

OFFICIAL STATEMENT DATED MARCH 10, 2015

NEW ISSUE

**MOODY'S RATING: Aa1
STANDARD & POOR'S RATING: AA+**

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



**THE METROPOLITAN DISTRICT
HARTFORD COUNTY, CONNECTICUT**

**\$66,740,000 GENERAL OBLIGATION BONDS, ISSUE OF 2015
BOOK-ENTRY ONLY**

DATED **DUE**
Date of Delivery **March 1, as shown below** **Maturity Schedule**

Due	Principal				Principal				
<u>March 1</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield/Price</u>	<u>CUSIP¹</u>	<u>Due</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield/Price</u>	<u>CUSIP¹</u>
2016	\$3,180,000	5.000%	0.180%	416489QN5	2026	\$3,345,000*	4.000%	2.500%	416489QY1
2017	3,345,000	5.000%	0.560%	416489QP0	2027	3,345,000*	4.000%	2.700%	416489QZ8
2018	3,345,000	5.000%	0.980%	416489QQ8	2028	3,350,000	3.000%	3.000%	416489RA2
2019	3,345,000	5.000%	1.280%	416489QR6	2029	3,345,000	3.000%	99.00	416489RB0
2020	3,345,000	5.000%	1.500%	416489QS4	2030	3,345,000	3.000%	97.75	416489RC8
2021	3,345,000	5.000%	1.680%	416489QT2	2031	3,345,000	3.000%	97.00	416489RD6
2022	3,345,000	5.000%	1.920%	416489QU9	2032	3,345,000	3.125%	97.75	416489RE4
2023	3,345,000	5.000%	2.080%	416489QV7	2033	3,345,000	3.250%	3.350%	416489RF1
2024	3,345,000	5.000%	2.200%	416489QW5	2034	3,345,000	3.250%	98.00	416489RG9
2025	3,345,000*	5.000%	2.300%	416489QX3	2035	3,345,000	3.250%	97.00	416489RH7

* Priced assuming redemption on March 1, 2024; however redemption is at the election of the District. See "Redemption" herein.

**Underwriter
WELLS FARGO BANK, NATIONAL ASSOCIATION**

Interest on the Bonds will be payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity.

The Bonds are subject to redemption prior to maturity as more fully described herein. See "Redemption" herein.

The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium if any, and interest on the Bonds will be payable by the District or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

The Bonds will be general obligations of the District and the District will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general tax revenues from member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (the "Member Municipalities"). See "Security and Remedies" herein.

U.S. Bank National Association, Corporate Trust Services, 225 Asylum Street, 23rd Floor, Hartford, Connecticut will act as Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Bonds.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hinckley, Allen & Snyder LLP, Bond Counsel, of Hartford, Connecticut, and Finn Dixon & Herling LLP, Bond Counsel, of Stamford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about March 19, 2015.

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

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

The Financial Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

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PART I
INFORMATION CONCERNING THE BONDS
THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT
March 10, 2015

This Official Statement including the cover, inside cover page, Part I, Part II and the Appendices thereto, of The Metropolitan District, Hartford County, Connecticut (the "District") is provided for the purpose of presenting certain information relating to the District in connection with the original issuance and sale of \$66,740,000 General Obligation Bonds, Issue of 2015 (the "Bonds") of the District. The District is issuing \$81,500,000 in General Obligation Bond Anticipation Notes, Series A and \$35,000,000 General Obligation Bond Anticipation Notes, Series B on March 19, 2015.

Part I of this Official Statement, including the cover, inside cover page and Appendices thereto, contains information relating to the Bonds. Part II of this Official Statement contains information about the District. The cover page, inside cover page, Part I, Part II and the Appendices thereto should be read collectively and in their entirety.

BOND ISSUE SUMMARY

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change

Date of Sale:	<u>Tuesday, March 10, 2015, 11:30 A.M. (EDT).</u>
Location of Sale:	Electronic bid via Parity® will be accepted as described in the Notice of Sale attached as Appendix D to this Official Statement.
Issuer:	The Metropolitan District, Hartford County, Connecticut (the "District").
Issue:	\$66,740,000 General Obligation Bonds, Issue of 2015 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity or earlier redemption.
Principal Due:	Serially, March 1, 2016 through 2035, as detailed on the cover page of this Official Statement and as described in the Notice of Sale.
Authorization and Purpose:	The proceeds of the Bonds will be used to permanently finance \$71,959,000 in bond anticipation notes of the District, maturing on March 23, 2015. The proceeds were used to finance various sewer, water and public improvement projects of the District. See "Authorization and Purpose" herein.
Redemption:	The Bonds are subject to redemption prior to maturity as more fully described herein.
Security:	The Bonds will be general obligations of the District payable, unless paid from other sources, from general property tax revenues from member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, Connecticut comprising the District, proportionately as provided in the District's Charter, to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.
Credit Ratings:	The District received ratings of "Aa1" with a stable outlook from Moody's Investors Service, Inc. ("Moody's") and "AA+" with a stable outlook from Standard & Poor's, a division of McGraw-Hill Companies, Inc. ("S&P") on the Bonds. See "Ratings" herein.
Bond Insurance:	The District does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of dated date.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds shall not be designated by the District as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data (ii) timely notices of the occurrence of certain events, within 10 business days of the occurrence of such events and (iii) timely notice of the failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Corporate Trust Services, 225 Asylum Street, 23 rd Floor, Hartford, Connecticut.
Legal Opinion:	Hinckley, Allen & Snyder LLP Hartford, Connecticut, and Finn Dixon & Herling LLP, Stamford, Connecticut, will serve as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bond in book-entry-only form will be made to The Depository Trust Company on or about March 19, 2015 against payment in Federal Funds .
Issuer Official:	Questions concerning the District and the Bonds should be addressed to: Mr. John M. Zinzarella, Deputy Chief Executive Officer of Business Services/Chief Financial Officer/Treasurer, Telephone: 860-278-7850 Ext. 3345, The Metropolitan District, Hartford County, 555 Main Street, First Floor, Hartford, Connecticut 06103.
Financial Advisor:	FirstSouthwest, 628 Hebron Avenue, Suite 306, Glastonbury, Connecticut 06033, attention: Janette J. Marcoux, Senior Vice President, Telephone: 860-290-3003; or Maureen Gurghigian, Managing Director, Telephone: 401-334-4267.

I. BOND INFORMATION

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to The Metropolitan District, Hartford County, Connecticut (the "District") in connection with the original issuance and sale of \$66,740,000 General Obligation Bonds, Issue of 2015 (the "Bonds") of the District.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated February 27, 2015 has been furnished to prospective bidders. Reference is made to this Notice of Sale for the terms and conditions of the bidding on the Bonds.

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates is not intended to be a representation of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the District.

First Southwest Company, LLC is engaged as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company, LLC cannot submit a bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. First Southwest Company, LLC, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A "Basic Financial Statements" hereto is a copy of the report of the independent auditors for the District with respect to the financial statements of the District included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented therein.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion in Appendix B "Forms of Opinion of Bond Counsel" herein), and they make no representation that they have independently verified the same.

Bond Counsel expresses no opinion regarding, any tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds other than as set forth in "Tax Matters" herein.

The District considers this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on March 1 in each of the years and in principal amounts set forth on the cover page hereof. The Bonds will be issued in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of February and August in each year, or the preceding business day if the fifteenth day is not a business day. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar and Transfer Agent will be U.S. Bank National Association, Corporate Trust Services, 225 Asylum Street, 23rd Floor, Hartford, Connecticut (email: bhcorporatetrust@usbank.com). The legal opinions on the Bonds will be rendered by Hinckley, Allen & Snyder LLP and Finn Dixon & Herling LLP, in substantially the forms set forth in Appendix B to this Official Statement.

The Bonds are subject to redemption prior to maturity as more fully described herein.

REDEMPTION

The Bonds maturing on or before March 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on March 1, 2025 and thereafter, are subject to redemption prior to maturity, at the option of the District, on and after March 1, 2024, at any time in whole or in part, and by lot within a maturity in such amounts, in such series and in such order of maturity as the District may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus accrued and unpaid interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 1, 2024 and thereafter	100%

Notice of redemption shall be given by the District or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days and no more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as the name shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

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

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

determination of the District authorizing the issuance of the Bonds and will not be conducted by the District or be the responsibility of, the District, the Registrar or Paying Agent.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriters take any responsibility for the accuracy thereof.

DTC PRACTICES

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

SECURITY AND REMEDIES

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

Unless paid from other sources, the Bonds are payable from general property tax revenues from member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (the “Member Municipalities”), comprising the District, proportionately as provided in the District’s Charter, to pay the principal of and interest on the Bonds, and each Member Municipality is authorized to levy ad valorem taxes on all taxable property within its respective limits to pay such District taxes without limitation as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. Under existing statutes, the State of Connecticut is obligated to pay the Member Municipalities the amount of tax revenue which the Member Municipalities would have received except for the limitation on their power to tax such dwelling houses.

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

There are no statutory provisions for priorities in the payment of general obligations of the District. There are no statutory provisions for a lien on any portion of the tax levy to secure the Bonds, or judgments thereon, in priority to other claims. The District is authorized to issue revenue bonds for sewer or other projects, which may be secured by a pledge of certain revenues. In June 2013, the District issued \$85,000,000 of Clean Water Project Revenue Bonds and in November 2014, the District issued \$140,000,000 of Clean Water Project Revenue Bonds which are secured by a pledge of and payable solely from the District’s special sewer service surcharge.

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

Enforcement of a claim for payment of principal or interest on the debt would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the Federal bankruptcy code, the District may seek relief only, among other requirements, if it is specifically authorized to be a debtor under Chapter 9, Title 11 of the United States Code, or by State law or by a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9, aforesaid, without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

TAXES – LEVY, APPORTIONMENT, COLLECTION

Under the District’s Charter established by special Connecticut legislation, the District is authorized to levy an annual tax on each of its Member Municipalities in the aggregate amount sufficient to meet its budgeted sewer expenses. The tax is apportioned among the Member Municipalities on the basis of their respective tax receipts averaged over the prior three fiscal years. If the District is not paid when due, the District is entitled to obtain the issuance of an execution against the goods and estate of the inhabitants of such municipalities, such execution to be directed to a marshal for the seizure and sale of such goods sufficient to produce funds for payment of the District tax. Such collection procedure thus in effect grants the District a right to attach a first lien to secure payment of any tax not paid by a Member Municipality.

The District has never had to impose the first lien claim against its Member Municipalities due to the fact that all tax warrants have been paid when declared due to the District.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE

The District prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The District provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events, within 10 days of the occurrence of such events, with respect to the Bonds; and (iii) timely notice of a failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form attached as Appendix C to this Official Statement.

The intent of such undertaking is to provide on a continuing basis the information described in the Rule. Accordingly, there is reserved the right to modify the disclosure thereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of such information to be provided under such undertaking, the obligation pursuant to the Rule to provide such information also shall cease immediately.

The purpose of such undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights other than the remedy of specific performance in the event of any actual failure by the District to comply with its written undertaking.

The District has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide annual financial information and event notices pursuant to Rule 15c2-12. In the last five years, to the best of its knowledge, the District has not failed to comply with its obligations under its continuing disclosure agreements in all material respects.

The District determined that certain of its annual financial information filings, which were timely filed, were not properly associated with all of the CUSIP numbers of its outstanding securities, including certain issues that were defeased (and subsequently retired). The District amended the affected filings to properly associate them with the proper CUSIP numbers, and put in place compliance procedures to assure future filings are properly associated.

In certain of its continuing disclosure agreements, the District also undertook to file, as part of its annual financial information, audited financial statements of its member municipalities. The District determined that the audited financial statements of its member municipalities for the fiscal year ended June 30, 2008, which it believes had previously been timely filed by its member municipalities, had not been refiled by the District with respect to its own obligations. To correct this, the District has refiled within the EMMA system of the Municipal Securities Rulemaking Board the audited financial statements of its member municipalities for that fiscal year and each subsequent year. The District has also filed a notice of late filing with respect to the audited financial statements of its member municipalities for the fiscal year ended June 30, 2008.

In addition, in the recent course of its internal compliance activities, the District determined that certain of its annual financial filings, which were timely filed, were not properly associated with CUSIP numbers of certain State of Connecticut Clean Water Fund bond issues for which the District may have been an obligated person. The District amended the affected filings to properly associate them with the proper CUSIP numbers, and put in place additional compliance procedures to assure future filings are properly associated with such issues. The District also determined that certain of its prior continuing disclosure agreements required its annual financial filings to be made within 240 days of the end of its fiscal year, and certain of its prior continuing disclosure agreements required its

annual financial filings to be made within eight months of the end of its fiscal year. In the case of its annual information filing for the fiscal year ended December 31, 2010, the filing was made on August 31, 2011, which would have been three days after the due date under those agreements requiring the filing within 240 days. The District filed promptly a notice of late filing of this annual information filing. In addition, prior to the time material event notices were required to be made within 10 business days, a few notices were made in accordance with applicable requirements but not in all cases within 10 business days. The District has put in place additional compliance procedures to assure all future filings are made in a timely fashion.

In making the foregoing disclosures, the District does not thereby admit that these matters are material.

AUTHORIZATION AND PURPOSE

The District has the power to incur indebtedness as provided by the Connecticut General Statutes and the District Charter. As of the date of this Official Statement, the District has authorized debt for various water, sewer and combined funding capital projects in the aggregate amount of \$2,613,481,261, of which \$979,270,109 has previously been funded, leaving a total of \$1,634,211,152 of authorized and unissued debt. See “Authorized But Unissued Debt – The District” herein. The Bonds are being issued to finance various capital improvement projects of the District as set forth herein. See “Use of Bond Proceeds” herein.

Project	Amount Authorized	Previously Bonded/Grants/Contributions	Notes Due 3/23/15	Series A Notes Due 3/18/16	Bonds This Issue	Premium Applied	Authorized But Unissued
<i>Sewer Projects</i>							
2003 Upper Albany Area CSO - Hartford.....	\$5,000,000	\$3,178,419	\$825,000	\$0	\$765,000	\$60,000	\$996,581
2005 General Purpose Sewer.....	2,750,000	1,744,082	612,000	1,000	567,000	44,000	393,918
2006 Combined Sewer Separation.....	5,000,000	2,278,162	752,000	1,550,000	697,000	55,000	419,838
2006 Sanitary Sewer Overflow - Engineering Design/Study.....	5,000,000	4,862,880	2,000	16,000	2,000	0	119,120
2006 Sanitary Sewer Overflow (SSO) - Newington.....	5,000,000	4,379,348	490,000	23,000	454,000	36,000	107,652
2006 Sanitary Sewer Overflow (SSO) - Rocky Hill.....	5,000,000	3,758,675	58,000	0	54,000	4,000	1,183,325
2006 Sanitary Sewer Overflow (SSO) - West Hartford.....	5,000,000	4,887,223	15,000	0	14,000	1,000	97,777
2006 Sanitary Sewer Overflow (SSO) - Wethersfield.....	5,000,000	2,033,805	2,641,000	117,000	2,449,000	192,000	208,195
2006 Sanitary Sewer Overflow (SSO) - Windsor.....	5,000,000	2,108,346	1,653,000	0	1,533,000	120,000	1,238,654
2006 Wastewater Pump Station Improvements.....	1,000,000	602,000	266,000	0	247,000	19,000	132,000
2006 Wethersfield Cove Inflow & Infiltration Reduction.....	5,000,000	2,520,000	268,000	279,000	249,000	19,000	1,933,000
2007 Wastewater Treatment Facility Security & Communication.....	3,200,000	310,000	57,000	1,000	52,000	4,000	2,833,000
2007 Wastewater Treatment Facility Improvements.....	4,600,000	830,000	2,803,000	763,000	1,976,000	155,000	876,000
2007 General Purpose Water.....	3,600,000	1,019,000	3,000	0	3,000	0	2,578,000
2008 Water Pollution Control Infrastructure.....	2,000,000	690,000	438,000	358,000	120,000	9,000	823,000
2008 Improvements to SCADA.....	2,500,000	311,000	1,419,000	1,292,000	314,000	25,000	558,000
2008 Sewer System Capital Equipment & Staffing.....	5,000,000	3,433,000	249,000	3,000	228,000	18,000	1,318,000
2008 Capacity Management Operations & Maintenance Compliance.....	5,000,000	2,511,000	1,254,000	128,000	1,054,000	82,000	1,225,000
2008 General Purpose Sewer.....	4,410,000	1,630,000	627,000	458,000	157,000	12,000	2,153,000
2009 Water Pollution Control Infrastructure Replacements.....	4,455,000	1,721,000	1,964,000	1,889,000	70,000	5,000	770,000
2009 Hartford Odor Control Construction.....	4,888,000	2,013,000	11,000	0	10,000	1,000	2,864,000
2009 CMOM Compliance Capital Equipment.....	5,000,000	1,488,000	226,000	125,000	170,000	13,000	3,204,000
2009 Capacity Management Operations & Maintenance Compliance.....	5,000,000	1,502,000	3,144,000	10,000	2,907,000	227,000	354,000
2009 General Purpose Sewer.....	3,507,000	2,511,000	169,000	22,000	148,000	12,000	814,000
2010 Huyshope Street Sewer Rehabilitation - Hartford.....	2,950,000	0	220,000	23,000	188,000	15,000	2,730,000
2010 WPS Electrical Systems Modernization Program.....	4,280,000	582,000	469,000	158,000	288,000	23,000	3,229,000
2010 WPC EHWPCF Screen & Grit Replacement Program.....	3,823,000	41,000	1,814,000	1,614,000	186,000	14,000	1,968,000
2010 WPC Renewal & Replacements Program.....	2,000,000	1,124,000	300,000	171,000	120,000	9,000	576,000
2010 CMOM Staffing.....	2,000,000	1,199,000	5,000	0	5,000	0	796,000
2010 Sewer Pump Station Improvement Program.....	223,000	92,000	131,000	102,000	27,000	2,000	0
2010 Sewer Study - Dividend Brook, Rocky Hill.....	300,000	110,000	62,000	85,000	5,000	0	100,000
2010 General Purpose Sewer.....	2,702,000	1,860,000	115,000	151,000	7,000	1,000	683,000
2011 Sewer Pump Station Rehabilitation.....	2,000,000	74,000	869,000	579,000	288,000	23,000	1,036,000
2011 Capacity Management Operations & Maintenance - Staffing.....	2,000,000	1,394,000	12,000	0	11,000	1,000	594,000
2011 Capacity Management Operation & Maintenance - Compliance.....	2,800,000	0	1,264,000	586,000	816,000	64,000	1,334,000
2011 WPC Equipment & Facility Refurbishment.....	1,200,000	185,000	749,000	55,000	644,000	50,000	266,000
2011 WPC Renewal & Replacements.....	2,250,000	34,000	1,055,000	671,000	356,000	28,000	1,161,000
2011 WPC Electronic Development.....	1,750,000	0	112,000	5,000	99,000	8,000	1,638,000
2011 General Purpose Sewer.....	2,000,000	0	1,467,000	1,050,000	560,000	44,000	346,000
2012 General Purpose Sewer.....	5,000,000	9,000	357,000	448,000	167,000	13,000	4,363,000
2012 Backwater Valve.....	540,000	0	2,000	14,000	2,000	0	524,000
2012 East Hartford WPC Waste Water Screening Install.....	4,750,000	0	347,000	58,000	272,000	21,000	4,399,000
2012 Hartford WPC Solids Handling & Processing.....	4,800,000	0	642,000	493,000	138,000	11,000	4,158,000
2012 Relief Sewer - Four Mile Road, West Hartford.....	4,905,000	264,000	4,640,000	1,550,000	2,866,000	224,000	1,000
2012 Sanitary Sewer/Storm Drain Replacement Retreat Ave.....	5,000,000	509,000	9,000	5,000	4,000	0	4,482,000
2012 Sanitary Sewer Replacements District - Wide.....	3,939,000	205,000	2,016,000	1,197,000	760,000	59,000	1,718,000
2012 Sewer Gate Replacement Program District - Wide.....	1,296,000	0	436,000	404,000	54,000	4,000	834,000
2012 Sewer Rehabilitation Program.....	2,500,000	967,000	873,000	0	810,000	63,000	660,000
2012 Sewer Replacement - Woodland Ave & Peters Road.....	1,310,000	17,000	172,000	179,000	1,000	0	1,113,000
2012 Sewer Infrastructure Design.....	480,000	0	313,000	254,000	55,000	4,000	167,000
2012 Sewer Pump Station Upgrades - Mohawk Drive East.....	654,000	0	73,000	148,000	5,000	0	501,000
2012 WPC Renewal & Replacement.....	3,000,000	0	524,000	1,361,000	22,000	2,000	1,615,000
2012 WPC Equipment & Facilities Refurbishment.....	1,200,000	32,000	431,000	10,000	390,000	31,000	737,000
2013 General Purpose Sewer.....	1,920,000	0	94,000	63,000	29,000	2,000	1,826,000
2013 Pump Station Upgrades - Motts - Wethersfield.....	510,000	0	47,000	40,000	7,000	0	463,000
2013 Rocky Hill Interceptor - Relief Sewer/Capacity Improvements.....	770,000	0	265,000	253,000	11,000	1,000	505,000
2013 Sewer Replacement - Oakwood Ave, West Hartford.....	460,000	0	76,000	158,000	6,000	0	296,000
2013 Various Sewer Pipe Replacement/Rehab - District Wide.....	4,940,000	0	2,002,000	2,081,000	44,000	3,000	2,812,000
2013 Sewer Rehabilitation Program.....	2,500,000	303,000	1,705,000	178,000	1,416,000	111,000	492,000
Total Sewer Projects.....	\$184,668,000	\$61,322,940	\$43,614,000	\$21,179,000	\$24,899,000	\$1,944,000	\$75,323,060

Project	Amount Authorized	Previously Bonded/Grants/Contributions	Notes Due 3/23/15	Series A Notes Due 3/18/16	Bonds This Issue	Premium Applied	Authorized But Unissued
Combined Funding Projects							
2007 Technology Improvements.....	\$3,100,000	\$2,959,000	\$9,000	\$2,000	\$7,000	\$0	\$132,000
2008 Pump Station Alarm Replacements.....	800,000	716,000	76,000	4,000	67,000	5,000	8,000
2008 Facility & Building Improvements.....	1,500,000	1,043,000	77,000	29,000	71,000	6,000	351,000
2009 Facility & Building Improvements - Headquarters Bldg.....	1,000,000	950,000	20,000	0	19,000	1,000	30,000
2009 Long-Term Strategic Initiatives.....	1,000,000	329,000	180,000	52,000	119,000	9,000	491,000
2010 Facility & Equipment Improvements Program.....	444,000	89,000	11,000	117,000	10,000	1,000	227,000
2010 Survey & Inspection Staffing.....	2,000,000	1,745,000	8,000	0	7,000	1,000	247,000
2010 Vehicle and Equipment Replacement Program.....	1,931,000	937,000	369,000	101,000	342,000	27,000	524,000
2010 Headquarters Renovation.....	1,300,000	1,253,000	2,000	0	2,000	0	45,000
2010 Information System Improvements # 1.....	3,600,000	3,372,000	3,000	0	3,000	0	225,000
2010 Information System Improvements # 2.....	2,000,000	1,071,000	573,000	0	531,000	42,000	356,000
2011 Survey & Construction Staffing.....	2,000,000	1,724,000	51,000	0	47,000	4,000	225,000
2011 Facility & Equipment Improvements.....	1,400,000	379,000	213,000	187,000	131,000	10,000	693,000
2011 Geographic Information System (GIS) - Enterprise System.....	450,000	149,000	151,000	0	140,000	11,000	150,000
2011 Pump Station Generators.....	4,800,000	899,000	2,625,000	640,000	1,923,000	150,000	1,188,000
2011 Headquarters Renovations.....	1,500,000	834,000	423,000	0	392,000	31,000	243,000
2011 Information System Improvements.....	700,000	569,000	40,000	5,000	37,000	3,000	86,000
2012 Information Technology Security Improvements.....	5,000,000	280,000	180,000	200,000	167,000	13,000	4,340,000
2012 Construction Services.....	3,500,000	1,951,000	766,000	0	710,000	56,000	783,000
2012 Engineering Services.....	4,100,000	1,340,000	1,166,000	0	1,081,000	85,000	1,594,000
2012 Facility Improvement Program.....	2,500,000	1,024,000	511,000	112,000	474,000	37,000	853,000
2012 Fleet Replacement.....	1,800,000	266,838	886,000	354,000	500,000	39,000	640,162
2012 Headquarters Parking Garage Renovations.....	3,095,000	0	173,000	219,000	1,000	0	2,875,000
2012 Survey & Construction.....	5,000,000	3,200,000	1,478,000	0	1,371,000	107,000	322,000
2012 Technical Services.....	1,500,000	567,000	556,000	0	516,000	40,000	377,000
2012 Information Technology.....	3,000,000	2,663,000	65,000	12,000	60,000	5,000	260,000
2013 Construction Services.....	4,000,000	0	3,256,000	1,202,000	1,905,000	149,000	744,000
2013 Engineering Services.....	2,400,000	0	1,986,000	808,000	1,093,000	85,000	414,000
2013 Facilities Improvement Program.....	2,000,000	0	788,000	84,000	666,000	52,000	1,198,000
2013 Information Technology - Applications.....	5,000,000	0	155,000	12,000	144,000	11,000	4,833,000
2013 Information Technology - Hardware.....	5,000,000	0	2,025,000	2,012,000	927,000	73,000	1,988,000
2013 Information Technology - SAP/Oracle.....	5,000,000	0	2,513,000	1,099,000	1,968,000	154,000	1,779,000
2013 Survey & Construction.....	5,000,000	0	4,091,000	1,627,000	2,285,000	179,000	909,000
2013 Technical Services.....	2,000,000	0	1,433,000	567,000	803,000	63,000	567,000
Total Combined Funding Projects.....	\$89,420,000	\$30,309,838	\$26,859,000	\$9,445,000	\$18,519,000	\$1,449,000	\$29,697,162
Total.....	\$443,021,750	\$135,940,002	\$105,845,000	\$44,959,000	\$66,740,000	\$5,219,000	\$190,163,748
Clean Water Projects							
Project	Amount Authorized	Previously Bonded/Grants/Contributions	Notes Due 3/23/15	Series B Notes Due 11/4/15			Authorized But Unissued
CWP Projects 2006.....	\$800,000,000	\$578,020,658	\$30,000,000	\$30,000,000			\$191,979,342
CWP Projects 2012.....	\$800,000,000	\$50,204,697	\$5,000,000	5,000,000			744,795,303
Total Clean Water Projects.....	\$1,600,000,000	\$628,225,355	\$35,000,000	\$35,000,000			\$936,774,645

¹ The District is issuing \$81,500,000 in General Obligation Bond Anticipation Notes, Series A and \$35,000,000 General Obligation Bond Anticipation Notes, Series B on March 19, 2015.

RATINGS

The District received credit ratings of “Aa1” with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA+” with a stable outlook from Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”) on the Bonds.

The ratings reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained from Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and Standard and Poor’s, 55 Water Street, 45th Floor, New York, New York 10041, respectively. There is no assurance that the ratings will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agencies if in its judgment circumstances so warrant. Any such downward change in or withdrawal of ratings may have an adverse effect on the marketability or market price of the District’s bonds and notes.

TAX MATTERS

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

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

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds. Bond Counsel has not opined on any tax consequence not specifically stated in the opinions set forth in Appendix B.

Original Issue Discount

To the extent the issue price of any maturity on the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Connecticut taxable income. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisor with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Original Issue Premium

The initial public offering price of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set

forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences for the disposition of and receipt of interest on the Bonds.

General

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

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds, or the marketability of the Bonds, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Bonds or the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax and financial advisers regarding such matters.

CONSIDERATIONS FOR BONDHOLDERS

In making an investment decision with respect to the Bonds, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of short-term, fixed-rate municipal debt obligations, consider the following factors.

Current Federal budget proposals would limit the value of the tax exempt nature of interest on the Bonds. The President's budget proposal contemplates limiting the value of tax exempt interest, among other things, to a 28% rate, so taxpayers with a higher marginal rate will not have the equivalent benefit of full tax exemption. Any federal budget that is passed may contain similar or different limitations on the tax exempt nature of the Bonds.

If the District fails to comply with the terms of certain federal and state environmental orders, it could be subject to penalties or restrictions on its operations that would impair its financial performance. If the MDC were unable to comply with the terms of the federal and state orders referred to under "Clean Water Project" on page 24, regulators could take action to force the MDC to comply. This could include monetary penalties, injunctive proceedings, and amendments to these orders. These amendments could impose a requirement to proceed more swiftly in the MDC's efforts, and this may increase the cost of compliance. In addition, regulators could impose additional and more burdensome conditions in the MDC's permits, require redesign of certain aspects of the Project or seek to prevent new connections until compliance was achieved. These steps could increase the costs of compliance and therefore increase the MDC's rates, adversely affect economic development, and otherwise materially adversely affect the MDC and its customers.

A significant portion of the District's Clean Water Project is expected to be funded through federal and state loans and grants. The District currently expects grants and low interest loans from the State Clean Water Fund will fund 45-50% of the costs of the Clean Water Project. If the Clean Water Fund has insufficient resources to fund the Clean Water Project at this level, the District may be required to issue more debt than it expects, or seek other financing, which will put the District's finances under greater pressure. The Clean Water Fund receives significant funding from the Federal government, and a failure of the Federal government to continue necessary support could lead to these consequences.

The District could seek protection from its creditors under the Federal Bankruptcy Act. Under current state law, the District is prohibited from filing for bankruptcy without the consent of the Governor of the State of Connecticut. The operations of the District as a whole could force it to seek such protection, as have other municipal bodies in other states.

II. LEGAL AND OTHER INFORMATION

LITIGATION

The District

The Metropolitan District (the “District”) is the defendant in a number of lawsuits. It is the opinion of the District Counsel that none of the lawsuits will have a material adverse effect on the financial position of the District. In addition, please see the discussion regarding the Connecticut Resources Recovery Authority, now known as the Materials Innovation and Recycling Authority (the “CRRA”) under “District Functions” on page 20 herein.

The Town of Glastonbury has filed a lawsuit challenging the imposition of a non-member town capital infrastructure surcharge. Through this surcharge the MDC recaptures the proportional cost of the infrastructure utilized to provide Glastonbury and other non-member town customers with water. The District believes it possessed the authority to collect the surcharge. In 2014 the General Assembly passed Special Act 14-21 which, among other things, expressly provided for the surcharge but limited any surcharge to the amount of a customer service charge, effective January 1, 2015. In light of the special act, the District moved to dismiss the action as moot, which motion was denied on the grounds that the special act did not have retroactive effect. The District is vigorously defending its position. Discovery is ongoing. The District does not believe the financial impact of this lawsuit will be material. Since January 1, 2015 the District has applied a surcharge consistent with Special Act 14-21 and expects the surcharge to collect \$1.7 million in fiscal 2015, compared to \$2.0 million in fiscal 2014. The District believes the impact of the statutory limitation on the surcharge will not be material.

CLOSING DOCUMENTS

Upon the delivery of the Bonds, the winning purchaser(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the District signed by the Deputy Chief Executive Officer of Business Services/Chief Financial Officer/Treasurer, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said official’s knowledge and belief, that at the time bids on the Bonds were accepted, the descriptions and statements in the Official Statement relating to the District and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the District from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds.
4. The approving opinions of Hinckley, Allen & Snyder LLP, Bond Counsel, of Hartford, Connecticut and Finn Dixon & Herling LLP, Bond Counsel, of Stamford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement for the Bonds substantially in the form of Appendix C attached hereto.

The District has prepared an Official Statement for the Bonds which is dated March 10, 2015. The District deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The District will make available to the winning purchaser(s) of the Bonds 100 copies of the Official Statement at the District’s expense within seven business days of the bid opening. Additional copies may be obtained by the winning purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the District in authorizing the Bonds will be kept on file at the offices of U.S. Bank National Association, Corporate Trust Services, 225 Asylum Street, 23rd Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the District and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Certain information herein has been derived by the District from various officials, departments and other sources and is believed by the District to be reliable, but such information, other than that obtained from official records of the District, has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the District, and executed for and on behalf of the District by the following official:

**THE METROPOLITAN DISTRICT
OF HARTFORD COUNTY, CONNECTICUT**

By: /s/ John M. Zinzarella

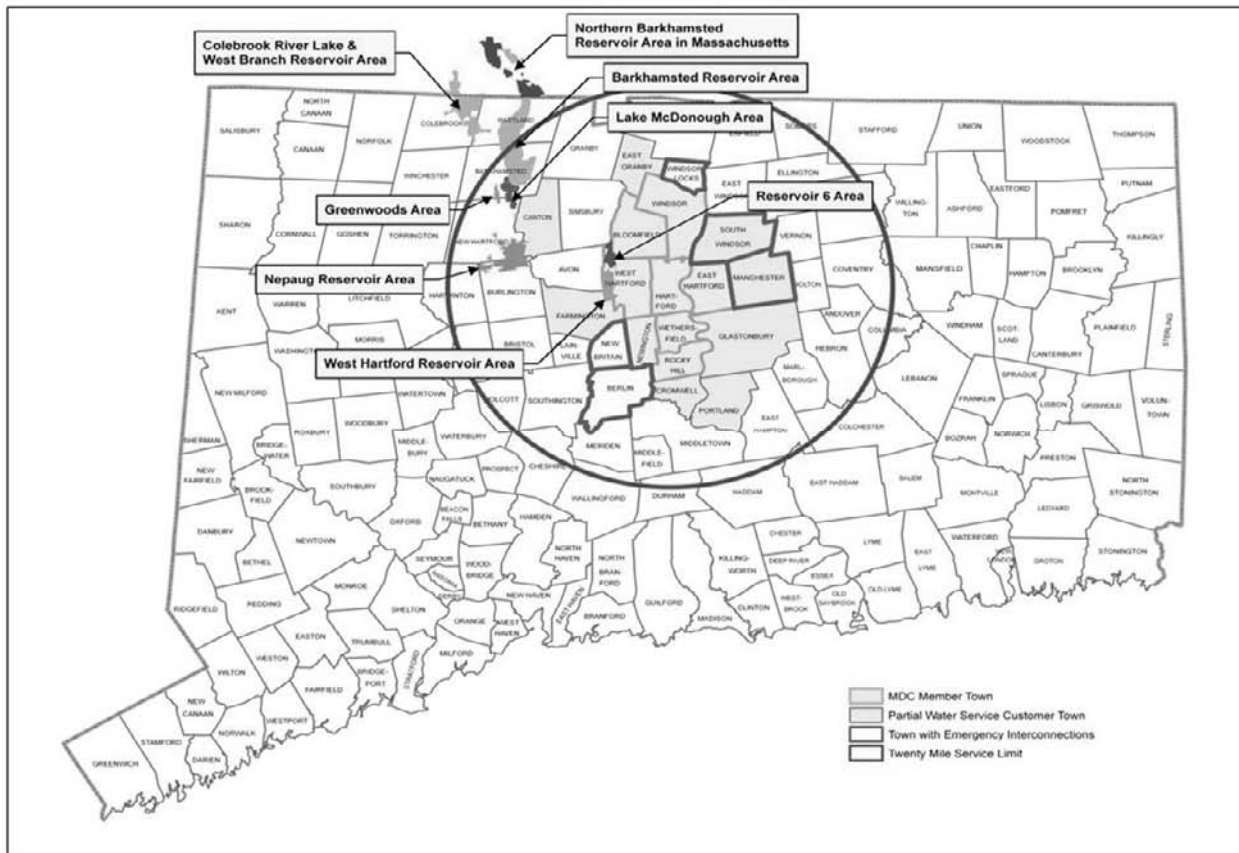
*John M. Zinzarella, Deputy Chief Executive Officer of
Business Services/Chief Financial Officer/Treasurer*

March 10, 2015

PART II
INFORMATION CONCERNING
THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT
March 10, 2015

This Part II contains information through March 10, 2015, concerning the Metropolitan District, Hartford County, Connecticut (the "District") and includes the December 31, 2013 audited financial statements of the District prepared in accordance with generally accepted accounting principles ("GAAP") as Appendix A. This Part II and any appendices attached thereto, should be read collectively and in their entirety.

