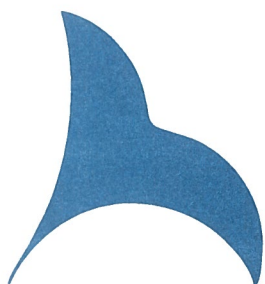


GREATER HARTFORD TRANSIT DISTRICT
HARTFORD, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013



*Greater
Hartford
Transit District*

One Union Place • Hartford, CT 06103 • (860) 247-5329

GREATER HARTFORD TRANSIT DISTRICT
HARTFORD, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013

Prepared by:
Accounting Department

INTRODUCTORY SECTION

GREATER HARTFORD TRANSIT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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November 1, 2013

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, 2013.

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, 2012. 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. Activities of the General Fund, Special Revenue Fund and Enterprise Funds are included in the annual appropriated budget. Project-length financial budgets are required by the Federal Transit Administration (FTA) in the District's management of its grants.

Economic Impact

The economic condition of the District is dependent on various factors, and we continuously seek funding opportunities through federal grants and state financing to support projects and programs benefitting those in our urbanized zoning area. Other aspects affecting the District's general economic condition include; providing employment opportunities through projects that the District oversees, contracting with a variety of vendors, supporting new transit-related projects for municipalities through grant opportunities, increasing the attractiveness of the area for tourists and visitors by continuously improving amenities at Hartford Union Station. The other critical areas which contribute to economic impact include; providing the disabled and elderly community mobility to jobs, shopping, and recreation through the ADA paratransit service, and enhancing the effectiveness of transit service programs through the efficiencies generated by transportation coordination.

Long-Term Financial and Capital Planning Approach

The District's long term financial and capital planning approach is characterized by a wide range of projections incorporating operational and financial analysis and evaluation. Structuring this District's balanced capital plan required staff to coordinate information, analyze alternatives, and build consensus. Our success this past year was based on creating an environment that encompassed a wide variety of projects, impacts, priorities, and funding requirements that were taken into account as part of the planning process. Staff oversight included looking at the qualitative aspects of this approach; legal requirements, environmental impacts, green initiatives, public safety, and alternative operating impacts. Short-term and long-term planning processes were managed under a unified planning framework. This included; 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.

Successful Initiatives:

- The balance at the end of FY'13 in available federal funds for various transportation projects was a record \$32ml.
- Completed the acquisition of a new ADA Paratransit facility in East Hartford in June 2013. The challenges to acquire the property were difficult, but the transaction was completed providing the District with an opportunity to build a state-of-the-art facility for the paratransit operation.
- The District was awarded \$165,000 from the Federal Clean Fuels Program to fund the incremental conversion costs of CNG powered replacement vehicles.
- Projected increase in revenue for the Spruce Street Parking Lot was 11% higher year over year.

- Scheduled rent escalations and the new leases yielded approximately \$60,000 in additional rent in FY13.
- The total number of programs run by the District now stands at 22.
- Submitted an application for the Town of Enfield to the FTA for the balance of the earmarked funds for the Thompsonville Intermodal project.
- Construction of the transit pathway and transportation center in Mansfield continues to progress steadily.
- Sigourney Street Livability Grant was finalized and submitted to FTA for review. This project highlights pedestrian improvements, new sidewalks, pedestrian scale lighting and streetscape improvements for the CTfastrak station at this location.
- Peter Pan Bus Lines has extended the Spruce Street parking lot agreement.
- Propark extended its storage space lease for an additional three year period.
- Implemented hardware and software upgrades and security enhancements for the accounting department.
- Maintained health care premium costs by having the employees contribute to the plan.
- Awarded a Historic Preservation Grant from the Connecticut Trust for Historic Preservation to conduct a “needs assessment” related to the building’s brownstone exterior.
- Municipal Dial-A-Ride grants were reinstated and assistance was provided to all member towns.
- The Union Station janitorial contract was renegotiated with anticipated cost savings of approximately \$30,000 over the course of the upcoming fiscal year.
- Received (4) replacement vehicles through the CT Clean Fuels program. Two of the vehicles use hybrid electric technology and the other two are powered by CNG (compressed natural gas).
- Awarded an additional (8) CNG powered body on chassis vehicles and (10) diesel vehicles through additional funding sources.
- Rolled out the New Freedom Accessible Taxi Cab program with Yellow Cab for the disabled community. The program has been quite successful and the number of ADA riders applying for assistance through this program is steadily increasing.
- Electricity costs per kWh were reduced based on negotiated pricing through the District’s participation in the CROG energy savings program.
- Based on a previous appeal to the City of Hartford, the tax assessment for Union Station will be 23% lower.
- The transportation center roof and canopy project was completed.
- Replaced the parking attendant’s booth on Spruce Street to upgrade deteriorating functions of the one that had been there for years.
- In collaborative efforts with the Business Improvement District and Hartford Messaging an investment of \$4200 was provided to help sponsor a banner which advertises Union Station. It spans the entire south side of the railroad viaduct heading outbound from the city.
- A major graphics improvement project was completed on the exterior side of the transportation center.
- A review of high cost service agreements was performed as a base-line analysis for future contracts.
- Request for Proposals was issued for a Passenger Information Display System (PIDS) which has three major components: 1) signage inside the transportation center that

directs passengers to the appropriate bus gates and rail departure areas and has the capacity for video paging; 2) signs over bus bays identifying the appropriate boarding location for bus services; and 3) an indoor interactive kiosk that will provide bus and rail information and local information, including weather, local bus routes, events and destinations in the local area.

- Major solicitations were issued for Security Services, Audit Services, Legal Services, Transit Advertising, a DAP for the Statewide Drug and Alcohol Program, and for EAP services for the Drug and Alcohol Program.
- 424 LED replacement lights have been installed inside Union Station. It is anticipated that the bulbs will use less than half the energy of regular light bulbs, with 60% of the investment being reimbursed by CL&P. It is expected that the District will save over 110,000 kWh hours over the life of the investment.
- Replaced Spruce Street Parking Lot Lights with energy saving LEDs. The cost savings are yet to be determined, but it is anticipated that the agency will save over 366,000 kWh hours over the life of the bulbs.
- Deployed Interactive Voice Response (IVR) technology providing I/O automated customer service calls, trip confirmation, cancellation and arrival alerts. This technology facilitates faster pick up times, reduces vehicle idle time, and has an overall implication of making the ADA service more efficient.

Future Initiatives:

- Major undertaking will begin in regard to the design and construction of the newly acquired facility in East Hartford for the ADA Paratransit operation.
- The District will be installing and deploying an automated pay parking system that eliminates the need to have attendants on site unless needed for large events. The parking has a centralized control center at Union Station which is manned 24/7 to oversee the booth and parking lot access lanes. Moving in the direction of remote access will result in significant payroll cost savings and will provide the District with the opportunity to maximize revenue collected.
- TIGER IV (Intermodal Triangle Project)-Union Station design and construction activities will move along. The relocation of the Greater Hartford Transit District's Administrative offices and integration into a mixed-use building will also provide a layover/recovery location and an opportunity for passengers to transfer between CTTRANSIT routes, intercity bus service, and rail. Bus stop space and passenger and pedestrian amenities will be added to the new transit center.
- TIGER IV (Intermodal Triangle Project)-non Union Station activities will move forward as the District continues in the role of limited agent to the City of Hartford. The District staff will be responsible for key elements and phases of the project, and to be sure that the scope of work is completed properly.
- The District will become the administrator for the transfer of an additional \$853,600 from FHWA STP Urban funds to FTA Section 5307 for transportation improvements to the Soldiers and Sailors Memorial Arch.
- Seeking two years of additional funding for the New Freedom Taxi Ride Program.
- The District will continue to promote bike parking at the facility by adding bike lockers to our site.
- Investigate the opportunity to have oversight for a bike sharing program in the Greater Hartford area.

