt Capacity	48-49
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	50-51
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	52-54
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

**GREATER HARTFORD TRANSIT DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**  
**(Accrual Basis of Accounting)**

		YEAR ENDED JUNE 30									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:											
Net investment in capital assets	\$	9,612,003	\$ 9,129,643	\$ 8,545,966	\$ 8,345,537	\$ 7,742,369	\$ 9,683,448	\$ 9,351,334	\$ 7,704,596	\$ 8,243,306	\$ 8,725,687
Restricted for insurance program		254,279	308,747	225,000	275,000	300,000	300,000				
Unrestricted		<u>161,523</u>	<u>113,063</u>	<u>274,237</u>	<u>414,093</u>	<u>429,003</u>	<u>595,155</u>	<u>922,831</u>	<u>902,827</u>	<u>65,198</u>	<u>(114,030)</u>
Total Governmental Activities Net Position	\$	<u>10,027,805</u>	<u>\$ 9,551,453</u>	<u>\$ 9,045,203</u>	<u>\$ 9,034,630</u>	<u>\$ 8,471,372</u>	<u>\$ 10,578,603</u>	<u>\$ 10,274,165</u>	<u>\$ 8,607,423</u>	<u>\$ 8,308,504</u>	<u>\$ 8,611,657</u>
Business-Type Activities:											
Net investment in capital assets	\$	2,458,036	\$ 2,170,222	\$ 1,923,129	\$ 1,722,345	\$ 1,854,080	\$ 3,482,159	\$ 3,722,321	\$ 4,821,451	\$ 5,332,683	\$ 8,846,685
Unrestricted		<u>(553,210)</u>	<u>(577,940)</u>	<u>(594,539)</u>	<u>(591,921)</u>	<u>(605,763)</u>	<u>(624,945)</u>	<u>(648,612)</u>	<u>(708,450)</u>	<u>(620,748)</u>	<u>(534,616)</u>
Total Business-Type Activities Net Position	\$	<u>1,904,826</u>	<u>\$ 1,592,282</u>	<u>\$ 1,328,590</u>	<u>\$ 1,130,424</u>	<u>\$ 1,248,317</u>	<u>\$ 2,857,214</u>	<u>\$ 3,073,709</u>	<u>\$ 4,113,001</u>	<u>\$ 4,711,935</u>	<u>\$ 8,312,069</u>
Primary Government:											
Net investment in capital assets	\$	12,070,039	\$ 11,299,865	\$ 10,469,095	\$ 10,067,882	\$ 9,596,449	\$ 13,165,607	\$ 13,073,655	\$ 12,526,047	\$ 13,575,989	\$ 17,572,372
Unrestricted		<u>(137,408)</u>	<u>(156,130)</u>	<u>(95,302)</u>	<u>97,172</u>	<u>123,240</u>	<u>270,210</u>	<u>274,219</u>	<u>194,377</u>	<u>(555,550)</u>	<u>(648,646)</u>
Total Primary Government Net Position	\$	<u>11,932,631</u>	<u>\$ 11,143,735</u>	<u>\$ 10,373,793</u>	<u>\$ 10,165,054</u>	<u>\$ 9,719,689</u>	<u>\$ 13,435,817</u>	<u>\$ 13,347,874</u>	<u>\$ 12,720,424</u>	<u>\$ 13,020,439</u>	<u>\$ 16,923,726</u>

**GREATER HARTFORD TRANSIT DISTRICT  
CHANGES IN NET POSITION - ENTITY WIDE  
LAST TEN YEARS  
(Accrual Basis of Accounting)**