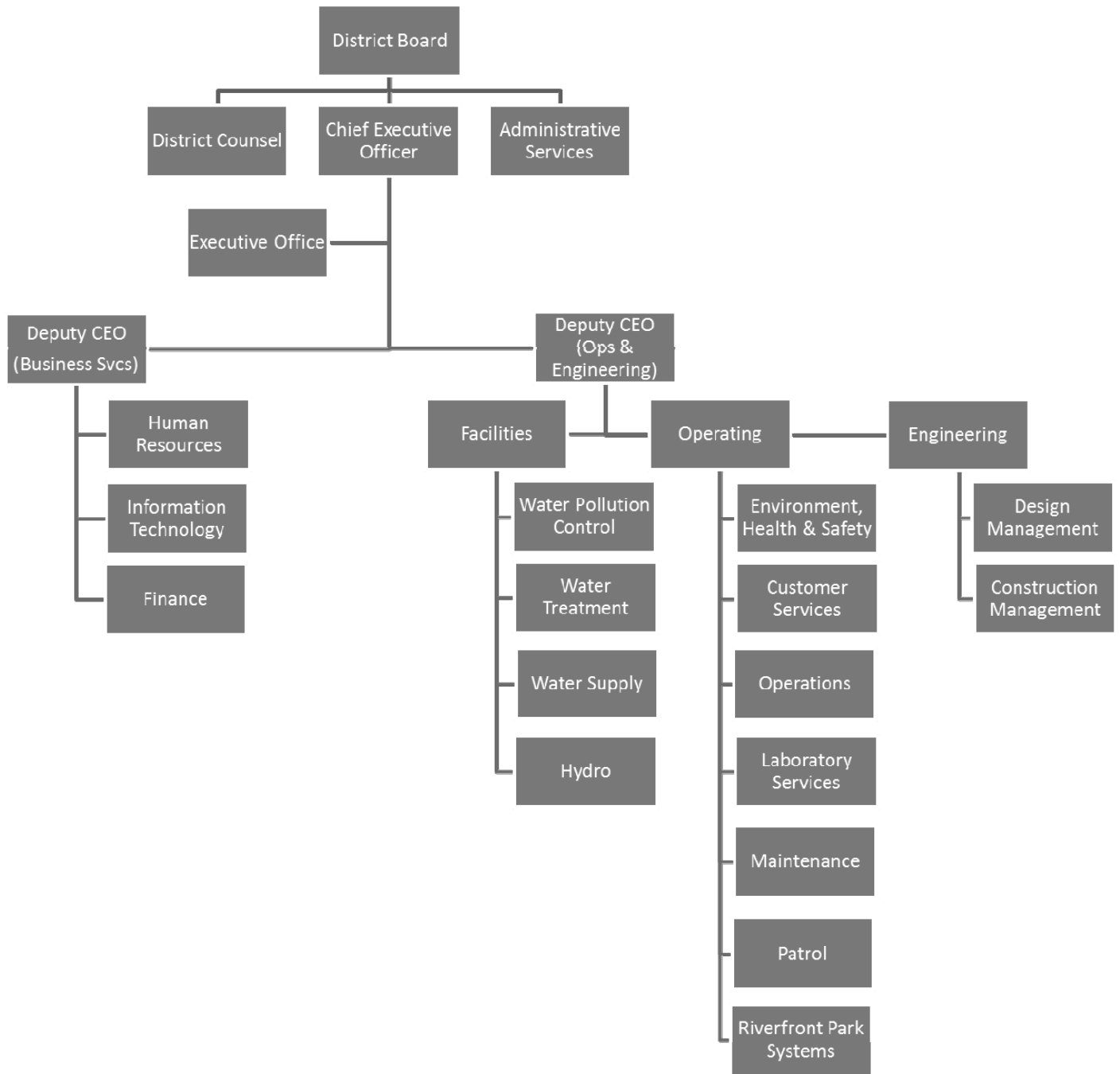
I. THE ISSUER



DESCRIPTION OF THE DISTRICT

The Metropolitan District was created by the Connecticut General Assembly in 1929 and operates as a specially chartered municipal corporation of the State of Connecticut under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended. The District's purpose is to provide, as authorized, a complete, adequate and modern system of water supply, sewage collection and disposal facilities for its member municipalities. Additionally, as a result of a Charter amendment approved by the Connecticut General Assembly in 1979, the District is also empowered to construct, maintain, and operate hydroelectric dams. The member municipalities incorporated in the District are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (the "Member Municipalities"). The District also provides sewage disposal facilities and supplies water, under special agreements, to all or portions of non-member towns as well as various state facilities. The towns currently include Berlin, East Granby, Farmington, Glastonbury, Manchester, New Britain, Portland, South Windsor, Unionville and Windsor Locks.

ORGANIZATIONAL CHART



THE DISTRICT BOARD

A 33-member Board of Commissioners, referred to as the District Board, governs the District. The Member Municipalities appoint seventeen of the commissioners, eight are appointed by the Governor, and four are appointed by the leadership of the Connecticut State Legislature. Appointments made by municipalities having three or more members are subject to the minority representation provisions of Section 9-167a of the Connecticut General Statutes. All commissioners serve without remuneration for terms of six years and those commissioners appointed by the member municipalities and legislative leadership serve until their successor is appointed and qualified and commissioners appointed by the Governor serve for the defined term.

DISTRIBUTION OF COMMISSION MEMBERSHIP

	Commissioners	Appointed By:			
		Member Municipality	Non-Member Municipality	Governor	Connecticut State Legislature
Bloomfield.....	1	1	0	0	0
East Hartford.....	4	3	0	1	0
Hartford.....	9	6	0	3	0
Newington.....	2	1	0	1	0
Rocky Hill.....	1	1	0	0	0
West Hartford.....	4	3	0	1	0
Wethersfield.....	2	1	0	1	0
Windsor.....	2	1	0	1	0
District at Large.....	4	0	0	0	4
Farmington.....	1	0	1	0	0
Glastonbury.....	1	0	1	0	0
South Windsor.....	1	0	1	0	0
East Granby.....	1	0	1	0	0
Total.....	33	17	4	8	4

In Special Act 14-21, the General Assembly amended the Charter of the District, effective October 1, 2014, to add four nonvoting, ex officio members of the District Board, one each from the Towns of Glastonbury, South Windsor, East Granby and Farmington.

POWERS AND RESPONSIBILITIES OF THE DISTRICT BOARD

The District Board is authorized to establish ordinances or bylaws; organize committees and bureaus; define the powers and duties of such bodies; fix salaries and define the duties of all officers and employees; appoint deputies to any officers or agents of the District; and issue negotiable bonds, notes or other certificates of debt to meet the cost of public improvements or to raise funds in anticipation of taxes or water revenue, which debt shall be an obligation of the District and its inhabitants. The District Board has the power to levy a tax upon the Member Municipalities to finance the operational and capital budget of the General Fund.

The District Board refers a proposed budget of revenues and expenditures to the Board of Finance annually. The Board of Finance reviews the proposed budget, makes adjustments, if desired, and refers it back to the District Board for final enactment.

Capital project appropriations to be financed by the issuance of bonds, notes and other obligations of the District are subject to approval of the District Board upon recommendation of the Board of Finance.

ADMINISTRATION

Responsibility for the overall administration and management of District policy, operations and services rests with the Chief Executive Officer. In 2011, the District reorganized its internal structure to meet the ongoing demands of the District’s Clean Water Project, the District’s Asset Management Program and normal operations into two functions under the Deputy CEO of Engineering and Operations, and the Deputy CEO of Business Services. The

Deputy CEO of Engineering and Operations is responsible for design and construction of the District’s Clean Water Project, Asset Management and capital planning programs, engineering, maintenance operations, water pollution control, water treatment and supply, environment, health and safety functions, and the customer service functions of the District. The Deputy CEO of Business Services has responsibility for the District’s accounting, treasury, budget, purchasing, human resources, information technology, and risk management functions.

DISTRICT CHAIRS AND DISTRICT OFFICIALS

Function	Chair	Date Term Ends
District Board.....	William A. DiBella	2016
Water Bureau.....	Timothy Curtis	2016
Bureau of Public Works.....	Richard V. Vicino	2015
Personnel, Pension & Insurance.....	Alvin E. Taylor	2015
Board of Finance.....	Pasquale J. Salemi	2016

Position	District Officials
Chief Executive Officer.....	Scott W. Jellison
District Clerk.....	John S. Mirtle
District Counsel.....	R. Bartley Halloran
Deputy CEO of Engineering & Operations..	Open
Deputy CEO of Business Services.....	John M. Zinzarella
Director of Human Resources.....	Erin M. Ryan
Director of Engineering.....	Susan Negrelli
Director of Operations.....	Gerald J. Lukowski

Source: District Officials.

DISTRICT EMPLOYEES

The following table illustrates the full-time District employees for the last five fiscal years:

Fiscal Year	2015¹	2014	2013	2012	2011
Total Employees.....	527	524	521	540	616

¹ As of January 1, 2015.

DISTRICT EMPLOYEES BARGAINING UNITS

Bargaining Groups	Positions Covered	Contract Expiration Date
Clerks, Technicians and Non-Supervisory Engineers - Local 3713.....	116	December 31, 2014 ¹
Supervisors - Local 1026.....	57	December 31, 2014 ¹
Operational - Local 184.....	251	December 31, 2014 ¹
Total Union Employees.....	424	

¹ In Negotiation.

Source: District Officials.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of an affected municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer.

DISTRICT FUNCTIONS

Principal functions of the District are the development and maintenance of sewer and water systems within the boundaries of its Member Municipalities. Additionally, as a result of Charter amendments approved by the Connecticut General Assembly, the District is also empowered to construct, maintain and operate hydroelectric dams.

The District's Bureau of Public Works is responsible for the sanitary sewer system, which includes collection, transmission and treatment of sewage from within boundaries of the Member Municipalities and treatment of sewage received from non-member municipalities per special agreement. The Bureau of Public Works is empowered to authorize the layout and construction of additions and improvements to the sewer system, assess the betterments to property abutting the sanitary sewer line, defer assessments as authorized by ordinance and act on such other matters that by MDC Charter, Ordinances or By-Laws, must first be voted upon by the Bureau and then referred to the District Board for final authorization. Public hearings are held as needed. The Bureau of Public Works acts as a court for the assessment of betterments and appraisal of damages. Any party claiming to be aggrieved may take an appeal to the Superior Court of the Judicial District of Hartford.

The District's Water Bureau is responsible for the water system that includes storage, transmission, treatment and distribution of water to customers. In addition, the Water Bureau is responsible for acquisition, construction and operation of hydroelectric plants. This bureau is empowered to make such bylaws or regulations for the preservation, protection and management of the water operations as may be deemed advisable. These include the power to establish rates for the use of water, and adopt rates for the assessment of benefits upon lands and buildings resulting from installation of water mains and service pipes.

Several other committees are created by MDC Charter or established by the District Board to carry out various other functions.

Additionally, the General Assembly of the State of Connecticut passed special legislation enabling the District to maintain a series of parks (developed by Riverfront Recapture) along the Connecticut River. The cost of maintaining Riverfront Recapture's parks is incorporated into the District's water budget and recovered through water rates.

The District also engages in surveying and mapping as a service to its Member Municipalities and its own operations.

CRRA

The Connecticut Resources Recovery Authority (the "CRRA") and the District entered into a contract dated December 31, 1984, which defined the responsibilities of both parties with respect to the Mid-Connecticut Resource Recovery Facility. The agreement detailed contractual obligations of the District with respect to the operation of the waste-processing facility, the transfer stations, the Hartford landfill and the transportation systems between the transfer stations, the Hartford landfill and the waste processing facilities, as well as the contractual obligations of the CRRA to reimburse the MDC for direct and indirect costs incurred and indemnify the District for the services performed.

The term of the initial contract was for twenty seven (27) years and the CRRA had the option to extend the contract for an additional twenty (20) years under the same terms and conditions. The contract terminated on December 31, 2011. The Metropolitan District Commission has been displaced from the Mid-Connecticut Project and the CRRA has contracted with a private contractor.

As of December 30, 2011, there were 82 District employees directly assigned to manage, repair, maintain and/or operate the facilities and processes under the Mid-Connecticut Project. Through agreements with two of its three affiliated bargaining units, the District agreed to relocate vested employees (those over ten years of continuous service) into capital improvement projects. Between the two bargaining units, there were 37 employees with ten years or more of continuous service. Of the 37 employees, three chose to retire with the remainder still actively employed.

As of December 30, 2011, there were 28 employees assigned to the Mid-Connecticut Project with less than ten years of service. These employees were either re-assigned to existing operational budgeted positions or were placed on lay-off status.

The District and CRRA have given the requisite notices to enter binding arbitration to resolve liability for a dispute related to costs concerning the termination of the CRRA contract and other disputed issues. Arbitration proceedings commenced on March 31, 2014 and are continuing. The District does not expect a decision on liability before the third quarter of 2015, but no assurances can be given as to the timing or result of any such decision.

II. WATER POLLUTION CONTROL

FACILITIES FOR SEWER SERVICE As of December 31

<u>Facilities for Sewer Service</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total General Fixed Assets ¹	\$1,047,263,219	\$890,623,899	\$748,542,631	\$630,175,664	\$517,323,447
Miles of Sewers:					
Sanitary.....	1,081	1,078	1,076	1,076	1,075
Combined.....	160	160	160	160	160
Storm.....	76	73	72	72	72
Estimated Sewer Connections.....	114,911	114,736	114,352	114,299	113,711
Estimated Sewer					
Population Units:					
Estimated Population.....	366,035	364,975	366,045	370,329	368,200
Estimated Family Units Sewered.....	149,218	148,710	149,146	150,891	150,024
Present Sewage Plant Capacity:					
Design Population.....	513,900	513,900	513,900	513,900	513,900
Design Flow (million gallons daily).....	105	105	105	105	105
Average Daily Flow (million gallons)....	66	70	60	64	73

¹ Includes all physical facilities and capital projects.

Source: District Officials.

Treatment: Water pollution control operations include the primary and secondary treatment of wastewater that flows into the facilities, septic tank loads received at the Hartford facility, and sludge delivered from regional towns. All treatment processes are in compliance with the District’s National Pollution Discharge Elimination permits issued by the State’s Department of Energy and Environmental Protection (“DEEP”).

Regulatory Compliance: The District entered into a consent order and a consent decree with the State Department of Environmental Protection, the U.S. Department of Justice, and the U.S. Environmental Protection Agency to address sanitary sewer overflow, nitrogen reduction, and combined sewer overflow issues. On November 7, 2006, the voters of the District approved an \$800,000,000 referendum, “Clean Water Project”, to implement components of the previously mentioned consent order and decree. On November 6, 2012 the voters of the District approved a second \$800,000,000 referendum for the “Clean Water Project”.

Maintenance/Replacement: The District’s maintenance of its sewer system is part of the annual sewer operational budget. The District’s replacement program is funded through appropriations under the District’s Capital Improvement Budget.

Revenue: Effective January 1, 1982, the District formally adopted the Adjusted Ad Valorem sewer user charge method of funding its sewer operations. This method of funding allocates the estimated cost of providing sewer services to customers based on actual use of the sewer system. More specifically, the Adjusted Ad Valorem sewer user charge method recovers sewer system costs from three separate user classifications: (1) low flow users (less than 25,000 gallons of discharge per day); (2) high flow users (more than 25,000 gallons per day); and (3) non-municipal tax-exempt users.

Revenue from low flow users is derived from the tax levied on the MDC’s member municipalities and is shown under the revenue item “Tax on Member Municipalities”.

Revenue from high flow users is based on actual sewer flow discharges from those users. A surcharge is levied on high flow users whose share of costs, based on flow, exceeds the portion of their annual property tax payments rendered in support of the District’s sewer system. Conversely, high flow users are eligible for year-end rebates if their user charge, based on flow, is less than the portion of the property tax they pay in support of sewer services.

Revenue from non-municipal tax-exempt properties is based on sewer flows from those properties. In addition, sewer user charge revenues from non-member municipalities, per written agreement, are based on actual sewer flows.

Cost Recovery: The District’s ability to recover costs associated with the operations of the sewer system is defined in its Charter and Ordinances. Authority to levy a tax on the member municipalities and to bill a Sewer User Charge is defined in Chapters 3 and 10, respectively, of the District Charter. Specific ordinances relating to the District’s Adjusted Ad Valorem Sewer User Charge are found in Section 12 of the District’s General Sewer Ordinances.

**SEWER USER CHARGE
As of January 1
(Per Hundred Cubic Feet)**

2015	2014	2013	2012	2011
\$2.75	\$2.62	\$2.52	\$2.43	\$2.35

Source: District Officials.

Section 12 of the District’s Sewer Ordinances was amended on October 1, 2007 by the District Board to allow the implementation of a special sewer service surcharge to fund the debt issued for the Clean Water Project. The District currently has outstanding general debt commitments that can be paid by the District from this Special Sewer Service Surcharge. The District’s \$85 million Clean Water Project Revenue Bonds issued on June 19, 2013 are being repaid from a portion of the special sewer service surcharge and the \$140 million Clean Water Project Revenue Bonds the District issued on November 14, 2014 will also be repaid from a portion of the special sewer service surcharge. These Bonds are not a general obligation of the District.

**SPECIAL SEWER SERVICE SURCHARGE
As of January 1
(Per Hundred Cubic Feet)**

2015	2014	2013	2012	2011
\$2.90	\$2.90	\$2.40	\$1.90	\$1.40

Source: District Officials.

CLEAN WATER PROJECT*

The Clean Water Project will address approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The Project is in response to an EPA SSO federal consent decree and a Connecticut DEP CSO consent order to achieve the Federal Clean Water Act goals. The District’s goal is to fund 15-20% of the entire project with State and Federal grants; an additional 30% with State and Federal low-cost loans, and the remainder with open market debt. Project financing is expected to be repaid with a Special Sewer Service Surcharge to customers’ water bills. The Special Sewer Service Surcharge is expected to increase annually up to a maximum, currently estimated at less than \$5.00 per hundred cubic feet of usage by Fiscal Year 2021, and then decline.

Cost Estimates

The total cost of the Clean Water Project was originally estimated to be approximately \$2.1 billion and assumed to be completed in 2021, based on assumptions about, among other things, the design as originally conceived and the pace of design and construction and regulatory review and approval. Appropriations for the costs of the Clean Water Project must be approved by referendum vote of the voters of the Member Municipalities. An \$800 million appropriation for Phase I was approved at referendum on November 7, 2006. An appropriation for an additional \$800 million for Phase II of the Clean Water Project was approved at referendum on November 6, 2012. Phase III will require submission of a further appropriation for approval by voters, currently expected to be in 2016. The District had made no determination as to when the additional referendum will be held. The District expects the Phase I and Phase II will be completed within authorized appropriations, and to be placed in service without regard to the outcome of any additional referendum.

*Note: The Clean Water Project, so called, should not be confused with references herein to the “Clean Water Fund”, a program of the State of Connecticut to provide loans and grants to municipal entities for funding sewerage projects generally.

As the Project has progressed, the District has revised the original design conception. The Long Term Control Plan, which sets out the Project, was resubmitted in 2012 and revised further in 2014. It incorporates longer underground storage tunnels with greater capacity, and less sewer separation work, than the original conception, and sets forth a completion of Phase II in 2024 and Phase III in 2026. The District expects the revised plan to be approved in the near future. The delays occasioned by the redesign and permitting process, in particular with respect to the South Tunnel, now lead the District to expect an increase in projected costs of Clean Water Project as a whole, but the District has not re-estimated the overall cost. As actual design and construction of the Clean Water Project have progressed, the District has been able to refine certain design elements to achieve costs savings, has altered some aspects of the original design, and continues to examine the Clean Water Project for efficiencies that can be achieved through value engineering. In addition, some elements of construction have been completed at lower than estimated costs. The District cannot give any assurances as to when the Clean Water Project will be completed or its total cost.

The District issued \$85.0 million in Clean Water Project Revenue Bonds on June 19, 2013 and issued \$140.0 million in Clean Water Project Revenue Bonds on November 14, 2014. The revenue bonds are being repaid from a portion of the Special Sewer Service Surcharge and are not a general obligation of the District.

III. WATER OPERATIONS

Shortly after the District was created in 1929, approval was obtained from the Connecticut General Assembly and the member municipalities' electorates to construct the Barkhamsted Reservoir located on the east branch of the Farmington River in the towns of Barkhamsted and Hartland. The Barkhamsted Reservoir is the largest single water supply reservoir in Connecticut and has a capacity of 30.3 billion gallons of water.

The District has sought and received legislative and voter approval for various water programs, all with the basic objective of providing a water supply and water distribution system sufficient in size to meet current and anticipated future needs. The District's average level of water production for 2013 was 48.59 million gallons per day.

FACILITIES FOR WATER SERVICE

As of December 31

	2013	2012	2011	2010	2009
Total Utility Plant.....	\$410,724,351	\$381,880,429	\$361,492,308	\$348,225,483	\$310,114,400
Net Addition to Plant.....	28,843,924	20,388,121	13,266,825	38,111,083	22,645,836
Miles of Water Mains.....	1,543	1,541	1,540	1,542	1,539
Gross Miles Added During Year.....	2	1	(2)	3	3
Number of Hydrants.....	11,238	11,178	11,146	11,223	11,291
Number of Services.....	102,669	102,449	102,324	102,034	101,678
Number of Meters.....	103,340	103,125	102,895	102,807	100,378
Estimated Population Served.....	445,036	405,449	405,610	411,228	401,512

Source: District Officials.

NUMBER OF WATER CUSTOMERS

As of December 31

	2014	2013	2012	2011	2010	2009
Domestic.....	94,323	94,011	93,986	93,886	93,063	94,174
Commercial.....	5,135	4,977	4,999	4,986	5,896	5,799
Industrial.....	522	519	523	525	589	595
Public & Other...	1,732	1,585	1,556	1,543	1,726	1,731
Total.....	101,712	101,092	101,064	100,940	101,274	102,299

Source: District Officials.

AVERAGE DAILY CONSUMPTION

As of December 31

(Million Gallons Per Day)

	2014	2013	2012	2011	2010	2009
Domestic.....	28.04	26.74	27.83	27.63	29.57	28.27
Commercial.....	9.01	8.70	9.40	9.31	9.33	8.67
Industrial.....	1.21	1.23	1.38	1.43	1.48	1.51
Municipal & Other.....	3.76	3.58	3.66	3.58	3.80	3.65
Total Million Gallons Per Day¹.....	42.02	40.25	42.27	41.95	44.18	42.10
Maximum Day.....	69.59	71.84	74.68	87.06	88.65	70.87
Minimum Day.....	38.46	35.85	35.19	34.64	40.10	41.97

¹ Represents net consumption billed.

Source: District Officials.

WATER UTILITY UNIT CHARGE
As of January 1
(Per Hundred Cubic Feet)

2015	2014	2013	2012	2011
\$2.53	\$2.53	\$2.50	\$2.43	\$2.35

Source: District Officials.

Treatment: Standards for the quality of drinking water supplied to District customers are maintained in conformity with the public health code of the Connecticut Department of Public Health and as promulgated under Federal water quality standards, under the Safe Drinking Water Act.

The District is in compliance with the Safe Drinking Water Act, also known as Public Health Code Regulation 19-13-B102, “Standards for Quality of Public Drinking Water”, and all subsequent amendments. The District has consistently pursued a policy to provide its consumers a safe, potable water supply.

Maintenance/Replacement: The District’s maintenance of its water system is part of the annual water operational budget. Its replacement program is funded through appropriations under the District’s Capital Improvement Budget.

Revenue: The Public Utilities Regulatory Authority does not have jurisdiction to establish rates for the use of water. Setting of rates for the use of water is vested in the Water Bureau, and as required by Charter, rates must be uniform throughout the District.

Billing Cycles: The District currently has approximately 101,712 quarterly and monthly customers; approximately 99,295 of these accounts are billed quarterly, and the remaining 2,417 accounts are billed monthly.

Cost Recovery: The District’s ability to recover costs associated with the operation of the water system is defined in its Charter and Ordinances. Authority to establish rates is defined in Chapter 5 of the Charter. Specific ordinances relating to the above are found in Section W-I of the District’s Water Supply Ordinances.

IV. HYDROELECTRIC DEVELOPMENT PROGRAM

The District's current hydroelectric program consisting of generating facilities at the Goodwin Dam in Hartland, Connecticut and at the Colebrook River Dam in Colebrook, Connecticut, was approved by the District Board on July 20, 1982. The Goodwin station began producing power on February 5, 1986, with commercial operations commencing on April 2, 1986. The Colebrook power station began producing power in May 1988, with full commercial operation commencing later that summer.

The District has agreements with the Connecticut Light & Power Company ("CL&P") for the purchase of electricity generated by the Colebrook and Goodwin generating facilities.

Deregulation: The Connecticut State Legislature mandated that CL&P divest its generating facilities and renegotiate all of its private power producer contracts. The District and CL&P negotiated a buydown agreement, effective March 1, 2001, for the original electrical power production contracts for the Colebrook and Goodwin generating facilities. The Metropolitan District received \$13,000,000 from the original buydown agreement.

The negotiated buydown agreement requires CL&P to purchase electricity from the District's Colebrook and Goodwin power generating facilities over the remaining life of the original contract. The Goodwin contract expires February 5, 2016, and the Colebrook contract expires March 31, 2017.

Revenues from power sales and from the buydown agreement are estimated by the District to be adequate to finance budget commitments applicable to the hydroelectric program.

Operations and Maintenance: The maintenance of the District's hydroelectric facilities is part of the annual hydroelectric budget. Appropriations for operating and maintenance expenses are established annually as part of the overall budget process, and these expenses are funded primarily from power sales and proceeds from the CL&P and District buydown agreement.

V. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Town of Bloomfield				Town of East Hartford			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2013	20,562	0.4	785	2013	51,241	(0.0)	2,728
2010	20,486	4.6	783	2010	51,252	3.4	2,729
2000	19,587	0.5	748	2000	49,575	(1.7)	2,640
1990	19,483	4.7	744	1990	50,452	(4.0)	2,686
1980	18,608	1.7	711	1980	52,563	(8.7)	2,799
1970	18,301	34.4	699	1970	57,583	30.9	3,066

City of Hartford				Town of Newington			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2013	125,130	0.3	6,963	2013	30,606	0.1	2,322
2010	124,775	0.2	6,944	2010	30,562	4.3	2,319
2000	124,578	(10.8)	6,933	2000	29,306	0.3	2,224
1990	139,739	2.5	7,776	1990	29,208	1.3	2,216
1980	136,392	(13.7)	7,590	1980	28,841	10.8	2,188
1970	158,017	(2.6)	8,793	1970	26,037	47.4	1,975

Town of Rocky Hill				Town of West Hartford			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2013	19,743	0.2	1,431	2013	63,340	0.1	2,833
2010	19,709	9.7	1,428	2010	63,268	(0.5)	2,830
2000	17,966	8.5	1,302	2000	63,589	5.8	2,844
1990	16,554	13.7	1,200	1990	60,110	(1.9)	2,688
1980	14,559	31.1	1,055	1980	61,301	(9.9)	2,742
1970	11,103	50.0	805	1970	68,031	9.1	3,043

Town of Wethersfield				Town of Windsor			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2013	26,590	(0.3)	2,028	2013	29,100	0.2	983
2010	26,668	1.5	2,034	2010	29,044	2.9	981
2000	26,271	2.4	2,004	2000	28,237	1.5	954
1990	25,651	(1.4)	1,957	1990	27,817	10.4	940
1980	26,013	(2.4)	1,984	1980	25,204	12.0	851
1970	26,662	29.7	2,034	1970	22,502	15.6	760

¹ 1970-2010 – U.S. Department of Commerce, Bureau of Census; U.S. Census Bureau, 2009-2013 American Community Survey FY 2013.
² Per square mile: Bloomfield: 26.2 square miles; East Hartford: 18.8 square miles; Hartford: 18.0 square miles; Newington: 13.2 square miles; Rocky Hill: 13.8 square miles; West Hartford: 22.4 square miles; Wethersfield: 13.1 square miles; Windsor: 29.6 square miles.

AGE DISTRIBUTION OF THE POPULATION

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	780	3.8%	2,830	5.5%	8,487	6.8%
5 - 19.....	2,773	13.5%	9,767	19.1%	30,629	24.5%
20 - 44.....	5,712	27.8%	17,402	34.0%	47,258	37.8%
45 - 64.....	6,481	31.5%	14,500	28.3%	26,629	21.3%
65 - 84.....	3,736	18.2%	5,778	11.3%	10,482	8.4%
85 and over.....	1,080	5.3%	964	1.9%	1,645	1.3%
Totals.....	20,562	100.0%	51,241	100.0%	125,130	100.0%
Median Age (years)	48.2		39.0		30.1	

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,499	4.9%	1,144	5.8%	3,307	5.2%
5 - 19.....	4,729	15.5%	3,179	16.1%	12,559	19.8%
20 - 44.....	9,743	31.8%	6,186	31.3%	18,708	29.5%
45 - 64.....	8,997	29.4%	6,188	31.3%	17,767	28.1%
65 - 84.....	4,731	15.5%	2,274	11.5%	8,218	13.0%
85 and over.....	907	3.0%	772	3.9%	2,781	4.4%
Totals.....	30,606	100.0%	19,743	100.0%	63,340	100.0%
Median Age (years)		43.8		43.4		41.6

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,496	5.6%	1,709	5.9%	197,395	5.5%
5 - 19.....	4,534	17.1%	5,368	18.4%	712,697	19.9%
20 - 44.....	7,520	28.3%	8,491	29.2%	1,127,712	31.5%
45 - 64.....	7,526	28.3%	9,040	31.1%	1,025,473	28.6%
65 - 84.....	4,493	16.9%	3,601	12.4%	433,682	12.1%
85 and over.....	1,021	3.8%	891	3.1%	86,602	2.4%
Totals.....	26,590	100.0%	29,100	100.0%	3,583,561	100.0%
Median Age (years)		44.4		42.6		40.2

Source: U.S. Census Bureau, 2009-2013 American Community Survey.

INCOME DISTRIBUTION

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	165	3.2%	781	6.0%	3,875	14.5%
10,000 - 14,999.....	48	0.9%	415	3.2%	2,373	8.9%
15,000 - 24,999.....	183	3.6%	991	7.7%	4,220	15.8%
25,000 - 34,999.....	226	4.4%	1,372	10.6%	3,322	12.4%
35,000 - 49,999.....	464	9.0%	1,592	12.3%	4,016	15.0%
50,000 - 74,999.....	1,109	21.6%	2,752	21.3%	4,248	15.9%
75,000 - 99,999.....	821	16.0%	2,430	18.8%	2,240	8.4%
100,000 - 149,999.....	1,102	21.4%	1,880	14.5%	1,705	6.4%
150,000 - 199,999.....	532	10.3%	437	3.4%	368	1.4%
200,000 and over.....	492	9.6%	296	2.3%	407	1.5%
Totals.....	5,142	100.0%	12,946	100.0%	26,774	100.0%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	104	1.3%	12	0.2%	441	2.7%
10,000 - 14,999.....	51	0.6%	60	1.2%	278	1.7%
15,000 - 24,999.....	169	2.1%	201	4.2%	487	3.0%
25,000 - 34,999.....	436	5.3%	236	4.9%	761	4.6%
35,000 - 49,999.....	985	12.0%	324	6.7%	1,142	7.0%
50,000 - 74,999.....	1,266	15.5%	703	14.5%	2,576	15.7%
75,000 - 99,999.....	1,710	20.9%	819	16.9%	2,145	13.1%
100,000 - 149,999.....	2,241	27.4%	1,169	24.1%	3,243	19.8%
150,000 - 199,999.....	845	10.3%	694	14.3%	2,114	12.9%
200,000 and over.....	382	4.7%	625	12.9%	3,223	19.6%
Totals.....	8,189	100.0%	4,843	100.0%	16,410	100.0%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	64	0.9%	144	1.9%	29,895	3.3%
10,000 - 14,999.....	98	1.4%	34	0.4%	19,176	2.1%
15,000 - 24,999.....	230	3.2%	249	3.2%	47,319	5.2%
25,000 - 34,999.....	309	4.4%	279	3.6%	56,997	6.3%
35,000 - 49,999.....	533	7.5%	730	9.4%	86,025	9.5%
50,000 - 74,999.....	1,218	17.2%	1,271	16.4%	143,989	15.9%
75,000 - 99,999.....	1,052	14.8%	1,473	19.0%	131,874	14.6%
100,000 - 149,999.....	1,772	25.0%	2,037	26.2%	187,718	20.8%
150,000 - 199,999.....	879	12.4%	1,027	13.2%	90,602	10.0%
200,000 and over.....	942	13.3%	521	6.7%	109,982	12.2%
Totals.....	7,097	100.0%	7,765	100.0%	903,577	100.0%

Source: U.S. Census Bureau, 2009-2013 American Community Survey.