- Will have oversight for a Livability grant for the City of New Britain. They city applied for and was awarded \$1.6 million for a multimodal Connectivity Initiative. This includes; local bus to the CTfastrak, and the implementation of a "Complete Streets" initiative connecting the CTfastrak to a new downtown bus transit station.
- Renew negotiations with the CT State Lottery to place an instant lottery machine in the Transportation Center with the intention of generating additional revenue for the Enterprise Fund.
- Investigate the possibility of providing additional mobility services to those outside of the District's ADA parameters.
- Install the Passenger Information Display System (PIDS) at Union Station.
- A major upgrade to the Trapeze software system for the ADA Paratransit.
- Finalize negotiations on major leases due in this upcoming fiscal year.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the District for its Fiscal Year End 2012. Comprehensive Annual Financial Report. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. We have submitted our current Comprehensive Annual Financial Report to the GFOA to determine its eligibility for another certificate.

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.

Respectfully Submitted,



Vicki L. Shotland
Executive Director



Government Finance Officers Association

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

Presented to

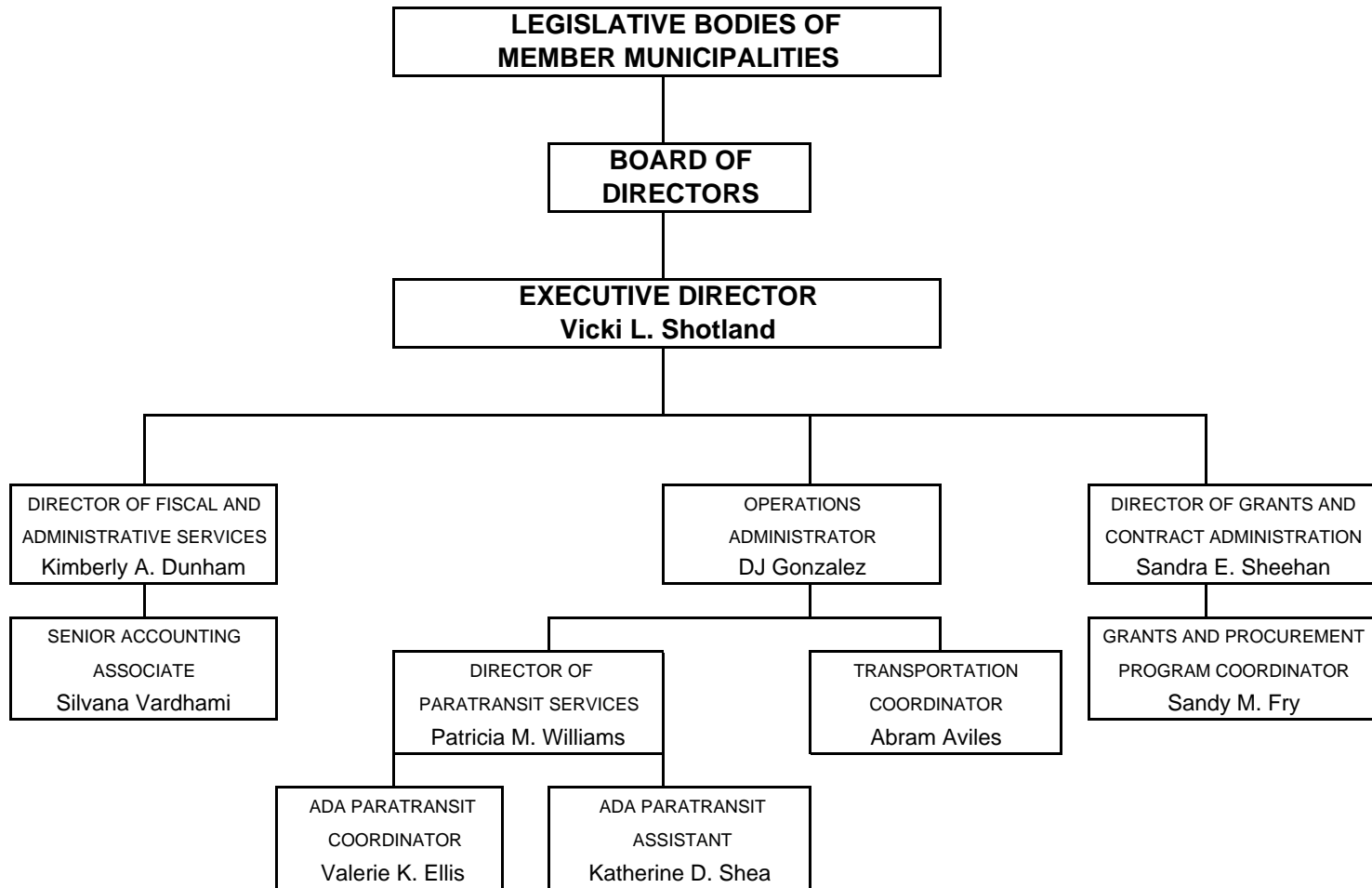
**Greater Hartford Transit District
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**ORGANIZATION CHART
FISCAL YEAR 2013
GREATER HARTFORD TRANSIT DISTRICT**



**GREATER HARTFORD TRANSIT DISTRICT
BOARD OF DIRECTORS
2013**

Member Town	Representation/Director	Primary Occupation	Committee Assignment
Bloomfield	1 Joan Gamble	Artist/Community Volunteer	
East Hartford	2 Peter J. Bonzani Marilyn Pet	Operating Engineer Attorney	Parking Lot Panel
East Windsor	1 Gilbert Hayes	Community Volunteer	
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	3 Frank Lord Christopher Bowen Jennifer Cassidy	Community Volunteer Attorney Community Volunteer	Personnel
Manchester	2 James R. McCavanagh Paul McNamara	Realtor Businessman	
Newington	2 William G. Hall John M. Kelly	Community Volunteer Attorney	Parking Lot Panel, Personnel
Rocky Hill	1 Kenneth D. Goldberg	Consultant	
Simsbury	1 Ferguson R. Jansen	Business Executive	Personnel
South Windsor	2 Hugh Brower Bruce Snow	Information Technology Businessman	
Vernon	2 Mary A. Oliver Mark S. Etre	Financial Services Engineer	Audit
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 Educator	

Executive Director
Vicki L. Shotland

Officers
June 30, 2012

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, 2013, 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, 2013 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 11 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 October 30, 2013 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
October 30, 2013

**GREATER HARTFORD TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

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, 2013. 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 \$8,308,504 and \$4,711,935 for the governmental activities and the business-type activities, respectively.
- On a government-wide basis, the government's total net position increased by \$300,015; governmental activities decreased by \$298,919 and business-type activities increased by \$598,934.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$717,649, a decrease of \$664,978 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$717,649.

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 12-13 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 14-18 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 19-21 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 22-39 of this report.