		YEAR ENDED JUNE 30									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:											
Governmental activities:											
Purchased transportation	\$	6,323,540	\$ 6,906,748	\$ 9,806,370	\$ 12,064,971	\$ 12,464,740	\$ 11,893,465	\$ 13,444,762	\$ 13,530,050	\$ 14,530,669	\$ 15,436,325
Insurance consortium		2,673,423	2,673,322	2,749,322	2,673,884	2,385,905	3,005,480	2,104,265	3,655,151	3,087,661	3,645,454
Transit projects		4,044,147	3,536,622	4,851,475	251,488	576,686	1,038,069	1,182,816	1,191,670	5,645,779	3,805,580
Total governmental activities expenses		<u>13,041,110</u>	<u>13,116,692</u>	<u>17,407,167</u>	<u>14,990,343</u>	<u>15,427,331</u>	<u>15,937,014</u>	<u>16,731,843</u>	<u>18,376,871</u>	<u>23,264,109</u>	<u>22,887,359</u>
Business-type activities:											
Transportation center		1,668,274	2,083,170	1,512,352	1,530,393	1,852,761	1,947,046	1,932,478	2,073,357	2,019,125	2,011,788
Parking lot		256,730	245,977	234,333	252,644	247,201	242,580	273,598	254,241	286,688	221,888
Total business-type activities expenses		<u>1,925,004</u>	<u>2,329,147</u>	<u>1,746,685</u>	<u>1,783,037</u>	<u>2,099,962</u>	<u>2,189,626</u>	<u>2,206,076</u>	<u>2,327,598</u>	<u>2,305,813</u>	<u>2,233,676</u>
Total Primary Government Expenses	\$	<u>14,966,114</u>	<u>15,445,839</u>	<u>19,153,852</u>	<u>16,773,380</u>	<u>17,527,293</u>	<u>18,126,640</u>	<u>18,937,919</u>	<u>20,704,469</u>	<u>25,569,922</u>	<u>25,121,035</u>
Program Revenues:											
Governmental activities:											
Charges for services	\$	633,388	\$ 891,694	\$ 360,895	\$ 350,652	\$ 749,523	\$ 393,749	\$ 394,132	\$ 393,991	\$ 400,622	\$ 421,872
Operating grants and contributions		9,587,745	10,691,807	11,173,766	11,832,993	12,693,669	13,522,068	13,995,879	15,523,441	19,180,272	18,612,389
Capital grants and contributions		2,533,479	961,182	5,243,616	2,156,057	1,196,488	3,999,310	1,916,034	592,330	3,970,403	4,075,489
Total governmental activities program revenues		<u>12,754,612</u>	<u>12,544,683</u>	<u>16,778,277</u>	<u>14,339,702</u>	<u>14,639,680</u>	<u>17,915,127</u>	<u>16,306,045</u>	<u>16,509,762</u>	<u>23,551,297</u>	<u>23,109,750</u>
Business-type activities:											
Transportation center		1,293,876	1,727,318	953,728	1,049,667	1,426,890	3,345,748	1,539,275	2,972,787	2,339,479	2,020,399
Parking lot		317,490	289,285	529,265	537,004	790,965	448,668	883,296	394,103	565,268	513,411
Total business-type activities program revenues		<u>1,611,366</u>	<u>2,016,603</u>	<u>1,482,993</u>	<u>1,586,671</u>	<u>2,217,855</u>	<u>3,794,416</u>	<u>2,422,571</u>	<u>3,366,890</u>	<u>2,904,747</u>	<u>2,533,810</u>
Total Government Program Revenues	\$	<u>14,365,978</u>	<u>14,561,286</u>	<u>18,261,270</u>	<u>15,926,373</u>	<u>16,857,535</u>	<u>21,709,543</u>	<u>18,728,616</u>	<u>19,876,652</u>	<u>26,456,044</u>	<u>25,643,560</u>
Net (Expenses) Revenue:											
Governmental activities	\$	(286,498)	\$ (572,009)	\$ (628,890)	\$ (650,641)	\$ (787,651)	\$ 1,978,113	\$ (425,798)	\$ (1,867,109)	\$ 287,188	\$ 222,391
Business-type activities		<u>(313,638)</u>	<u>(312,544)</u>	<u>(263,692)</u>	<u>(196,366)</u>	<u>117,893</u>	<u>1,604,790</u>	<u>216,495</u>	<u>1,039,292</u>	<u>598,934</u>	<u>300,134</u>
Total Government Net (Expenses) Revenue	\$	<u>(600,136)</u>	<u>(884,553)</u>	<u>(892,582)</u>	<u>(847,007)</u>	<u>(669,758)</u>	<u>3,582,903</u>	<u>(209,303)</u>	<u>(827,817)</u>	<u>886,122</u>	<u>522,525</u>

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**GREATER HARTFORD TRANSIT DISTRICT**  
**CHANGES IN NET POSITION - ENTITY WIDE (CONTINUED)**  
**LAST TEN YEARS**  
**(Accrual Basis of Accounting)**