INCOME LEVELS

	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
Per Capita Income, 2013.....	\$41,702	\$25,578	\$16,619	\$36,462	\$42,229
Per Capita Income, 2010.....	\$39,738	\$24,373	\$16,798	\$32,561	\$36,021
Per Capita Income, 1999.....	\$28,843	\$21,763	\$13,428	\$26,881	\$29,701
Per Capita Income, 1989.....	\$22,478	\$16,575	\$11,081	\$19,668	\$21,918
Median Family Income, 2013.....	\$83,333	\$60,440	\$33,756	\$90,979	\$101,446
Median Family Income, 2010.....	\$84,583	\$57,848	\$32,820	\$80,597	\$88,750
Median Family Income, 1999.....	\$64,892	\$50,540	\$27,051	\$67,085	\$72,726
Median Family Income, 1989.....	\$56,541	\$36,584	\$24,774	\$50,916	\$56,396
Percent Below Poverty Level 2013.....	5.0%	11.1%	30.7%	2.1%	3.7%

	Town of West Hartford	Town of Wethersfield	Town of Windsor	State of Connecticut
Per Capita Income, 2013.....	\$47,485	\$39,587	\$35,857	\$37,892
Per Capita Income, 2010.....	\$43,534	\$37,329	\$35,780	\$36,775
Per Capita Income, 1999.....	\$33,468	\$28,930	\$27,633	\$28,766
Per Capita Income, 1989.....	\$26,943	\$22,246	\$19,592	\$20,189
Median Family Income, 2013.....	\$106,634	\$100,722	\$93,688	\$87,245
Median Family Income, 2010.....	\$102,547	\$91,563	\$90,865	\$84,170
Median Family Income, 1999.....	\$77,865	\$68,154	\$73,064	\$65,521
Median Family Income, 1989.....	\$60,518	\$53,111	\$55,400	\$49,199
Percent Below Poverty Level 2013.....	4.9%	3.6%	3.4%	7.3%

Source: U.S. Department of Commerce, Bureau of Census, 2010, 2000, and 1990; Census Bureau, 2009-2013 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	550	3.5%	2,362	6.6%	10,610	14.4%
9th to 12th grade.....	774	5.0%	3,496	9.8%	11,761	16.0%
High School graduate.....	4,318	27.6%	12,287	34.5%	21,915	29.8%
Some college, no degree.....	3,051	19.5%	7,852	22.0%	13,921	19.0%
Associate's degree	1,093	7.0%	2,916	8.2%	4,051	5.5%
Bachelor's degree.....	3,315	21.2%	4,409	12.4%	6,451	8.8%
Graduate or professional degree...	2,520	16.1%	2,296	6.4%	4,734	6.4%
Totals.....	15,621	100.0%	35,618	100.0%	73,443	100.0%
Total high school graduate or higher (%).....		91.5%		83.6%		69.5%
Total bachelor's degree or higher (%).....		37.4%		18.8%		15.2%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	882	3.9%	341	2.4%	1,290	2.9%
9th to 12th grade.....	1,127	5.0%	647	4.5%	1,414	3.2%
High School graduate.....	6,240	27.6%	3,771	26.2%	7,746	17.5%
Some college, no degree.....	4,361	19.3%	2,251	15.6%	5,394	12.2%
Associate's degree	2,270	10.0%	1,030	7.1%	2,440	5.5%
Bachelor's degree.....	4,764	21.1%	3,933	27.3%	11,782	26.6%
Graduate or professional degree...	2,971	13.1%	2,443	16.9%	14,289	32.2%
Totals.....	22,615	100.0%	14,416	100.0%	44,355	100.0%
Total high school graduate or higher (%).....		91.1%		93.1%		93.9%
Total bachelor's degree or higher (%).....		34.2%		44.2%		58.8%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	936	4.9%	620	3.1%	109,133	4.5%
9th to 12th grade.....	948	4.9%	985	4.9%	155,272	6.4%
High School graduate.....	4,721	24.6%	5,342	26.4%	678,370	27.8%
Some college, no degree.....	3,274	17.0%	3,830	19.0%	431,469	17.7%
Associate's degree	1,361	7.1%	2,157	10.7%	178,597	7.3%
Bachelor's degree.....	4,608	24.0%	3,961	19.6%	498,124	20.4%
Graduate or professional degree...	3,366	17.5%	3,315	16.4%	392,796	16.1%
Totals.....	19,214	100.0%	20,210	100.0%	2,443,761	100.0%
Total high school graduate or higher (%).....		90.2%		92.1%		89.2%
Total bachelor's degree or higher (%).....		41.5%		36.0%		36.5%

Source: U.S. Census Bureau, 2009-2013 American Community Survey.

MAJOR EMPLOYERS WITHIN THE DISTRICT

Employer	Product	Location	Estimated Number of Employees
United Technologies	Manufacturer	Hartford	26,400
The Hartford Financial Group	Insurance	Hartford	12,600
Pratt and Whitney Aircraft	Manufacturer	East Hartford	9,000
Aetna Inc.	Insurance	Hartford	7,366
St. Paul Travelers Co.	Insurance	Hartford	6,200
Hartford Hospital	Hospital	Hartford	5,100
Northeast Utilities	Utility	Hartford	4,148
Saint Francis Hospital	Hospital	Hartford	3,466
CIGNA Corp.	Insurance	Bloomfield	3,460
United Health Care	Insurance	Hartford	2,300
Hartford Life	Insurance	Windsor	2,200
University of Hartford	University	West Hartford	2,015
MetLife	Insurance	Bloomfield	2000 ¹
Town of West Hartford	Municipality	West Hartford	1,964
VOYA	Financial Services	Windsor	1,800
Town of East Hartford	Municipality	East Hartford	1,780
City of Hartford	Municipality	Hartford	1,774
CT Dept of Labor	State of CT	Wethersfield	1,400
Alstom Power Equipment	Power Generation Equipment	Windsor	1,350
CT Dept. of Transportation	State of CT	Newington	1,025
Uniprise	Insurance, Financial Services	Hartford	1,018
CIGNA Corp.	Insurance	Windsor	1,000
Kaman Corporation	Manufacturer	Bloomfield	925
Town of Windsor	Municipality	Windsor	814
Hartford Hospital - Newington	Health Services	Newington	750
Goodwin College	University	East Hartford	745
Town of Wethersfield	Municipality	Wethersfield	714
Hebrew Home	Health Care	West Hartford	704
Westinghouse Electric Company	Manufacturer	Windsor	700
Town of Newington	Municipality	Newington	664
Northeast Utilities	Utility	Windsor	600
Coca Cola	Bottler	East Hartford	600
Town of Bloomfield	Municipality	Bloomfield	643
Homegoods Distribution	Wholesale Distribution	Bloomfield	575
Bank of America Headquarters	Financial Services	East Hartford	550
Bank of America	Financial Services	Windsor	550
The Metropolitan District	Water & Sewer Authority	Hartford	527
Westinghouse Electric Co.	Nuclear Power	Windsor	520
United Technologies Research	Research Lab	East Hartford	500
Wiremold Product, Inc.	Manufacturer	West Hartford	500
Walgreens	Drug Store Distribution Center	Windsor	500
Henkel Corporation	Adhesives & Sealants	Rocky Hill	500
CSC Financial	Software Services	East Hartford	490
Jacobs Vehicle Systems	Manufacturer	Bloomfield	475
UTC Aerospace	Manufacturing	West Hartford	465
Veteran's Administration Hospital	Health Services	Newington	451
Town of Rocky Hill	Municipality	Rocky Hill	451
Konica Minolta	Imaging & Print Processor	Windsor	450
Data-Mail	Mail Services	Newington	421
Permasteelisa	Manufacturer	Windsor	400
Seabury	Health Care	Bloomfield	400

¹ MetLife has recently announced the consolidation of offices throughout the country to two campuses to be built in North Carolina. The multiyear plan is expected to be completed in 2015, and will result in the loss of approximately 650 jobs at its Bloomfield facility.

Source: 2014 Audited Financial Statements of Member Municipalities; Official Statements: October 2014 Rocky Hill, December 2014 Wethersfield and January 2015 West Hartford.

Note: The information shown above was derived from information obtained from various sources believed to be reliable as of the date provided. It should be noted the data may not reflect all consolidation or workforce reduction plans.

EMPLOYMENT BY INDUSTRY

Sector	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	20	0.2%	29	0.1%	106	0.2%
Construction.....	458	4.4%	793	3.2%	2,138	4.5%
Manufacturing.....	774	7.4%	2,951	11.8%	3,372	7.1%
Wholesale Trade.....	86	0.8%	959	3.8%	1,082	2.3%
Retail Trade.....	1,059	10.2%	3,346	13.3%	6,360	13.3%
Transportation and warehousing, and utilities....	568	5.5%	1,639	6.5%	2,242	4.7%
Information.....	283	2.7%	602	2.4%	678	1.4%
Finance, insurance, real estate, and rental and leasing.....	1,323	12.7%	2,449	9.8%	3,014	6.3%
Professional, scientific, management, administrative, and waste management svcs....	876	8.4%	2,268	9.0%	5,369	11.3%
Educational, health and social services.....	3,401	32.7%	5,814	23.2%	12,768	26.8%
Arts, entertainment, recreation, accommodation and food services.....	416	4.0%	2,065	8.2%	5,870	12.3%
Other services (except public administration)....	440	4.2%	1,182	4.7%	2,768	5.8%
Public Administration.....	691	6.6%	973	3.9%	1,946	4.1%
Total Labor Force, Employed.....	10,395	100.0%	25,070	100.0%	47,713	100.0%

Sector	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	27	0.2%	9	0.1%	19	0.1%
Construction.....	686	4.3%	454	4.3%	894	2.8%
Manufacturing.....	1,716	10.7%	964	9.2%	2,745	8.6%
Wholesale Trade.....	383	2.4%	268	2.5%	668	2.1%
Retail Trade.....	1,799	11.2%	827	7.9%	2,234	7.0%
Transportation and warehousing, and utilities....	671	4.2%	252	2.4%	811	2.5%
Information.....	366	2.3%	119	1.1%	868	2.7%
Finance, insurance, real estate, and rental and leasing.....	1,888	11.8%	1,804	17.1%	4,303	13.4%
Professional, scientific, management, administrative, and waste management svcs....	1,199	7.5%	1,643	15.6%	4,182	13.0%
Educational, health and social services.....	4,807	29.9%	2,615	24.8%	10,652	33.2%
Arts, entertainment, recreation, accommodation and food services.....	896	5.6%	638	6.1%	2,157	6.7%
Other services (except public administration)....	661	4.1%	460	4.4%	1,295	4.0%
Public Administration.....	957	6.0%	479	4.5%	1,253	3.9%
Total Labor Force, Employed.....	16,056	100.0%	10,532	100.0%	32,081	100.0%

Sector	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	0	0.0%	23	0.2%	6,945	0.4%
Construction.....	556	4.2%	816	5.3%	99,444	5.7%
Manufacturing.....	1,013	7.7%	1,114	7.3%	193,945	11.0%
Wholesale Trade.....	382	2.9%	404	2.6%	43,550	2.5%
Retail Trade.....	1,288	9.8%	1,280	8.4%	191,841	10.9%
Transportation and warehousing, and utilities....	522	4.0%	809	5.3%	65,630	3.7%
Information.....	232	1.8%	419	2.7%	41,588	2.4%
Finance, insurance, real estate, and rental and leasing.....	2,035	15.5%	2,236	14.6%	160,976	9.1%
Professional, scientific, management, administrative, and waste management svcs....	1,313	10.0%	1,747	11.4%	194,959	11.1%
Educational, health and social services.....	3,592	27.4%	3,974	25.9%	464,177	26.4%
Arts, entertainment, recreation, accommodation and food services.....	928	7.1%	1,081	7.1%	148,097	8.4%
Other services (except public administration)....	474	3.6%	535	3.5%	81,443	4.6%
Public Administration.....	781	6.0%	880	5.7%	66,817	3.8%
Total Labor Force, Employed.....	13,116	100.0%	15,318	100.0%	1,759,412	100.0%

Source: U.S. Census Bureau, 2009-2013 American Community Survey.

EMPLOYMENT DATA

Period ¹	Percentage Unemployed				
	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
November 2014.....	7.4%	7.7%	12.1%	5.1%	4.6%
September 2014.....	6.8	7.5	11.4	4.7	4.7
July 2014.....	8.2	9.4	13.3	5.5	5.5
May 2014.....	8.4	8.8	12.6	5.9	5.3
March 2014.....	8.4	9.2	13.3	6.2	5.4
January 2014.....	8.1	9.4	14.0	6.3	5.3
Annual Average					
2013.....	9.2%	9.8%	14.7%	6.6%	5.8%
2012.....	10.0	10.6	15.5	7.1	6.2
2011.....	10.1	11.2	16.2	7.7	6.9
2010.....	10.8	11.6	16.6	8.3	7.4
2009.....	9.0	10.6	14.3	7.3	6.7
2008.....	6.4	7.1	10.7	4.8	4.7
2007.....	5.3	6.1	9.0	4.1	3.9
2006.....	5.4	5.9	9.0	3.8	3.6
2005.....	5.9	6.4	9.7	4.3	4.1
2004.....	6.1	6.6	10.0	4.3	4.2
2003.....	6.8	7.3	11.2	4.9	4.8

Period ¹	Percentage Unemployed				
	Town of West Hartford	Town of Wethersfield	Town of Windsor	Hartford Labor Market	State of Connecticut
November 2014.....	5.1%	5.3%	6.2%	6.2%	6.2%
September 2014.....	5.1	5.6	6.0	5.9	5.9
July 2014.....	5.8	6.3	7.1	7.0	6.8
May 2014.....	5.8	6.5	6.9	7.0	6.9
March 2014.....	5.7	6.6	7.0	7.4	7.4
January 2014.....	5.8	6.7	6.9	7.6	7.5
Annual Average					
2013.....	6.4%	6.9%	7.6%	7.8%	7.8%
2012.....	6.9	7.2	8.3	8.4	8.4
2011.....	7.4	8.1	8.5	8.8	8.8
2010.....	7.9	8.8	8.9	9.4	9.3
2009.....	7.3	7.8	8.0	8.3	8.3
2008.....	5.0	5.1	5.2	5.7	5.6
2007.....	4.1	4.2	4.2	4.7	4.6
2006.....	3.9	4.3	4.2	4.6	4.4
2005.....	4.3	4.6	4.6	5.1	4.9
2004.....	4.4	4.6	4.9	5.2	4.9
2003.....	4.8	5.0	5.6	5.7	5.5

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	668	7.5%	3,479	16.0%	19,666	36.4%
1940 to 1969.....	4,287	48.3%	12,419	57.2%	22,351	41.4%
1970 to 1979.....	1,153	13.0%	2,558	11.8%	4,256	7.9%
1980 to 1989.....	1,377	15.5%	2,244	10.3%	3,428	6.4%
1990 to 2000.....	565	6.4%	619	2.9%	1,954	3.6%
Later than 2000.....	827	9.3%	385	1.8%	2,308	4.3%
Total housing units, 2013....	8,877	100.0%	21,704	100.0%	53,963	100.0%
Percent Owner Occupied, 2013		73.2%		58.0%		24.1%

Year Built	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	1,190	9.1%	582	6.8%	7,147	27.4%
1940 to 1969.....	6,032	46.3%	1,941	22.7%	13,898	53.3%
1970 to 1979.....	2,698	20.7%	2,477	29.0%	2,073	7.9%
1980 to 1989.....	1,428	11.0%	1,803	21.1%	1,507	5.8%
1990 to 2000.....	928	7.1%	960	11.2%	577	2.2%
Later than 2000.....	765	5.9%	776	9.1%	892	3.4%
Total housing units, 2013....	13,041	100.0%	8,539	100.0%	26,094	100.0%
Percent Owner Occupied, 2013		82.7%		66.8%		72.6%

Year Built	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	2,195	19.2%	1,684	14.7%	336,587	22.6%
1940 to 1969.....	5,525	48.3%	4,359	38.0%	538,727	36.2%
1970 to 1979.....	1,322	11.6%	2,101	18.3%	200,576	13.5%
1980 to 1989.....	1,335	11.7%	1,878	16.4%	192,185	12.9%
1990 to 2000.....	676	5.9%	665	5.8%	111,295	7.5%
Later than 2000.....	375	3.3%	790	6.9%	107,625	7.2%
Total housing units, 2013....	11,428	100.0%	11,477	100.0%	1,486,995	100.0%
Percent Owner Occupied, 2013		78.8%		82.2%		67.8%

Source: U.S. Census Bureau, 2009-2013 American Community Survey.

HOUSING INVENTORY

Type	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	5,847	65.9%	11,283	52.0%	8,152	15.1%
1 unit attached.....	411	4.6%	1,093	5.0%	2,243	4.2%
2 to 4 units.....	771	8.7%	3,858	17.8%	19,671	36.5%
5 to 9 units.....	679	7.6%	841	3.9%	8,232	15.3%
10 or more units.....	1,169	13.2%	4,067	18.7%	15,599	28.9%
Mobile home, trailer, other.	0	0.0%	562	2.6%	66	0.1%
Total Inventory.....	8,877	100.0%	21,704	100.0%	53,963	100.0%

Type	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,224	63.1%	4,181	49.0%	17,376	66.6%
1 unit attached.....	1,508	11.6%	926	10.8%	758	2.9%
2 to 4 units.....	1,128	8.6%	793	9.3%	2,991	11.5%
5 to 9 units.....	1,052	8.1%	430	5.0%	785	3.0%
10 or more units.....	1,101	8.4%	2,164	25.3%	4,111	15.8%
Mobile home, trailer, other.	28	0.2%	45	0.5%	73	0.3%
Total Inventory.....	13,041	100.0%	8,539	100.0%	26,094	100.0%

Type	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,319	74.0%	8,891	76.5%	882,026	59.3%
1 unit attached.....	493	4.4%	645	5.5%	80,070	5.4%
2 to 4 units.....	976	8.7%	1,033	8.9%	252,085	17.0%
5 to 9 units.....	67	0.6%	301	2.6%	80,615	5.4%
10 or more units.....	1,385	12.3%	749	6.4%	179,348	12.1%
Mobile home, trailer, other.	0	0.0%	10	0.1%	12,851	0.9%
Total Inventory.....	11,240	100.0%	11,629	100.0%	1,486,995	100.0%

Source: U.S. Census Bureau, 2009-2013 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	134	2.2%	584	4.9%	550	5.0%
\$50,000 to \$99,999.....	201	3.2%	739	6.3%	1,476	13.4%
\$100,000 to \$149,999.....	918	14.7%	2,182	18.5%	1,964	17.8%
\$150,000 to \$199,999.....	1,516	24.3%	4,174	35.3%	3,314	30.1%
\$200,000 to \$299,999.....	2,076	33.3%	3,587	30.4%	2,278	20.7%
\$300,000 to \$499,999.....	1,168	18.8%	383	3.2%	1,024	9.3%
\$500,000 to \$999,999.....	193	3.1%	155	1.3%	307	2.8%
\$1,000,000 or more.....	21	0.3%	12	0.1%	107	1.0%
Totals.....	6,227	100.0%	11,816	100.0%	11,020	100.0%

Median Sales Price ¹	\$134,000	\$112,800	\$93,900
Median Sales Price ²	\$214,800	\$174,700	\$168,700

Specified Owner-Occupied Units	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	172	1.6%	108	2.0%	311	1.7%
\$50,000 to \$99,999.....	157	1.5%	135	2.5%	143	0.8%
\$100,000 to \$149,999.....	1,134	10.8%	322	5.9%	475	2.6%
\$150,000 to \$199,999.....	1,951	18.6%	710	13.1%	1,304	7.2%
\$200,000 to \$299,999.....	5,222	49.9%	1,910	35.2%	6,644	36.7%
\$300,000 to \$499,999.....	1,696	16.2%	1,881	34.7%	6,710	37.1%
\$500,000 to \$999,999.....	65	0.6%	353	6.5%	2,194	12.1%
\$1,000,000 or more.....	67	0.6%	0	0.0%	308	1.7%
Totals.....	10,464	100.0%	5,419	100.0%	18,089	100.0%

Median Sales Price ¹	\$144,800	\$165,400	\$176,400
Median Sales Price ²	\$231,200	\$269,500	\$303,700

Specified Owner-Occupied Units	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	197	2.3%	177	2.0%	20,800	2.3%
\$50,000 to \$99,999.....	137	1.6%	126	1.5%	24,638	2.7%
\$100,000 to \$149,999.....	314	3.6%	725	8.4%	66,934	7.3%
\$150,000 to \$199,999.....	1,157	13.4%	1,648	19.0%	135,714	14.8%
\$200,000 to \$299,999.....	4,093	47.3%	4,262	49.2%	264,832	28.8%
\$300,000 to \$499,999.....	2,427	28.0%	1,557	18.0%	250,076	27.2%
\$500,000 to \$999,999.....	307	3.5%	97	1.1%	114,622	12.5%
\$1,000,000 or more.....	26	0.3%	69	0.8%	41,872	4.6%
Totals.....	8,658	100.0%	8,661	100.0%	919,488	100.0%
Median Sales Price ¹		\$159,300		\$142,200		\$166,900
Median Sales Price ²		\$262,000		\$236,000		\$278,900

¹ Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

² U. S. Census Bureau, 2009-2013 American Community Survey

Source: U. S. Census Bureau, 2009-2013 American Community Survey.

VI. TAX BASE DATA

TAX COLLECTION PROCEDURE

The method for taxing Member Municipalities is set forth in Section 3-12 of the District Charter which grants the District Board, acting on the recommendation of the Board of Finance, the power to levy tax upon the Member Municipalities sufficient to finance the District's budgeted expenses. The tax is divided among the Member Municipalities in proportion to the total revenue received yearly from direct taxation in each Member Municipality, as averaged over the prior three years.

COMPARATIVE ASSESSED VALUATIONS

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Net Taxable Grand List	% Growth	Grand List of 10/1	Net Taxable Grand List	% Growth
2013	\$2,067,157,242	1.7%	2013	\$2,687,876,591	-0.1%
2012	2,032,528,017	2.6%	2012	2,691,709,967	-0.1%
2011	1,981,916,344	1.7%	2011 ¹	2,695,242,754	-12.9%
2010	1,948,057,019	-2.1%	2010	3,095,300,382	0.1%
2009 ¹	1,990,439,045	13.4%	2009	3,092,179,605	-0.5%
2008	1,755,693,878	1.9%	2008	3,107,157,886	-2.1%
2007	1,723,152,319	1.6%	2007	3,172,514,025	16.4%
2006	1,695,764,929	-1.3%	2006	2,724,586,547	16.6%
2005	1,717,320,856	3.6%	2005	2,336,874,270	0.2%
2004 ¹	1,657,459,741	45.3%	2004	2,332,474,885	-0.9%

¹ Revaluation Year.

¹ Revaluation Year.

City of Hartford			Town of Newington		
Grand List of 10/1	Net Taxable Grand List	% Growth	Grand List of 10/1	Net Taxable Grand List	% Growth
2013	\$3,531,344,777	1.2%	2013	\$2,548,042,597	0.5%
2012	3,487,781,236	2.0%	2012	2,536,619,686	-1.1%
2011 ¹	3,417,940,335	-8.6%	2011 ¹	2,564,276,354	-4.3%
2010	3,738,377,678	3.7%	2010	2,679,238,211	0.4%
2009	3,604,167,480	4.0%	2009	2,667,951,078	0.9%
2008	3,465,777,122	0.4%	2008	2,645,387,187	0.5%
2007	3,451,438,441	3.5%	2007	2,633,316,889	1.7%
2006 ²	3,334,666,569	-5.9%	2006	2,590,253,718	1.0%
2005	3,543,536,778	2.5%	2005 ¹	2,565,009,043	45.3%
2004	3,457,004,010	-1.3%	2004	1,765,120,445	1.1%

¹ Revaluation Year.

¹ Revaluation Year.

² Revaluation Year. The City implemented a five-year phase-in of the revaluation.

Town of Rocky Hill

Grand List of 10/1	Net Taxable Grand List	% Growth
2013 ¹	\$1,988,502,360	-8.1%
2012	2,164,593,839	0.4%
2011	2,156,334,575	0.0%
2010	2,155,935,688	-2.0%
2009	2,200,202,480	-0.1%
2008 ¹	2,202,202,012	32.9%
2007	1,656,796,387	1.3%
2006	1,635,894,255	1.8%
2005	1,607,190,572	0.0%
2004	1,607,187,710	4.8%

¹ Revaluation Year

Town of West Hartford

Grand List of 10/1	Net Taxable Grand List	% Growth
2013	\$5,924,661,849	0.5%
2012	5,893,896,106	0.2%
2011 ¹	5,880,331,173	16.8%
2010	5,034,401,821	0.7%
2009	4,999,850,000	0.9%
2008 ²	4,953,979,658	1.3%
2007	4,889,430,313	8.7%
2006 ³	4,497,443,813	21.2%
2005	3,710,940,390	1.4%
2004	3,659,349,190	0.9%

¹ Revaluation Year.

² In June 2009, the Town Council elected to suspend the phase-in as allowed under newly enacted State legislation.

³ Revaluation Year. The Town implemented a phase-in for a period not to exceed five years.

Town of Wethersfield

Grand List of 10/1	Net Taxable Grand List	% Growth
2013 ¹	\$2,205,813,324	-5.7%
2012	2,338,758,240	0.4%
2011	2,329,648,250	0.6%
2010	2,314,769,170	0.0%
2009	2,315,493,100	0.4%
2008 ¹	2,307,397,010	15.2%
2007	2,003,032,473	0.6%
2006	1,991,317,830	0.0%
2005	1,991,573,140	0.9%
2004	1,974,466,840	1.0%

¹ Revaluation Year.

Town of Windsor

Grand List of 10/1	Net Taxable Grand List	% Growth
2013 ¹	\$2,831,162,216	-6.1%
2012	3,014,279,336	3.7%
2011	2,907,891,898	3.4%
2010	2,811,979,697	3.2%
2009	2,724,614,072	-7.2%
2008 ¹	2,937,296,936	13.4%
2007	2,590,737,631	7.9%
2006	2,401,738,783	4.3%
2005	2,303,733,056	0.9%
2004	2,283,464,552	1.8%

¹ Revaluation Year.

Source: Assessor's Office, Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF BLOOMFIELD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy		Percent Annual Levy Uncollected 6/30/2014
					Collected End of Fiscal Year	Uncollected End of Fiscal Year	
2013	2015	\$2,067,157,242	34.84	\$70,343,011	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	2,032,528,017	34.85	71,075,964	98.5%	1.5%	1.5%
2011	2013	1,981,916,344	34.55	68,561,240	98.4%	1.6%	0.6%
2010	2012	1,948,057,019	33.70	65,281,933	98.7%	1.3%	0.1%
2009	2011	1,990,439,045	32.72	63,290,257	98.4%	1.6%	0.1%
2008	2010	1,755,693,878	35.53	62,068,048	97.8%	2.2%	0.0%
2007	2009	1,723,152,319	35.29	60,370,599	98.3%	1.7%	0.0%
2006	2008	1,695,764,929	34.33	57,873,253	98.2%	1.8%	0.0%
2005	2007	1,717,320,856	32.50	53,838,811	97.9%	2.1%	0.0%
2004	2006	1,657,459,741	31.03	50,367,798	97.9%	2.1%	0.0%

Source: Tax Collector's Office, Town of Bloomfield.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF EAST HARTFORD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2014
2013	2015	\$2,687,876,591	45.40	\$119,555,929	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	2,691,709,967	43.90	117,379,000	97.9%	2.1%	2.1%
2011	2013	2,695,242,754	42.79	115,155,000	97.1%	2.9%	0.7%
2010	2012	3,095,300,382	34.42	106,016,000	97.3%	2.7%	0.1%
2009	2011	3,092,179,605	33.82	104,001,000	97.2%	2.8%	0.1%
2008	2010	3,107,157,886	31.67	97,618,000	97.7%	2.3%	0.1%
2007	2009	3,172,514,025	31.67	99,128,000	97.6%	2.4%	0.0%
2006	2008	2,724,586,547	36.16	98,607,000	96.0%	4.0%	0.0%
2005	2007	2,336,874,270	43.62	102,173,000	97.5%	2.5%	0.0%
2004	2006	2,332,474,885	41.34	96,830,000	97.5%	2.5%	0.0%

Source: Tax Collector's Office, Town of East Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – CITY OF HARTFORD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2013
2013	2015	\$3,531,344,777	76.79	\$250,735,285	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	3,487,781,236	74.29	237,390,603	<i>Unaudited</i>		
2011	2013	3,417,940,335	74.29	247,520,000	94.6%	5.4%	5.4%
2010	2012	3,738,377,678	71.79	278,481,000	93.8%	6.2%	2.8%
2009	2011	3,604,167,480	72.79	268,745,000	95.4%	4.6%	2.1%
2008	2010	3,465,777,122	72.79	260,038,000	95.8%	4.2%	1.7%
2007	2009	3,451,438,441	68.34	242,777,000	96.2%	3.8%	0.1%
2006	2008	3,334,666,569	63.39	221,445,000	96.3%	3.7%	1.6%
2005	2007	3,543,536,778	64.82	229,569,000	95.5%	4.5%	0.8%
2004	2006	3,457,004,010	60.82	210,325,000	94.6%	5.4%	0.7%

Source: Tax Collector's Office, City of Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF NEWINGTON

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2014
2013	2015	\$2,548,042,597	34.77	\$87,006,952	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	2,536,619,686	33.63	85,346,000	99.1%	0.9%	0.9%
2011	2013	2,564,276,354	32.64	82,937,000	99.3%	0.7%	0.2%
2010	2012	2,679,238,211	30.02	80,441,000	98.9%	1.1%	0.1%
2009	2011	2,667,951,078	29.18	77,679,000	98.8%	1.2%	0.1%
2008	2010	2,645,387,187	28.40	75,091,000	99.1%	0.9%	0.0%
2007	2009	2,633,316,889	27.68	72,940,000	98.9%	1.1%	0.0%
2006	2008	2,590,253,718	26.91	69,973,000	99.1%	0.9%	0.0%
2005	2007	2,565,009,043	25.76	66,006,000	99.2%	0.8%	0.0%
2004	2006	1,765,120,445	36.43	64,878,000	98.6%	1.4%	0.1%

Source: Tax Collector's Office, Town of Newington.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF ROCKY HILL

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2014
2013	2015	\$1,988,502,360	31.00	\$60,897,294	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	2,164,593,839	26.60	57,774,467	99.0%	1.0%	1.0%
2011	2013	2,156,334,575	25.90	56,093,759	99.1%	0.9%	0.4%
2010	2012	2,155,935,688	24.50	52,823,294	99.0%	1.0%	0.0%
2009	2011	2,200,202,480	23.80	52,249,228	99.0%	1.0%	0.0%
2008	2010	2,202,202,012	22.90	50,276,269	99.3%	0.7%	0.0%
2007	2009	1,656,796,387	29.20	48,792,629	99.3%	0.7%	0.0%
2006	2008	1,635,894,255	28.40	46,723,104	99.4%	0.6%	0.0%
2005	2007	1,607,190,572	28.00	45,313,396	99.4%	0.6%	0.0%
2004	2006	1,607,187,710	25.80	40,962,333	99.4%	0.6%	0.0%

Source: Tax Collector's Office, Town of Rocky Hill.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WEST HARTFORD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2014
2013	2015	\$5,924,661,849	37.37	\$217,737,947	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	5,893,896,106	36.30	214,310,000	99.2%	0.8%	0.8%
2011	2013	5,880,331,173	35.75	210,066,000	99.1%	0.9%	0.3%
2010	2012	5,034,401,821	39.44	199,192,000	99.1%	0.9%	0.1%
2009	2011	4,999,850,000	38.38	192,761,000	98.9%	1.1%	0.1%
2008	2010	4,953,979,658	37.54	186,542,000	99.1%	0.9%	0.0%
2007	2009	4,889,430,313	36.97	181,771,000	99.1%	0.9%	0.0%
2006	2008	4,497,443,813	38.63	174,302,000	99.0%	1.0%	0.0%
2005	2007	3,710,940,390	46.19	172,700,000	99.2%	0.8%	0.0%
2004	2006	3,659,349,190	44.07	162,715,000	99.3%	0.7%	0.0%

Source: Tax Collector's Office, Town of West Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WETHERSFIELD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2014
2013	2015	\$2,205,813,324	36.74	\$79,372,113	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	2,338,758,240	33.46	78,123,896	99.0%	1.0%	1.0%
2011	2013	2,329,648,250	32.58	75,725,740	99.0%	1.0%	0.3%
2010	2012	2,314,769,170	31.42	72,558,938	98.9%	1.1%	0.2%
2009	2011	2,315,493,100	30.66	70,662,766	98.8%	1.2%	0.2%
2008	2010	2,307,397,010	30.68	70,693,007	99.2%	0.8%	0.2%
2007	2009	2,003,032,473	34.71	69,579,789	99.2%	0.8%	0.2%
2006	2008	1,991,317,830	32.94	65,637,736	99.0%	1.0%	0.1%
2005	2007	1,991,573,140	32.43	64,626,417	99.0%	1.0%	0.1%
2004	2006	1,974,466,840	30.19	59,775,611	99.3%	0.7%	0.1%

Source: Tax Collector's Office, Town of Wethersfield.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WINDSOR

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy	Percent Annual Levy	Percent Annual Levy
					Collected End of Fiscal Year	Uncollected End of Fiscal Year	Uncollected 6/30/2014
2013	2015	\$2,831,162,216	30.47	\$85,006,350	<i>Collections 7/1/14 & 1/1/15</i>		
2012	2014	3,014,279,336	27.33	82,919,994	98.6%	1.4%	1.4%
2011	2013	2,907,891,898	27.95	81,403,784	98.7%	1.3%	0.7%
2010	2012	2,811,979,697	28.03	79,201,381	98.8%	1.2%	0.1%
2009	2011	2,724,614,072	28.38	77,747,083	98.6%	1.4%	0.0%
2008	2010	2,937,296,936	28.34	74,984,463	98.6%	1.4%	0.0%
2007	2009	2,590,737,631	29.30	76,374,720	98.8%	1.2%	0.0%
2006	2008	2,401,738,783	29.30	70,937,721	98.8%	1.2%	0.0%
2005	2007	2,303,733,056	29.30	68,003,214	98.7%	1.3%	0.0%
2004	2006	2,283,464,552	28.73	66,125,430	98.8%	1.2%	0.0%

Source: Tax Collector's Office, Town of Windsor.