Other Information

Supplemental, combining and individual fund statements and schedules can be found on pages 40-41 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 \$13,020,439 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, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 7,519,718	\$ 5,881,665	\$ (99,455)	\$ (398,237)	\$ 7,420,263	\$ 5,483,428
Capital assets, net of accumulated depreciation	8,243,306	7,704,596	8,666,056	8,192,432	16,909,362	15,897,028
Total assets	<u>15,763,024</u>	<u>13,586,261</u>	<u>8,566,601</u>	<u>7,794,195</u>	<u>24,329,625</u>	<u>21,380,456</u>
Current liabilities	6,802,069	4,499,038	375,626	186,163	7,177,695	4,685,201
Long-term liabilities outstanding	652,451	479,800	3,479,040	3,495,031	4,131,491	3,974,831
Total liabilities	<u>7,454,520</u>	<u>4,978,838</u>	<u>3,854,666</u>	<u>3,681,194</u>	<u>11,309,186</u>	<u>8,660,032</u>
Net position						
Net investment in capital assets	8,243,306	7,704,596	5,332,683	4,821,451	13,575,989	12,526,047
Unrestricted	<u>65,198</u>	<u>902,827</u>	<u>(620,748)</u>	<u>(708,450)</u>	<u>(555,550)</u>	<u>194,377</u>
Total Net Position	<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>

CHANGES IN NET POSITION
JUNE 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 400,622	\$ 393,991	\$ 1,545,023	\$ 1,541,923	\$ 1,945,645	\$ 1,935,914
Operating grants and contributions	19,180,272	15,523,441	243,614	302,721	19,423,886	15,826,162
Capital grants and contributions	3,970,403	592,330	1,116,110	1,522,246	5,086,513	2,114,576
General revenues:						
Member Town contribution	77,329	74,493			77,329	74,493
Miscellaneous	279	121,997			279	121,997
Unrestricted investment earnings	4,664	3,877			4,664	3,877
Transfer of funds to grant programs	(668,379)					
Total revenues	<u>22,965,190</u>	<u>16,710,129</u>	<u>2,904,747</u>	<u>3,366,890</u>	<u>26,538,316</u>	<u>20,077,019</u>
Expenses:						
Purchased transportation	14,530,669	13,530,050			14,530,669	13,530,050
Transit projects	5,645,779	1,191,670			5,645,779	1,191,670
Insurance consortium	3,087,661	3,655,151			3,087,661	3,655,151
Transportation center			2,019,125	2,073,357	2,019,125	2,073,357
Parking lot			286,688	254,241	286,688	254,241
Total expenses	<u>23,264,109</u>	<u>18,376,871</u>	<u>2,305,813</u>	<u>2,327,598</u>	<u>25,569,922</u>	<u>20,704,469</u>
Change in net position	(298,919)	(1,666,742)	598,934	1,039,292	300,015	(627,450)
Net position at beginning of year	<u>8,607,423</u>	<u>10,274,165</u>	<u>4,113,001</u>	<u>3,073,709</u>	<u>12,720,424</u>	<u>13,347,874</u>
Net Position at End 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>

The District's net position increased by \$300,015 during the fiscal year with net position of governmental activities decreasing by \$298,919 and business-type activities increasing by

\$598,934. The decrease in the net position of governmental activities is due primarily to transfers of \$668,379 to grant programs. The increase in the net position of business-type activities is mainly attributable to an increase in grant-funded capital asset purchases and improvements to Union Station Transportation Center.

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 and Insurance Consortium programs. Federal and State capital contributions increased due to additional funding of Section 5307, Section 5309, TIGER and Livability grants.

Business-Type Activities

Business-type activities increased the District's net position by \$598,934. Key elements are as follows:

- The public portion of the Transportation Center had an increase in net position of \$729,610. This increase was due to significant capital improvement activity funded by grants.
- The Brownstone portion of the Transportation Center had a decrease in net position of \$409,256. This decrease was due to depreciation expense and minimal funded capital improvement activity in this cost center. The Parking Lot had an increase in net position of \$278,580. This increase was due to federal and state funding of capital improvements and increased parking 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 \$717,649, a decrease of \$664,978 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 \$717,649, 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 \$4,711,935 at the end of the year.

- Unrestricted net position of the Public Transportation Center Fund at the end of the year amounted to \$1,698,450, 25% of total net position of the fund.
- The Private Transportation Center Fund had an unrestricted net position deficiency of \$(3,435,857) in the fund.
- The Parking Lot Fund had unrestricted net position of \$1,116,659.

The total increase in net position for all funds was \$598,934. 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 \$35,223, or 30%, 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 \$8,243,306 and \$5,332,683, 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 \$1,049,942 for the current fiscal year.

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

- Acquisition of 2 CNG and 18 Diesel Powered vehicles for the ADA Service
- Purchase of Land and Buildings for ADA Operations/Maintenance Facility
- Upgrade and improvements to District IT equipment
- Installation of Spruce Street Parking Lot attendant booth
- Bus Berthing Area Roof and Ceiling Installation
- Expansion of Security Camera Surveillance System
- USTC Complex-wide LED Light Replacement Project
- Graphics Project – Union Station Bus Berthing Area
- Boiler Room Wall, Ceiling and Floor Repair and Painting Project

**CAPITAL ASSETS, Net of Depreciation
JUNE 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 651,699	\$ 285,799	\$ 300,000	\$ 300,000	\$ 951,699	\$ 585,799
Buildings and improvements	3,924,281	3,387,137	7,222,264	7,623,602	11,146,545	11,010,739
Parking lot			302,223	226,925	302,223	226,925
Equipment	3,667,326	4,031,660	841,569	41,905	4,508,895	4,073,565
Total	\$ 8,243,306	\$ 7,704,596	\$ 8,666,056	\$ 8,192,432	\$ 16,909,362	\$ 15,897,028

Additional information on the District's capital assets can be found in Note 3C on pages 30-31 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$33,373. All of the debt is backed by the full faith and credit of the District. The District also has a mortgage outstanding of \$3,300,000, which is secured by its Union Place property. Beginning in 2009 the District recognized a liability for other postemployment benefits (OPEB) as required by applicable accounting standards.

**OUTSTANDING DEBT
JUNE 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue bonds	\$	\$	\$ 33,373	\$ 70,981	\$ 33,373	\$ 70,981
Mortgage			3,300,000	3,300,000	3,300,000	3,300,000
OPEB	652,451	479,800	145,667	124,051	798,118	603,851
Total	\$ 652,451	\$ 479,800	\$ 3,479,040	\$ 3,495,032	\$ 4,131,491	\$ 3,974,832

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

Additional information on the District's long-term debt can be found in Note 3E.

Economic Factors

Inflationary trends in the region compare favorably to national indices. This factor was considered in preparing the District's budget for the 2012-2013 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$717,649. It is intended that this available fund balance would provide required local match for federal grants to acquire buses and/or effect restoration of building assets and for other transit related operations and capital uses as required in the future.

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, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 3,853,484	\$	\$ 3,853,484
Receivables:			
Federal grants	1,797,213	270,914	2,068,127
State grants	1,163,839	77,958	1,241,797
Local agencies	105,591		105,591
Other	10,467	118,637	129,104
Internal balances	566,964	(566,964)	-
Other assets	22,160		22,160
Capital assets, nondepreciable	651,699	300,000	951,699
Capital assets, net of accumulated depreciation	<u>7,591,607</u>	<u>8,366,056</u>	<u>15,957,663</u>
Total assets	<u>15,763,024</u>	<u>8,566,601</u>	<u>24,329,625</u>
Liabilities:			
Accounts payable	6,090,337	292,106	6,382,443
Payable to local agencies	90,785		90,785
Payable to State of Connecticut	2,565	83,520	86,085
Unearned revenue	618,382		618,382
Noncurrent liabilities:			
Due within one year		33,373	33,373
Due in more than one year	652,451	3,445,667	4,098,118
Total liabilities	<u>7,454,520</u>	<u>3,854,666</u>	<u>11,309,186</u>
Net Position:			
Net investment in capital assets	8,243,306	5,332,683	13,575,989
Unrestricted	<u>65,198</u>	<u>(620,748)</u>	<u>(555,550)</u>
Total Net Position	<u>\$ 8,308,504</u>	<u>\$ 4,711,935</u>	<u>\$ 13,020,439</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, 2013**