		YEAR ENDED JUNE 30																			
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014										
General Revenues and Other																					
Changes in Net Position:																					
Governmental activities:																					
Member town contributions	\$	39,051	\$	40,111	\$	40,111	\$	40,111	\$	57,299	\$	74,493	\$	74,493	\$	74,493	\$	77,329	\$	77,329	
Miscellaneous		294,887		44,012		39,858		138,985		127,764		42,132		40,332		121,997		279			
Unrestricted investment earnings		6,467		11,534		42,671		61,495		39,330		12,493		6,535		3,877		4,664		3,433	
Transfers						1,800												(668,379)			
Total governmental activities		<u>340,405</u>		<u>95,657</u>		<u>122,640</u>		<u>242,391</u>		<u>224,393</u>		<u>129,118</u>		<u>121,360</u>		<u>200,367</u>		<u>(586,107)</u>		<u>80,762</u>	
Business-type activities:																					
Mortgage release																				3,300,000	
Miscellaneous								4,107													
Total business-type activities		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>4,107</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>3,300,000</u>	
Total Government	\$	<u><u>340,405</u></u>	\$	<u><u>95,657</u></u>	\$	<u><u>122,640</u></u>	\$	<u><u>242,391</u></u>	\$	<u><u>224,393</u></u>	\$	<u><u>133,225</u></u>	\$	<u><u>121,360</u></u>	\$	<u><u>200,367</u></u>	\$	<u><u>(586,107)</u></u>	\$	<u><u>3,380,762</u></u>	
41	Change in Net Position:																				
	Governmental activities	\$	53,907	\$	(476,352)	\$	(506,250)	\$	(408,250)	\$	(563,258)	\$	2,107,231	\$	(304,438)	\$	(1,666,742)	\$	(298,919)	\$	303,153
	Business-type activities		<u>(313,638)</u>		<u>(312,544)</u>		<u>(263,692)</u>		<u>(196,366)</u>		<u>117,893</u>		<u>1,608,897</u>		<u>216,495</u>		<u>1,039,292</u>		<u>598,934</u>		<u>3,600,134</u>
	Total Government	\$	<u><u>(259,731)</u></u>	\$	<u><u>(788,896)</u></u>	\$	<u><u>(769,942)</u></u>	\$	<u><u>(604,616)</u></u>	\$	<u><u>(445,365)</u></u>	\$	<u><u>3,716,128</u></u>	\$	<u><u>(87,943)</u></u>	\$	<u><u>(627,450)</u></u>	\$	<u><u>300,015</u></u>	\$	<u><u>3,903,287</u></u>

**GREATER HARTFORD TRANSIT DISTRICT**  
**CHANGES IN NET POSITION - PURCHASED TRANSPORTATION PROGRAM**  
**LAST TEN YEARS**  
**(Accrual Basis of Accounting)**

	YEAR ENDED JUNE 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Purchased Transportation Expenses:										
Governmental activities:										
Purchased transportation	\$ 8,692,550	\$ 9,264,902	\$ 9,428,385	\$ 11,560,157	\$ 12,464,740	\$ 11,893,465	\$ 13,444,762	\$ 13,530,050	\$ 14,530,669	\$ 15,436,325
Total primary government expenses	8,692,550	9,264,902	9,428,385	11,560,157	12,464,740	11,893,465	13,444,762	13,530,050	14,530,669	15,436,325
Purchased Transportation Program Revenues:										
Governmental activities:										
Charges for services	623,250	887,655	368,432	412,954	749,523	393,749	394,132	393,991	400,622	421,872
Operating grants and contributions	6,525,367	7,632,248	8,095,657	9,167,715	9,858,164	10,216,297	11,081,058	11,197,408	12,094,602	12,866,097
Total government program revenues	7,148,617	8,519,903	8,464,089	9,580,669	10,607,687	10,610,046	11,475,190	11,591,399	12,495,224	13,287,969
Net Revenues (Expenses)/Change in Net Position:										
Governmental activities	\$ (1,543,933)	\$ (744,999)	\$ (964,296)	\$ (1,979,488)	\$ (1,857,053)	\$ (1,283,419)	\$ (1,969,572)	\$ (1,938,651)	\$ (2,035,445)	\$ (2,148,356)