TEN LARGEST TAXPAYERS – TOWN OF BLOOMFIELD¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Connecticut Light & Power Company.....	Utility	\$84,841,904	4.10%
Connecticut General Life Insurance Co....	Insurance	43,825,420	2.12%
Metropolitan Life Insurance Co.....	Insurance	43,271,130	2.09%
AMCAP Copaco LLC.....	Real Estate	33,352,160	1.61%
Duncaster Inc.....	Retirement Community	30,361,100	1.47%
CIGNA Health & Life Ins Co.....	Insurance	28,004,590	1.35%
Bouwfonds Hawthorn LP.....	Real Estate	25,767,160	1.25%
HG Conn Realty Corp.....	Real Estate	21,576,810	1.04%
Church Home of Hartford Inc.....	Retirement Community	18,510,520	0.90%
Pepperidge Farm Inc.....	Baked Goods	14,661,440	0.71%
Total.....		\$344,172,234	16.65%

¹ Based on a 10/1/13 Net Taxable Grand List of \$2,067,157,242.
Source: Town of Bloomfield.

TEN LARGEST TAXPAYERS – TOWN OF EAST HARTFORD¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
United Technologies Corp.....	Manufacturing	\$352,597,580	13.12%
Goodwin College.....	College	75,579,033	2.81%
Fremont Riverview LLC.....	Offices	45,686,980	1.70%
Connecticut Light and Power Company...	Utility	29,170,740	1.09%
Merchant Group.....	Offices	26,617,679	0.99%
Coca-Cola Bottling Co.....	Beverage Mfg./Distributor	26,610,349	0.99%
Cabela's Inc.....	Retail	25,204,781	0.94%
Ansonia Acquisitions LLC.....	Apartments	22,039,940	0.82%
Connecticut Natural Gas Corp.....	Utility	19,096,334	0.71%
East Hartford Founders LLC.....	Offices	13,020,000	0.48%
Total.....		\$635,623,416	23.65%

¹ Based on a 10/1/13 Net Taxable Grand List of \$2,687,876,591.
Source: Town of East Hartford.

TEN LARGEST TAXPAYERS – CITY OF HARTFORD¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Connecticut Light and Power Company...	Utility	\$139,442,670	3.95%
Travelers Indemnity Co. Affiliate.....	Insurance	130,705,740	3.70%
Hartford Fire Insurance & Twin City Ins..	Insurance	118,704,090	3.36%
Aetna Life Insurance Co. & Annuity.....	Insurance	105,487,280	2.99%
HUB Properties Trust.....	Office Complex	48,977,640	1.39%
Talcott II Gold, LLC.....	Office Complex	45,400,500	1.29%
Mac-State Square LLC.....	Office Complex	44,450,000	1.26%
Hartford Hospital & HHMOB Corp.....	Hospital	35,652,810	1.01%
Connecticut Natural Gas Corp.....	Utility	33,444,200	0.95%
FGA Trumbull LLC.....	Office Complex	31,360,000	0.89%
Total.....		\$733,624,930	20.77%

¹ Based on a 10/1/13 Net Taxable Grand List of \$3,531,344,777.
Source: City of Hartford.

TEN LARGEST TAXPAYERS – TOWN OF NEWINGTON¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Connecticut Light and Power Company...	Utility	\$37,283,380	1.46%
GKN Aerospace.....	Manufacturing	22,870,680	0.90%
IREIT Newington Fair LLC.....	Shopping Center	20,840,428	0.82%
Newington VF LLC.....	Shopping Center	19,941,215	0.78%
TLG Newington LLC.....	Shopping Center	17,840,487	0.70%
Centro GA Turnpike Plaza LLC.....	Shopping Center	17,360,000	0.68%
Newington Gross LLC.....	Shopping Center	17,150,000	0.67%
Mandell Properties.....	Printing	14,000,100	0.55%
Hayes Kaufman Newington Assoc. LLC..	Real Estate	12,903,881	0.51%
Scelza/Cambridge/Landmark/Baldwin.....	Apartments	11,787,839	0.46%
Total.....		\$191,978,010	7.53%

¹ Based on a 10/1/13 Net Taxable Grand List of \$2,548,042,597
Source: Town of Newington.

TEN LARGEST TAXPAYERS – TOWN OF ROCKY HILL¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Century Hills Property Owner LLC.....	Apartments	\$38,500,190	1.94%
RP Glenbrook LLC.....	Warehouse	28,193,580	1.42%
MKS - 500 Enterprise LLC.....	Real Estate	24,888,870	1.25%
Burris Logistics Inc.....	Real Estate	23,798,710	1.20%
Henkel Corporation.....	Manufacturer of Adhesives	19,821,430	1.00%
CT Light & Power.....	Utility	14,829,180	0.75%
Sysco Food Services of CT.....	Distribution Warehouse	13,342,260	0.67%
Auxi Horizon Commons LLC.....	Real Estate	13,111,280	0.66%
Acadia Town Line LLC.....	Real Estate	11,183,830	0.56%
Rocky Hill Holdings LLC.....	Real Estate	11,007,290	0.55%
Total.....		\$198,676,620	9.99%

¹ Based on a 10/1/13 Net Taxable Grand List of \$1,988,502,360.
Source: Town of Rocky Hill.

TEN LARGEST TAXPAYERS – TOWN OF WEST HARTFORD¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Blue Back Square, LLC.....	Real Estate	\$75,658,710	1.28%
West Farms Associates.....	Shopping Mall	37,805,390	0.64%
Connecticut Light and Power Company...	Utility	34,964,460	0.59%
Corbins Corner Shopping Center LLC.....	Retail, Office	33,489,820	0.57%
Town Center West Associates.....	Office	24,930,010	0.42%
Bishops Comer (E&A) LLC.....	Shopping Center	18,169,830	0.31%
Sisters of Mercy/McAuley Center.....	Assisted Living	16,858,380	0.28%
E&A Northeast Limited Partnership.....	Shopping Center	15,498,070	0.26%
Prospect Plaza Improvments, LLC.....	Retail	13,994,540	0.24%
Westgate Apartments LLC.....	Apartments	13,248,900	0.22%
Total.....		\$284,618,110	4.80%

¹ Based on a 10/1/13 Net Taxable Grand List of \$5,924,661,849.
Source: Town of West Hartford.

TEN LARGEST TAXPAYERS – TOWN OF WETHERSFIELD¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Wethersfield Apartments Assoc. LLC.....	Apartments	\$20,118,400	0.91%
Wethersfield Shopping Center LLC.....	Shopping Center	14,982,000	0.68%
Cedar-Jordan Lane LLC.....	Shopping Center	14,033,000	0.64%
Executive Square LTD Partnership.....	Apartments	13,916,300	0.63%
100 Great Meadow Road.....	Real Estate	13,021,500	0.59%
Connecticut Light and Power Company...	Utility	12,165,350	0.55%
Connecticut Natural Gas.....	Utility	8,585,590	0.39%
Goodwin Gardens LLC.....	Apartments	6,101,210	0.28%
Phoenix Medical LLC.....	Real Estate	5,481,600	0.25%
Silas Deane Professional Center LLC.....	Real Estate	5,229,700	0.24%
Total.....		\$113,634,650	5.15%

¹ Based on a 10/1/13 Net Taxable Grand List of \$2,205,813,324.
Source: Town of Wethersfield.

TEN LARGEST TAXPAYERS – TOWN OF WINDSOR¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Walgreens.....	Pharmacy	\$130,262,082	4.60%
Griffin Land & Affiliates.....	Real Estate	74,516,249	2.63%
CIGNA.....	Insurance	67,957,086	2.40%
ING.....	Finance	61,461,774	2.17%
Dollar Tree Distribution Inc.....	Real Estate	54,686,363	1.93%
IBM & Affiliates.....	Information Technology	53,869,707	1.90%
Hartford Financial Corporation.....	Finance	51,750,378	1.83%
Cellco/Verizon Wireless.....	Information Technology	47,757,774	1.69%
Northeast Utilities.....	Utility	34,193,236	1.21%
Ferraina & Affiliates.....	Real Estate	26,800,154	0.95%
Total.....		\$603,254,803	21.31%

¹ Based on a 10/1/13 Net Taxable Grand List of \$2,831,162,216.
Source: Town of Windsor.

EQUALIZED NET GRAND LIST

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2012	\$2,802,966,115	8.00%	2012	\$3,936,906,558	2.28%
2011	2,595,430,274	-6.87%	2011	3,849,203,343	-2.96%
2010	2,786,819,016	-5.97%	2010	3,966,619,309	-7.51%
2009	2,963,847,920	-5.66%	2009	4,288,594,846	-2.31%
2008	3,141,560,761	-1.55%	2008	4,390,028,134	-10.49%
2007	3,190,940,420	0.51%	2007	4,904,766,424	21.05%
2006	3,174,623,445	5.19%	2006 ¹	4,051,722,914	-15.36%
2005	3,018,109,847	23.13%	2005	4,786,965,847	9.88%
2004	2,451,100,334	-3.37%	2004	4,356,509,975	3.65%
2003	2,536,505,711	12.62%	2003	4,202,990,710	7.68%

¹ Revaluation phased- in.

City of Hartford			Town of Newington		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2012	\$6,888,293,807	5.55%	2012	\$3,651,832,566	0.08%
2011	6,526,348,965	-8.69%	2011	3,648,904,984	-5.97%
2010	7,147,577,757	-7.34%	2010	3,880,511,002	-4.74%
2009	7,713,607,784	5.52%	2009	4,073,474,409	2.99%
2008	7,309,947,142	-8.96%	2008	3,955,308,064	-2.98%
2007	8,029,737,495	42.94%	2007	4,076,961,126	-3.38%
2006 ¹	5,617,517,672	-39.01%	2006	4,219,375,008	13.61%
2005	9,210,207,486	8.21%	2005	3,714,043,661	-8.34%
2004	8,511,588,775	13.23%	2004	4,051,823,902	15.60%
2003	7,516,844,095	15.37%	2003	3,505,059,414	6.65%

¹ Revaluation phased- in.

Town of Rocky Hill			Town of West Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2012	\$2,784,951,675	1.59%	2012	\$9,035,908,810	7.56%
2011	2,741,368,613	-0.81%	2011	8,400,921,331	15.96%
2010	2,763,696,337	-6.61%	2010	7,244,491,864	1.50%
2009	2,959,219,154	-6.24%	2009	7,137,413,505	-4.48%
2008	3,156,073,966	3.76%	2008	7,472,184,092	1.90%
2007	3,041,593,706	2.77%	2007	7,332,637,978	13.73%
2006	2,959,539,490	-0.98%	2006 ¹	6,447,326,690	-30.58%
2005	2,988,857,920	9.97%	2005	9,287,369,286	4.97%
2004	2,717,981,445	23.36%	2004	8,847,511,973	7.97%
2003	2,203,211,200	-6.28%	2003	8,194,628,368	9.28%

¹ Revaluation phased- in.

Town of Wethersfield			Town of Windsor		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2012	\$3,147,128,675	0.02%	2012	\$4,026,160,993	0.00%
2011	3,146,435,531	0.59%	2011	4,026,157,221	0.56%
2010	3,128,048,308	-4.47%	2010	4,003,835,033	-0.89%
2009	3,274,360,078	-0.76%	2009	4,039,645,772	-5.96%
2008	3,299,287,214	-9.29%	2008	4,295,760,010	-5.23%
2007	3,637,100,135	0.18%	2007	4,533,063,159	-0.46%
2006	3,630,413,611	-2.64%	2006	4,553,843,709	9.66%
2005	3,728,964,091	5.31%	2005	4,152,615,879	10.89%
2004	3,541,097,244	26.68%	2004	3,744,909,821	14.72%
2003	2,795,283,343	-4.73%	2003	3,264,253,914	-4.07%

¹ Revaluation phased- in.

Source: State of Connecticut, Office of Policy and Management.

VII. FINANCIAL INFORMATION

FISCAL YEAR

Financial information for the District for fiscal years ended December 31, 2008 through December 31, 2013 and for the Member Municipalities for fiscal years ended June 30, 2009 through June 30, 2014, except for the City of Hartford which is for fiscal years ended June 30, 2008 through June 30, 2013, was taken from audited financial statements. Budget and audited financial data for the Member Municipalities of the District was provided by the Member Municipalities.

The District's fiscal year begins January 1 and ends December 31. The fiscal year for the Member Municipalities begins July 1 and ends June 30.

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

The District's accounting system is organized and operated on a fund accounting basis, conforming to the Charter and Ordinances of the District, the Governmental Accounting Standards Board ("GASB"), Generally Accepted Accounting Principles ("GAAP") for municipalities, and the American Institute of Certified Public Accountants industry audit guide, "Audits of State and Local Governmental Units". The District's proprietary funds apply all GASB pronouncements as well as follow pronouncements issued before November 30, 1989, unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures. Please refer to Appendix A "Notes to the Financial Statements" herein for compliance and implementation details.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Actual data for the General Fund for the District and Member Municipalities is presented in this Official Statement on a modified accrual basis of accounting and a current financial resources measurement focus. Revenues are recorded when they become measurable and available to finance operations of the fiscal year and expenditures are recorded when the related liability has been incurred. Actual data for the Water Utility Fund, the Hydroelectric Fund, and the Mid-Connecticut Fund utilize the accrual basis of accounting. Revenues are recognized when they are earned and their expenses are recognized when they are incurred. Budget data for the District and all Member Municipalities are presented on a budgetary non-GAAP basis, whereby encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued; and accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. All unencumbered budget appropriations lapse at the end of each fiscal year. Actual expenditures include current encumbrances, which method of accounting for encumbrances is different from that utilized by the GAAP accounting method.

BUDGETARY PROCEDURES

The District Board refers annually a proposed budget of revenues and expenditures to the Board of Finance. The Board of Finance reviews the proposed budget, makes adjustments if desired, and refers it back to the District Board for final enactment.

Annual operating budgets are adopted for the General Fund and the Water Utility Enterprise Fund. Total fund budgets are adopted for the Hydroelectric Development Project Enterprise Fund. The unencumbered balance of appropriations in the General Fund lapses at year-end. Encumbered appropriations are closed out at year end.

Capital project appropriations to be financed by the issuance of bonds, notes and other obligations of the District are subject to approval of the District Board upon recommendation of the Board of Finance.

The level of budgetary control is at a functional level. Purchase amounts are encumbered prior to the release of purchase orders to vendors. Purchase orders that may result in an overrun of the budget line item within the sub-function level appropriation balances are not released until additional appropriations are made available. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board.

DEBT ADMINISTRATION POLICY

Capital appropriations require approval by a two-thirds vote of the entire District Board and by a majority of the electors of the District at a referendum with the following exceptions:

1. Capital appropriations not exceeding \$5,000,000 for any single item within the capital section of the budgets.
2. Appropriations for any reason involving not more than \$10,000,000 in any one year for the purpose of meeting a public emergency threatening the lives, health or property of citizens of the District.
3. Construction of or leasing headquarters facilities.
4. Any public improvement all or a portion of which is to be paid for by assessments of benefits or from funds established to pay for waste or water facilities.

With the exception of the two \$800,000,000 appropriations and bond authorizations for the District's Clean Water Project approved at referenda in November, 2006 and November, 2012, which are expected to be supported by, general obligation bonds, revenue bonds, clean water fund obligation bonds payable from a Special Sewer Service Surcharge (see "*Clean Water Project*" and "*Authorized but Unissued Debt – The District*" herein), the District has followed a policy of financing capital expenditures by issuing general obligation bonds secured by unlimited taxes levied proportionately upon the Member Municipalities comprising the District (See "*Security and Remedies*" herein).

In addition to taxes, certain water charges, sewer user fees, and assessments are available to repay the general obligation bonds. Sewer bonds are payable from a municipal tax levy on each Member Municipality and from sewer user charges levied on tax-exempt and high-flow users. General obligation water bonds are paid from water sale revenues. Assessable sewer construction bonds are secured by liens against assessments on benefited properties. The receipts from assessments are deposited in a separate fund, and payments for debt service on assessable sewer construction bonds are made from such fund. Hydroelectric bonds are funded from power sales revenue deposited in a separate fund, and payments of the debt service on the Hydroelectric bonds are made from said fund.

ANNUAL AUDIT

Pursuant to its Charter and Connecticut law, the District is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended December 31, 2013, the examination was conducted by the firm of Blum, Shapiro & Company, P.C., independent certified public accountants and business consultants, of West Hartford, Connecticut. The firm was appointed by the Board of Finance.

PENSION PLAN

The District has a defined benefit, single-employer plan that was adopted by the District Board on January 1, 1944 and amended April 1, 1989. Per Section 1-5 of the District Charter, the District Board shall have the power to adopt a pension plan for the employees of the District and shall have the power to provide the management and prudent investment of pension funds in accordance with Connecticut General Statutes. By ordinance, the Personnel, Pension and Insurance Committee is charged with the responsibility for administering the District's retirement plan.

The investment of the District's plan is defined by the Immediate Participating Guarantee contract and Pension Plan Investment Policy. The assets of the Pension Plan are invested under a group annuity contract with the Aetna Life Insurance Company and with an independent investment manager in two types of accounts:

1. General Account providing a stable rate of return for deposits that become part of the general asset pool of Aetna Life Insurance.
2. Discretionary pension assets comprising employer and employee deposits under the management of Wellington Management Company LLP. Written guidelines for this account are adopted by the Personnel, Pension and Insurance Committee and confirmed by the District Board.

Participation in the plan is immediate upon employment for anyone below the normal retirement age of 65. Employees are required to contribute 5% of their annual covered salary. The District is required to contribute an actuarially determined amount to the pension plan. Currently, the District's contribution is 15% of annual covered payroll. The District's recommended contributions for 2011, 2012, 2013 and 2014 were \$15,050,472, \$5,347,556, \$5,804,428 and \$5,857,601, respectively.

Four-Year Trend Information			
Year Ended	Annual Required Contribution (ARC)	Actual Contribution	% of ARC Funded
MDC			
2011	\$4,948,298	\$4,633,200	94%
2012	\$5,347,556	\$5,822,098	109%
2013	\$5,804,428	\$5,881,000	101%
2014	\$5,857,601	\$5,918,000	101%
MidCT			
2011	\$10,102,174	\$0	0%

As noted in the legal section of the offering statement, the MDC and CRRA are currently involved in arbitration with regard to the contract termination expenses. The contract agreement between the MDC and CRRA expired on December 31, 2011 and the 2011 MidCT annual required contribution amount, which was billed to CRRA, reflects a required contribution to bring the pension plan to 100% funding status with respect to MidCT employees at December 31, 2011.

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements - Note 4” herein for information on the District’s Pension Plan.

OTHER POST EMPLOYMENT BENEFITS

The District provides health care and life insurance benefits for retired employees in accordance with union contracts. The District’s personnel, pension and insurance committee established and empowered by the District’s general ordinances establishes the benefit provisions and the employer’s and employees’ obligations. Substantially all of the District’s employees qualify for retiree health care and life insurance benefits if they become eligible for retirement. Retiree health and life insurance benefits are provided through indemnity plans and health maintenance organizations and the District records the annual insurance premiums and claim costs in its expenditures or expenses as appropriate. The total District costs for health care and life insurance benefits for approximately 396 retirees for the year ended December 31, 2013 were \$5,937,248.

In 2004, the Governmental Accounting Standards Board issued Statement No. 43, Financial Reporting for Post Employment Benefit Plans Other than Pension Plans, which is effective for the District beginning with its financial statements for the year ended December 31, 2007. This pronouncement requires the recognition of post employment benefits as expenses as earned by employees, which requires recognition of a liability based upon actuarial factors similar to defined benefit pension plans.

The District has engaged its actuary to perform the required calculations and has determined that the unfunded actuarial accrued liability based upon a valuation date of January 1, 2012 was approximately \$221 million. Currently, the District follows a pay as you go methodology with respect to funding.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed
12/31/2010	\$15,691,061	\$5,155,361	32.9%
12/31/2011	\$19,247,038	\$26,995,985	140.3%
12/31/2012	\$14,346,459	\$7,932,085	55.3%
12/31/2013	\$15,162,000	\$6,512,592	43.0%
Net OPEB Obligation as of December 31, 2012.....			\$37,098,887
Net OPEB Obligation as of December 31, 2013.....			\$45,748,295

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements - Note 5” herein for information on the District’s Post Employment Healthcare Plan.

INVESTMENT POLICIES AND PRACTICES

Connecticut General Statutes define the legal investments available to municipalities and establish criteria for financial institutions to receive municipal deposits.

Sections 7-400 and 7-402 allow municipalities to invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

Sections 3-27a through 3-27i allow for the purchases of participation certificates in the Short Term Investment Fund (“STIF”) managed by the State of Connecticut Treasurer. STIF’s primary investment vehicles are United States Government Obligations, United States agency obligations, United States Postal Service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts and bank acceptances.

Section 36a-330 defines the collateralization requirements and risk-based capital ratios for financial institutions to accept municipal deposits. A financial institution must collateralize varying levels of public deposits depending on its risk-based capital ratio. A qualified public depository (financial institution) must collateralize 10% of its deposits, if its risk-based capital ratio is above 10%. However, if the public depository’s risk-based capital ratio is greater or equal to 8% but less than 10%, the public depository must collateralize 25% of its total public deposits. A financial institution must provide collateral equal to 100% of its public deposits, if its risk-based capital ratio is greater than or equal to 3% but less than 8%. If the financial institution’s risk-based capital is less than 3%, the firm’s public deposits must be collateralized at 120%.

DISTRICT CASH MANAGEMENT INVESTMENT POLICY

The District’s Cash Management Investment Policy further defines the investment and deposit of District funds. This policy is the direct responsibility of the Board of Finance with oversight of the District Board. The District’s funds are deposited and invested with qualified public depositories that have a risk-based capital ratio greater than or equal to 10%. In addition, the only investments allowed under this policy are obligations of the United States and certain of its agencies, fully collateralized repurchase agreements of such investment, certificates of deposit, the State of Connecticut Short Term Investment Fund, custodial pools, investment companies or investment trusts.

The District’s Cash Management Investment Policy defines the primary objectives of investment activities as safety, liquidity and return on investment.

RISK MANAGEMENT

The District purchases commercial insurance for all risks of loss except as follows. The District is self insured for health care, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1.0 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

COMPENSATED ABSENCES

The District's liability for accumulated unpaid vacation, sick pay and other employee time off is accrued when incurred in governmental and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The remaining is recorded in the general long-term obligations account group. Accrued compensated absences as of December 31, 2013 were \$5,764,344.

**REVENUES AND APPROPRIATIONS
BUDGET FOR 2015**

Water Revenues	Budget 2015
Sale of Water.....	\$72,482,500
Other Operating Revenue.....	3,609,700
Total Operating Revenue.....	\$76,092,200
Non-Operating Revenue.....	3,516,000
Contribution from (to) Working Funds.....	1,185,300
Total Water Revenues.....	\$80,793,500
Sewer Revenues	
Tax on Member Municipalities.....	\$37,446,400
Revenue From Other Governmental Agencies.....	3,063,400
Other Sewer Revenues.....	11,782,200
Sewer User Charge Revenue.....	6,002,100
Total Operating Revenue.....	58,294,100
Contributions/Transfers From Other Funds.....	3,882,100
Revenue Surplus Designated from Prior Year.....	0
Total Sewer Revenues.....	62,176,200
 Total Water and Sewer Revenues.....	 \$142,969,700
 Hydroelectric Revenues.....	 963,900
Total Revenues and Other Financing Sources.....	\$143,933,600

	2015		
	Water	Sewer	Total
Appropriations Water And Sewer Budgets			
District Board.....	\$ 122,700	\$ 117,800	\$ 240,500
Executive Office.....	359,200	345,100	704,300
Administrative Services.....	169,500	162,800	332,300
Legal.....	935,600	899,000	1,834,600
Human Resources.....	743,800	714,600	1,458,400
Information Technology.....	4,035,900	1,987,800	6,023,700
Finance.....	2,724,100	2,617,100	5,341,200
Environment, Health, Safety.....	535,200	514,400	1,049,600
Engineering and Planning.....	722,900	694,700	1,417,600
Customer Service.....	3,317,300	1,708,800	5,026,100
Operating Office.....	582,100	559,300	1,141,400
Laboratory Services.....	7,491,300	2,497,200	9,988,500
Operations.....	906,400	836,700	1,743,100
Water Pollution Control.....	-	16,524,600	16,524,600
Maintenance.....	5,711,300	5,487,200	11,198,500
Water Treatment & Supply.....	9,051,800	-	9,051,800
Patrol.....	1,767,900	-	1,767,900
Debt Service.....	17,221,500	19,118,700	36,340,200
Employee Benefits.....	13,166,500	4,872,300	18,038,800
General Insurance.....	2,858,600	1,225,100	4,083,700
Taxes and Fees.....	3,310,000	-	3,310,000
Special Agreements, Programs.....	3,155,800	671,000	3,826,800
Contingencies.....	831,200	622,000	1,453,200
Riverfront Park Systems.....	1,072,900	-	1,072,900
Total Water and Sewer Budgets.....	\$ 80,793,500	\$ 62,176,200	\$ 142,969,700
 Hydroelectric Budget.....			963,900
Total Appropriations.....	\$ 80,793,500	\$ 62,176,200	\$ 143,933,600

**SOURCES OF FUNDS
BUDGET FOR 2015**

<u>Sale of Water by User</u>	<u>Budget 2015</u>
Domestic.....	36.17%
Commercial.....	9.42
Industrial.....	1.43
Public Authority.....	3.68
Total	50.70%
<u>Sewer Revenues Paid By Member Municipality Tax</u>	
Hartford.....	7.20
West Hartford.....	5.75
East Hartford.....	3.14
Newington.....	2.30
Windsor.....	2.25
Wethersfield.....	2.11
Bloomfield.....	1.93
Rocky Hill.....	1.51
Total	26.19%
<u>Other Sources of Funds for Sewer & Water</u>	
Other Sewer & Water Revenues.....	23.11%
Total Sources of Funds for Sewer & Water	100.00%
<u>Sources of Funds for All Projects</u>	
Water revenues.....	56.13
Sewer Revenues.....	43.20
Hydroelectric Revenues.....	0.67
Total	100.00%

GENERAL FUND REVENUES AND EXPENDITURES
The District
Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Budget 2015 ¹	Budget 2014 ¹	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
REVENUES:							
Taxation - Member Towns.....	\$37,446,400	\$36,156,600	\$34,799,400	\$33,493,200	\$32,360,500	\$30,967,000	\$30,967,000
Sewer User Fees.....	6,002,100	6,321,600	5,641,519	5,459,338	5,648,811	5,387,089	5,196,099
Intergovernmental	3,063,400	2,963,400	3,247,905	3,689,993	6,126,080	6,316,756	6,953,697
Investment Income.....			33,637	16,592	29,710	55,844	97,017
Other Revenues.....	1,491,204	1,792,600	1,494,494	1,323,249	5,566,982	4,422,576	1,535,880
Designated for Surplus.....	0	2,980,400					
Transfers In.....	3,882,100	20,210,700	15,752,598	13,728,145	9,817,075	5,372,200	4,000,000
Total Revenues and Transfers In.....	\$51,885,204	\$70,425,300	\$60,969,553	\$57,710,517	\$59,549,158	\$52,521,465	\$48,749,693
EXPENDITURES:							
General Government.....	\$4,734,434	\$6,349,660	\$4,071,317	\$4,114,155	\$7,463,935	\$6,827,898	\$6,351,751
Engineering & Planning.....	653,765	597,246	36,396	118,517	1,124,966	1,781,538	1,401,698
Operations.....	1,339,855	2,141,594	1,802,090	1,679,661	3,281,022	3,307,062	3,446,176
Plants & Maintenance.....	21,240,212	16,261,604	19,078,105	21,555,352	20,001,916	21,805,352	18,243,576
Employee Benefits & Other.....	5,699,238	7,160,496	8,435,751	8,183,275	8,388,095	7,443,301	5,323,916
Miscellaneous Expenses.....							
Transfers Out.....	18,217,700	37,914,700	28,714,385	20,502,729	19,084,525	12,711,530	16,163,137
Total Expenditures and Transfers Out.....	\$51,885,204	\$70,425,300	\$62,138,044	\$56,153,689	\$59,344,459	\$53,876,681	\$50,930,254
Results from Operations.....			(\$1,168,491)	\$1,556,828	\$204,699	(\$1,355,216)	(\$2,180,561)
Fund Balance, January 1.....			\$16,625,734	\$15,068,906	\$14,864,207	\$16,219,423	\$18,399,984
Fund Balance, December 31...			\$15,457,243	\$16,625,734	\$15,068,906	\$14,864,207	\$16,219,423

¹ Budgetary, modified for GAAP.

ANALYSIS OF GENERAL FUND EQUITY
The District
(GAAP BASIS)

	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Nonspendable.....	\$1,980,172	\$1,387,243			
Reserved:					
Inventory.....			\$1,749,997	\$1,432,019	\$1,439,183
Encumbrances.....			2,423,443	1,921,258	2,024,851
Assigned.....	891,949	573,120			
Unreserved:					
Designated for Infrastructure Improvements.....				11,510,930	12,755,389
Unassigned.....	12,585,122	14,665,371	10,895,466		
Total Fund Balance	\$15,457,243	\$16,625,734	\$15,068,906	\$14,864,207	\$16,219,423

Source: Audit Reports 2009-2013; Budgets 2014 and 2015.

HISTORY OF MEMBER MUNICIPALITY'S TAXATION ¹

<u>Member Municipality</u>	Budget		Budget		Actual	
	2015	%	2014	%	2013	%
Bloomfield	\$ 2,752,400	7.35	\$ 2,612,500	7.23	\$ 2,584,900	7.43
East Hartford	4,490,100	11.99	4,213,200	11.65	3,964,500	11.39
Hartford	10,298,600	27.50	10,374,400	28.69	9,955,500	28.61
Newington	3,287,300	8.78	3,132,300	8.66	3,014,900	8.66
Rocky Hill	2,153,700	5.75	2,089,100	5.78	2,011,100	5.78
West Hartford	8,219,700	21.95	7,798,800	21.57	7,485,100	21.51
Wethersfield	3,022,000	8.07	2,824,400	7.81	2,756,900	7.92
Windsor	3,222,600	8.61	3,111,900	8.61	3,026,500	8.70
Total	\$ 37,446,400	100.0%	\$ 36,156,600	100.0%	\$ 34,799,400	100.0%

<u>Member Municipality</u>	Actual		Actual		Actual	
	2012	%	2011	%	2010	%
Bloomfield	\$ 2,488,900	7.43	\$ 2,399,000	7.41	\$ 2,268,900	7.33
East Hartford	3,856,000	11.51	3,769,700	11.65	3,757,200	12.13
Hartford	9,472,000	28.28	9,046,600	27.96	8,614,800	27.82
Newington	2,888,200	8.62	2,794,700	8.64	2,628,400	8.49
Rocky Hill	1,941,700	5.80	1,869,100	5.78	1,769,500	5.71
West Hartford	7,207,700	21.52	6,968,100	21.53	6,650,900	21.48
Wethersfield	2,682,500	8.01	2,619,900	8.10	2,510,900	8.11
Windsor	2,956,200	8.83	2,893,400	8.93	2,766,400	8.93
Total	\$ 33,493,200	100.0%	\$ 32,360,500	100.0%	\$ 30,967,000	100.0%

¹ The District has the power to levy a tax upon the Member Municipalities sufficient to finance the District's budgeted expenses. The tax is divided among the Member Municipalities in proportion to the total revenue received yearly from direct taxation in each Member Municipality, as averaged over the prior three years.

Source: District Officials.

WATER UTILITY FUND REVENUES AND EXPENDITURES
The District
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Budget 2015 ¹	Budget 2014 ^{1,2}	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Operating Revenues:							
Water Sales.....	\$72,482,500	\$65,664,900	\$76,994,138	\$68,827,277	\$55,530,498	\$58,781,185	\$51,330,641
Other Operating Revenues.....	3,609,700	3,058,000	0	0	0	0	1,426,721
Total Operating Revenue.....	\$76,092,200	\$68,722,900	\$76,994,138	\$68,827,277	\$55,530,498	\$58,781,185	\$52,757,362
Total Operating Expenses.....							
	80,793,500	70,204,300	61,586,554	57,846,953	50,971,083	66,192,477	65,759,309
Operating Income (Loss).....	(4,701,300)	(1,481,400)	15,407,584	10,980,324	4,559,415	(7,411,292)	(13,001,947)
Non-operating Revenues.....	3,516,000	1,481,400	1,717,490	1,079,465	873,794	1,400,776	2,061,891
Income (Loss) Before Interest &							
Fiscal Charges & Operating Transfers....	(1,185,300)	0	17,125,074	12,059,789	5,433,209	(6,010,516)	(10,940,056)
Interest & Fiscal Charges.....	0	0	(3,759,238)	(3,343,497)	(3,528,359)	(3,213,148)	(2,754,207)
Income Before Operating Transfers..	(\$1,185,300)	\$0	\$13,365,836	\$8,716,292	\$1,904,850	(\$9,223,664)	(\$13,694,263)
Net Operating Transfers.....	1,185,300	0	4,001,232	1,728,440	588,642	11,397,670	12,545,151
Net Income (Loss).....	\$0	\$0	\$17,367,068	\$10,444,732	\$2,493,492	\$2,174,006	(\$1,149,112)
Net Assets, January 1.....			\$258,030,618	\$247,585,886	\$245,092,394	\$242,918,388	\$244,067,500
Net Assets, December 31.....			\$275,397,686	\$258,030,618	\$247,585,886	\$245,092,394	\$242,918,388

¹ Budgetary Basis.

² At this time, District Officials anticipate net income of approximately \$3,000,000 for Fiscal Year ended December 31, 2014.

Source: Audit Reports 2009-2013; Budgets 2014 and 2015.