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	\$ 14,530,669	\$ 400,622	\$ 12,094,602	\$	\$ (2,035,445)	\$	\$ (2,035,445)
Insurance consortium	3,087,661		3,087,661				-
Transit projects	5,645,779		3,998,009	3,970,403	2,322,633		2,322,633
Total governmental activities	<u>23,264,109</u>	<u>400,622</u>	<u>19,180,272</u>	<u>3,970,403</u>	<u>287,188</u>	<u>-</u>	<u>287,188</u>
Business-type activities:							
Transportation center	2,019,125	1,149,563	243,614	946,302		320,354	320,354
Parking lot	286,688	395,460		169,808		278,580	278,580
Total business-type activities	<u>2,305,813</u>	<u>1,545,023</u>	<u>243,614</u>	<u>1,116,110</u>	<u>-</u>	<u>598,934</u>	<u>598,934</u>
Total	\$ <u>25,569,922</u>	\$ <u>1,945,645</u>	\$ <u>19,423,886</u>	\$ <u>5,086,513</u>	287,188	598,934	886,122
General revenues:							
Member town contributions					77,329		77,329
Miscellaneous					279		279
Unrestricted investment earnings					4,664		4,664
Transfer of funds to grant programs					(668,379)		(668,379)
Total general revenues and transfers					<u>(586,107)</u>	<u>-</u>	<u>(586,107)</u>
Change in Net Position					(298,919)	598,934	300,015
Net Position at Beginning of Year					<u>8,607,423</u>	<u>4,113,001</u>	<u>12,720,424</u>
Net Position at End of Year					<u>\$ 8,308,504</u>	<u>\$ 4,711,935</u>	<u>\$ 13,020,439</u>

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General	Special Revenue	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,853,484	\$	\$ 3,853,484
Federal grants receivable		1,797,213	1,797,213
State grants receivable		1,163,839	1,163,839
Due from other funds	3,411,062	3,715,148	7,126,210
Receivable from local agencies		105,591	105,591
Other receivables	10,467		10,467
Prepaid expense	22,160		22,160
Total Assets	\$ 7,297,173	\$ 6,781,791	\$ 14,078,964
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 20,278	\$ 6,070,059	\$ 6,090,337
Payable to local agencies		90,785	90,785
Payable to State of Connecticut		2,565	2,565
Due to other funds	6,559,246		6,559,246
Deferred revenue		618,382	618,382
Total liabilities	6,579,524	6,781,791	13,361,315
 Fund Balances:			
Unassigned	717,649		717,649
Total Liabilities and Fund Balances	\$ 7,297,173	\$ 6,781,791	\$ 14,078,964

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, 2013**

Amounts reported for governmental activities in the statement of net position (page 12) are different because of the following:

Fund balances - total governmental funds (page 14)	\$	717,649
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	23,243,317
Less accumulated depreciation		<u>(15,000,011)</u>
		8,243,306
Liability for other postemployment benefits is not due and payable in the current year and therefore, is not reported in the funds.		<u>(652,451)</u>
Net Position of Governmental Activities (page 12)	\$	<u><u>8,308,504</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, 2013**

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:			
Federal grants	\$	\$ 5,917,704	\$ 5,917,704
State grants		15,777,078	15,777,078
Contributions from member towns	77,329		77,329
Local share		1,292,993	1,292,993
Private local share		53,609	53,609
Interest income	4,664		4,664
Cash fares/Charter fees		395,032	395,032
Vehicle sales proceeds and other revenue	279	114,881	115,160
Total revenues	<u>82,272</u>	<u>23,551,297</u>	<u>23,633,569</u>
Expenditures:			
Current:			
Project administration	66,169	1,269,285	1,335,454
Professional services	12,863	433,124	445,987
Purchased transportation		11,594,442	11,594,442
Insurance and claims		2,821,890	2,821,890
Capital outlay - tangible transit property		7,432,208	7,432,208
Capital outlay - other property	187		187
Total expenditures	<u>79,219</u>	<u>23,550,949</u>	<u>23,630,168</u>
Excess of Revenues over Expenditures	<u>3,053</u>	<u>348</u>	<u>3,401</u>
Other Financing Sources (Uses):			
Transfers in	499	151	650
Transfers out	(151)	(499)	(650)
Transfer of funds to grant programs	(668,379)		(668,379)
Total other financing uses	<u>(668,031)</u>	<u>(348)</u>	<u>(668,379)</u>
Net Change in Fund Balances	(664,978)	-	(664,978)
Fund Balances at Beginning of Year	<u>1,382,627</u>	<u>-</u>	<u>1,382,627</u>
Fund Balances at End of Year	<u>\$ 717,649</u>	<u>\$ -</u>	<u>\$ 717,649</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, 2013**

Amounts reported for governmental activities in the statement of activities (page 13) are different due to the following:

Net change in fund balances - total governmental funds (page 16)	\$ (664,978)
<p>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.</p>	
Capital outlay	2,756,818
Depreciation expense	(2,166,945)
Loss on disposal of capital assets	(51,163)
<p>Governmental funds report other postemployment benefit costs when paid. In the statement of activities other postemployment benefits costs are recognized when earned by employees.</p>	
	<u>(172,651)</u>
Change in Net Position of Governmental Activities (page 13)	<u><u>\$ (298,919)</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, 2013**

	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	\$	\$	\$	\$ -	\$ 6,810,174	\$ 5,917,704	\$ 5,917,704	\$ -
State grants				-	17,797,350	15,777,078	15,777,078	-
Contributions from member towns	77,329	77,329	77,329	-				-
Local/private share				-	592,496	1,346,602	1,346,602	-
Interest income	4,500	4,664	4,664	-				-
Fares				-	400,000	395,032	395,032	-
Incidental charter/vehicle sales/misc other receipts	36,165	279	279	-		114,881	114,881	-
Total revenues	<u>117,994</u>	<u>82,272</u>	<u>82,272</u>	<u>-</u>	<u>25,600,020</u>	<u>23,551,297</u>	<u>23,551,297</u>	<u>-</u>
Expenditures:								
Current:								
Project administration	25,811	66,169	66,169	-	1,450,524	1,269,285	1,269,285	-
Professional services	12,000	12,863	12,863	-	254,000	433,124	433,124	-
FTA/State/GHTD transportation projects				-	23,895,496	14,416,332	14,416,332	-
Capital outlay		187	187	-		7,432,208	7,432,208	-
Total expenditures	<u>37,811</u>	<u>79,219</u>	<u>79,219</u>	<u>-</u>	<u>25,600,020</u>	<u>23,550,949</u>	<u>23,550,949</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>80,183</u>	<u>3,053</u>	<u>3,053</u>	<u>-</u>	<u>-</u>	<u>348</u>	<u>348</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in		499	499	-		151	151	-
Transfers out		(151)	(151)	-				-
Transfer of funds to grant programs		(668,379)	(668,379)	-		(499)	(499)	-
Total other financing uses	<u>-</u>	<u>(668,031)</u>	<u>(668,031)</u>	<u>-</u>	<u>-</u>	<u>(348)</u>	<u>(348)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 80,183</u>	<u>\$ (664,978)</u>	<u>(664,978)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>1,382,627</u>				<u>-</u>	
Fund Balance - End of Year			<u>\$ 717,649</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, 2013**