**GREATER HARTFORD TRANSIT DISTRICT  
GOVERNMENTAL ACTIVITIES REVENUE BY SOURCE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Federal and State Grants</b>	<b>Contributions from Member Towns</b>	<b>Local and Private Share of Federal Grants</b>	<b>Interest Income</b>	<b>Charter Bus Income</b>	<b>Cash Fares and Miscellaneous</b>	<b>Total</b>
2014	\$ 21,687,420	\$ 77,329	\$ 965,458	\$ 3,433	\$ -	\$ 456,872	\$ 23,190,512
2013	21,694,782	77,329	1,346,602	4,664	-	510,192	23,633,569
2012	15,912,928	74,493	181,963	3,877	109,066	427,801	16,710,128
2011	15,233,680	74,493	682,337	6,535	3,000	651,821	16,651,866
2010	16,709,251	74,493	814,842	12,493	6,787	546,829	18,164,695
2009	13,013,913	57,299	841,266	39,330	391,615	520,650	14,864,073
2008	12,959,618	40,111	1,030,882	61,495	62,302	425,885	14,580,293
2007	14,511,086	40,111	1,821,681	42,671	7,537	477,831	16,900,917
2006	11,077,160	40,111	943,492	11,534	207,619	360,424	12,640,340
2005	11,466,028	39,051	1,029,422	6,467	276,816	277,233	13,095,017

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**GREATER HARTFORD TRANSIT DISTRICT  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(Modified Accrual Basis of Accounting)**

	YEAR ENDED JUNE 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Federal grants	\$ 2,140,658	\$ 976,805	\$ 4,276,240	\$ 1,466,853	\$ 1,084,688	\$ 3,223,884	\$ 1,952,295	\$ 670,844	\$ 5,917,704	\$ 4,326,732
State grants	9,325,370	10,100,355	10,234,846	11,492,765	11,929,225	13,485,367	13,281,385	15,242,084	15,777,078	17,360,688
Contributions from member towns	39,051	40,111	40,111	40,111	57,299	74,493	74,493	74,493	77,329	77,329
Local/private share	1,029,422	943,492	1,821,681	1,030,882	841,266	814,842	682,337	181,963	1,346,602	965,458
Interest income	6,467	11,534	42,671	61,495	39,330	12,493	6,535	3,877	4,664	3,433
Fares	259,162	302,858	326,242	335,727	355,299	384,148	389,676	388,620	395,032	421,872
Incidental charter	276,816	207,619	7,537	62,302	391,615	6,787	3,000	112,066		
Vehicle sales and miscellaneous	18,071	57,566	151,589	90,158	165,351	162,681	262,145	36,181	115,160	35,000
Total revenues	<u>13,095,017</u>	<u>12,640,340</u>	<u>16,900,917</u>	<u>14,580,293</u>	<u>14,864,073</u>	<u>18,164,695</u>	<u>16,651,866</u>	<u>16,710,128</u>	<u>23,633,569</u>	<u>23,190,512</u>
Expenditures:										
Current:										
Project administration	1,256,994	1,293,177	1,131,126	1,279,238	1,182,875	1,092,359	1,400,699	1,252,163	1,335,454	1,451,950
Professional services	257,921	266,214	216,623	257,518	225,843	286,867	254,850	392,258	445,987	484,617
Insurance and claims	2,598,423	2,604,229	2,656,650	8,806,695	2,285,217	2,928,006	2,013,633	3,363,566	2,821,890	3,382,433
Purchased transportation	6,767,066	7,449,581	7,617,652	2,557,602	9,964,137	9,819,224	10,571,097	10,729,271	11,594,442	12,374,835
Charter bus maintenance	238,853	172,211								
Capital outlay	1,951,536	848,920	5,201,439	1,491,184	1,042,805	3,774,752	2,236,551	881,055	7,432,395	5,476,988
Total expenditures	<u>13,070,793</u>	<u>12,634,332</u>	<u>16,823,490</u>	<u>14,392,237</u>	<u>14,700,877</u>	<u>17,901,208</u>	<u>16,476,830</u>	<u>16,618,313</u>	<u>23,630,168</u>	<u>23,170,823</u>
Excess of Revenues over Expenditures	<u>24,224</u>	<u>6,008</u>	<u>77,427</u>	<u>188,056</u>	<u>163,196</u>	<u>263,487</u>	<u>175,036</u>	<u>91,815</u>	<u>3,401</u>	<u>19,689</u>
Other Financing Sources (Uses):										
Transfers in		153,829	87,615	52,851	40,298	56,705	43,490	1,904	650	1,498
Transfers out		(3,544)	(87,615)	(51,051)	(40,298)	(56,705)	(43,490)	(1,904)	(650)	(1,498)
Transfer to grant programs									(668,379)	
Total other financing sources (uses)	<u>-</u>	<u>150,285</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(668,379)</u>	<u>-</u>
Net Change in Fund Balances	24,224	156,293	77,427	189,856	163,196	263,487	175,036	91,815	(664,978)	19,689
Fund Balance at Beginning of Year	241,293	265,517	421,810	499,237	689,093	852,289	1,115,776	1,290,812	1,382,627	717,649
Fund Balance at End of Year	<u>\$ 265,517</u>	<u>\$ 421,810</u>	<u>\$ 499,237</u>	<u>\$ 689,093</u>	<u>\$ 852,289</u>	<u>\$ 1,115,776</u>	<u>\$ 1,290,812</u>	<u>\$ 1,382,627</u>	<u>\$ 717,649</u>	<u>\$ 737,338</u>
Debit Service as a Percentage to Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**GREATER HARTFORD TRANSIT DISTRICT  
GOVERNMENTAL FUNDS REVENUE BY SOURCE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Federal and State Grants</b>	<b>Contributions from Member Towns</b>	<b>Local and Private Share of Federal Grants</b>	<b>Interest Income</b>	<b>Charter Bus/Rental Income</b>	<b>Cash Fares and Miscellaneous</b>	<b>Total</b>
2014	\$ 21,687,420	\$ 77,329	\$ 965,458	\$ 3,433	\$ -	\$ 456,872	\$ 23,190,512
2013	21,694,782	77,329	1,346,602	4,664	115,160	395,032	23,633,569
2012	15,912,928	74,493	181,963	3,877	3,000	533,867	16,710,128
2011	15,233,680	74,493	682,337	6,535	3,000	651,821	16,651,866
2010	16,709,251	74,493	814,842	12,493	6,787	546,829	18,164,695
2009	13,013,913	57,299	841,266	39,330	391,615	520,650	14,864,073
2008	12,959,618	40,111	1,030,882	61,495	62,302	425,885	14,580,293
2007	14,511,086	40,111	1,821,681	42,671	7,537	477,831	16,900,917
2006	11,077,160	40,111	943,492	11,534	207,619	360,424	12,640,340
2005	11,466,028	39,051	1,029,422	6,467	276,816	277,233	13,095,017