HYDROELECTRIC FUND REVENUES AND EXPENDITURES
The District
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Budget 2015 ¹	Budget 2014 ^{1,2}	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Operating Revenues:							
Power Sales.....	\$959,900	\$931,900	\$868,056	\$696,703	\$1,115,675	\$869,162	\$1,110,802
Miscellaneous.....	4,000	1,000					
Total Operating Revenue.....	\$963,900	\$932,900	\$868,056	\$696,703	\$1,115,675	\$869,162	\$1,110,802
Total Operating Expenses.....							
	\$615,700	\$451,700	\$345,431	\$402,924	\$321,966	\$363,741	\$447,432
Operating Income (Loss).....	\$348,200	\$481,200	\$522,625	\$293,779	\$793,709	\$505,421	\$663,370
Non-operating Revenues (Expenses).....	(\$95,000)	\$61,800	\$0	\$608	\$2,944	\$4,122	\$8,618
Income Before Operating Transfers.....	\$253,200	\$543,000	\$522,625	\$294,387	\$796,653	\$509,543	\$671,988
Net Operating Transfers.....	(253,200)	(595,000)	(1,000,000)	(1,500,000)	(1,550,000)	(1,550,000)	(1,550,000)
Net Income (Loss).....	\$0	(\$52,000)	(\$477,375)	(\$1,205,613)	(\$753,347)	(\$1,040,457)	(\$878,012)
Net Assets, January 1.....			\$8,104,428	\$9,310,041	\$10,063,388	\$11,103,845	\$11,981,857
Net Assets, December 31.....			\$7,627,053	\$8,104,428	\$9,310,041	\$10,063,388	\$11,103,845

¹ Budgetary Basis.

² At this time, District Officials anticipate net income of approximately \$300,000 for Fiscal Year ended December 31, 2014.

Source: Audit Reports 2009-2013; Budgets 2014 and 2015.

MID-CONNECTICUT PROJECT FUND REVENUES AND EXPENDITURES ¹
The District
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Actual 2010</u>	<u>Actual 2009</u>
Total Operating Revenue	\$0	\$2,636,095	\$46,711,439	\$21,526,912	\$17,978,766
Operating Expenses:					
General Administration.....	169,394	252,637	2,206,429	4,409,666	3,682,848
Operations.....	1,001,773	95,841	837,469	1,672,871	1,397,142
Maintenance.....	238,850	356,227	3,112,756	6,217,822	5,192,978
Capital Outlay.....					
Personnel Services.....	4,681,827	10,696,039	21,539,808	9,226,553	7,705,798
Total Operating Expenses	\$6,091,844	\$11,400,744	\$27,696,462	\$21,526,912	\$17,978,766
Operating Income (Loss)	(\$6,091,844) ³	(\$8,764,649) ²	\$19,014,977	\$0	\$0

¹ The Metropolitan District Commission provided services to the Connecticut Resources Recovery Authority (the "CRRA") for the operation of the waste-processing at the Mid-Connecticut Resource Recovery Facility, the transfer stations, the Hartford landfill and the transportation system between the transfer stations. The contract between the two parties terminated on December 31, 2011.

² The fund had net assets of \$10,276,228 at December 31, 2012.

³ The fund had net assets of \$4,738,246 at December 31, 2013.

Source: Audit Reports 2009-2013.

GENERAL FUND REVENUES AND EXPENDITURES

Town of Bloomfield

Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Taxes and Assessments.....	\$71,953,011	\$71,679,525	\$68,752,328	\$66,310,109	\$64,430,555	\$62,139,854
State and Federal Grants.....	6,792,816	11,640,999	14,348,379	12,018,377	9,952,846	10,277,496
Charges for Services.....	1,207,150	1,866,078	1,788,758	1,534,009	1,559,250	1,575,137
Investment Income.....	50,000	56,004	50,389	34,882	152,656	247,948
Licenses and Permits.....	320,660	0	0	0	0	0
Other.....	261,332	160,234	11,531,093 ⁵	228,226 ⁴	15,835,164 ²	86,940
Transfers In.....	1,400,000 ⁷	50,000	0	197,911	75,000	0
Total Revenues and Transfers In.....	\$81,984,969	\$85,452,840	\$96,470,947	\$80,323,514	\$92,005,471	\$74,327,375
EXPENDITURES:						
General Government.....	\$4,177,930	\$3,631,187	\$3,648,117	\$3,360,349	\$3,579,222	\$3,559,984
Public Safety.....	7,535,331	7,092,673	6,715,624	6,528,267	7,025,588	6,750,622
Public Works.....	3,159,519	3,100,569	2,907,343	5,570,103	2,450,354	2,616,066
Leisure Services.....	749,244	690,299	666,670	664,004	663,276	637,660
Public Libraries.....	1,546,626	1,459,802	1,385,092	1,367,410	1,397,095	1,328,969
Human Services.....	1,442,205	1,340,671	1,292,322	1,280,713	1,382,686	1,331,051
Facilities.....	1,660,284	1,582,410	1,621,760	1,542,864	1,697,811	1,813,899
Fixed Charges.....	14,578,016	14,114,184	12,841,982	12,588,736	11,887,131	11,066,954
Miscellaneous.....	313,000	159,666	127,739	109,268	221,393	285,904
Education.....	38,555,104	42,708,097	40,980,883	41,407,469	40,609,912	40,445,920
Debt Service.....	6,022,710	5,955,928	6,509,608	5,486,120	3,142,441	3,275,364
Transfers Out.....	2,245,000	2,850,000	13,419,610 ⁶	733,186	14,576,807 ³	270,000
Total Expenditures and Transfers Out.....	\$81,984,969	\$84,685,486	\$92,116,750	\$80,638,489	\$88,633,716	\$73,382,393
Results from Operations.....		\$767,354	\$4,354,197	(\$314,975)	\$3,371,755	\$944,982
Fund Balance, July 1.....		\$17,438,606	\$13,084,409	\$13,399,384	\$10,027,629	\$9,082,647
Fund Balance, June 30.....		\$18,205,960	\$17,438,606	\$13,084,409	\$13,399,384	\$10,027,629

¹ Budgetary Basis.

² Includes \$12,400,000 refunding bonds issued, \$2,082,150 premium on bond issuance and \$1,250,737 premium on refunding bond issuance.

³ Includes \$13,701,807 payment to refunded bond escrow agent.

⁴ Includes \$76,365 premium on bond issuance.

⁵ Includes \$10,240,000 refunding bonds issued and \$1,145,841 premium on refunding bond issuance.

⁶ Includes \$11,336,373 payment to refunded bond escrow agent.

⁷ Represents \$1,400,000 appropriated from prior years' surplus in Fiscal Years 2015.

ANALYSIS OF GENERAL FUND EQUITY

Town of Bloomfield

(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Restricted.....		\$712,937	\$1,382,150	\$2,082,150	
Assigned.....	\$2,315,312	2,122,990	672,501	358,070	\$720,057
Unassigned.....	15,890,648	14,602,679	11,029,758	10,959,164	9,307,572
Total Fund Balance	\$18,205,960	\$17,438,606	\$13,084,409	\$13,399,384	\$10,027,629
Unassigned Fund Balance As % of Total Expenditures	<u>18.76%</u>	<u>15.85%</u>	<u>13.68%</u>	<u>12.36%</u>	<u>12.68%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES
Town of East Hartford
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15 ¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Property Taxes.....	\$121,330,929	\$118,022,000	\$115,890,000	\$107,495,000	\$103,943,000	\$98,458,000
Intergovernmental.....	50,105,081	63,834,000	59,947,000	60,641,000	51,565,000	51,585,000
Other local revenues.....	3,608,650	9,886,000	9,009,000	10,482,000	8,635,000	7,012,000
Transfers In.....	5,010	661,000	13,818,000 ⁵	5,979,000 ³	457,000	399,000
Total Revenues and Transfers In.....	\$175,049,670	\$192,403,000	\$198,664,000	\$184,597,000	\$164,600,000	\$157,454,000
EXPENDITURES:						
General Government.....	\$34,934,755	\$33,669,000	\$34,905,000	\$30,955,000	\$26,997,000	\$26,943,000
Public Safety.....	26,150,060	27,139,000	26,064,000	25,544,000	25,048,000	24,261,000
Inspection/Permits.....	671,584	644,000	656,000	639,000	645,000	682,000
Public Works.....	13,514,830	9,128,000	8,535,000	8,185,000	8,629,000	8,742,000
Parks and Recreation.....	2,963,765	2,797,000	2,520,000	2,558,000	2,600,000	2,427,000
Health and Social Services.....	1,480,178	1,457,000	1,430,000	1,361,000	1,326,000	1,257,000
Debt Service.....	8,068,079	9,215,000	9,357,000	9,758,000	9,160,000	9,539,000
Education.....	87,266,419	107,307,000	100,759,000	97,696,000	89,434,000	84,284,000 ²
Transfers Out.....	0	1,080,000	15,023,000 ⁶	6,208,000 ⁴	187,000	17,000
Total Expenditures and Transfers Out.....	\$175,049,670	\$192,436,000	\$199,249,000	\$182,904,000	\$164,026,000	\$158,152,000
Results from Operations.....		(\$33,000)	(\$585,000)	\$1,693,000	\$574,000	(\$698,000)
Fund Balance, July 1.....		\$14,626,000	\$15,211,000	\$13,518,000	\$12,944,000	\$13,642,000
Fund Balance, June 30.....		\$14,593,000	\$14,626,000	\$15,211,000	\$13,518,000	\$12,944,000

¹ Budgetary Basis.

² These expenditures are reflected on a budgetary basis and do not include State of Connecticut on-behalf payments to the Connecticut Teachers' Retirement System for Town teachers and certain other grants and expenditures of the Board of Education.

³ Includes \$5,280,000 of Bond Issuance and \$193,000 of refunding bond premium.

⁴ Includes \$5,411,000 in refunding bond escrow.

⁵ Includes \$12,230,000 of Refunding Bond Issuance and \$1,076,000 of refunding bond premium.

⁶ Includes \$13,188,000 in refunding bond escrow.

ANALYSIS OF GENERAL FUND EQUITY
Town of East Hartford
(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Assigned.....	\$626,000	\$1,338,000	\$1,257,000	\$668,000	\$906,000
Unassigned.....	13,967,000	13,288,000	13,954,000	12,850,000	12,038,000
Total Fund Balance	\$14,593,000	\$14,626,000	\$15,211,000	\$13,518,000	\$12,944,000
Unassigned Fund Balance As % of Total Expenditures	<u>7.26%</u>	<u>6.67%</u>	<u>7.63%</u>	<u>7.83%</u>	<u>7.61%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES
City of Hartford
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15 ¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Property Taxes.....	\$259,084,000	\$256,765,000	\$255,546,000	\$277,245,000	\$274,013,000	\$266,990,000
Licenses and Permits.....	6,167,000	6,555,000	5,661,000	6,299,000	4,891,000	5,608,000
Investment Income.....	5,173,000	489,000	312,000	399,000	317,000	1,027,000
Intergovernmental.....	249,180,000	286,236,000	280,695,000	280,582,000	272,915,000	267,840,000
Charges for Services.....	2,802,000	3,589,000	2,829,000	2,258,000	2,807,000	2,175,000
Other Revenues.....	29,605,000	3,725,000	4,600,000	6,951,000	7,743,000	7,396,000
Transfers In.....	0	10,430,000	12,439,000 ⁴	2,840,000 ²	4,159,000	2,884,000
Total Revenues and Transfers In.....	\$552,011,000	\$567,789,000	\$562,082,000	\$576,574,000	\$566,845,000	\$553,920,000
EXPENDITURES:						
General Government.....	\$20,581,000	\$19,384,000	\$19,206,000	\$21,566,000	\$19,800,000	\$19,831,000
Public Safety.....	73,044,000	74,778,000	72,691,000	73,595,000	75,672,000	70,756,000
Public Works.....	12,959,000	13,761,000	12,866,000	13,162,000	13,083,000	12,522,000
Development and Community	4,368,000	4,739,000	4,592,000	4,612,000	4,228,000	4,342,000
Human Services.....	4,756,000	4,441,000	4,588,000	4,704,000	7,103,000	7,237,000
Library.....	8,215,000	0	0	0	0	0
Education.....	284,008,000	321,535,000	314,620,000	313,069,000	304,370,000	305,210,000
Recreation and Culture.....	0	7,863,000	8,215,000	7,972,000	0	0
Benefits and Insurance.....	87,929,000	86,898,000	66,941,000	64,501,000	65,160,000	55,791,000
Debt Service.....	20,144,000	0	0	0	0	0
Other.....	36,007,000	21,019,000	17,858,000	29,445,000	34,552,000	31,042,000
Transfers Out.....	0	26,868,000	40,240,000	38,921,000	37,427,000	44,854,000
Total Expenditures and Transfers Out.....	\$552,011,000	\$581,286,000	\$561,817,000	\$571,547,000	\$561,395,000	\$551,585,000
Results from Operations.....		(\$13,497,000)	\$265,000	\$5,027,000	\$5,450,000	\$2,335,000
Fund Balance, July 1.....		\$30,378,000	\$30,113,000	\$25,086,000	\$19,636,000³	\$16,313,000
Fund Balance, June 30.....		\$16,881,000	\$30,378,000	\$30,113,000	\$25,086,000	\$18,648,000

¹ Budgetary Basis.

² Includes \$555,000 of Bond Premium.

³ Restated.

⁴ Includes \$6,511,000 of Bond Premium.

ANALYSIS OF GENERAL FUND EQUITY
City of Hartford
(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Assigned.....	\$3,859,000	\$2,850,000	\$4,332,000	\$2,525,000	\$148,000
Unassigned.....	13,022,000	27,528,000	25,781,000	22,561,000	18,500,000
Total Fund Balance	\$16,881,000	\$30,378,000	\$30,113,000	\$25,086,000	\$18,648,000
Unassigned Fund Balance As % of Total Expenditures	<u>2.24%</u>	<u>4.90%</u>	<u>4.51%</u>	<u>4.02%</u>	<u>3.35%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES

Town of Newington

Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Property Taxes.....	\$88,271,952	\$85,646,000	\$83,913,000	\$80,895,000	\$77,704,000	\$75,594,000
Payment in Lieu of Taxes.....	2,906,314	2,764,000	2,339,000	2,343,000	3,096,000	3,050,000
Licenses, Fees and Permits.....	303,000	344,000	402,000	278,000	194,000	300,000
Intergovernmental.....	14,939,679	23,590,000	22,228,000	24,791,000	19,176,000	19,882,000
Rental.....	146,472	77,000	146,000	133,000	137,000	130,000
Income on Investments.....	46,350	62,000	39,000	67,000	123,000	172,000
Fines.....	40,000	89,000	122,000	123,000	93,000	64,000
Charges for Services.....	582,450	551,000	574,000	488,000	510,000	605,000
Refunds and Reimbursements.....	87,825	0	0	0	0	0
Other.....	28,092	128,000	96,000	832,000	136,000	51,000
Transfers In ²	2,731,158	433,000	10,436,000 ⁵	164,000	127,000	3,739,000 ³
Total Revenues and Transfers In.....	\$110,083,292	\$113,684,000	\$120,295,000	\$110,114,000	\$101,296,000	\$103,587,000
EXPENDITURES:						
General Government.....	\$4,666,890	\$4,483,000	\$4,245,000	\$4,016,000	\$3,874,000	\$3,823,000
Public Safety.....	7,996,199	7,608,000	7,474,000	7,533,000	7,173,000	7,054,000
Public Works.....	5,006,430	4,728,000	4,557,000	6,223,000	4,668,000	4,532,000
Community Planning & Develop	513,723	465,000	456,000	422,000	430,000	479,000
Health and Human Services.....	1,146,294	1,123,000	1,057,000	1,093,000	1,074,000	1,117,000
Library.....	1,728,923	1,655,000	1,633,000	1,668,000	1,566,000	1,646,000
Parks and Recreation.....	1,661,386	1,513,000	1,512,000	1,542,000	1,472,000	1,429,000
Education.....	68,039,471	74,223,000	69,551,000	68,303,000	64,499,000	63,212,000
Miscellaneous.....	12,822,817	11,031,000	11,748,000	10,424,000	10,026,000	8,928,000
Debt Service.....	1,676,931	1,476,000	2,353,000	2,312,000	2,158,000	2,523,000
Transfers Out.....	4,824,228	4,955,000	14,666,000 ⁶	4,958,000	5,026,000	7,892,000 ⁴
Total Expenditures and Transfers Out.....	\$110,083,292	\$113,260,000	\$119,252,000	\$108,494,000	\$101,966,000	\$102,635,000
Results from Operations.....		\$424,000	\$1,043,000	\$1,620,000	(\$670,000)	\$952,000
Fund Balance, July 1.....		\$19,636,000	\$18,593,000	\$16,973,000	\$17,643,000	\$16,691,000
Fund Balance, June 30.....		\$20,060,000	\$19,636,000	\$18,593,000	\$16,973,000	\$17,643,000

¹ Budgetary Basis.

² Includes \$2,250,000 and \$2,400,000 appropriated from prior years' surplus in Fiscal Year 2014 and 2015, respectively.

³ Includes \$3,640,000 refunding bonds issued.

⁴ Includes \$3,571,000 payment to refunded bond escrow agent.

⁵ Includes \$462,000 premium on refunding bonds and \$9,810,000 refunding bonds issued.

⁶ Includes \$10,144,000 payment to refunded bond escrow agent.

ANALYSIS OF GENERAL FUND EQUITY

Town of Newington

(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Assigned.....	\$4,877,000	\$5,010,000	\$4,174,000	\$3,891,000	\$1,745,000
Designated for Sub. Year.....	0	0	0	0	2,000,000
Unassigned.....	15,183,000	14,626,000	14,419,000	13,082,000	13,898,000
Total Fund Balance	\$20,060,000	\$19,636,000	\$18,593,000	\$16,973,000	\$17,643,000
Unassigned Fund Balance As % of Total Expenditures	<u>13.41%</u>	<u>12.26%</u>	<u>13.29%</u>	<u>12.83%</u>	<u>13.54%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES

Town of Rocky Hill

Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Taxes and Assessments.....	\$59,462,002	\$57,822,637	\$56,453,949	\$53,019,340	\$52,381,560	\$50,445,629
Intergovernmental.....	6,066,528	10,206,932	9,052,449	9,149,211	7,432,129	7,203,662
Charges for Services.....	376,000	1,378,617	1,544,079	896,449	844,632	792,346
Income on Investments.....	21,000	23,823	14,069	13,720	24,417	39,737
Miscellaneous.....	1,733,346	995,991	827,777	747,501	722,482	656,980
Transfers In.....	914,733 ⁶	0	7,779,757 ⁴	0	0	7,420,000 ²
Total Revenues and Transfers In.....	\$68,573,609	\$70,428,000	\$75,672,080	\$63,826,221	\$61,405,220	\$66,558,354
EXPENDITURES:						
General Government.....	\$3,083,633	\$2,388,003	\$2,399,855	\$2,463,450	\$2,269,845	\$2,313,302
Public Safety.....	5,950,314	6,153,764	5,828,716	5,503,034	5,650,377	5,341,066
Public Works.....	6,214,992	5,952,262	5,573,494	5,352,691	5,256,628	4,973,582
Health and Human Services.....	548,810	676,010	567,584	522,184	522,896	501,487
Parks, Recreation and Facilities...	3,644,131	5,955,413	5,544,561	5,312,396	5,423,382	5,253,636
Library Services.....	934,446	953,855	912,754	862,248	882,446	875,847
Education.....	35,320,903	35,566,626	33,885,126	32,952,537	30,865,280	30,266,724
Miscellaneous.....	8,186,027	7,596,307	7,357,111	6,948,577	6,477,639	6,162,034
Capital Outlays.....	2,631,827	1,068,650	1,473,714	973,159	956,339	523,784
Debt Service	2,058,526	1,671,560	2,235,379	2,385,319	2,363,467	2,895,090
Transfers Out.....	0	2,177,382	8,324,556 ⁵	497,548	506,348	7,646,494 ³
Total Expenditures and Transfers Out.....	\$68,573,609	\$70,159,832	\$74,102,850	\$63,773,143	\$61,174,647	\$66,753,046
Results from Operations.....		\$268,168	\$1,569,230	\$53,078	\$230,573	(\$194,692)
Fund Balance, July 1.....		\$5,870,683	\$4,301,453	\$4,248,375	\$4,017,802	\$4,212,494
Fund Balance, June 30.....		\$6,138,851	\$5,870,683	\$4,301,453	\$4,248,375	\$4,017,802

¹ Budgetary Basis

² Includes \$7,420,000 refunding bonds issued.

³ Includes \$7,316,494 payment to refunded bond escrow agent.

⁴ Includes \$7,160,000 refunding bonds issued and \$619,757 premium on refunding bond issuance.

⁵ Includes \$7,675,728 payment to refunded bond escrow agent.

⁶ Includes \$914,733 appropriated from prior years' surplus.

ANALYSIS OF GENERAL FUND EQUITY

Town of Rocky Hill

(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Assigned.....	\$1,552,335	\$1,198,823	\$245,955	\$754,586	\$209,884
Designated for subsequent year.....	0	0	0	0	281,148
Unassigned.....	4,586,516	4,671,860	4,055,498	3,493,789	3,526,770
Total Fund Balance	\$6,138,851	\$5,870,683	\$4,301,453	\$4,248,375	\$4,017,802
Unassigned Fund Balance As % of Total Expenditures	<u>6.54%</u>	<u>6.30%</u>	<u>6.36%</u>	<u>5.71%</u>	<u>5.28%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES
Town of West Hartford
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2015 ¹	Actual 2014	Actual 2013	Actual 2012 ²	Actual 2011	Actual 2010 ³
REVENUES:						
Property Taxes.....	\$221,512,947	\$214,923,000	\$210,571,000	\$200,033,000	\$192,984,000	\$186,107,000
Intergovernmental.....	22,264,687	43,115,000	39,853,000	46,477,000	32,117,000	28,491,000
Charges for Services.....	5,096,394	4,741,000	4,632,000	4,970,000	4,304,000	5,023,000
Income on Investments.....	250,000	256,000	382,000	451,000	710,000	1,045,000
Miscellaneous.....	696,000	775,000	779,000	1,004,000	1,140,000	841,000
Transfers In.....	1,024,995	849,000	790,000	994,000	878,000	68,779,000 ⁴
Total Revenues.....	\$250,845,023	\$264,659,000	\$257,007,000	\$253,929,000	\$232,133,000	\$290,286,000
EXPENDITURES:						
Current:						
General Government.....	\$5,407,955	\$5,328,000	\$5,182,000	\$5,064,000	\$5,033,000	\$4,788,000
Public Safety.....	25,440,822	25,368,000	25,629,000	25,340,000	23,497,000	22,252,000
Community Maintenance.....	15,738,062	15,669,000	15,329,000	14,398,000	15,011,000	15,297,000
Human and Cultural.....	6,028,448	6,079,000	5,864,000	5,691,000	5,503,000	5,503,000
Education.....	145,888,757	160,266,000	155,074,000	149,600,000	139,573,000	131,068,000
Debt and Sundry.....	37,235,153	34,431,000	32,380,000	40,601,000	25,922,000	40,418,000
Capital Outlay.....	0	102,000	48,000	0	99,000	77,000
Transfers Out.....	15,105,826	16,654,000	16,413,000	13,591,000	16,786,000	69,741,000 ⁵
Total Expenditures and Transfers Out.....	\$250,845,023	\$263,897,000	\$255,919,000	\$254,285,000	\$231,424,000	\$289,144,000
Results from Operations.....		\$762,000	\$1,088,000	(\$356,000)	\$709,000	\$1,142,000
Fund Balance, July 1.....		\$19,443,000	\$18,355,000	\$18,711,000	\$18,002,000	\$16,860,000
Fund Balance, June 30.....		\$20,205,000	\$19,443,000	\$18,355,000	\$18,711,000	\$18,002,000

¹ *Budgetary Basis.*

² *In fiscal year 2010, all Risk Management costs (Health, Workers Compensation, etc.) were transferred from individual departments to Debt and Sundry.*

³ *In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).*

⁴ *Includes \$67,710,000 refunding bonds issued.*

⁵ *Includes \$67,257,000 payment to refunded bond escrow agent*

ANALYSIS OF GENERAL FUND EQUITY
Town of West Hartford
(GAAP BASIS)

	Actual 2014	Actual 2013	Actual 2012	Actual 2011	Actual 2010
Nonspendable.....	\$178,000	\$179,000	\$169,000	\$178,000	\$178,000
Assigned.....	374,000	333,000	355,000	652,000	\$809,000
Unassigned.....	19,653,000	18,931,000	17,831,000	17,881,000	17,193,000
Total Fund Balance	20,205,000	19,443,000	18,355,000	18,711,000	18,002,000
Unassigned Fund Balance					
As % of Total Expenditures	<u>7.45%</u>	<u>7.40%</u>	<u>7.01%</u>	<u>7.73%</u>	<u>5.95%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Wethersfield
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15 ¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Property Taxes.....	\$80,806,613	\$78,321,007	\$75,019,911	\$72,867,903	\$70,620,970	\$71,117,614
Intergovernmental.....	9,797,524	17,339,290	16,262,260	16,674,045	14,296,441	14,093,177
Other Local Revenues.....	1,630,625	2,157,286	1,920,385	1,498,540	2,155,787	2,709,868
Transfers In.....	600,000 ²	123,429	6,769,120 ⁶	672,465	0	13,332,220 ³
Total Revenues and Transfers In.....	\$92,834,762	\$97,941,012	\$99,971,676	\$91,712,953	\$87,073,198	\$101,252,879
EXPENDITURES:						
Public Safety.....	\$9,691,133	\$9,242,982	\$8,614,977	\$8,597,455	\$8,443,638	\$8,132,620
Public Works.....	8,245,387	8,298,582	7,917,299	7,594,385	7,877,295	7,395,776
Recreation and Parks.....	1,708,763	1,591,171	1,403,082	1,389,756	1,495,198	1,442,808
Social Services.....	794,431	791,675	875,144	829,087	906,931	897,535
Library.....	1,876,700	1,799,942	1,732,883	1,665,484	1,659,845	1,620,882
General Government.....	10,042,686	8,437,977	8,527,909	9,090,322	7,359,677	7,936,072
Education.....	54,797,197	60,950,236	58,303,580	55,269,575	54,344,069	54,093,101
Debt Service.....	3,379,104	3,236,244	3,807,461	3,569,423	3,775,508	4,044,856
Contingency.....	340,000	0	0	0	0	0
Transfers Out.....	1,959,361	2,285,085	8,453,204 ⁷	3,356,751	2,022,213	15,734,384 ⁴
Total Expenditures and Transfers Out.....	\$92,834,762	\$96,633,894	\$99,635,539	\$91,362,238	\$87,884,374	\$101,298,034
Results from Operations.....		\$1,307,118	\$336,137	\$350,715	(\$811,176)	(\$45,155)
Fund Balance, July 1.....		\$10,481,582	\$10,145,445	\$9,794,730	\$10,605,906⁵	\$8,904,357⁵
Fund Balance, June 30.....		\$11,788,700	\$10,481,582	\$10,145,445	\$9,794,730	\$8,859,202

¹ Budgetary Basis.

² Includes \$300,000 and \$600,000 appropriated from prior years' surplus in Fiscal Year 2014 and 2015, respectively.

³ Includes \$12,010,000 refunding bonds issued and \$1,322,220 premium on refunding bonds.

⁴ Includes \$13,161,148 payment to refunded bond escrow agent.

⁵ Restated.

⁶ Includes \$6,170,000 refunding bonds issued and \$549,120 premium on refunding bonds.

⁷ Includes \$6,610,679 payment to refunded bond escrow agent.

ANALYSIS OF GENERAL FUND EQUITY
Town of Wethersfield
(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Committed.....	\$414,179	\$373,793	\$405,817	\$1,823,247	\$813,143
Assigned.....	1,126,833	796,624	829,460	858,617	700,000
Unassigned.....	10,247,688	9,311,165	8,910,168	7,112,866	7,346,059
Total Fund Balance	11,788,700	10,481,582	10,145,445	9,794,730	8,859,202
Unassigned Fund Balance As % of Total Expenditures	<u>10.60%</u>	<u>9.35%</u>	<u>9.75%</u>	<u>8.09%</u>	<u>7.25%</u>

Source: Audit Reports 2010-2014; Budget 2015.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Windsor
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2014-15 ¹	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
REVENUES:						
Property Taxes.....	\$86,535,450	\$82,937,213	\$82,159,015	\$79,806,333	\$78,440,338	\$75,182,401
State & Federal Governments.....	15,118,410	22,298,413	21,410,871	21,115,541	19,819,257	19,483,098
Charges for Services.....	1,869,300	4,865,078	4,531,261	3,361,671	3,764,362	2,327,254
Investment Income.....	115,000	120,506	132,574	158,626	243,289	215,245
Transfers In ²	900,000	95,510	105,150	903,038	113,220	112,590
Total Revenues and Transfers In.....	\$104,538,160	\$110,316,720	\$108,338,871	\$105,345,209	\$102,380,466	\$97,320,588
EXPENDITURES:						
Education.....	\$69,917,270	\$70,387,913	\$68,251,357	\$67,390,801	\$64,675,805	\$63,097,716
General Government.....	17,597,480	11,681,899	11,367,560	10,823,683	10,508,186	9,845,335
Culture & Recreation.....	1,387,630	3,765,963	3,748,207	3,714,831	3,562,735	2,423,677
Human Services.....	791,240	1,333,534	1,409,128	1,293,713	1,339,342	1,223,405
Public Safety.....	9,674,270	10,347,278	9,482,675	9,246,685	9,191,543	8,173,386
Public Works.....	5,170,270	5,697,653	5,553,231	5,444,107	5,745,378	5,551,103
Transfers Out.....	0	6,824,000	6,219,500	7,196,210	6,223,950	6,716,700
Total Expenditures and Transfers Out.....	\$104,538,160	\$110,038,240	\$106,031,658	\$105,110,030	\$101,246,939	\$97,031,322
Results from Operations.....		\$278,480	\$2,307,213	\$235,179	\$1,133,527	\$289,266
Fund Balance, July 1.....		\$20,911,350	\$18,604,137	\$18,368,958	\$17,235,431 ³	\$15,268,657
Fund Balance, June 30.....		\$21,189,830	\$20,911,350	\$18,604,137	\$18,368,958	\$15,557,923

¹ Budgetary Basis.

² Represents appropriation from prior years' surplus.

³ Restated.

ANALYSIS OF GENERAL FUND EQUITY
Town of Windsor
(GAAP BASIS)

	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Reserved for Encumbrances.....					\$334,036
Nonspendable.....	\$46,154	\$42,679	\$48,934	\$35,544	44,044
Reserved for Prepaids.....					
Committed.....				3,395,259	900,000
Assigned.....	3,795,689	3,939,957	3,238,973		
Unassigned.....	17,347,987	16,928,714	15,316,230	14,938,155	14,279,843
Total Fund Balance	\$21,189,830	\$20,911,350	\$18,604,137	\$18,368,958	\$15,557,923
Unassigned Fund Balance As % of Total Expenditures	<u>15.77%</u>	<u>15.97%</u>	<u>14.57%</u>	<u>14.75%</u>	<u>14.72%</u>

Source: Audit Reports 2010-2014; Budget 2015.

VIII. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS – THE DISTRICT

As of March 19, 2015

(Pro Forma)

Long-Term Debt			Original	Debt	Date of
Date	Purpose	Rate %	Issue	Outstanding As of 3/19/15	Fiscal Year Maturity
10/31/96	CWF (274C, 285C).....	2.00	\$24,237,340	\$807,911	2015
12/30/97	CWF (270C).....	2.00	6,690,902	613,333	2016
06/30/99	CWF (319C).....	2.00	1,691,005	324,109	2018
12/30/99	CWF (383C).....	2.00	4,241,334	826,249	2019
06/30/00	CWF (361C).....	2.00	2,635,079	636,810	2019
08/31/01	Drinking Water (SRF 9709C).....	2.60	206,898	56,897	2020
12/31/01	Drinking Water (SRF 9704C).....	2.60	860,842	251,079	2020
06/30/02	Drinking Water (SRF 9710C).....	2.50	861,978	272,960	2021
06/30/02	CWF (405C).....	2.00	8,163,200	2,789,093	2021
03/30/03	CWF (267C).....	2.00	5,213,046	1,837,794	2022
06/30/03	CWF (494C).....	2.00	2,029,367	794,836	2022
12/31/03	Drinking Water (DW SRF 9709CD1).....	2.10	956,990	315,807	2020
12/31/03	Drinking Water (9704DCD1).....	2.10	2,225,346	763,599	2020
12/31/03	Drinking Water (200105C).....	2.10	2,343,735	986,322	2023
12/31/04	CWF (451C).....	2.00	3,987,009	1,852,115	2024
06/01/08	General Purpose, Issue of 2008.....	3.625-4.125	80,000,000	56,000,000	2028
09/30/09	CWF (521C).....	2.00	4,240,340	2,773,889	2028
10/31/08	CWF (508C).....	2.00	1,232,078	780,316	2027
12/30/08	CWF (160C).....	2.00	1,888,557	1,164,610	2027
12/31/08	CWF (578C).....	2.00	2,042,741	1,293,736	2027
02/28/09	CSL (142).....	2.00	6,200,000	4,029,999	2028
09/30/09	CWF (520C).....	2.00	4,547,580	3,088,565	2028
09/30/09	CSL (149).....	2.00	12,710,000	8,632,208	2028
06/01/10	Refunding Bonds.....	2.56	12,845,000	10,165,000	2022
07/15/10	General Purpose, Series A 2010.....	3.65	91,900,000	78,699,986	2035
07/15/10	General Purpose, Series B 2010.....	4.21	46,200,000	42,575,000	2040
01/31/11	CWF (578CD2).....	2.00	2,619,264	2,073,584	2030
08/31/11	Drinking Water (DW SRF 2010-8008).....	2.06	2,579,412	1,999,044	2030
02/28/12	Drinking Water (DW SRF 2010-8009).....	2.06	772,079	598,361	2030
03/31/12	CSL (166).....	2.00	21,907,709	18,453,792	2030
03/31/12	CWF (619D1).....	2.00	12,600,000	10,613,514	2030
01/31/13	CWF (626C).....	2.00	22,160,848	18,744,385	2032
01/31/13	Drinking Water (DW SRF 2010-8009-1).....	2.06	193,644	170,701	2030
02/14/13	General Purpose, Series A 2013.....	2.47	30,235,000	27,205,000	2033
02/14/13	General Purpose, Series B 2013.....	2.47	25,030,000	22,520,000	2033
03/13/31	CWF (639C).....	2.00	41,301,329	37,065,296	2032
06/19/13	Clean Water Project Revenue Bonds.....	4.06	85,000,000	84,000,000	2039
06/28/13	CWF (633C).....	2.00	15,485,718	13,808,100	2032
07/15/14	Drinking Water (DW SRF 2013-7012).....	2.00	2,780,620	2,560,488	2033
08/06/14	General Purpose Series A 2014.....	2.86	47,735,000	47,735,000	2035
08/06/14	Refunding Bonds, Series B 2014.....	1.48	14,845,000	14,845,000	2024
09/30/14	CWF (619-C1).....	2.00	24,821,197	23,063,030	2033
09/30/14	Drinking Water (DW SRF 7018).....	2.00	398,083	369,885	2033
11/14/14	Clean Water Project Revenue Bonds.....	3.63	140,000,000	140,000,000	2042
02/28/15	CWF (646-C).....	2.00	24,579,826	23,350,834	2034
03/19/15	General Purpose, Issue of 2015.....	2.85	66,740,000	66,740,000	2035
Total Long-Term Debt.....			\$911,935,096	\$778,248,239	

Short-Term Debt:

The District will issue \$81,500,000 in General Obligation Bond Anticipation Notes, Series A, on March 19, 2015 to temporarily finance various sewer, water and public improvement projects of the District, and \$35,000,000 in General Obligation Bond Anticipation Notes, Series B on March 19, 2015 to finance its Clean Water Project. The Series A Notes will mature on March 18, 2016. The Series B Notes will mature on November 4, 2015.