	Business-Type Activities - Enterprise Funds			
	Transportation Center		Parking	
	Public	Private	Lot	Total
Assets:				
Current assets:				
Federal grants receivable	\$ 211,620	\$ 16,360	\$ 42,934	\$ 270,914
State grants receivable	50,892	25,604	1,462	77,958
Due from other funds	1,832,364		1,037,945	2,870,309
Other assets	18,172	46,799	53,666	118,637
Total current assets	<u>2,113,048</u>	<u>88,763</u>	<u>1,136,007</u>	<u>3,337,818</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	<u>5,123,053</u>	<u>3,209,135</u>	<u>333,868</u>	<u>8,666,056</u>
Total assets	<u>7,236,101</u>	<u>3,297,898</u>	<u>1,469,875</u>	<u>12,003,874</u>
Liabilities:				
Current liabilities:				
Bonds payable - current portion			33,373	33,373
Accounts payable	271,172	85,106	19,348	375,626
Due to other funds	26,211	3,411,062		3,437,273
Total current liabilities	<u>297,383</u>	<u>3,496,168</u>	<u>52,721</u>	<u>3,846,272</u>
Noncurrent liabilities:				
Mortgage payable		3,300,000		3,300,000
Other postemployment benefits	117,215	28,452		145,667
Total noncurrent liabilities	<u>117,215</u>	<u>3,328,452</u>	<u>-</u>	<u>3,445,667</u>
Total liabilities	<u>414,598</u>	<u>6,824,620</u>	<u>52,721</u>	<u>7,291,939</u>
Net Position:				
Net investment in capital assets	5,123,053	(90,865)	300,495	5,332,683
Unrestricted	<u>1,698,450</u>	<u>(3,435,857)</u>	<u>1,116,659</u>	<u>(620,748)</u>
Total Net Position	<u>\$ 6,821,503</u>	<u>\$ (3,526,722)</u>	<u>\$ 1,417,154</u>	<u>\$ 4,711,935</u>

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, 2013**

	Business-Type Activities - Enterprise Funds			
	Transportation Center		Parking	
	Public	Private	Lot	Total
Operating Revenues:				
Rental income	\$ 381,210	\$ 526,368	\$	\$ 907,578
Parking fees	1,200		385,388	386,588
Other	22,706	218,079	10,072	250,857
Total operating revenues	<u>405,116</u>	<u>744,447</u>	<u>395,460</u>	<u>1,545,023</u>
Operating Expenses:				
Professional services	8,445	448,693	211,155	668,293
Overhead	447,167	516,244	45,375	1,008,786
Depreciation	348,950	249,626	26,722	625,298
Total operating expenses	<u>804,562</u>	<u>1,214,563</u>	<u>283,252</u>	<u>2,302,377</u>
Operating Income (Loss)	<u>(399,446)</u>	<u>(470,116)</u>	<u>112,208</u>	<u>(757,354)</u>
Nonoperating Revenues (Expenses):				
Federal grants	146,202			146,202
State grants	36,552			36,552
Interest expense			(3,436)	(3,436)
Total nonoperating revenues (expenses)	<u>182,754</u>	<u>-</u>	<u>(3,436)</u>	<u>179,318</u>
Income (Loss) Before Capital Contributions	<u>(216,692)</u>	<u>(470,116)</u>	<u>108,772</u>	<u>(578,036)</u>
Capital Contributions:				
Federal	730,100	48,688	116,340	895,128
State	54,792	3,440	3,595	61,827
Local match	161,410	8,732	49,873	220,015
Total capital contributions	<u>946,302</u>	<u>60,860</u>	<u>169,808</u>	<u>1,176,970</u>
Change in Net Position	729,610	(409,256)	278,580	598,934
Net Position at Beginning of Year	<u>6,091,893</u>	<u>(3,117,466)</u>	<u>1,138,574</u>	<u>4,113,001</u>
Net Position at End of Year	<u>\$ 6,821,503</u>	<u>\$ (3,526,722)</u>	<u>\$ 1,417,154</u>	<u>\$ 4,711,935</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, 2013**

	Business-Type Activities - Enterprise Funds			
	Transportation Center		Parking	Total
	Public	Private	Lot	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 401,064	\$ 702,226	\$ 395,460	\$ 1,498,750
Payments for interfund services provided (used)	(251,734)	198,163	(80,623)	(134,194)
Payments to suppliers	(250,718)	(969,993)	(250,329)	(1,471,040)
Payments to employees	(64,778)	(10,251)	(3,450)	(78,479)
Net cash provided by (used in) operating activities	<u>(166,166)</u>	<u>(79,855)</u>	<u>61,058</u>	<u>(184,963)</u>
Cash Flows from Noncapital Financing Activities:				
Receipts from federal and state grants	166,166	79,855		246,021
Net cash provided by noncapital financing activities	<u>166,166</u>	<u>79,855</u>	<u>-</u>	<u>246,021</u>
Cash Flows from Capital and Related Financing Activities:				
Receipts from federal and state grants	784,892	52,128	75,539	912,559
Receipts of local match	161,410	8,732	49,873	220,015
Purchase of capital assets	(946,302)	(60,860)	(91,760)	(1,098,922)
Payment of deposits on capital assets			(53,666)	(53,666)
Payments of matured portion of bonds			(37,608)	(37,608)
Interest paid on bonds payable			(3,436)	(3,436)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(61,058)</u>	<u>(61,058)</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)	\$ (399,446)	\$ (470,116)	\$ 112,208	\$ (757,354)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	348,950	249,626	26,722	625,298
Change in assets and liabilities:				
Increase in amounts due from other funds	(251,734)		(80,623)	(332,357)
Increase in other assets	(4,052)	(42,221)		(46,273)
Increase (decrease) in accounts payable	127,799	(24,607)	2,751	105,943
Increase in amounts due to other funds		198,163		198,163
Increase in other postemployment benefits liability	12,317	9,300		21,617
Total adjustments	<u>233,280</u>	<u>390,261</u>	<u>(51,150)</u>	<u>572,391</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (166,166)</u>	<u>\$ (79,855)</u>	<u>\$ 61,058</u>	<u>\$ (184,963)</u>

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

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.

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.

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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. 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

E. 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.

F. 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.

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

G. Long-Term Obligations

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

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

H. 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."

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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 \$717,649 of unassigned fund balance at June 30, 2013.

I. 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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The following is a summary of cash and cash equivalents at June 30, 2013:

Deposits:		
Demand accounts	\$	142,966
Money market accounts		<u>40,410</u>
Total deposits		183,376
Petty cash		154
Cash equivalent:		
State Short-Term Investment Fund (STIF)		<u>3,669,954</u>
Total Cash and Cash Equivalents	\$	<u><u>3,853,484</u></u>

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

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.

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, 2013, the District's cash equivalent amounted to \$3,669,954 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 - Deposits - 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, 2013, \$65,667 of the District's bank balance was exposed to custodial credit risk as follows: \$24,067 was uninsured, with collateral held by the pledging bank's trust department, not in the District's name, and \$41,600 was uninsured and uncollateralized.