**GREATER HARTFORD TRANSIT DISTRICT  
PRINCIPAL REVENUE PAYORS  
CURRENT YEAR AND NINE YEARS AGO**

<b>YEAR ENDED JUNE 30</b>						
<b>2014</b>			<b>2005</b>			
<b>Total Revenue</b>	<b>Rank</b>	<b>Percentage of Total Governmental Revenue</b>	<b>Total Revenue</b>	<b>Rank</b>	<b>Percentage of Total Governmental Revenue</b>	
Connecticut Department of Transportation						
\$ 17,360,688	1	74.9%	\$ 9,325,370	1	71.2%	
Federal Transit Administration						
4,326,732	2	18.7%	2,140,658	2	16.3%	
\$ 21,687,420		93.5%	\$ 11,466,028		87.6%	

Source: Statement of Revenues, Expenditures and Changes in Fund Balances

**GREATER HARTFORD TRANSIT DISTRICT  
PLEDGED-REVENUE COVERAGE  
PARKING LOT BONDS  
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Gross</u>		<u>Direct</u>		<u>Transfers</u>		<u>Net Revenue</u>		<u>Debt Service Requirements</u>			<u>Coverage</u>
	<u>Revenue (2)</u>		<u>Operating</u>		<u>Out</u>		<u>Available for</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
			<u>Expenses (1)</u>				<u>Debt Service</u>					
2014	\$	401,065	\$	220,899	\$		\$ 180,166	\$	33,373	\$ 989	\$ 34,361	5.24
2013		385,388		283,252			102,136		37,608	3,436	41,044	2.49
2012		356,463		249,070			107,393		35,873	5,171	41,044	2.62
2011		333,693		265,886			67,807		33,333	7,712	41,045	1.65
2010		282,681		232,827			49,854		31,292	9,753	41,045	1.21
2009		274,457		235,507			38,950		29,350	11,694	41,044	0.95
2008		292,820		239,155			53,665		27,555	13,489	41,044	1.31
2007		269,360		219,153			50,207		25,896	15,180	41,076	1.22
2006		289,285		229,201			60,084		24,269	16,776	41,045	1.46
2005		317,490		238,463			79,027		22,777	18,267	41,044	1.93

(1) Direct operating expenses represent operating expenses excluding interest for Parking Lot operations.

(2) Gross revenue represents fees from Parking Lot operations.