The District issued \$90,459,000 in General Obligation Bond Anticipation Notes, Series C, on March 24, 2014 to temporarily finance various sewer, water and public improvement projects of the District, and \$35,000,000 in General Obligation Bond Anticipation Notes, Series D on March 24, 2014 to finance its Clean Water Project. The Notes will mature on March 23, 2015. The District issued \$15,000,000 in General Obligation Bond Anticipation Notes, Series E, on June 27, 2014 to temporarily finance various sewer, water and public improvement projects of the District. The Notes will mature on March 23, 2015. The District issued \$23,000,000 in General Obligation Bond Anticipation Notes, Series G, on December 4, 2014 to temporarily finance various sewer, water and public improvement projects of the District. The notes will mature on March 23, 2015. All notes maturing on March 23, 2015 will be retired with the proceeds of the 2015 Series A and Series B Notes and the 2015 General Obligation Bonds.

The District currently has \$90,254,501 of outstanding Interim Funding Obligations (“IFO’s”) issued under the State of Connecticut’s Clean Water Fund Program and Drinking Water State Revolving Fund Program. The amount drawn to date is \$59,577,359.

Other Long-Term Commitments:

The District has no other general obligation long term commitments.

CLEAN WATER FUND PROGRAM

The Metropolitan District is a participant in the State of Connecticut’s Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at the rate of 2% per annum. All participating municipalities receive funding for eligible expenses of 20% grant and 80% loan, except for combined sewer overflow projects (50% grant and 50% loan) and denitrification projects (30% grant and 70% loan). Loans are made pursuant to a Project Loan and Grant Agreement. During construction the municipality enters into a short-term borrowing agreement with the State called an Interim Funding Obligation (“IFO”) from which it pays project costs as needed. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Upon project completion, or, in the case of certain larger projects, annually, a 20-year debt obligation called a Project Loan Obligation (“PLO”) is issued to the State. The municipal obligations issued to the State are secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date, or, in the case of certain larger projects, the earlier of such date or annually commencing one year after the date of the agreement. The final maturity of each loan is the earlier of twenty years from the scheduled completion date or twenty years from the date of the PLO. Principal and interest payments are made (1) in monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Monthly installments may be in level debt service or amortized with level principal. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may prepay their loans at any time prior to maturity without penalty.

DRINKING WATER STATE REVOLVING FUND PROGRAM

The Metropolitan District is a participant in the State of Connecticut’s Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through loans bearing interest at rates ranging from 2% to 3% per annum and grants.

Loans and grants are made pursuant to a Project Loan and Subsidy Agreement. Each municipality is obligated to repay only that amount that is drawn down for the payment of project costs (“Loan Agreement”). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

ANNUAL BONDED DEBT MATURITY SCHEDULE - THE DISTRICT¹

As of March 19, 2015

(Pro Forma)

Schedule A – General Obligation Bonds

Fiscal Year Ending	Outstanding Principal	Interest	Total	Bonds This Issue	Cumulative Percent Retired
2015	\$26,302,923	\$10,639,241	\$36,942,165		4.75
2016	30,129,015	14,924,062	45,053,077	\$3,180,000	10.76
2017	29,984,469	13,861,957	43,846,427	3,345,000	16.77
2018	29,939,470	12,784,877	42,724,347	3,345,000	22.77
2019	30,029,583	11,722,419	41,752,002	3,345,000	28.80
2020	29,499,905	10,678,268	40,178,174	3,345,000	34.72
2021	28,564,234	9,676,359	38,240,593	3,345,000	40.48
2022	28,045,544	8,728,598	36,774,142	3,345,000	46.14
2023	26,623,577	7,842,668	34,466,245	3,345,000	51.55
2024	26,258,417	7,028,592	33,287,010	3,345,000	56.89
2025	25,524,989	6,226,174	31,751,163	3,345,000	62.10
2026	25,579,989	5,433,541	31,013,530	3,345,000	67.32
2027	25,400,058	4,682,607	30,082,665	3,345,000	72.50
2028	24,550,993	3,937,347	28,488,341	3,350,000	77.54
2029	19,864,163	3,269,583	23,133,746	3,345,000	81.73
2030	19,348,314	2,683,172	22,031,485	3,345,000	85.82
2031	15,299,331	2,116,312	17,415,643	3,345,000	89.18
2032	13,522,620	1,670,579	15,193,199	3,345,000	92.23
2033	10,950,814	1,291,993	12,242,807	3,345,000	94.81
2034	6,234,831	964,623	7,199,455	3,345,000	96.54
2035	3,699,999	716,536	4,416,536	3,345,000	97.81
2036	2,225,000	541,413	2,766,413		98.21
2037	2,320,000	446,850	2,766,850		98.63
2038	2,425,000	342,450	2,767,450		99.06
2039	2,535,000	233,325	2,768,325		99.52
2040	2,650,000	119,250	2,769,250		100.00
Totals	\$487,508,239	\$142,562,798	\$630,071,034	\$66,740,000	

¹ Excludes principal and interest payments made in current Fiscal Year 2015.

Source: District Officials.

Schedule B – Clean Water Project Revenue Bonds

Fiscal Year Ending 12/31	Outstanding Principal	Interest	Total	Cumulative Percent Retired
2015	\$3,510,000	\$10,393,548	\$13,903,548	1.57
2016	3,680,000	10,516,850	14,196,850	3.21
2017	3,760,000	10,386,450	14,146,450	4.89
2018	3,870,000	10,239,800	14,109,800	6.62
2019	4,015,000	10,065,050	14,080,050	8.41
2020	4,075,000	9,959,750	14,034,750	10.23
2021	4,225,000	9,756,000	13,981,000	12.11
2022	4,355,000	9,577,000	13,932,000	14.06
2023	4,525,000	9,359,250	13,884,250	16.08
2024	4,700,000	9,133,000	13,833,000	18.18
2025	4,885,000	8,898,000	13,783,000	20.36
2026	5,080,000	8,662,500	13,742,500	22.63
2027	5,285,000	8,426,000	13,711,000	24.98
2028	5,495,000	8,178,625	13,673,625	27.44
2029	5,905,000	7,907,375	13,812,375	30.07
2030	6,290,000	7,608,500	13,898,500	32.88
2031	8,715,000	7,239,500	15,954,500	36.77
2032	11,015,000	6,752,750	17,767,750	41.69
2033	13,165,000	6,155,125	19,320,125	47.57
2034	15,025,000	5,457,500	20,482,500	54.27
2035	15,330,000	4,706,250	20,036,250	61.12
2036	15,645,000	3,939,750	19,584,750	68.10
2037	14,970,000	3,214,275	18,184,275	74.79
2038	15,320,000	2,529,075	17,849,075	81.63
2039	15,700,000	1,826,050	17,526,050	88.63
2040	8,075,000	1,273,000	9,348,000	92.24
2041	8,480,000	869,250	9,349,250	96.02
2042	8,905,000	445,250	9,350,250	100.00
Totals	\$224,000,000	\$193,475,473	\$417,475,473	

¹ Excludes principal and interest payments made in current Fiscal Year 2015.
Source: District Officials.

Combined Schedules A and B Outstanding Debt

Total Outstanding Principal¹	Total Interest	Total
\$778,248,239	\$336,038,271	\$1,047,546,507

¹ Excludes principal and interest payments made in current Fiscal Year 2015.
Source: District Officials.

**OVERLAPPING AND UNDERLYING NET DEBT
THE DISTRICT AND MEMBER MUNICIPALITIES**

As of March 19, 2015
(Pro Forma)

The outstanding indebtedness of the District is considered overlapping debt of the Member Municipalities.

The outstanding indebtedness of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford is considered underlying debt of the District:

Member Municipalities	Share of Net District Debt¹	Net Direct District Debt Applicable to Member Municipalities as of 3/19/15²	Net Direct Debt of Member Municipalities	Underlying Debt Issued Since 6/30/2014	Underlying Net Debt Applicable to District
Bloomfield.....	7.35	\$38,695,676	\$60,625,000	\$5,000,000	\$65,625,000
East Hartford.....	11.99	63,123,966	51,580,000	0	51,580,000
Hartford.....	27.5	144,779,739	504,998,283	132,000,000 ³	636,998,283
Newington.....	8.78	46,224,222	8,740,000	0	8,740,000
Rocky Hill.....	5.75	30,272,127	19,760,000	18,100,000	37,860,000
West Hartford.....	21.95	115,560,555	140,214,952	21,000,000	161,214,952
Wethersfield.....	8.07	42,486,272	22,644,603	22,000,000	44,644,603
Windsor.....	8.61	45,329,220	39,335,625	0	39,335,625
Totals.....	100.00%	\$526,471,778	\$847,898,463	\$198,100,000	\$1,045,998,463

¹ The Member Municipalities' share of the District's Net Direct Debt is based on the annual tax levy of each Member Municipalities as of Fiscal Year 2014-15.

² Includes approximately \$553,043,163 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds and Notes issued pursuant to authorizations totaling \$1.6 billion for the District's Clean Water Project. The District's goal is to fund the Clean Water Project with approximately 50-55% of revenue bonds or general obligation debt supported by a Special Sewer Service Surcharge, with an additional approximately 30% of State and Federal low-cost State Revolving Fund loans from the State of Connecticut Clean Water Revolving Fund Program, also supported by the Special Sewer Service Surcharge. Finally, it is expected that 15-20% of the entire project will be funded with State and Federal grants which require no repayment from MDC. The Special Sewer Service Surcharge is levied annually and added to customers' water bills, beginning in 2008. See pages 23 and 80 herein for further details.

³ Excludes the following long-term commitment of the City: The City of Hartford recently established the Hartford Stadium Authority ("the Authority"), which anticipates issuing approximately \$60 million in Lease Revenue Bonds in February, 2015 for the acquisition and construction of a new AA minor league baseball stadium and related facilities. Under a Lease Agreement the City of Hartford as Lessee will make rent payments equal to the principal and interest on the bonds when due. The obligation to make such payments is an absolute and unconditional obligation of the City, subject to annual appropriation by the City.

Source: Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford Audits.

DEBT STATEMENT - THE DISTRICT

As of March 19, 2015

(Pro Forma)

LONG TERM DEBT <i>(includes these Bonds)</i>	
Water (Self-Supporting).....	\$131,579,334
Sewer.....	148,385,441
Combined Funded CIP Projects ¹	62,805,439
Clean Water Project ³	435,478,025
TOTAL LONG TERM DEBT	\$778,248,239
SHORT TERM DEBT	
Notes <i>(includes this issue)</i>	116,500,000
CWF/DWSRF - IFO's ²	90,254,501
TOTAL DIRECT DEBT ³	\$985,002,740
Less:	
Debt Not Subject to Debt Limitation ⁴	458,530,962
TOTAL DIRECT NET DEBT	\$526,471,778
NET UNDERLYING DEBT - Member Municipalities ⁵	1,045,998,463
DIRECT NET DEBT PLUS NET UNDERLYING	\$1,572,470,241

¹ Represents bonds funded by water and sewer sources.

² Interim Funding Obligations ("IFO's") issued under the Clean Water Fund and Drinking Water State Revolving Fund programs total \$90,254,501; funds drawn to date total \$59,577,359.

³ Includes approximately \$553,043,163 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds, Revenue Bonds and General Obligation Notes issued pursuant to authorizations totaling \$1.6 billion for the District's Clean Water Project. The District's goal is to fund the Clean Water Project with approximately 50-55% of revenue bonds or general obligation debt supported by a Special Sewer Service Surcharge, with an additional approximately 30% of State and Federal low-cost State Revolving Fund loans from the State of Connecticut Clean Water Revolving Fund Program, also supported by the Special Sewer Service Surcharge. Finally, it is expected that 15-20% of the entire project will be funded with State and Federal grants which require no repayment from MDC. The Special Sewer Service Surcharge is levied annually and added to customers' water bills, beginning in 2008. See pages 23 and 80 herein for further details.

⁴ Represents debt issued for water purposes, supply of electricity and self-supporting clean water projects. The District issued \$85.0 million in Clean Water Project Revenue Bonds on June 19, 2013 and \$140.0 million in Clean Water Project Revenue Bonds on November 14, 2014. The bonds are being repaid from a portion of the Special Sewer Service Surcharge and are not a general obligation of the District.

⁵ Represents net direct debt of each Member Municipality.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – THE DISTRICT

As of March 19, 2015

(Pro Forma)

Population ¹	366,312
Net Taxable Grand List - 10/1/13 @ 70% of full value ²	\$23,784,560,956
Estimated Full Value ³	\$33,977,944,223
Equalized Net Taxable Grand List - 2012 ⁴	\$36,274,149,199

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$985,002,740	\$526,471,778	\$1,572,470,241
Per Capita.....	\$2,688.97	\$1,437.22	\$4,292.71
Ratio to Net Taxable Grand List.....	4.14%	2.21%	6.61%
Ratio to Estimated Full Value.....	2.90%	1.55%	4.63%
Ratio to Equalized Grand List.....	2.72%	1.45%	4.33%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

² Represents 2013 Net Taxable Grand Lists for the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

³ Represents estimated full values of 2013 Net Taxable Grand Lists of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

⁴ Office of Policy and Management, State of Connecticut.

DEBT STATEMENT – TOWN OF BLOOMFIELD

As of June 30, 2014

LONG TERM DEBT	\$55,625,000
SHORT TERM DEBT	5,000,000
TOTAL DIRECT DEBT	\$60,625,000
TOTAL NET DIRECT INDEBTEDNESS	\$60,625,000
NET OVERLAPPING DEBT - MDC 3/19/15 ¹	38,695,676
NET UNDERLYING DEBT - Fire Districts 6/30/14	2,673,034
TOTAL OVERALL DIRECT NET DEBT	\$101,993,710

¹Please refer to page 70 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF BLOOMFIELD

As of June 30, 2014

Population ¹	20,562
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$2,067,157,242
Estimated Full Value	\$2,953,081,774
Equalized Net Taxable Grand List - 2012 ²	\$2,802,966,115
Money Income per Capita - 2013 ³	\$41,702

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$60,625,000	\$60,625,000	\$101,993,710
Per Capita.....	\$2,948.40	\$2,948.40	\$4,960.30
Ratio to Net Taxable Grand List.....	2.93%	2.93%	4.93%
Ratio to Estimated Full Value.....	2.05%	2.05%	3.45%
Ratio to Equalized Grand List.....	2.16%	2.16%	3.64%
Debt per Capita to Money Income per Capita...	7.07%	7.07%	11.89%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Bloomfield.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Bloomfield.

DEBT STATEMENT – TOWN OF EAST HARTFORD

As of June 30, 2014

LONG TERM DEBT	\$51,580,000
SHORT TERM DEBT	0
TOTAL DIRECT DEBT	\$51,580,000
TOTAL NET DIRECT INDEBTEDNESS	\$51,580,000
NET OVERLAPPING DEBT - MDC 3/19/15 ¹	63,123,966
TOTAL OVERALL DIRECT NET DEBT	\$114,703,966

¹ Please refer to page 70 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF EAST HARTFORD

As of June 30, 2014

Population ¹	51,241
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$2,687,876,591
Estimated Full Value	\$3,839,823,701
Equalized Net Taxable Grand List - 2012 ²	\$3,936,906,558
Money Income per Capita - 2013 ³	\$25,578

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$51,580,000	\$51,580,000	\$114,703,966
Per Capita.....	\$1,006.62	\$1,006.62	\$2,238.52
Ratio to Net Taxable Grand List.....	1.92%	1.92%	4.27%
Ratio to Estimated Full Value.....	1.92%	1.92%	2.99%
Ratio to Equalized Grand List.....	1.31%	1.31%	2.91%
Debt per Capita to Money Income per Capita...	3.94%	3.94%	8.75%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of East Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of East Hartford.

DEBT STATEMENT – CITY OF HARTFORD³

As of June 30, 2014 - Estimated

LONG TERM DEBT	\$455,100,000
CWF - PLO	1,322,000
SHORT TERM DEBT	56,000,000
TOTAL DIRECT DEBT	\$512,422,000
Less:	
School Construction Grants - State of Conn. ¹	7,423,717
TOTAL NET DIRECT INDEBTEDNESS	\$504,998,283
NET OVERLAPPING DEBT - MDC 3/19/15²	144,779,739
TOTAL OVERALL DIRECT NET DEBT	\$649,778,022

¹ Represents School Construction Grants payable to the City over the life of certain School Bond issues.

² Please refer to page 70 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

³ Excludes the following long-term commitment of the City: The City of Hartford recently established the Hartford Stadium Authority ("the Authority"), which anticipates issuing approximately \$60 million in Lease Revenue Bonds in February, 2015 for the acquisition and construction of a new AA minor league baseball stadium and related facilities. Under a Lease Agreement the City of Hartford as Lessee will make rent payments equal to the principal and interest on the bonds when due. The obligation to make such payments is an absolute and unconditional obligation of the City, subject to annual appropriation by the City.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – CITY OF HARTFORD

As of June 30, 2014

Population ¹	125,130
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$3,531,344,777
Estimated Full Value	\$5,044,778,253
Equalized Net Taxable Grand List - 2012 ²	\$6,888,293,807
Money Income per Capita - 2013 ³	\$16,619

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$512,422,000	\$504,998,283	\$649,778,022
Per Capita.....	\$4,095.12	\$4,035.79	\$5,192.82
Ratio to Net Taxable Grand List.....	14.51%	14.30%	18.40%
Ratio to Estimated Full Value.....	10.16%	10.01%	12.88%
Ratio to Equalized Grand List.....	7.44%	7.33%	9.43%
Debt per Capita to Money Income per Capita...	24.64%	24.28%	31.25%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for the City of Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for City of Hartford.

DEBT STATEMENT – TOWN OF NEWINGTON

As of June 30, 2014

LONG TERM DEBT	\$8,740,000
SHORT TERM DEBT	0
TOTAL DIRECT DEBT ¹	\$8,740,000
TOTAL NET DIRECT INDEBTEDNESS	\$8,740,000
NET OVERLAPPING DEBT - MDC 3/19/15 ²	46,224,222
TOTAL OVERALL DIRECT NET DEBT	\$54,964,222

¹ Does not include a mortgage loan payable August 2012 through August 2017. The amount outstanding as of June 30, 2014 is \$1,045,000.

² Please refer to page 70 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF NEWINGTON

As of June 30, 2014

Population ¹	30,606
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$2,548,042,597
Estimated Full Value	\$3,640,060,853
Equalized Net Taxable Grand List - 2012 ²	\$3,651,832,566
Money Income per Capita - 2013 ³	\$36,462

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$8,740,000	\$8,740,000	\$54,964,222
Per Capita.....	\$285.56	\$285.56	\$1,795.86
Ratio to Net Taxable Grand List.....	0.34%	0.34%	2.16%
Ratio to Estimated Full Value.....	0.24%	0.24%	1.51%
Ratio to Equalized Grand List.....	0.24%	0.24%	1.51%
Debt per Capita to Money Income per Capita...	0.78%	0.78%	4.93%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Newington.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Newington.

DEBT STATEMENT – TOWN OF ROCKY HILL

As of June 30, 2014

LONG TERM DEBT	\$11,660,000
SHORT TERM DEBT	8,100,000
TOTAL DIRECT DEBT	\$19,760,000
TOTAL NET DIRECT INDEBTEDNESS	\$19,760,000
NET OVERLAPPING DEBT - MDC 3/19/15 ¹	30,272,127
TOTAL OVERALL DIRECT NET DEBT	\$50,032,127

¹ Please refer to page 70 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF ROCKY HILL

As of June 30, 2014

Population ¹	19,743
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$1,988,502,360
Estimated Full Value	\$2,840,717,657
Equalized Net Taxable Grand List - 2012 ²	\$2,784,951,675
Money Income per Capita - 2013 ³	\$42,229

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$19,760,000	\$19,760,000	\$50,032,127
Per Capita.....	\$1,000.86	\$1,000.86	\$2,534.17
Ratio to Net Taxable Grand List.....	0.99%	0.99%	2.52%
Ratio to Estimated Full Value.....	0.70%	0.70%	1.76%
Ratio to Equalized Grand List.....	0.71%	0.71%	1.80%
Debt per Capita to Money Income per Capita...	2.37%	2.37%	6.00%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Rocky Hill.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Rocky Hill.

DEBT STATEMENT – TOWN OF WEST HARTFORD

As of June 30, 2014

LONG TERM DEBT	\$140,830,000
SHORT TERM DEBT	0
TOTAL DIRECT DEBT	\$140,830,000
Less:	
School Construction Grants - State of Conn. ¹	615,048
TOTAL NET DIRECT INDEBTEDNESS	\$140,214,952
NET OVERLAPPING DEBT - MDC 3/19/15 ²	115,560,555
TOTAL OVERALL DIRECT NET DEBT	\$255,775,507

¹ Represents School Construction Grants payable to the Town over the life of certain School Bond issues.

² Please refer to page 70 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WEST HARTFORD

As of June 30, 2014

Population ¹	63,340
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$5,924,661,849
Estimated Full Value	\$8,463,802,641
Equalized Net Taxable Grand List - 2012 ²	\$9,035,908,810
Money Income per Capita - 2013 ³	\$47,485

	Total Direct Debt \$140,830,000	Total Net Direct Debt \$140,214,952	Total Overall Net Debt \$255,775,507
Per Capita.....	\$2,223.40	\$2,213.69	\$4,038.14
Ratio to Net Taxable Grand List.....	2.38%	2.37%	4.32%
Ratio to Estimated Full Value.....	1.66%	1.66%	3.02%
Ratio to Equalized Grand List.....	1.56%	1.55%	2.83%
Debt per Capita to Money Income per Capita...	4.68%	4.66%	8.50%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of West Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of West Hartford.

DEBT STATEMENT – TOWN OF WETHERSFIELD

As of June 30, 2014

LONG TERM DEBT	\$22,035,000
SERIAL NOTE	655,000
TOTAL DIRECT DEBT	\$22,690,000
Less:	
School Construction Grants - State of Conn. ¹	45,397
TOTAL NET DIRECT INDEBTEDNESS	\$22,644,603
NET OVERLAPPING DEBT - MDC 3/19/15 ²	42,486,272
TOTAL OVERALL DIRECT NET DEBT	\$65,130,875

¹ Represents School Construction Grants payable to the Town over the life of certain School Bond issues.

² Please refer to page 70 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WETHERSFIELD

As of June 30, 2014

Population ¹	26,590
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$2,205,813,324
Estimated Full Value	\$3,151,161,891
Equalized Net Taxable Grand List - 2012 ²	\$3,147,128,675
Money Income per Capita - 2013 ³	\$39,587

	Total Direct Debt \$22,690,000	Total Net Direct Debt \$22,644,603	Total Overall Net Debt \$65,130,875
Per Capita.....	\$853.33	\$851.62	\$2,449.45
Ratio to Net Taxable Grand List.....	1.03%	1.03%	2.95%
Ratio to Estimated Full Value.....	0.72%	0.72%	2.07%
Ratio to Equalized Grand List.....	0.72%	0.72%	2.07%
Debt per Capita to Money Income per Capita...	2.16%	2.15%	6.19%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Wethersfield.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Wethersfield.

DEBT STATEMENT – TOWN OF WINDSOR

As of June 30, 2014

LONG TERM DEBT	\$39,390,000
SHORT TERM DEBT	0
TOTAL DIRECT DEBT	\$39,390,000
Less:	
School Construction Grants - State of Conn. ¹	54,375
TOTAL NET DIRECT INDEBTEDNESS	\$39,335,625
NET OVERLAPPING DEBT - MDC 3/19/15 ²	45,329,220
TOTAL OVERALL DIRECT NET DEBT	\$84,664,845

¹ Represents School Construction Grants payable to the Town over the life of certain School Bond issues.

² Please refer to page 70 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WINDSOR

As of June 30, 2014

Population ¹	29,100
Net Taxable Grand List - 10/1/13 @ 70% of full value	\$2,831,162,216
Estimated Full Value	\$4,044,517,451
Equalized Net Taxable Grand List - 2012 ²	\$4,026,160,993
Money Income per Capita - 2013 ³	\$35,857

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$39,390,000	\$39,335,625	\$84,664,845
Per Capita	\$1,353.61	\$1,351.74	\$2,909.44
Ratio to Net Taxable Grand List	1.39%	1.39%	2.99%
Ratio to Estimated Full Value	0.97%	0.97%	2.09%
Ratio to Equalized Grand List	0.98%	0.98%	2.10%
Debt per Capita to Money Income per Capita...	3.78%	3.77%	8.11%

¹ U.S. Census Bureau, 2009-2013 American Community Survey, Town of Windsor.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2009-2013 American Community Survey, for Town of Windsor.

BOND AUTHORIZATION

The District has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to applicable debt limitations and the procedural requirements of the District Charter.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued with maturity dates not exceeding two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue if the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewerage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION ON INDEBTEDNESS

The District Charter provides that the total outstanding indebtedness of the District, for non-water purposes, shall not exceed:

5.00% of the combined Grand Lists of its Member Municipalities.

In accordance with the District's Charter Section 4-3, no bonds, notes or other certificates of debt, except such as are to mature in six months or less and to be paid from current taxes shall be issued if such issue shall bring the total outstanding indebtedness of the District to an amount in excess of five per centum of the combined grand lists of said District unless otherwise provided by special act. The grand lists for the purpose of this section shall be deemed to include the assessed value of all shares of capital stock the taxes on which are required by section 1205 of the Connecticut General Statutes, revision of 1918, as amended, to be remitted annually to the municipalities by the State. In computing the total outstanding indebtedness of the District there shall be deducted the amount of the District's sinking fund, the amount of bonds issued for the supply of water or for the construction of subways or underground conduits for cables, wires or pipes and of such other bonds of the District as may be issued under any act of the legislature, especially providing that the bonds issued thereunder shall be deducted in computing the total outstanding indebtedness of the District. Bonds and notes issued for a sewerage system, and secured solely by a pledge of sewerage system use charges, are not included in computing the aggregate indebtedness of the District for this purpose.

The Charter also provides for exclusion from the debt limitation of any debt to be paid from a funded sinking fund. The District's Clean Water Project Revenue Bonds are also excluded from the debt limitation. Special Act 14-21 also excludes other revenue bonds issued under the District's Charter from the debt limitation.

**STATEMENT OF STATUTORY DEBT LIMITATION
THE DISTRICT
As of March 19 2015
(Pro Forma)**

COMBINED 2013 NET TAXABLE GRAND LISTS OF MEMBER MUNICIPALITIES	\$23,784,560,956
DEBT LIMIT - 5% of combined Grand Lists ¹	<u>\$1,189,228,048</u>
INDEBTEDNESS:	
Water Bonds	\$131,581,334
Sewer Bonds	148,387,441
Clean Water Project Bonds ²	435,478,025
Headquarters Bonds	4,217,136
Maxim Road Facility Bonds	760,899
Information System Bonds	19,337,962
Vehicle Maintenance Facility Bonds	77,211
Pump Station Assessment Bonds	140,000
Long Term Strategic Initiative Bonds	1,376,674
Capital Equipment Replacement Bonds	987,818
Emergency Generator Replacement Bonds	2,985,091
Vehicle/Equipment Replacement	3,360,835
Facility Renovations	8,398,375
General Purpose Bonds	<u>21,159,438</u>
TOTAL DIRECT LONG-TERM INDEBTEDNESS	\$778,248,239
Notes of the Issue	116,500,000
CWF/DWSRF Interim Funding Obligations ²	<u>90,254,501</u>
TOTAL DIRECT SHORT-TERM INDEBTEDNESS	\$206,754,501
TOTAL DIRECT INDEBTEDNESS	\$985,002,740
Less Outstanding Debt Not Subject to Debt Limitation ³	
Water Bonds	\$131,581,334
Water's Share of Headquarters Bonds	2,150,739
Water's Share of Maxim Road Facility Bonds	388,059
Water's Share of Information System Bonds	9,862,360
Water's Share of Vehicle Maintenance Facility Bonds	39,378
Water's Share of Pump Station Assessment Bonds	71,400
Water's Share of Long Term Strategic Initiative Bonds	702,104
Water's Share of Emergency Generator Replacement Bonds	1,522,397
Water's Share of Capital Equipment Replacement Bonds	503,787
Water's Share of Vehicle/Equipment Replacement	1,714,026
Water's Share of Facility Renovations	4,283,171
Water's Share of General Purpose Bonds	10,791,313
DWSRF Interim Funding Obligations	34,335,044
June 2013 Clean Water Project Revenue Bonds ²	84,000,000
November 2014 Clean Water Project Revenue Bonds ²	140,000,000
Outstanding Water Notes	<u>36,585,850</u>
TOTAL DEBT NOT SUBJECT TO DEBT LIMITATION	\$458,530,962
TOTAL NET DIRECT INDEBTEDNESS	\$526,471,778
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS	<u>\$662,756,271</u>

¹ The District's Charter does not limit its borrowing capacity for water purposes, but limits its capacity for nonwater purposes to 5% of the combined Grand Lists of its Member Municipalities. The nature of this limitation requires the aggregation of obligations which normally appear in separate account groups.

² It is expected that these obligations issued pursuant to authorizations totaling \$1.6 billion for the District's Clean Water Project will be supported by a Special Sewer Service Surcharge levied annually and added to customers' water bills, beginning in 2008. See pages 23, 71, and 80 herein for further details.

³ In accordance with Title 7, Section 374b of the Connecticut General Statutes, indebtedness incurred by the District for the supply of electricity, or issued in anticipation of receipt of proceeds from assessments which have been levied upon property benefited by any public improvement, is not subject to limitation.

Note: The District issued \$85.0 million in Clean Water Project Revenue Bonds on June 19, 2013 and \$140.0 million in Clean Water Project Revenue Bonds on November 14, 2014. The bonds are being repaid from a portion of the Special Sewer Service Surcharge and are not a general obligation of the District.

Source: Audited Financial Statements; District Officials.

AUTHORIZED BUT UNISSUED DEBT - THE DISTRICT ¹

As of March 19, 2015

(Pro Forma)

Project	Authorized	Previously Funded	Debt Authorized but Unissued			
			General Purpose	Water	Sewers	Total
Water Capital Improvements.....	\$474,852,381	\$146,902,701		\$327,949,680		\$327,949,680 ²
Sewer Capital Improvements.....	2,005,124,880	780,559,570			1,224,565,310	1,224,565,310 ^{1,2}
Combined Funding Capital Improvements....	133,504,000	51,807,838	81,696,162			81,696,162
Total	\$2,613,481,261	\$979,270,109	\$81,696,162	\$327,949,680	\$1,224,565,310	\$1,634,211,152 ³

¹ Includes an authorization of \$800 million approved by the Member Municipalities in November 2006 for Phase I of the District's Clean Water Project and an \$800 million authorization approved by the Member Municipalities on November 6, 2012 for Phase II of the Project; the overall cost is estimated at approximately \$2.1 billion. The Project will address approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The Project is in response to a federal consent decree and a Connecticut DEP consent order to achieve the Federal Clean Water Act goals by 2020. A Special Sewer Service Surcharge adopted in October 2007 and implemented in January 2008 will be used exclusively for the payment of debt service on bonds and loans to be issued to finance the Project. The District's goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Special Sewer Service Surcharge will not be included in the calculation of overlapping debt of the Member Municipalities. As of December 4, 2014 the District has issued \$279,711,810 as IFO's, PLO's, General Obligation Bonds, Revenue Bonds and Notes under the State's Clean Water Fund Program and Drinking Water State Revolving Fund. The District issued \$85.0 million in Clean Water Project Revenue Bonds on June 19, 2013 and \$140.0 million in Clean Water Project Revenue Bonds on November 14, 2014. The bonds are being repaid from a portion of the Special Sewer Service Surcharge and are not a general obligation of the District.

² Includes projects which qualify for the State of Connecticut Clean Water Fund and Drinking Water Revolving Fund Program (See "Clean Water Project" herein.)

³ The District is developing options for financing the Clean Water Project, particularly Phase II.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – THE DISTRICT¹

Long-Term Debt	2014 Est.	2013	2012	2011	2010	2009
Bonds.....	\$693,018,550	\$507,128,635	\$312,348,699	\$296,252,648	\$309,000,925	\$185,193,756
Short-Term Debt						
Bond Anticipation Notes.....	163,459,000	254,721,000 ²	246,690,000	102,134,000	0	112,980,843
Total	\$856,477,550	\$761,849,635 ²	\$559,038,699	\$398,386,648	\$309,000,925	\$298,174,599

¹ Does not include underlying debt and capital lease obligations.

² Excludes \$90,254,501 for Clean Water Fund and Drinking Water State Revolving Fund, Interim Funding Obligations ("IFO's"), a portion of which has been drawn against.