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 285,799	\$ 365,900	\$	\$ 651,699
Capital assets being depreciated:				
Buildings and improvements	11,238,966	818,721		12,057,687
Equipment	<u>9,507,807</u>	<u>1,572,197</u>	<u>546,073</u>	<u>10,533,931</u>
Total capital assets being depreciated	<u>20,746,773</u>	<u>2,390,918</u>	<u>546,073</u>	<u>22,591,618</u>
Less accumulated depreciation for:				
Buildings and improvements	7,851,829	281,577		8,133,406
Equipment	<u>5,476,147</u>	<u>1,885,368</u>	<u>494,910</u>	<u>6,866,605</u>
Total accumulated depreciation	<u>13,327,976</u>	<u>2,166,945</u>	<u>494,910</u>	<u>15,000,011</u>
Total capital assets being depreciated, net	<u>7,418,797</u>	<u>223,973</u>	<u>51,163</u>	<u>7,591,607</u>
Governmental Activities Capital Assets, Net	\$ <u>7,704,596</u>	\$ <u>589,873</u>	\$ <u>51,163</u>	\$ <u>8,243,306</u>

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 300,000	\$ _____	\$ _____	\$ 300,000
Capital assets being depreciated:				
Buildings and improvements	13,575,712	1,007,162		14,582,874
Parking lot	1,029,111	91,760		1,120,871
Equipment	869,722			869,722
Total capital assets being depreciated	<u>15,474,545</u>	<u>1,098,922</u>	<u>-</u>	<u>16,573,467</u>
Less accumulated depreciation for:				
Buildings and improvements	6,762,034	598,576		7,360,610
Parking lot	796,886	21,762		818,648
Equipment	23,193	4,960		28,153
Total accumulated depreciation	<u>7,582,113</u>	<u>625,298</u>	<u>-</u>	<u>8,207,411</u>
Total capital assets being depreciated, net	<u>7,892,432</u>	<u>473,624</u>	<u>-</u>	<u>8,366,056</u>
Business-Type Capital Assets, Net	\$ <u>8,192,432</u>	\$ <u>473,624</u>	\$ <u>-</u>	\$ <u>8,666,056</u>

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

Governmental activities:	
Purchased transportation	\$ 1,843,051
Transit projects	285,569
General administration	<u>38,325</u>
Total Depreciation Expense - Governmental Activities	\$ <u>2,166,945</u>
Business-type activities:	
Transportation Center	\$ 598,576
Parking Lot	<u>26,722</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>625,298</u>

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Individual Fund Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Transportation Center - Private	\$ 3,411,062
Special Revenue Fund	Transportation Center - Public	26,211
Special Revenue Fund	General Fund	3,688,937
Transportation Center - Public	General Fund	1,832,364
Parking Lot	General Fund	<u>1,037,945</u>
 Total		 <u>\$ 9,996,519</u>

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

Interfund transfers were as follows:

	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Transfers out:			
General Fund	\$	\$ 151	\$ 151
Special Revenue Fund	<u>499</u>	<u> </u>	<u>499</u>
 Total	 <u>\$ 499</u>	 <u>\$ 151</u>	 <u>\$ 650</u>

Transfers are used primarily to fund special revenue program deficits.

In addition to the operating transfers described above, the District transferred \$668,379 from the General Fund to the Special Revenue Fund as requested by the Connecticut Department of Transportation to offset future state grant payments. Because this amount will be withheld from future grants, it represents deferred revenue in the Special Revenue Fund and, therefore, it has not been presented as a transfer into the Special Revenue Fund.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Long-Term Debt

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities:					
Other postemployment benefits	\$ 479,800	\$ 172,651	\$ -	\$ 652,451	\$ -
Business-type activities:					
Revenue bonds	\$ 70,981		\$ 37,608	\$ 33,373	\$ 33,373
Mortgage	3,300,000			3,300,000	
Other postemployment benefits	124,051	21,616	-	145,667	-
Long-Term Liabilities	<u>\$ 3,495,032</u>	<u>\$ 21,616</u>	<u>\$ 37,608</u>	<u>\$ 3,479,040</u>	<u>\$ 33,373</u>

Revenue Bonds Payable

The Parking Lot Enterprise Fund issued tax-exempt revenue bonds on April 1, 1984, maturing 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 are to be funded by the net revenues of the Parking Lot Enterprise Fund and are subject to arbitrage requirements. The interest rate is 6.34%.

Revenue bond debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2014	\$ <u>33,373</u>	\$ <u>797</u>

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 is to be made in accordance with a formula based on “reconfigured net cash flow.” Reconfigured net cash flow is 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 are to be made until such cash flows are positive and a reserve account of \$400,000 is 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, 2013 or are anticipated in the foreseeable future.

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, 2013, 2012 and 2011.

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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

Minimum future rental income to be received by the District from its operating leases in effect at June 30, 2013 is \$12,353,497 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

2014	\$	828,971
2015		700,707
2016		709,461
2017		660,961
2018		597,844
2019-2081		8,855,553

Many of the leases in effect at June 30, 2013 contain an option to renew upon expiration.

The following is a summary of property leased to others as of June 30, 2013:

Cost:		
Buildings and improvements	\$	16,003,745
Less accumulated depreciation		<u>8,179,258</u>
Net Book Value	\$	<u><u>7,824,487</u></u>

Depreciation expense related to property leased to others totaled \$620,338 for the year ended June 30, 2013.

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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 \$122,732 for the year ended June 30, 2013. There were no employee contributions made during the year.

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:

	Retiree Health Plan
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.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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:

	<u>Retiree Health Plan</u>
Annual required contribution	\$ 217,688
Interest on net OPEB obligation	21,135
Adjustment to annual required contribution	<u>(23,225)</u>
Annual OPEB cost	215,598
Contributions made	<u>(21,331)</u>
Increase in net OPEB obligation	194,267
Net OPEB Obligation, beginning of year	<u>603,851</u>
Net OPEB Obligation, End of Year	<u><u>\$ 798,118</u></u>

The net OPEB obligation is reported as \$652,451 and \$145,667 between governmental and business-type activities, respectively.

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2013, 2012 and 2011, is presented below.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 215,598	\$ 21,331	9.89%	\$ 798,118
June 30, 2012	194,226	18,637	9.60	603,851
June 30, 2011	192,268	21,756	11.31	428,262

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.

<u>Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a % of Covered Payroll [(B-A)/C]</u>
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.

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Percentage Contributed</u>
June 30, 2013	\$ 217,688	9.80%
June 30, 2012	193,512	9.60
June 30, 2011	191,838	11.34

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 were 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, 2012 was 26 years.

**SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

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 and Sigourney Street 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.

Peter Pan EPA Grant - to account for the repower of diesel engines to decrease emissions and improve air quality. The program is funded 75% by the Environmental Protection Agency and 25% by Peter Pan Bus Lines.

Transit 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 Grant - to account for operation of a taxi voucher/debit card program for people with disabilities.

**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, 2013**

	<u>ADA Program</u>	<u>Other Transportation</u>	<u>Drug and Alcohol Testing Consortium</u>	<u>Municipal DAR Grants</u>	<u>Buses, Equipment and Property</u>	<u>USTC and Sigourney Street Livability</u>
Revenues:						
Federal grants	\$	\$	\$	\$	\$	\$
State grants	11,533,202	3,254	255,395	359,590	2,346,105	50,667
Local share		2,336			520,869	12,668
Private contributions	53,428	181			78	
Cash fares	395,032					
Miscellaneous	114,881					
Total revenues	<u>12,096,543</u>	<u>5,771</u>	<u>255,395</u>	<u>359,590</u>	<u>2,867,052</u>	<u>63,335</u>
Expenditures:						
Current:						
Project administration	733,309		139,378	18,501	177,704	30,532
Professional services	129,946		116,025			
Purchased transportation	11,233,288	5,273		341,088		
Insurance and claims						
Capital outlay - tangible transit property					2,689,360	32,808
Total expenditures	<u>12,096,543</u>	<u>5,273</u>	<u>255,403</u>	<u>359,589</u>	<u>2,867,064</u>	<u>63,340</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>498</u>	<u>(8)</u>	<u>1</u>	<u>(12)</u>	<u>(5)</u>
Other Financing Sources (Uses):						
Transfers in			8		12	5
Transfers out		(498)		(1)		
Total other financing sources (uses)	<u>-</u>	<u>(498)</u>	<u>8</u>	<u>(1)</u>	<u>12</u>	<u>5</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, 2013**