**GREATER HARTFORD TRANSIT DISTRICT  
NET GENERAL BONDED DEBT PER CAPITA  
LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Business-Type Activities</b>		<b>Total Government</b>	<b>Per Capita</b>
	<b>Revenue Bonds</b>	<b>Mortgage</b>		
2005	\$ 275,133	\$ 3,300,000	\$ 3,575,133	6.06
2006	250,864	3,300,000	3,550,864	6.07
2007	224,968	3,300,000	3,524,968	6.03
2008	197,413	3,300,000	3,497,413	5.98
2009	168,063	3,300,000	3,468,063	5.93
2010	136,771	3,300,000	3,436,771	5.87
2011	103,438	3,300,000	3,403,438	5.72
2012	70,981	3,300,000	3,370,981	5.72
2013	33,373	3,300,000	3,333,373	5.60
2014	-	-	-	0.00

See Demographic Statistics for source of population data.

**GREATER HARTFORD TRANSIT DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<b><u>Fiscal Year Ended June 30</u></b>	<b><u>Total Population of Member Towns (1)</u></b>	<b><u>Average Per Capita Income of Member Towns (2)</u></b>	<b><u>Median Age (3)</u></b>	<b><u>Unemployment Rate (4)</u></b>
2005	590,174	\$ 37,576	39	5.10%
2006	585,379	32,419	N/A	4.80%
2007	584,529	34,169	N/A	4.60%
2008	584,894	35,133	39	5.00%
2009	584,833	34,897	39	7.00%
2010	585,267	36,624	39	9.10%
2011	594,842	N/A	39	8.46%
2012	589,460	N/A	41	8.01%
2013	594,842	N/A	42	8.18%
2014	589,460	N/A	N/A	8.01%

Sources:

- (1) Capitol Region Council of Governments - According to 2000 U.S. Census
- (2) Connecticut Economic Resource Center (CERC)
- (3) U.S. Census Bureau
- (4) Bureau of Labor Statistics - Greater Hartford Region
- N/A - Information not available

**GREATER HARTFORD TRANSIT DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TWELVE YEARS AGO**

Hartford Hospital

<b>Employer</b>	<b>2014</b>			<b>2002</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Greater Hartford Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Greater Hartford Employment</b>
State of Connecticut	72,300	1	12.92%	73,000	1	11.84%
United Technologies Corp.	27,000	2	4.82%	20,000	2	3.24%
Hartford Health Care Hospital	16,951	3	3.03%	6,086	5	0.99%
University of Connecticut	9,872	4	1.76%		N/A	
The Travelers Cos. Inc.	7,400	5	1.32%	5,800	7	0.94%
The Hartford Financial Services Group	7,397	6	1.32%	11,700	3	1.90%
Aetna Inc.	6,151	7	1.10%	7,200	4	1.17%
John Dempsey Hospital	5,703	8	1.02%		N/A	
Northeast Utilities	5,001	9	0.89%	6,000	6	0.97%
Saint Francis Hospital and Medical Center	5,000	10	0.89%	3,660	10	0.59%
CIGNA Corp		N/A		4,739	8	0.77%
Bank of America		N/A		4,500	9	0.73%
<b>Total</b>	<b>162,775</b>		<b>29.08%</b>	<b>142,685</b>		<b>23.14%</b>

N/A - Not applicable

Source: MetroHartford Alliance

**GREATER HARTFORD TRANSIT DISTRICT  
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS**

	<b>YEAR ENDED JUNE 30</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
General government:										
Management services	3	3	3	3	3	3	3	2	2	2
Finance	2	2	2	2	2	2	2	2	2	1
Building	-	-	-	-	-	1	1	1	1	1
Transportation projects	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>2</u>
Total	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>8</u></u>	<u><u>9</u></u>	<u><u>6</u></u>

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

**GREATER HARTFORD TRANSIT DISTRICT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

	<b>YEAR ENDED JUNE 30</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Number of Passenger Trips:										
Dial-A-Ride Service	-	-	-	15,352	88,132	155,720	315,746	337,053	352,660	271,173
Commuter Service	-	-	-	-	184,616	456,194	483,607	469,878	480,503	465,012
ADA	443,759	347,626	298,463	300,944	282,750	265,478	277,504	240,030	233,254	211,983

**GREATER HARTFORD TRANSIT DISTRICT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST NINE YEARS \***

	YEAR ENDED JUNE 30								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of transportation vehicles:									
Commuter Bus Service	-	-	-	-	10	27	33	33	33
Dial-A-Ride	-	1	1	1	1	15	44	68	64
ADA	120	117	119	115	123	113	106	98	93

\* Information for prior years not available

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