Source: Annual Audited Financial Statements 2009-2013, Estimate 2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF BLOOMFIELD¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$55,625,000	\$59,215,000	\$63,316,024	\$50,993,624	\$28,135,535
Short-Term Debt					
BANs/State DECD Note	5,000,000	5,000,000	0	0	20,000,000
Total	\$60,625,000	\$64,215,000	\$63,316,024	\$50,993,624	\$48,135,535

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF EAST HARTFORD¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$51,580,000	\$38,990,000	\$45,865,000	\$41,225,000	\$47,400,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Total	\$51,580,000	\$38,990,000	\$45,865,000	\$41,225,000	\$47,400,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – CITY OF HARTFORD¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds/CWF.....	\$456,422,000	\$496,227,000	\$349,922,000	\$323,367,000	\$321,090,000
Short-Term Debt					
Bond Anticipation Notes.....	56,000,000	64,650,000	52,500,000	45,350,000	40,000,000
Total	\$512,422,000	\$560,877,000	\$402,422,000	\$368,717,000	\$361,090,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.
Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF NEWINGTON¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$8,740,000	\$9,960,000	\$11,690,000	\$13,515,000	\$15,145,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Total	\$8,740,000	\$9,960,000	\$11,690,000	\$13,515,000	\$15,145,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.
Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF ROCKY HILL¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$11,660,000	\$12,905,000	\$14,750,000	\$16,515,000	\$18,250,000
Short-Term Debt					
Bond Anticipation Notes.....	8,100,000	2,000,000	0	0	0
Total	\$19,760,000	\$14,905,000	\$14,750,000	\$16,515,000	\$18,250,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.
Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WEST HARTFORD¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$140,830,000	\$133,085,000	\$145,620,000	\$145,095,000	\$151,225,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Total	\$140,830,000	\$133,085,000	\$145,620,000	\$145,095,000	\$151,225,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.
Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WETHERSFIELD¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$22,035,000	\$24,290,000	\$26,850,000	\$29,400,000	\$32,080,000
Short-Term Debt					
Bond Anticipation Notes.....	655,000	725,000	795,000	795,000	0
Total	\$22,690,000	\$25,015,000	\$27,645,000	\$30,195,000	\$32,080,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.
Source: Annual Audited Financial Statements 2010-2014.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WINDSOR¹

Long-Term Debt	2014	2013	2012	2011	2010
Bonds.....	\$39,390,000	\$39,140,000	\$38,470,000	\$38,485,000	\$38,730,000
Short-Term Debt					
Bond Anticipation Notes.....	0	1,670,000	800,000	1,010,000	0
Total.....	\$39,390,000	\$40,810,000	\$39,270,000	\$39,495,000	\$38,730,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

Source: Annual Audited Financial Statements 2010-2014.

RATIO OF DIRECT DEBT TO VALUATION AND POPULATION - THE DISTRICT

Fiscal Year Ended 12/31	Net Assessed Value¹	Estimated Full Value²	Direct Debt³	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population⁴	Direct Debt per Capita
2014 Est.	\$24,171,589,338	\$34,530,841,911	\$856,477,550	3.54%	2.48%	366,312	\$2,338.11
2013	23,933,581,683	34,190,830,976	761,849,635	3.18%	2.23%	366,312	2,079.78
2012	23,778,059,666	33,968,656,666	559,038,699	2.35%	1.65%	365,565	1,529.25
2011	23,594,896,860	33,706,995,514	398,386,648	1.69%	1.18%	364,957	1,091.60
2010	23,374,891,689	33,392,702,413	309,000,925	1.32%	0.93%	365,764	844.81
2009	22,120,418,478	31,600,597,826	298,174,599	1.35%	0.94%	357,668	833.66

¹ Represents the Net Taxable Grant Lists of the Member Towns.

² Represents the estimated full value of the Member Towns' Net Taxable Grand Lists.

³ Does not include underlying debt and capital lease obligations.

⁴ Represents the total population of the Member Towns.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF BLOOMFIELD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2014	\$2,032,528,017	\$2,903,611,453	\$60,625,000	2.98%	2.09%	20,562	\$2,948.40	7.07%
2013	1,981,916,344	2,831,309,063	64,215,000	3.24%	2.27%	20,562	3,122.99	7.49%
2012	1,948,057,019	2,782,938,599	63,316,024	3.25%	2.28%	20,470	3,093.11	7.42%
2011	1,990,439,045	2,843,484,350	50,993,624	2.56%	1.79%	20,406	2,498.95	5.99%
2010	1,755,693,878	2,508,134,111	48,135,535	2.74%	1.92%	20,486	2,349.68	5.63%
2009	1,723,152,319	2,461,646,170	30,050,510	1.74%	1.22%	20,696	1,452.00	3.48%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Surveys.

³ Income per Capita: \$41,702 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF EAST HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2014	\$2,691,709,967	\$3,845,299,953	\$51,580,000	1.92%	1.34%	51,241	\$1,006.62	3.94%
2013	2,695,242,754	3,850,346,791	38,990,000	1.45%	1.01%	51,241	760.91	2.97%
2012	3,095,300,382	4,421,857,689	45,865,000	1.48%	1.04%	51,171	896.31	3.50%
2011	3,092,179,605	4,417,399,436	41,225,000	1.33%	0.93%	51,091	806.89	3.15%
2010	3,107,157,886	4,438,796,980	47,400,000	1.53%	1.07%	51,252	924.84	3.62%
2009	3,172,514,025	4,532,162,893	45,150,000	1.42%	1.00%	48,634	928.36	3.63%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Surveys.

³ Income per Capita: \$25,578 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - CITY OF HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2014	\$3,487,781,236	\$4,982,544,623	\$512,422,000	14.69%	10.28%	125,130	\$4,095.12	24.64%
2013	3,417,940,335	4,882,771,907	560,877,000	16.41%	11.49%	125,130	4,482.35	26.97%
2012	3,738,377,678	5,340,539,540	402,422,000	10.76%	7.54%	124,879	3,222.50	19.39%
2011	3,604,167,480	5,148,810,686	368,717,000	10.23%	7.16%	124,817	2,954.06	17.78%
2010	3,465,777,122	4,951,110,174	361,090,000	10.42%	7.29%	124,775	2,893.93	17.41%
2009	3,451,438,441	4,930,626,344	307,590,000	8.91%	6.24%	124,060	2,479.36	14.92%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Surveys.

³ Income per Capita: \$16,619 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF NEWINGTON

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2014	\$2,548,042,597	\$3,640,060,853	\$8,740,000	0.34%	0.24%	30,606	\$285.56	0.78%
2013	2,564,276,354	3,663,251,934	9,960,000	0.39%	0.27%	30,606	325.43	0.89%
2012	2,679,238,211	3,827,483,159	11,690,000	0.44%	0.31%	30,520	383.03	1.05%
2011	2,667,951,078	3,811,358,683	13,515,000	0.51%	0.35%	30,441	443.97	1.22%
2010	2,645,387,187	3,779,124,553	15,145,000	0.57%	0.40%	30,562	495.55	1.36%
2009	2,633,316,889	3,761,881,270	16,855,000	0.64%	0.45%	29,818	565.26	1.55%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Surveys.

³ Income per Capita: \$36,462 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF ROCKY HILL

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2014	\$2,164,593,839	\$3,092,276,913	\$19,760,000	0.91%	0.64%	19,743	\$1,000.86	2.37%
2013	2,156,334,575	3,080,477,964	14,905,000	0.69%	0.48%	19,743	754.95	1.79%
2012	2,155,935,688	3,079,908,126	14,750,000	0.68%	0.48%	19,631	751.36	1.78%
2011	2,200,202,480	3,143,146,400	16,515,000	0.75%	0.53%	19,533	845.49	2.00%
2010	2,202,202,012	3,146,002,874	18,250,000	0.83%	0.58%	19,709	925.97	2.19%
2009	1,656,796,387	2,366,851,981	20,515,000	1.24%	0.87%	18,827	1,089.66	2.58%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Surveys.

³ Income per Capita: \$42,229 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WEST HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2014	\$5,893,896,106	\$8,419,851,580	\$140,830,000	2.39%	1.67%	63,340	\$2,223.40	4.68%
2013	5,880,331,173	8,400,473,104	133,085,000	2.26%	1.58%	63,340	2,101.12	4.42%
2012	5,034,401,821	7,192,002,601	145,620,000	2.89%	2.02%	63,157	2,305.68	4.86%
2011	4,999,850,000	7,142,642,857	145,095,000	2.90%	2.03%	63,066	2,300.68	4.85%
2010	4,953,979,658	7,077,113,797	151,225,000	3.05%	2.14%	63,268	2,390.23	5.03%
2009	4,889,430,313	6,984,900,447	148,150,000	3.03%	2.12%	60,852	2,434.60	5.13%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Surveys.

³ Income per Capita: \$47,485 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WETHERSFIELD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2014	\$2,338,758,240	\$3,341,083,200	\$22,690,000	0.97%	0.68%	26,590	\$853.33	2.16%
2013	2,329,648,250	3,328,068,929	25,015,000	1.07%	0.75%	26,590	940.77	2.38%
2012	2,314,769,170	3,306,813,100	27,645,000	1.19%	0.84%	26,670	1,036.56	2.62%
2011	2,315,493,100	3,307,847,286	30,195,000	1.30%	0.91%	26,641	1,133.40	2.86%
2010	2,307,397,010	3,296,281,443	32,080,000	1.39%	0.97%	26,668	1,202.94	3.04%
2009	2,003,032,473	2,861,474,961	35,230,000	1.76%	1.23%	25,767	1,367.25	3.45%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Survey.

³ Income per Capita: \$39,587 U.S. Census Bureau, 2009-2013 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WINDSOR

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2014	\$3,014,279,336	\$4,306,113,337	\$39,390,000	1.31%	0.91%	29,100	\$1,353.61	3.78%
2013	2,907,891,898	4,154,131,283	40,810,000	1.40%	0.98%	29,100	1,402.41	3.91%
2012	2,811,979,697	4,017,113,853	39,270,000	1.40%	0.98%	29,067	1,351.02	3.77%
2011	2,724,614,072	3,892,305,817	39,495,000	1.45%	1.01%	28,962	1,363.68	3.80%
2010	2,937,296,936	4,196,138,480	38,730,000	1.32%	0.92%	29,044	1,333.49	3.72%
2009	2,590,737,631	3,701,053,759	42,800,000	1.65%	1.16%	29,014	1,475.15	4.11%

¹ Does not include overlapping debt and capital lease obligations.

² State of Connecticut, Department of Public Health Estimates 2009; U.S. Census Bureau, 2010; FY 2011-14, U.S. Census Bureau, American Community Survey.

³ Income per Capita: \$35,857 U.S. Census Bureau, 2009-2013 American Community Survey.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF BLOOMFIELD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2014	\$5,955,928	\$84,685,486	7.03%
2013	6,509,608	92,116,750	7.07%
2012	5,486,120	80,638,489	6.80%
2011	3,142,441	88,633,716	3.55%
2010	3,275,364	73,382,393	4.46%

Source: Annual Audited Financial Statements 2010-2014.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF EAST HARTFORD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2014	\$9,215,000	\$192,436,000	4.79%
2013	9,357,000	199,249,000	4.70%
2012	9,758,000	182,904,000	5.34%
2011	9,160,000	164,026,000	5.58%
2010	9,539,000	158,152,000	6.03%

Source: Annual Audited Financial Statements 2010-2014.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES – CITY OF HARTFORD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2014	49,618,000	581,286,000	8.54%
2013	45,869,000	561,817,000	8.16%
2012	39,315,000	571,547,000	6.88%
2011	37,796,000	561,395,000	6.73%
2010	36,264,000	551,585,000	6.57%

Source: Annual Audited Financial Statements 2010-2014.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF NEWINGTON**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2014	\$1,476,000	\$113,260,000	1.30%
2013	2,353,000	119,252,000	1.97%
2012	2,312,000	108,494,000	2.13%
2011	2,158,000	101,966,000	2.12%
2010	2,523,000	102,635,000	2.46%

Source: Annual Audited Financial Statements 2010-2014.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF ROCKY HILL**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2014	\$1,671,560	\$70,159,832	2.38%
2013	2,235,379	74,102,850	3.02%
2012	2,385,319	63,773,143	3.74%
2011	2,363,467	61,174,647	3.86%
2010	2,895,090	66,753,046	4.34%
2009	2,866,997	58,729,845	4.88%

Source: Annual Audited Financial Statements 2010-2014.

**RATIO OF ANNUAL BONDED DEBT SERVICE
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WEST HARTFORD¹**

Fiscal Year Ended 6/30	Annual Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to Governmental Funds Expenditures %
2014	\$17,365,000	\$247,243,000	7.02%
2013	17,952,000	239,506,000	7.50%
2012	19,933,000	240,694,000	8.28%
2011	19,877,000	257,064,000	7.73%
2010	19,268,000	244,463,000	7.88%

¹ Includes All Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis.
Source: Annual Audited Financial Statement 2010-2014.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF WETHERSFIELD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2014	\$3,236,244	\$96,633,894	3.35%
2013	3,807,461	99,635,539	3.82%
2012	3,569,423	91,362,238	3.91%
2011	3,775,508	87,884,374	4.30%
2010	4,044,856	101,298,034	3.99%

Source: Annual Audited Financial Statements 2010-2014.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WINDSOR¹**

Fiscal Year Ended 6/30	Annual Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to Governmental Funds Expenditures %
2014	\$6,135,301	\$110,038,240	5.58%
2013	5,726,409	106,031,658	5.40%
2012	5,925,093	105,110,030	5.64%
2011	6,020,144	101,246,939	5.95%
2010	5,859,963	97,031,322	6.04%

¹ Includes all Governmental Funds, excluding Capital Expenditures.

Source: Annual Audited Financial Statements 2010-2014.

CAPITAL IMPROVEMENT PROGRAMS AND FUTURE BORROWINGS

Each year the District adopts a Capital Improvement Program (“CIP”) for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District’s continued positive financing standing in the bond market. For 2015, the CIP continues to focus on implementing a comprehensive asset management program for wastewater, water and combined programs.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

<u>Capital Projects</u>	<u>Estimated Costs</u>
Wastewater Programs....	\$265,715,000
Water Programs.....	278,225,000
Combined.....	99,000
Total.....	\$544,039,000

The adopted 2015 Capital Improvement Program (“CIP”) Budget is \$138,950,000. The CIP Budget will be funded with approximately \$138,950,000 of General Obligation Bonds and \$0 of Assessable Fund Contributions.

The District has also initiated a comprehensive Clean Water Project CIP. The Project combines the elimination of Sanitary Sewer Overflows, the design and construction of the Combined Sewer Overflow Long-Term Plan and the treatment and reduction of nitrogen from the water pollution control facilities. The Project has a 2006 estimated cost of \$2.1 billion and a 15 year implementation requirement. \$800 million, which covers the costs of Phase I of the Project and is expected to last six years, was authorized by the Member Municipalities at a referendum in November 2006. Approval for \$800 million for Phase II was authorized by the Member Municipalities at a referendum on November 6, 2012 and is expected to be completed in 2024. Phase III of the project will require submission of a further appropriation for approval by voters, currently expected to be in 2016. A Special Sewer Service Surcharge, adopted in October 2007 and implemented in January 2008, will be used exclusively for the payment of debt service on bonds and loans issued to finance the Project. The District’s goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Special Sewer Service Surcharge will not be included in the calculation of overlapping debt of the Member Municipalities. See “Clean Water Project” herein on page 23.

**THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT HAS NEVER
DEFAULTED IN THE PAYMENT OF PRINCIPAL OF OR INTEREST ON ITS BONDS OR NOTES.**

**THE METROPOLITAN
DISTRICT
Hartford County
Hartford, Connecticut**

AUDITED FINANCIAL STATEMENTS



Year Ended December 31, 2013

THE METROPOLITAN DISTRICT

DECEMBER 31, 2013

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Independent Auditors' Report

To the Board of Finance
The Metropolitan District
Hartford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The Metropolitan District as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise The Metropolitan 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. 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, each major fund and the aggregate remaining fund information of The Metropolitan District as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, the budgetary comparison information on pages 61 through 63 and the schedules of funding progress - Pension Trust Fund and OPEB Trust Fund on pages 64 and 65 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
June 25, 2014

*The Metropolitan District
Management's Discussion and Analysis
December 31, 2013*

The management of the Metropolitan 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 year ended December 31, 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 current year by \$490,831,563 and \$283,064,603 for the Governmental Activities and the Business-Type Activities, respectively.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$(61,967,403), an increase of \$58,858,163 in comparison with the prior year, which is primarily due to the timing of reimbursements and significant permanent financing.
- On a government-wide basis, the District's total net position increased by \$52,135,330 and \$10,093,568 for the Governmental Activities and Business-Type Activities, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of 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 current 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 periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes, sewer user charges and 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 general government, engineering and planning, operations, plants and maintenance, and water treatment and supply. The business-type activities of the District include water operations and hydroelectricity facilities as well as the Mid-Connecticut Project.

The government-wide financial statements can be found on pages 13-14 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 three categories: governmental funds, proprietary funds and fiduciary 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 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 60 individual funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund and the Capital Projects Fund, of which the General Fund, Debt Service Fund, Assessable Sewer Construction Fund, Sanitary Sewer Overflow Construction Fund, 2006 Clean Water Project Referendum and 2012 Clean Water Project Referendum are considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 17-18 of this report.

Proprietary Funds - The District maintains three enterprise type funds. Enterprise funds report the same functions as presented by the business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and hydroelectricity operations and Mid-Connecticut Project.

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 water and hydroelectricity operations and the Mid-Connecticut Project, 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.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the District in a trustee capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 22-23 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 24-60 of this report.

The notes to this report also contain certain supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

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 \$490,831,563 and \$283,064,603 for the governmental activities and business-type activities, respectively, 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., infrastructure, plants, machinery 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.

Metropolitan District Commission
NET POSITION
December 31, 2013 and 2012

	2013			2012		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 204,567,717	\$ 99,396,056	\$ 303,963,773	\$ 154,490,492	\$ 82,677,395	\$ 237,167,887
Capital assets, net of accumulated depreciation	1,047,263,219	410,724,351	1,457,987,570	890,623,900	381,880,427	1,272,504,327
Total assets	<u>1,251,830,936</u>	<u>510,120,407</u>	<u>1,761,951,343</u>	<u>1,045,114,392</u>	<u>464,557,822</u>	<u>1,509,672,214</u>
Deferred outflows of resources	1,123,973	392,593	1,516,566	-	-	-
Current liabilities	262,526,126	63,284,304	325,810,430	267,079,691	57,644,900	324,724,591
Long-term liabilities outstanding	499,597,220	164,164,093	663,761,313	339,338,468	133,941,887	473,280,355
Total liabilities	<u>762,123,346</u>	<u>227,448,397</u>	<u>989,571,743</u>	<u>606,418,159</u>	<u>191,586,787</u>	<u>798,004,946</u>
Net Position:						
Net investment in capital assets	404,221,698	255,929,765	660,151,463	376,209,555	258,683,886	634,893,441
Restricted	45,369,836	3,335,436	48,705,272	18,025,247	282,217	18,307,464
Unrestricted	<u>41,240,029</u>	<u>23,799,402</u>	<u>65,039,431</u>	<u>44,461,431</u>	<u>14,004,932</u>	<u>58,466,363</u>
Total Net Position	<u>\$ 490,831,563</u>	<u>\$ 283,064,603</u>	<u>\$ 773,896,166</u>	<u>\$ 438,696,233</u>	<u>\$ 272,971,035</u>	<u>\$ 711,667,268</u>

The District's total net position increased by \$62,228,898 during the current year.

Metropolitan District Commission
CHANGES IN NET POSITION
For the Years Ended December 31, 2013 and 2012

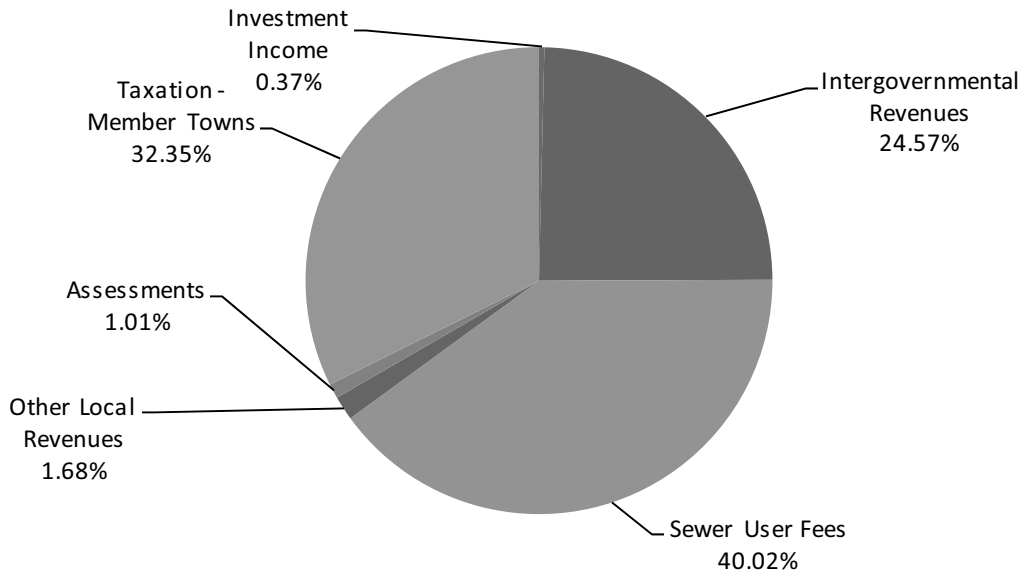
	2013			2012		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 47,300,004	\$ 79,971,496	\$ 127,271,500	\$ 41,434,212	\$ 74,412,896	\$ 115,847,108
Capital grants and contributions	26,506,324	5,145,634	31,651,958	12,949,510	2,546,093	15,495,603
General revenues:						
Sewer taxation - member municipalities	34,799,400		34,799,400	33,493,200		33,493,200
Unrestricted investment earnings	393,677	110,747	504,424	245,269	95,296	340,565
Miscellaneous income	54,771	2,160,605	2,215,376	8,337	1,010,677	1,019,014
Total revenues	<u>109,054,176</u>	<u>87,388,482</u>	<u>196,442,658</u>	<u>88,130,528</u>	<u>78,064,962</u>	<u>166,195,490</u>
Expenses:						
General government	9,524,064		9,524,064	8,866,521		8,866,521
Engineering and planning	486,626		486,626	255,872		255,872
Operations	5,439,460		5,439,460	6,622,431		6,622,431
Plants and maintenance	30,341,543		30,341,543	32,894,344		32,894,344
Interest on long-term debt	13,271,555		13,271,555	7,936,484		7,936,484
Water		68,713,237	68,713,237		63,719,227	63,719,227
Hydroelectricity		345,431	345,431		402,924	402,924
Mid-Connecticut Project		6,091,844	6,091,844		11,400,744	11,400,744
Total expenses	<u>59,063,248</u>	<u>75,150,512</u>	<u>134,213,760</u>	<u>56,575,652</u>	<u>75,522,895</u>	<u>132,098,547</u>
Excess of Revenues over Expenditures before Transfers	49,990,928	12,237,970	62,228,898	31,554,876	2,542,067	34,096,943
Transfers	<u>2,144,402</u>	<u>(2,144,402)</u>	<u>-</u>	<u>2,317,653</u>	<u>(2,317,653)</u>	<u>-</u>
Net Change in Net Position	52,135,330	10,093,568	62,228,898	33,872,529	224,414	34,096,943
Net Position at Beginning of Year	<u>438,696,233</u>	<u>272,971,035</u>	<u>711,667,268</u>	<u>404,823,704</u>	<u>272,746,621</u>	<u>677,570,325</u>
Net Position at End of Year	<u>\$ 490,831,563</u>	<u>\$ 283,064,603</u>	<u>\$ 773,896,166</u>	<u>\$ 438,696,233</u>	<u>\$ 272,971,035</u>	<u>\$ 711,667,268</u>

The District's net position increased by \$62,228,898 overall during the fiscal year with ending net position of Governmental Activities and Business-Type Activities of \$490,831,563 and \$283,064,603, respectively.

Governmental Activities

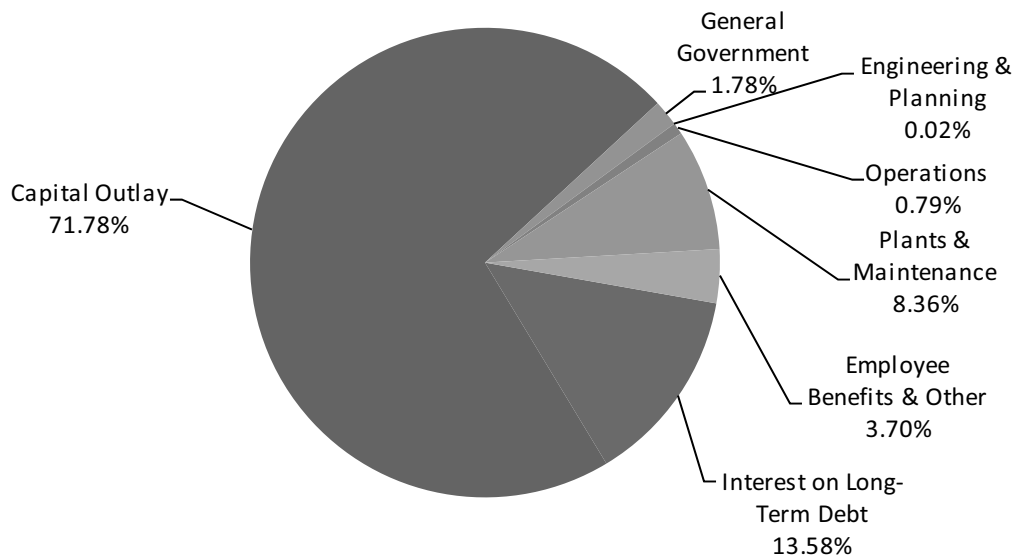
Net position of governmental activities increased by \$52,135,330 in 2013.

Major Revenue Factors Include:



- Approximately 32% of the governmental activity revenues were derived from taxes levied on our member towns. These taxes remained constant with the prior year.
- The primary components of charges for services consist of sewer user fees of \$43,062,080 and intergovernmental revenues of \$26,439,377, which decreased in total by \$17,962,970 from the prior year. Sewer user charges increased due to increased rates. The intergovernmental revenue increase is due to increased project activity receiving clean water grants to fund the Clean Water Projects.

Major Expenditure Factors Include:

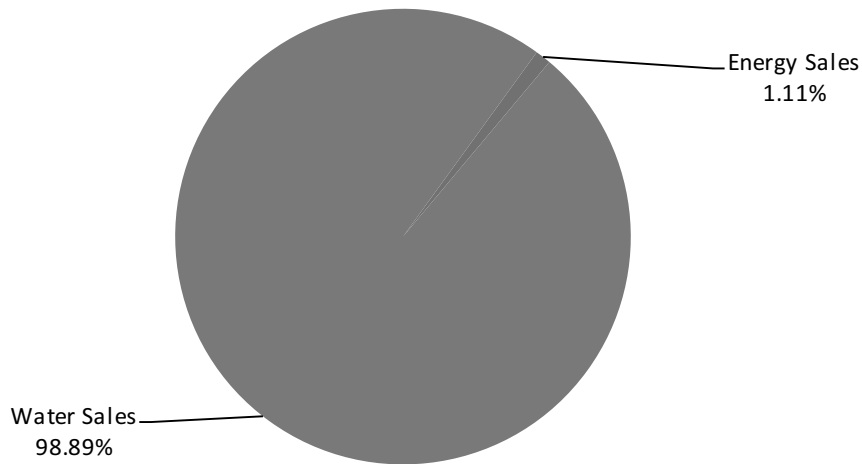


- During 2013, expenditures increased by \$13,674,130 with the greatest increase occurring in capital outlay related to capital project expenses and principal retirement and interest payments related to debt service.

Business-Type Activities

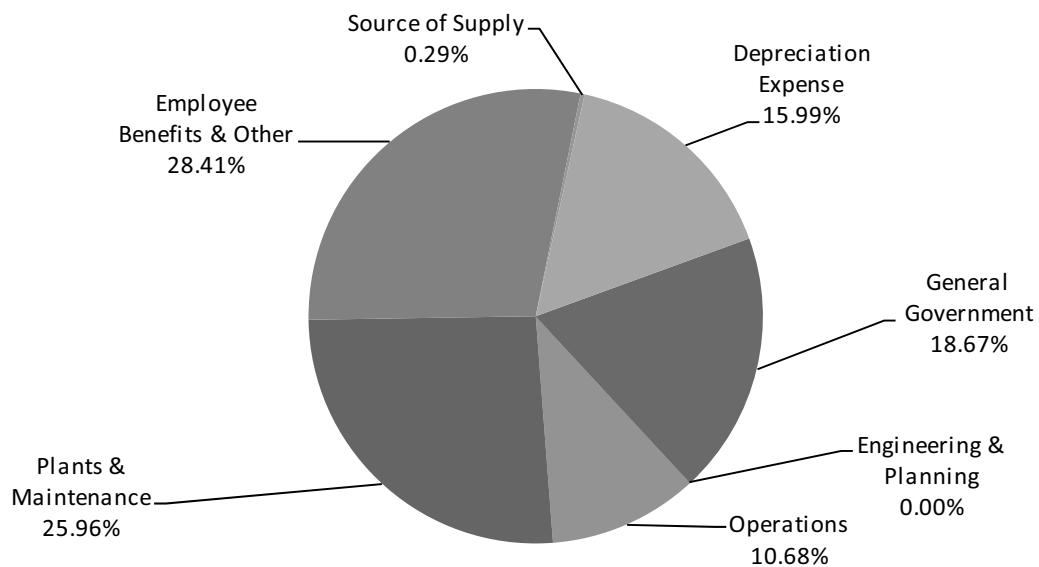
Net position of business-type activities increased by \$10,093,568 in 2013.

Major Revenue Factors Include:



- Water sales revenue increased by \$8,166,861 or 11.9% due to increased water consumption. During 2013, there were \$0 charges for services due to a contract termination affecting the operation of the Mid-Connecticut Project. Energy sales increased by \$171,353 due to increased precipitation resulting in higher production of electricity.

Major Expense Factors Include:



- Expenses decreased by \$1,626,792 or more than 2.3% with most of the decrease attributable to the discontinuation of operations at the Mid-Connecticut facility.

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 balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported combined ending fund balance of \$(61,967,403), an increase of \$58,858,163 in comparison with the prior year. Of the fund balances, \$891,949 has been assigned to liquidating contracts and purchase orders in the prior period, \$20,450,646 is restricted for debt service, \$2,000,123 is nonspendable and reserved for inventory and prepaid assets, and \$3,141,343 is committed for assessable sewer construction and other capital improvements. The remaining capital projects show a deficit unassigned balance of \$(101,036,586).

The General Fund is the chief operating fund of the District. At the end of the current year, the General Fund total fund balance was \$15,457,243, of which \$891,949 has been assigned to liquidating contracts and purchase orders in the prior period, and \$1,980,172 is nonspendable and reserved for inventory and prepaid assets. The remaining balance is an unassigned fund balance of \$12,585,122. The \$1,168,491 fund balance decrease in the General Fund is attributable to an increase in debt service payments over the prior year.

The Debt Service fund increase of \$2,853,961 in fund balance is a result of premiums related to bond issuances.

The Assessable Sewer Construction Fund has a fund balance decrease of \$2,321,516 from the prior year due to an increase in capital outlay in the current year.

The Sanitary Sewer Overflow Construction Fund has a fund balance increase of \$691,460 as a result of the timing of capital outlays versus the timing of temporary and permanent financing.

The 2006 Clean Water Project Referendum Fund has an increase in fund balance of \$86,136,220, which is a result of a significant increase in issuance of loans, bonds and associated premiums.

The 2012 Clean Water Project Referendum Fund has a fund deficit of \$6,211,504 as the project was started in 2013. Temporary or permanent financing will occur in future years.

Other Nonmajor Governmental Funds have a total fund a decrease in fund balance of \$21,121,967 from the prior year. The decrease is due to the timing of capital outlays versus the timing of temporary and permanent financing.

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 funds net position total \$283,064,603 at the end of the year.

Unrestricted net position of the Water Utility Fund at the end of the year amounted to \$23,725,744, or 8.4% of total net position of the fund. There was \$3,335,436, or 1.2%, of restricted net position in the fund. Net investment in capital assets amounted to \$255,929,765, or 90.4% of the total net position of the fund. The Hydroelectricity Fund has unrestricted net position of \$33,794, or 0.01% of total net position. Net investment in capital assets, amounted to \$7,593,259, or 2.7% of total net position of the fund.

General Fund Budgetary Highlights

During the 2013 budget year, total revenues and other financing sources were below the budget by \$25,477,947 or 27.5%, and expenditures were less than budget by \$3,486,733 or 8.2%.

Some of the major highlights are as follows:

- Revenues were below budget due to lower than expected use of the Special Sewer Service Charge for Clean Water Project debt.
- Lower expenses were attributable to below budget debt service and lower payroll expenses associated with vacancy levels.

Capital Assets and Debt Administration

Capital Assets - The District’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2013 amounted to \$1,047,263,219 and \$410,724,351, respectively. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and sewer and water pipes.

Major capital asset additions in 2013 consisted of infrastructure improvements, contributions of capital assets by developers and continued construction in progress, including the continuation of the Clean Water Project.

**Metropolitan District Commission
CAPITAL ASSETS (net of depreciation)
December 31, 2013 and 2012**

	2013			2012		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 643,754	\$ 9,548,683	\$ 10,192,437	\$ 643,754	\$ 9,548,683	\$ 10,192,437
Buildings	303,218,139	228,018,744	531,236,883	309,107,863	233,932,627	543,040,490
Machinery and equipment	18,743,429	12,406,180	31,149,609	20,130,982	13,816,059	33,947,041
Construction in progress	724,657,897	160,750,744	885,408,641	560,741,301	124,583,058	685,324,359
Total	\$ 1,047,263,219	\$ 410,724,351	\$ 1,457,987,570	\$ 890,623,900	\$ 381,880,427	\$ 1,272,504,327

Additional information on the District’s capital assets can be found in Note 3D on pages 36-44 of this report.

Long-Term Debt - At the end of the current year, the District had total bonded debt outstanding of \$373,239,572. All of the Governmental Activities debt, \$499,597,220, is backed by the full faith and credit of the District's member towns.

**Metropolitan District Commission
OUTSTANDING DEBT
December 31, 2013 and 2012**

	2013			2012		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General obligation/Revenue bonds \$	283,141,499	\$ 90,098,073	\$ 373,239,572	\$ 153,571,732	\$ 80,258,892	\$ 233,830,624
Clean/drinking water loans	197,977,858	20,602,949	218,580,807	168,874,722	6,671,780	175,546,502
Compensated absences	2,834,700	2,929,644	5,764,344	3,193,757	3,182,290	6,376,047
Net pension obligation		20,428,295	20,428,295		20,428,295	20,428,295
OPEB obligation	15,643,163	30,105,132	45,748,295	13,698,257	23,400,630	37,098,887
Total	\$ 499,597,220	\$ 164,164,093	\$ 663,761,313	\$ 339,338,468	\$ 133,941,887	\$ 473,280,355

The District enjoys a strong financial position from an AA+ rating from Standard & Poor's to an Aa1 rating from Moody's for general obligation debt.