	<u>Peter Pan EPA Grant</u>	<u>Transportation Improvements Generating Economic Recovery</u>	<u>Transit Enhancement Funding of Municipal Bus Shelters</u>	<u>Statewide Transit District Insurance Consortium</u>	<u>Intermodal Centers</u>	<u>New Freedom Grant</u>	<u>Total</u>
Revenues:							
Federal grants	\$ 333	\$ 475,173	\$ 28,913	\$ 3,087,660	\$ 2,994,090	\$ 22,423	\$ 5,917,704
State grants			939			3,501	15,777,078
Local share		528,366	6,292		748,524	7,397	1,292,993
Private contributions							53,609
Cash fares							395,032
Miscellaneous							114,881
Total revenues	<u>333</u>	<u>1,003,539</u>	<u>36,144</u>	<u>3,087,660</u>	<u>3,742,614</u>	<u>33,321</u>	<u>23,551,297</u>
Expenditures:							
Current:							
Project administration	444	43,011	10,496	78,618	18,764	18,528	1,269,285
Professional services				187,153			433,124
Purchased transportation						14,793	11,594,442
Insurance and claims				2,821,890			2,821,890
Capital outlay - tangible transit property		960,533	25,650		3,723,857		7,432,208
Total expenditures	<u>444</u>	<u>1,003,544</u>	<u>36,146</u>	<u>3,087,661</u>	<u>3,742,621</u>	<u>33,321</u>	<u>23,550,949</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(111)</u>	<u>(5)</u>	<u>(2)</u>	<u>(1)</u>	<u>(7)</u>	<u>-</u>	<u>348</u>
Other Financing Sources (Uses):							
Transfers in	111	5	2	1	7		151
Transfers out							(499)
Total other financing sources (uses)	<u>111</u>	<u>5</u>	<u>2</u>	<u>1</u>	<u>7</u>	<u>-</u>	<u>(348)</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.

Contents	Page
Financial Trends	42-48
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	49-50
This schedule contains information to help the reader assess the District's most significant revenue source, federal and state grants.	
Debt Capacity	51-52
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	53-54
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	55-57
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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net investment in capital assets	\$ 9,609,679	\$ 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
Restricted for insurance program	252,251	254,279	308,747	225,000	275,000	300,000	300,000			
Unrestricted	111,968	161,523	113,063	274,237	414,093	429,003	595,155	922,831	902,827	65,198
Total Governmental Activities Net Position	\$ 9,973,898	\$ 10,027,805	\$ 9,551,453	\$ 9,045,203	\$ 9,034,630	\$ 8,471,372	\$ 10,578,603	\$ 10,274,165	\$ 8,607,423	\$ 8,308,504
Business-Type Activities:										
Net investment in capital assets	\$ 2,748,896	\$ 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
Unrestricted	(530,432)	(553,210)	(577,940)	(594,539)	(591,921)	(605,763)	(624,945)	(648,612)	(708,450)	(620,748)
Total Business-Type Activities Net Position	\$ 2,218,464	\$ 1,904,826	\$ 1,592,282	\$ 1,328,590	\$ 1,130,424	\$ 1,248,317	\$ 2,857,214	\$ 3,073,709	\$ 4,113,001	\$ 4,711,935
Primary Government:										
Net investment in capital assets	\$ 12,358,575	\$ 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
Unrestricted	(166,213)	(137,408)	(156,130)	(95,302)	97,172	123,240	270,210	274,219	194,377	(555,550)
Total Primary Government Net Position	\$ 12,192,362	\$ 11,932,631	\$ 11,143,735	\$ 10,373,793	\$ 10,165,054	\$ 9,719,689	\$ 13,435,817	\$ 13,347,874	\$ 12,720,424	\$ 13,020,439

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

		YEAR ENDED JUNE 30									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:											
Governmental activities:											
Purchased transportation	\$	5,091,561	\$ 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
Insurance consortium		2,703,321	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
Transit projects		4,274,691	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
Total governmental activities expenses		<u>12,069,573</u>	<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>
Business-type activities:											
Transportation center		1,890,611	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
Parking lot		255,378	256,730	245,977	234,333	252,644	247,201	242,580	273,598	254,241	286,688
Total business-type activities expenses		<u>2,145,989</u>	<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>
Total Primary Government Expenses	\$	<u>14,215,562</u>	<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>
Program Revenues:											
Governmental activities:											
Charges for services	\$	678,945	\$ 633,388	\$ 891,694	\$ 360,895	\$ 350,652	\$ 749,523	\$ 393,749	\$ 394,132	\$ 393,991	\$ 400,622
Operating grants and contributions		9,100,333	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
Capital grants and contributions		934,729	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
Total governmental activities program revenues		<u>10,714,007</u>	<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>
Business-type activities:											
Transportation center		1,475,093	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
Parking lot		347,828	317,490	289,285	529,265	537,004	790,965	448,668	883,296	394,103	565,268
Total business-type activities program revenues		<u>1,822,921</u>	<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>
Total Government Program Revenues	\$	<u>12,536,928</u>	<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>
Net (Expenses) Revenue:											
Governmental activities	\$	(1,355,566)	\$ (286,498)	\$ (572,009)	\$ (628,890)	\$ (650,641)	\$ (787,651)	\$ 1,978,113	\$ (425,798)	\$ (1,867,109)	\$ 287,188
Business-type activities		<u>(323,068)</u>	<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>
Total Government Net (Expenses) Revenue	\$	<u>(1,678,634)</u>	<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>

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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									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other											
Changes in Net Position:											
Governmental activities:											
Member town contributions	\$	40,111	\$ 39,051	\$ 40,111	\$ 40,111	\$ 40,111	\$ 57,299	\$ 74,493	\$ 74,493	\$ 74,493	\$ 77,329
Miscellaneous		33,973	294,887	44,012	39,858	138,985	127,764	42,132	40,332	121,997	279
Unrestricted investment earnings		2,476	6,467	11,534	42,671	61,495	39,330	12,493	6,535	3,877	4,664
Transfers		(22,275)				1,800					(668,379)
Total governmental activities		<u>54,285</u>	<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>
Business-type activities:											
Miscellaneous								4,107			
Transfers		22,275									
Total business-type activities		<u>22,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Government	\$	<u>76,560</u>	<u>\$ 340,405</u>	<u>\$ 95,657</u>	<u>\$ 122,640</u>	<u>\$ 242,391</u>	<u>\$ 224,393</u>	<u>\$ 133,225</u>	<u>\$ 121,360</u>	<u>\$ 200,367</u>	<u>\$ (586,107)</u>
Change in Net Position:											
Governmental activities	\$	(1,301,281)	\$ 53,907	\$ (476,352)	\$ (506,250)	\$ (408,250)	\$ (563,258)	\$ 2,107,231	\$ (304,438)	\$ (1,666,742)	\$ (298,919)
Business-type activities		(300,793)	(313,638)	(312,544)	(263,692)	(196,366)	117,893	1,608,897	216,495	1,039,292	598,934
Total Government	\$	<u>(1,602,074)</u>	<u>\$ (259,731)</u>	<u>\$ (788,896)</u>	<u>\$ (769,942)</u>	<u>\$ (604,616)</u>	<u>\$ (445,365)</u>	<u>\$ 3,716,128</u>	<u>\$ (87,943)</u>	<u>\$ (627,450)</u>	<u>\$ 300,015</u>

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

	YEAR ENDED JUNE 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Purchased Transportation Expenses:										
Governmental activities:										
Purchased transportation	\$ 7,742,014	\$ 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
Total primary government expenses	<u>7,742,014</u>	<u>8,692,550</u>	<u>9,264,902</u>	<u>9,428,385</u>	<u>11,560,157</u>	<u>12,464,740</u>	<u>11,893,465</u>	<u>13,444,762</u>	<u>13,530,050</u>	<u>14,530,669</u>
Purchased Transportation Program Revenues:										
Governmental activities:										
Charges for services	673,647	623,250	887,655	368,432	412,954	749,523	393,749	394,132	393,991	400,622
Operating grants and contributions	<u>5,895,999</u>	<u>6,525,367</u>	<u>7,632,248</u>	<u>8,095,657</u>	<u>9,167,715</u>	<u>9,858,164</u>	<u>10,216,297</u>	<u>11,081,058</u>	<u>11,197,408</u>	<u>12,094,602</u>
Total government program revenues	<u>6,569,646</u>	<u>7,148,617</u>	<u>8,519,903</u>	<u>8,464,089</u>	<u>9,580,669</u>	<u>10,607,687</u>	<u>10,610,046</u>	<u>11,475,190</u>	<u>11,591,399</u>	<u>12,495,224</u>
Net Revenues (Expenses)/Change in Net Position:										
Governmental activities	<u>\$ (1,172,368)</u>	<u>\$ (1,543,933)</u>	<u>\$ (744,999)</u>	<u>\$ (964,296)</u>	<u>\$ (1,979,488)</u>	<u>\$ (1,857,053)</u>	<u>\$ (1,283,419)</u>	<u>\$ (1,969,572)</u>	<u>\$ (1,938,651)</u>	<u>\$ (2,035,445)</u>

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

Fiscal Year Ended June 30	Federal and State Grants	Contributions from Member Towns	Local and Private Share of Federal Grants	Interest Income	Charter Bus Income	Cash Fares and Miscellaneous	Total
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
2004	9,601,030	40,111	835,842	2,476	18,020	293,088	10,790,567

**GREATER HARTFORD TRANSIT DISTRICT
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)**

	YEAR ENDED JUNE 30									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund:										
Unreserved	\$ 241,293	\$ 265,517	\$ 421,810	\$ 499,237	\$ 689,093	\$ 852,289	\$ 1,115,776	\$	\$	\$
Unassigned								1,290,812	1,382,627	717,649
Total General Fund	<u>\$ 241,293</u>	<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>
Special revenue fund:										
Unreserved/unassigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Federal grants	\$ 1,060,119	\$ 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
State grants	8,540,911	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
Contributions from member towns	40,111	39,051	40,111	40,111	40,111	57,299	74,493	74,493	74,493	77,329
Local/private share	835,842	1,029,422	943,492	1,821,681	1,030,882	841,266	814,842	682,337	181,963	1,346,602
Interest income	2,476	6,467	11,534	42,671	61,495	39,330	12,493	6,535	3,877	4,664
Fares	277,135	259,162	302,858	326,242	335,727	355,299	384,148	389,676	388,620	395,032
Incidental charter		276,816	207,619	7,537	62,302	391,615	6,787	3,000	112,066	
Vehicle sales and miscellaneous	33,973	18,071	57,566	151,589	90,158	165,351	162,681	262,145	36,181	115,160
Total revenues	<u>10,790,567</u>	<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>
Expenditures:										
Current:										
Project administration	946,941	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
Professional services	223,163	257,921	266,214	216,623	257,518	225,843	286,867	254,850	392,258	445,987
Insurance and claims	2,628,321	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
Purchased transportation	6,052,369	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
Charter bus maintenance		238,853	172,211							
Capital outlay	913,719	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
Total expenditures	<u>10,764,513</u>	<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>
Excess of Revenues over Expenditures	<u>26,054</u>	<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>
Other Financing Sources (Uses):										
Transfers in	16,160		153,829	87,615	52,851	40,298	56,705	43,490	1,904	650
Transfers out	(38,435)		(3,544)	(87,615)	(51,051)	(40,298)	(56,705)	(43,490)	(1,904)	(650)
Transfer to grant programs										(668,379)
Total other financing sources (uses)	<u>(22,275)</u>	<u>-</u>	<u>150,285</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(668,379)</u>
Net Change in Fund Balances	3,779	24,224	156,293	77,427	189,856	163,196	263,487	175,036	91,815	(664,978)
Fund Balance at Beginning of Year	<u>237,514</u>	<u>241,293</u>	<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>
Fund Balance at End of Year	<u>\$ 241,293</u>	<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>
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**

Fiscal Year Ended June 30	Federal and State Grants	Contributions from Member Towns	Local and Private Share of Federal Grants	Interest Income	Charter Bus/Rental Income	Cash Fares and Miscellaneous	Total
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
2004	9,601,030	40,111	835,842	2,476	18,020	293,088	10,790,567

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

	YEAR ENDED JUNE 30					
	2013			2004		
	Total Revenue	Rank	Percentage of Total Governmental Revenue	Total Revenue	Rank	Percentage of Total Governmental Revenue
Connecticut Department of Transportation	\$ 15,777,078	1	66.8%	\$ 8,540,911	1	79.2%
Federal Transit Administration	<u>5,917,704</u>	2	<u>25.0%</u>	<u>1,060,119</u>	2	<u>9.8%</u>
	<u><u>\$ 21,694,782</u></u>		<u><u>91.8%</u></u>	<u><u>\$ 9,601,030</u></u>		<u><u>89.0%</u></u>

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 Revenue (2)</u>	<u>Direct Operating Expenses (1)</u>	<u>Transfers Out</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
					<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2004	347,828	235,738		112,090	21,405	19,640	41,045	2.73

(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**

Fiscal Year	Business-Type Activities		Total Government	Per Capita
	Revenue Bonds	Mortgage		
2004	\$ 297,910	\$ 3,300,000	\$ 3,597,910	6.14
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

See Demographic Statistics for source of population data.

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

Fiscal Year Ended June 30	Total Population of Member Towns (1)	Average Per Capita Income of Member Towns (2)	Median Age (3)	Unemployment Rate (4)
2004	586,353	\$ 36,988	40	5.50%
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%

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 NINE YEARS AGO**

Employer	2013			2004		
	Number of Employees	Rank	Percentage of Total Greater Hartford Employment	Number of Employees	Rank	Percentage of Total Greater Hartford Employment
State of Connecticut	74,100	1	13.49%	73,000	1	11.84%
United Technologies Corp.	27,000	2	4.92%	20,000	2	3.24%
Hartford Health Care Hospital	16,951	3	3.09%	6,086	5	0.99%
University of Connecticut	9,872	4	1.80%	11,700	3	1.90%
The Hartford Financial Services Group	7,700	5	1.40%		NA	
The Travelers Cos. Inc.	7,400	6	1.35%	5,800	7	
Hartford Hospital	7,397	7	1.35%	7,200	4	1.17%
Aetna Inc.	6,465	8	1.18%		NA	
John Dempsey Hospital	5,703	9	1.04%	3,660	10	0.59%
Board of Regents for higher Education	5,392	10	0.98%	6,000	6	0.97%
CIGNA Corp		NA		4,500	9	0.73%
Northeast Utilities		NA		4,739	8	0.77%
Total	167,980		30.59%	142,685		22.20%

Source: MetroHartford Alliance

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

	YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government:										
Management services	3	3	3	3	3	3	2	2	2	2
Finance	2	2	2	2	2	2	2	2	1	1
Building	-	-	-	-	1	1	1	1	1	1
Transportation projects	5	5	5	4	3	3	3	4	2	2
Total	10	10	10	9	9	9	8	9	6	6

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**

	YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of Passenger Trips:										
Dial-A-Ride Service	-	-	15,352	88,132	155,720	315,746	337,053	352,660	271,173	314,517
Commuter Service	-	-	-	184,616	456,194	483,607	469,878	480,503	465,012	452,919
ADA	347,626	298,463	300,944	282,750	265,478	277,504	240,030	233,254	211,983	176,521

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

	YEAR ENDED JUNE 30							
	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	117	119	115	123	113	106	98	93

* Information for prior years not available