The District's Charter limits the amount of general obligation debt it may issue up to 5% of the combined Grand List of its member towns. The current debt limitation for the District is \$1,189,228,048, which is significantly more than the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 3G on pages 45-49 of this report.

Economic Factors

- The District strives to minimize the tax impact to its member municipalities by limiting increases in General Fund expenditures.
- Inflationary trends in the region are consistent with budgeted General Fund expenditure increases.
- Water consumption continues to decline due to weather patterns and poor economic conditions in the greater Hartford area.

All of these factors were considered in preparing the District's 2013 year budget.

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 Chief Financial Officer, Metropolitan District Commission.

THE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 169,851,388	\$ 18,015,432	\$ 187,866,820
Receivables, net of allowance for uncollectibles	21,489,504	75,463,692	96,953,196
Internal balances	5,607,457	(5,607,457)	-
Inventory	1,699,114	3,960,292	5,659,406
Prepaid items	301,009	649,130	950,139
Pension asset	5,619,245	6,867,967	12,487,212
Capital assets, nondepreciable	725,301,651	170,299,427	895,601,078
Capital assets, net of accumulated depreciation	321,961,568	240,424,924	562,386,492
Other assets		47,000	47,000
Total assets	<u>1,251,830,936</u>	<u>510,120,407</u>	<u>1,761,951,343</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	<u>1,123,973</u>	<u>392,593</u>	<u>1,516,566</u>
Liabilities:			
Accounts payable and accrued items	50,022,204	9,056,647	59,078,851
Due to fiduciary funds		795,966	795,966
Unearned revenues	2,509,924		2,509,924
Bonds anticipation notes payable	207,292,000	47,429,000	254,721,000
Other current liabilities		598,221	598,221
Customer advances for construction	2,701,998	2,393,272	5,095,270
Claims incurred but not reported		3,011,198	3,011,198
Noncurrent liabilities:			
Due within one year	62,670,954	10,733,124	73,404,078
Due in more than one year	436,926,266	153,430,969	590,357,235
Total liabilities	<u>762,123,346</u>	<u>227,448,397</u>	<u>989,571,743</u>
Net Position:			
Net investment in capital assets	404,221,698	255,929,765	660,151,463
Restricted for debt service	45,369,836	3,335,436	48,705,272
Unrestricted	<u>41,240,029</u>	<u>23,799,402</u>	<u>65,039,431</u>
Total Net Position	<u>\$ 490,831,563</u>	<u>\$ 283,064,603</u>	<u>\$ 773,896,166</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 9,524,064	\$	\$	\$	\$ (9,524,064)	\$	\$ (9,524,064)
Engineering and planning	486,626				(486,626)		(486,626)
Operations	5,439,460	9,502,306			4,062,846		4,062,846
Plants and maintenance	30,341,543	37,797,698		26,506,324	33,962,479		33,962,479
Interest on long-term debt	13,271,555				(13,271,555)		(13,271,555)
Total governmental activities	<u>59,063,248</u>	<u>47,300,004</u>	<u>-</u>	<u>26,506,324</u>	<u>14,743,080</u>	<u>-</u>	<u>14,743,080</u>
Business-type activities:							
Water	68,713,237	79,103,440		5,145,634		15,535,837	15,535,837
Hydroelectricity	345,431	868,056				522,625	522,625
Mid-Connecticut Project	6,091,844					(6,091,844)	(6,091,844)
Total business-type activities	<u>75,150,512</u>	<u>79,971,496</u>	<u>-</u>	<u>5,145,634</u>	<u>-</u>	<u>9,966,618</u>	<u>9,966,618</u>
Total	<u>\$ 134,213,760</u>	<u>\$ 127,271,500</u>	<u>\$ -</u>	<u>\$ 31,651,958</u>	<u>14,743,080</u>	<u>9,966,618</u>	<u>24,709,698</u>
General revenues:							
Sewer taxation - member municipalities					34,799,400		34,799,400
Miscellaneous					54,771	2,160,605	2,215,376
Unrestricted investment earnings					393,677	110,747	504,424
Transfers					2,144,402	(2,144,402)	-
Total general revenues and transfers					<u>37,392,250</u>	<u>126,950</u>	<u>37,519,200</u>
Change in Net Position					52,135,330	10,093,568	62,228,898
Net Position at Beginning of Year					<u>438,696,233</u>	<u>272,971,035</u>	<u>711,667,268</u>
Net Position at End of Year					<u>\$ 490,831,563</u>	<u>\$ 283,064,603</u>	<u>\$ 773,896,166</u>

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The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Assessable Sewer Construction</u>	<u>Sanitary Sewer Overflow Construction</u>	<u>2006 Clean Water Project Referendum</u>	<u>2012 Clean Water Project Referendum</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 7,892,678	\$ 8,355,222	\$ -	\$ -	\$ 148,341,384	\$ -	\$ 5,262,104	\$ 169,851,388
Receivables, net of allowance for uncollectibles	4,125,276		1,806,497		15,536,893		20,838	21,489,504
Due from other funds	5,803,233							5,803,233
Inventory	1,699,114							1,699,114
Prepaid assets	281,058					19,951		301,009
Total Assets	<u>\$ 19,801,359</u>	<u>\$ 8,355,222</u>	<u>\$ 1,806,497</u>	<u>\$ -</u>	<u>\$ 163,878,277</u>	<u>\$ 19,951</u>	<u>\$ 5,282,942</u>	<u>\$ 199,144,248</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued items	\$ 1,446,342	\$ -	\$ 607,768	\$ 104,215	\$ 19,272,929	\$ 6,231,455	\$ 18,035,418	\$ 45,698,127
Unearned revenues		2,509,924						2,509,924
Bond anticipation notes payable				4,909,000	130,000,000		72,383,000	207,292,000
Customer advances for construction	2,701,998							2,701,998
Due to other funds	195,776							195,776
Total liabilities	<u>4,344,116</u>	<u>2,509,924</u>	<u>607,768</u>	<u>5,013,215</u>	<u>149,272,929</u>	<u>6,231,455</u>	<u>90,418,418</u>	<u>258,397,825</u>
Deferred inflows of resources:								
Unavailable revenue - special assessments			2,713,826					2,713,826
Fund balances:								
Nonspendable	1,980,172					19,951		2,000,123
Restricted		5,845,298			14,605,348			20,450,646
Committed							3,141,343	3,141,343
Assigned	891,949							891,949
Unassigned	12,585,122		(1,515,097)	(5,013,215)		(6,231,455)	(88,276,819)	(88,451,464)
Total fund balances	<u>15,457,243</u>	<u>5,845,298</u>	<u>(1,515,097)</u>	<u>(5,013,215)</u>	<u>14,605,348</u>	<u>(6,211,504)</u>	<u>(85,135,476)</u>	<u>(61,967,403)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,801,359</u>	<u>\$ 8,355,222</u>	<u>\$ 1,806,497</u>	<u>\$ -</u>	<u>\$ 163,878,277</u>	<u>\$ 19,951</u>	<u>\$ 5,282,942</u>	<u>\$ 199,144,248</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013**

Amounts reported for governmental activities in the statement of net position (page 13) are different because of the following:

Fund balances - total governmental funds (page 15)	\$ (61,967,403)
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 1,325,340,588	
Less accumulated depreciation	<u>(278,077,369)</u>	
Net capital assets		1,047,263,219

Governmental pension assets	5,619,245
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

Sewer assessment receivables	2,713,826
Deferred charge on refunding	1,123,973

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(269,094,456)
Premiums	(14,047,043)
Notes payable	(197,977,858)
Interest payable on long-term debt	(4,324,077)
Compensated absences	(2,834,700)
OPEB obligation	<u>(15,643,163)</u>

Net Position of Governmental Activities (page 13)	\$ <u><u>490,831,563</u></u>
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The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Assessable Sewer Construction</u>	<u>Sanitary Sewer Overflow Construction</u>	<u>2006 Clean Water Project Referendum</u>	<u>2012 Clean Water Project Referendum</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Taxation - member towns	\$ 34,799,400	\$	\$	\$	\$	\$	\$	\$ 34,799,400
Assessments			1,085,603					1,085,603
Sewer user fees	5,641,519				37,420,561			43,062,080
Intergovernmental revenues	3,247,905				23,191,472			26,439,377
Investment income	33,637	4,854	247,918		107,268			393,677
Other local revenues	1,494,494		204,795		75,174		33,467	1,807,930
Total revenues	<u>45,216,955</u>	<u>4,854</u>	<u>1,538,316</u>	<u>-</u>	<u>60,794,475</u>	<u>-</u>	<u>33,467</u>	<u>107,588,067</u>
Expenditures:								
Current:								
General government	4,071,317							4,071,317
Engineering and planning	36,396							36,396
Operations	1,802,090							1,802,090
Plants and maintenance	19,078,105							19,078,105
Employee benefits and other	8,435,751							8,435,751
Debt service:								
Principal retirement		19,193,477						19,193,477
Interest		11,187,128			604,971			11,792,099
Capital outlay			1,659,832	275,540	118,692,463	6,211,504	36,996,434	163,835,773
Total expenditures	<u>33,423,659</u>	<u>30,380,605</u>	<u>1,659,832</u>	<u>275,540</u>	<u>119,297,434</u>	<u>6,211,504</u>	<u>36,996,434</u>	<u>228,245,008</u>
Excess (Deficiency) of Revenues over Expenditures	<u>11,793,296</u>	<u>(30,375,751)</u>	<u>(121,516)</u>	<u>(275,540)</u>	<u>(58,502,959)</u>	<u>(6,211,504)</u>	<u>(36,962,967)</u>	<u>(120,656,941)</u>
Other Financing Sources (Uses):								
Issuance of bonds					110,030,000		16,808,000	126,838,000
Premium on issuance of bonds		3,155,613			6,796,778			9,952,391
Clean Water Fund loans issued					40,364,999			40,364,999
Transfers in	15,752,598	30,074,099		967,000				46,793,697
Transfers out	(28,714,385)		(2,200,000)		(12,552,598)		(967,000)	(44,433,983)
Total other financing sources (uses)	<u>(12,961,787)</u>	<u>33,229,712</u>	<u>(2,200,000)</u>	<u>967,000</u>	<u>144,639,179</u>	<u>-</u>	<u>15,841,000</u>	<u>179,515,104</u>
Net Change in Fund Balances	(1,168,491)	2,853,961	(2,321,516)	691,460	86,136,220	(6,211,504)	(21,121,967)	58,858,163
Fund Balances at Beginning of Year	<u>16,625,734</u>	<u>2,991,337</u>	<u>806,419</u>	<u>(5,704,675)</u>	<u>(71,530,872)</u>	<u>-</u>	<u>(64,013,509)</u>	<u>(120,825,566)</u>
Fund Balances at End of Year	\$ <u>15,457,243</u>	\$ <u>5,845,298</u>	\$ <u>(1,515,097)</u>	\$ <u>(5,013,215)</u>	\$ <u>14,605,348</u>	\$ <u>(6,211,504)</u>	\$ <u>(85,135,476)</u>	\$ <u>(61,967,403)</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2013

Amounts reported for governmental activities in the statement of activities (page 14) are different because of the following:

Net change in fund balances - total governmental funds (page 17)	\$ 58,858,163
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlays, net	167,432,856
Depreciation expense	(10,761,211)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.</p>	
	(32,326)
Change in net pension asset	35,351
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Sewer assessment revenue	(820,641)
Interest receivable	(1,046,406)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Proceeds from Clean Water Fund loan obligations	(40,364,999)
Proceeds from issuance of bonds	(126,838,000)
Premiums on issuance of bonds	(9,952,391)
Bond payments	7,931,614
Amortization of bond premium, bond issuance costs and deferred charge on refunding	314,121
Clean Water Fund loan payments	11,261,863
Change in accrued interest	(1,793,577)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in compensated absences	(144,181)
Change in OPEB obligation	(1,944,906)
	(1,944,906)
Change in Net Position of Governmental Activities (page 14)	\$ 52,135,330

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2013

	<u>Business-Type Activities - Enterprise Funds</u>				Business- Type Activities - Internal Service Fund
	<u>Major</u>		<u>Nonmajor</u>		
	<u>Water Utility</u>	<u>Mid- Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Total</u>	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 18,015,432			\$ 18,015,432	
Accounts receivable, net of allowance for uncollectibles	32,365,214	43,014,434	81,879	75,461,527	2,165
Due from other funds	447,704	184,995		632,699	
Inventory	3,712,739		247,553	3,960,292	
Prepaid items	639,694		9,436	649,130	
Total current assets	<u>55,180,783</u>	<u>43,199,429</u>	<u>338,868</u>	<u>98,719,080</u>	<u>2,165</u>
Noncurrent assets:					
Net pension asset	6,867,967			6,867,967	
Capital assets, nondepreciable	170,299,427			170,299,427	
Capital assets, net of accumulated depreciation	232,831,665		7,593,259	240,424,924	
Other assets			2,000	2,000	45,000
Total noncurrent assets	<u>409,999,059</u>	<u>-</u>	<u>7,595,259</u>	<u>417,594,318</u>	<u>45,000</u>
Total assets	<u>465,179,842</u>	<u>43,199,429</u>	<u>7,934,127</u>	<u>516,313,398</u>	<u>47,165</u>
Deferred outflows of resources:					
Deferred charge on refunding	392,593			392,593	
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses	7,004,170	11,054	307,074	7,322,298	1,734,349
Due to other funds		7,036,122		7,036,122	
Bond anticipation notes payable	47,429,000			47,429,000	
Other current liabilities	598,221			598,221	
Customer advances for construction	2,393,272			2,393,272	
Current portion of compensated absences	608,508			608,508	
Current portion of bonds and loans payable	10,124,616			10,124,616	
Total current liabilities	<u>68,157,787</u>	<u>7,047,176</u>	<u>307,074</u>	<u>75,512,037</u>	<u>1,734,349</u>
Noncurrent liabilities:					
Compensated absences	2,321,136			2,321,136	
Bonds and loans payable after one year	100,576,406			100,576,406	
Claims incurred but not reported				-	3,011,198
Pension obligation		20,428,295		20,428,295	
OPEB obligation	19,119,420	10,985,712		30,105,132	
Total noncurrent liabilities	<u>122,016,962</u>	<u>31,414,007</u>	<u>-</u>	<u>153,430,969</u>	<u>3,011,198</u>
Total liabilities	<u>190,174,749</u>	<u>38,461,183</u>	<u>307,074</u>	<u>228,943,006</u>	<u>4,745,547</u>
Net Position:					
Net investment in capital assets	248,336,506		7,593,259	255,929,765	
Restricted for debt service	3,335,436			3,335,436	
Unrestricted	23,725,744	4,738,246	33,794	28,497,784	(4,698,382)
Total Net Position	<u>\$ 275,397,686</u>	<u>\$ 4,738,246</u>	<u>\$ 7,627,053</u>	<u>287,762,985</u>	<u>\$ (4,698,382)</u>
				Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	
				<u>(4,698,382)</u>	
				Net Position of Business-Type Activities	
				<u>\$ 283,064,603</u>	

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>				Business- Type Activities - Internal Service Fund
	<u>Major</u>		<u>Nonmajor</u>		
	<u>Water Utility</u>	<u>Mid-Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Total</u>	
Operating Revenues:					
Water sales	\$ 76,994,138	\$	\$	\$ 76,994,138	\$
Energy sales			868,056	868,056	
Charges for services				-	1,950,000
Reimbursement				-	159,302
Total operating revenues	<u>76,994,138</u>	<u>-</u>	<u>868,056</u>	<u>77,862,194</u>	<u>2,109,302</u>
Operating Expenses:					
General government	12,532,356	169,394		12,701,750	
Operations	6,262,199	1,001,773		7,263,972	3,367,445
Plants and maintenance	17,419,644	238,850		17,658,494	
Employee benefits and other	14,645,648	4,681,827		19,327,475	
Source of supply			196,822	196,822	
Depreciation expense	10,726,707		148,609	10,875,316	
Total operating expenses	<u>61,586,554</u>	<u>6,091,844</u>	<u>345,431</u>	<u>68,023,829</u>	<u>3,367,445</u>
Operating Income (Loss)	<u>15,407,584</u>	<u>(6,091,844)</u>	<u>522,625</u>	<u>9,838,365</u>	<u>(1,258,143)</u>
Nonoperating Revenues (Expenses):					
Investment income	110,747			110,747	
Miscellaneous nonoperating revenue	1,606,743	553,862		2,160,605	
Interest and fiscal charges	(3,759,238)			(3,759,238)	
Net nonoperating revenues (expenses)	<u>(2,041,748)</u>	<u>553,862</u>	<u>-</u>	<u>(1,487,886)</u>	<u>-</u>
Income (Loss) Before Transfers, Grants and Contributions	<u>13,365,836</u>	<u>(5,537,982)</u>	<u>522,625</u>	<u>8,350,479</u>	<u>(1,258,143)</u>
Transfers, Grants and Contributions:					
Capital grants	1,594,834			1,594,834	
Capital contributions	3,766,112			3,766,112	
Transfers out	(1,359,714)		(1,000,000)	(2,359,714)	
Total transfers, grants and contributions	<u>4,001,232</u>	<u>-</u>	<u>(1,000,000)</u>	<u>3,001,232</u>	<u>-</u>
Change in Net Position	17,367,068	(5,537,982)	(477,375)	11,351,711	(1,258,143)
Net Position at Beginning of Year	<u>258,030,618</u>	<u>10,276,228</u>	<u>8,104,428</u>		<u>(3,440,239)</u>
Net Position at End of Year	<u>\$ 275,397,686</u>	<u>\$ 4,738,246</u>	<u>\$ 7,627,053</u>		<u>\$ (4,698,382)</u>
				(1,258,143)	
				<u>\$ 10,093,568</u>	

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Business-Type Activities - Internal Service Fund</u>
	<u>Major</u>		<u>Nonmajor</u>		
	<u>Water Utility</u>	<u>Mid-Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Total</u>	
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 72,879,617	\$ (553,862)	\$ 921,770	\$ 73,247,525	\$ 2,109,307
Payments for interfund services provided	111,678	2,724		114,402	
Payments to suppliers	(23,575,171)	(1,418,223)	54,677	(24,938,717)	(2,109,307)
Payments to employees	(32,432,020)	(354,431)		(32,786,451)	
Payments for interfund services used		1,000,257		1,000,257	
Net cash provided by (used in) operating activities	<u>16,984,104</u>	<u>(1,323,535)</u>	<u>976,447</u>	<u>16,637,016</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:					
Transfers out	<u>(1,359,714)</u>		<u>(1,000,000)</u>	<u>(2,359,714)</u>	
Net cash used in noncapital financing activities	<u>(1,359,714)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(2,359,714)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets/utility plant	(36,089,884)			(36,089,884)	
Proceeds from bonds	28,938,392			28,938,392	
Proceeds from capital grant	1,594,834			1,594,834	
Proceeds from bond anticipation notes	48,027,221			48,027,221	
Principal payments on bonds	(4,853,386)			(4,853,386)	
Principal payments on bond anticipation notes	(36,598,000)			(36,598,000)	
Principal payments on notes payable	(579,670)			(579,670)	
Interest payments on bonds and notes	(3,759,238)			(3,759,238)	
Net cash used in capital and related financing activities	<u>(3,319,731)</u>	<u>-</u>	<u>-</u>	<u>(3,319,731)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	110,747			110,747	
Miscellaneous nonoperating revenue	1,606,743	553,862		2,160,605	
Net cash provided by investing activities	<u>1,717,490</u>	<u>553,862</u>	<u>-</u>	<u>2,271,352</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,022,149	(769,673)	(23,553)	13,228,923	-
Cash and Cash Equivalents at Beginning of Year	<u>3,993,283</u>	<u>769,673</u>	<u>23,553</u>	<u>4,786,509</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 18,015,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,015,432</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 15,407,584	\$ (6,091,844)	\$ 522,625	\$ 9,838,365	\$ (1,258,143)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	10,599,128		148,609	10,747,737	
Loss on disposal of capital assets	136,759			136,759	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(3,565,385)	(553,862)	53,714	(4,065,533)	5
(Increase) decrease in due from other funds	111,678	2,724		114,402	
(Increase) decrease in inventory	96,167		(195)	95,972	
(Increase) decrease in prepaid items	153,706		712	154,418	
(Increase) decrease in net pension assets	(43,208)			(43,208)	
(Increase) decrease in other assets	49,914			49,914	
Increase (decrease) in accounts payable and accrued expenses	(7,537,563)	(8,206)	250,982	(7,294,787)	1,003,697
Increase (decrease) in due to other funds		1,000,257		1,000,257	
Increase (decrease) in customer advances for construction	(549,136)			(549,136)	
Increase (decrease) in compensated absences	(252,646)			(252,646)	
Increase (decrease) in OPEB obligation	2,377,106	4,327,396		6,704,502	
Increase (decrease) in claims incurred but not reported					254,441
Total adjustments	<u>1,576,520</u>	<u>4,768,309</u>	<u>453,822</u>	<u>6,798,651</u>	<u>1,258,143</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 16,984,104</u>	<u>\$ (1,323,535)</u>	<u>\$ 976,447</u>	<u>\$ 16,637,016</u>	<u>\$ -</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets contributed by Capital Projects Fund	<u>\$ 3,766,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,766,112</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2013

	<u>Pension</u> <u>Trust Fund</u>	<u>OPEB</u> <u>Trust Fund</u>
ASSETS		
Cash and cash equivalents	\$ 4,145,957	\$ 3,665,017
Accounts receivable	38,076	230,073
Investments, at fair value:		
Long-term investments	150,699,239	
Pooled investments	31,397,317	
Due from other funds		795,966
Total assets	<u>186,280,589</u>	<u>4,691,056</u>
LIABILITIES		
Retiree expense reimbursement payable		<u>4,607,181</u>
NET POSITION		
Held in Trust for Pension and OPEB Benefits	<u>\$ 186,280,589</u>	<u>\$ 83,875</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Pension</u> <u>Trust Fund</u>	<u>OPEB</u> <u>Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 5,857,000	\$ 6,500,000
Plan members	2,083,478	581,429
Reimbursements		230,073
Other revenues		795,966
Total contributions	<u>7,940,478</u>	<u>8,107,468</u>
Investment earnings:		
Net increase in fair value of investments	30,784,411	
Interest and dividends	3,869,444	
Net investment earnings	<u>34,653,855</u>	<u>-</u>
Total additions	<u>42,594,333</u>	<u>8,107,468</u>
Deductions:		
Benefits	15,729,917	5,937,248
Administrative expense	927,019	39,158
Total deductions	<u>16,656,936</u>	<u>5,976,406</u>
Change in Net Position	25,937,397	2,131,062
Net Position at Beginning of Year	<u>160,343,192</u>	<u>(2,047,187)</u>
Net Position at End of Year	<u>\$ 186,280,589</u>	<u>\$ 83,875</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Metropolitan District (the District) was empowered in 1929 by the General Assembly of Connecticut. The District provides the following services as authorized by its Charter: design, construction and maintenance of sewage, hydroelectric and water systems and plants, stream and watercourse controls, the sale and delivery of water and hydroelectric power, and resources recovery.

The financial statements include all of the funds of the District that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be 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 accompanying financial statements have been prepared in conformity with the requirements of statements issued by the Governmental Accounting Standards Board. 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's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or benefit directly from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues, including sewer assessments, to be available if they are collected within 60 days after the end of the current fiscal period.

Taxes on member municipalities, sewer assessments 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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures are generally recorded 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 general government, except those resources required to be accounted for in another fund.

The *Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Funds:

Capital projects of greater than one year's duration have been accounted for in capital projects funds. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

The *Assessable Sewer Construction Fund* accounts for financial resources to be used for capital expenditures for the extension of various watermains or sanitary sewers resulting from property owner petitions for public sewer or water service within the District's service area.

The *Sanitary Sewer Overflow Construction Fund* accounts for financial resources to be used to eliminate sanitary sewer overflows and reduce infiltration and inflow within sanitary sewers serving member towns. These are projects not included in the 2006 or 2012 Clean Water Referendum Funds.

The *2006 Clean Water Project Referendum Fund* accounts for financial resources to be used for the first phase of the Clean Water Project, which was authorized on November 7, 2006. The Clean Water Project includes programs to eliminate eight sanitary sewer overflows, to reduce the nitrogen contaminants from sewer flows into the water pollution control facilities, and to lessen the inflow of rain water into the sanitary sewer system.

The *2012 Clean Water Project Referendum Fund* accounts for financial resources to be used for the second phase of the Clean Water Project, which was authorized on November 6, 2012. The Clean Water Project includes programs to control combined sewer overflows, eliminate structural sanitary sewer overflows, and reduce nitrogen discharges to the Connecticut River.

The District reports the following major proprietary funds:

The *Water Utility Fund* and the *Mid-Connecticut Project Fund* are the District's funds used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fund types:

The *Internal Service Fund* is used to account for the District's self-insurance program for accident and health insurance coverage of employees as well as natural disaster and liability claims for the District.

The *Pension Trust Fund* is used to account for the activities of the District's defined benefit plan, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB Trust Fund* is used to account for the activities of the District's postemployment welfare benefits (including retiree medical, dental and life insurance benefits) to the current and former eligible employees of the District.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenue includes all taxes.

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 and internal service 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 government'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, money market accounts and certificates of deposit with an original maturity of less than 90 days from the date of acquisition are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

E. Inventories and Prepaid Items

All inventories are valued at the lower of cost (average cost) or market method. Inventory in the governmental and enterprise funds is recorded as an expenditure when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are presented net of an allowance for uncollectibles.

G. Compensated Absences

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets such as water and sewer mains, 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 recognized 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 assets or materially extend their lives are expensed currently.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Machinery and equipment	6-20
Infrastructure	50-150

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources expenditure until then. The District reports a deferred charge on refunding as deferred outflow of resources in the government-wide statement of net position and statement of net position - proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources until that time.

The District reports unavailable revenue for governmental funds which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. 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, discounts and losses on bond refundings 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 and unamortized losses on bond refundings. Bond issuance costs are expensed as incurred.

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.

K. Fund Equity

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

Nonspendable Fund Balance - This balance represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This balance represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance - This balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (District Board). Amounts remain committed until action is taken by the District Board (resolution) to remove or revise the limitations.

Assigned Fund Balance - For all governmental funds other than the General Fund, this balance represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this balance includes amounts constrained for the intent to be used for a specific purpose by the District Board that has been delegated authority to assign amounts by the Charter.

Unassigned Fund Balance - This balance 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.

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category represents all capital assets, net of accumulated depreciation and related debt.

Restricted Net Position - This category represents amounts restricted to use by outside parties. Restricted net position as of December 31, 2013 represents unexpended bond proceeds.

Unrestricted Net Position - This category represents the net position of the District not restricted for use.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

During the last quarter of the year, the ensuing year's proposed operating budget, including proposed expenditures/expenses and the means of financing them, is compiled by the Finance Department based upon estimates submitted by the various departments.

The proposed operating budget is then published in line item format in one or more local newspapers servicing the District for a period of three consecutive days, excluding holidays and Sundays. Prior to January 1 of the new year, the published budget is submitted to the District Board for acceptance and adoption.

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. A fund budget was adopted for the Hydroelectric Development Project. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapses at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data in this report have been presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the bottom of the actual vs. budget schedule. The legal level of budgetary control is at the functional level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board. The amendments were made in the legally permissible manner described above. There were no amendments or supplemental appropriations made during the year.

Budgetary integration is employed on a continuing (project length) basis for capital projects funds, in which appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond and note indenture provisions.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

B. Deficit Fund Equity

Certain individual funds had fund balance deficits at December 31, 2013 as follows:

Assessable Sewer Construction	\$ 1,515,097
Sanitary Sewer Overflow Construction	5,013,215
2013 Clean Water Project Referendum	6,211,504
General Purpose Sewer 2013	1,179,571
General Purpose Sewer 2009	2,853,065
General Purpose Sewer 2008	1,300,449
General Purpose Sewer 2007	178,720
General Purpose Sewer 2005	612,733
General Purpose Sewer 2000	750
Headquarters Improvements	2,777
Connecticut River Cleanup Phase II	30,655
WPC Facilities Improvements	4,858,334
Information Systems Development	4,855,319
Maple Avenue Phase II	7,946
Upper Albany Avenue	911,392
Long-Term Control Plan	5,409,803
Wastewater Treatment Facility Improvement	812
Inflow & Infiltration Master Plan	351,163
Wastewater Pump Station Improvement	696,379
Long-Term Strategic Initiatives	396,301
Emergency Generator Replacements	3,507,328
2006 Incinerator Upgrade	676
2007 Facility & Buildings Improvements	6,163,127
Capital Mgt. Oper. & Maint. (CMOM)	2,311,477
Wastewater Treat. Facility Improvements	2,874,291
Infrastruct Replace and Improv	3,068,103
Vehicle and Equipment Replace	1,927,872
SCADA System Imps	808,240
CMOM Compliance	6,647,556
CIP Combined Other	22,560,631
2007 Wastewater Trt. Fac. Sec. & Comm. Imp	221,978
Wastewater Collection System Improvement	12,895,683
CIP Other	1,603,483
Renewable Energy Fund	40,205
Internal Service	4,698,382

The Capital Projects Funds' deficits have arisen because bonds and loans authorized for these projects have not yet been issued. When the bonds and loans are issued, or the General Fund appropriates and transfers amounts to these funds, the deficits will be eliminated.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposit will not be returned. The District does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its principal place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$9,040,907 of the District's bank balance of \$9,338,457 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,111,816
Uninsured and collateral held by the pledging bank's trust department, not in the District's name	<u>929,091</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 9,040,907</u></u>

Cash Equivalents

At December 31, 2013, the District's cash equivalents amounted to \$74,202,162. The following table provides a summary of the District's cash equivalents as rated by nationally recognized statistical rating organizations. The pool has maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm

Investments

As of December 31, 2013, the District's Pension Trust Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Fiduciary Type:	
CIF International Research Equity Fund	\$ 21,665,105
CIF Research Equity Fund	86,128,021
CIF Small Cap 2000	21,523,828
CIF Global Bond	21,382,285
Aetna Pooled Portfolio	<u>31,397,317</u>
Total	<u><u>\$ 182,096,556</u></u>

The above investments have no rating or maturity.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the District attempts to match its investments with anticipated cash flow requirements.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of the District. The District has no investment policy that would limit its investment choices due to credit risk.

Concentration of Credit Risk - The District has no policy limiting an investment in any one issuer that is in excess of 5% of the District's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2013, the District did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

B. Receivables

Receivables as of year end for the District's individual major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	<u>General</u>	<u>Assessable Sewer Construction</u>	<u>2006 Clean Water Project Referendum</u>	<u>Nonmajor Funds</u>	<u>Water Utility</u>	<u>Mid- Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Internal Service Fund</u>	<u>Total</u>
Sewer use charges	\$ 1,370,730	\$	\$ 9,334,735	\$	\$	\$	\$	\$	\$ 10,705,465
Customers and employees	1,555,062				33,290,612		82,012		34,927,686
Assessments		2,320,456			1,187,024				3,507,480
Accrued interest		434,114			192,312				626,426
Intergovernmental			7,140,096		630,752				7,770,848
Other	<u>2,104,504</u>			<u>20,838</u>		<u>52,878,846</u>		<u>3,093</u>	<u>55,007,281</u>
Gross receivables	5,030,296	2,754,570	16,474,831	20,838	35,300,700	52,878,846	82,012	3,093	112,545,186
Less allowance for uncollectibles	<u>905,020</u>	<u>948,073</u>	<u>937,938</u>		<u>2,935,486</u>	<u>9,864,412</u>	<u>133</u>	<u>928</u>	<u>15,591,990</u>
Net Total Receivables	<u>\$ 4,125,276</u>	<u>\$ 1,806,497</u>	<u>\$ 15,536,893</u>	<u>\$ 20,838</u>	<u>\$ 32,365,214</u>	<u>\$ 43,014,434</u>	<u>\$ 81,879</u>	<u>\$ 2,165</u>	<u>\$ 96,953,196</u>

C. Interfund Receivables, Payables and Transfers

Interfund loans are generally used to transfer monies as a result of cash flow. Interfund receivables and payables balances at December 31, 2013 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Mid-Connecticut Project Fund	\$ <u>5,803,233</u>
Water Utility Fund	General Fund	10,781
	Mid-Connecticut Project Fund	<u>436,923</u>
		<u>447,704</u>
OPEB Trust Fund	Mid-Connecticut Project Fund	<u>795,966</u>
Mid-Connecticut Project Fund	General Fund	<u>184,995</u>
Total		<u>\$ <u>7,231,898</u></u>

Interfund transfers are generally used to supplement revenues of other funds. Interfund transfers for the year ended December 31, 2013 were as follows:

	<u>Transfers In</u>			<u>Transfers Out</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Sanitary Sewer Overflow</u>	
Transfers out:				
General Fund	\$	\$ 28,714,385	\$	\$ 28,714,385
Assessable Sewer Construction	2,200,000			2,200,000
Water Utility Fund		1,359,714		1,359,714
Hydroelectric Development Fund	1,000,000			1,000,000
2006 Clean Water Project Referendum	12,552,598			12,552,598
Nonmajor Governmental Funds			967,000	<u>967,000</u>
Total Transfers In	<u>\$ 15,752,598</u>	<u>\$ 30,074,099</u>	<u>\$ 967,000</u>	<u>\$ 46,793,697</u>

D. Capital Assets

Capital asset activity for the year ended December 31, 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	\$ 643,754	\$	\$	\$ 643,754
Construction in progress	560,741,301	164,330,658	414,062	724,657,897
Total capital assets not being depreciated	<u>561,385,055</u>	<u>164,330,658</u>	<u>414,062</u>	<u>725,301,651</u>
Capital assets being depreciated:				
Buildings	226,452,903			226,452,903
Machinery and equipment	32,310,027	215,626	451,988	32,073,665
Infrastructure	338,291,107	3,300,634	79,372	341,512,369
Total capital assets being depreciated	<u>597,054,037</u>	<u>3,516,260</u>	<u>531,360</u>	<u>600,038,937</u>
Less accumulated depreciation for:				
Buildings	105,560,393	5,591,921		111,152,314
Machinery and equipment	12,179,045	1,601,819	450,628	13,330,236
Infrastructure	150,075,754	3,567,471	48,406	153,594,819
Total accumulated depreciation	<u>267,815,192</u>	<u>10,761,211</u>	<u>499,034</u>	<u>278,077,369</u>
Total capital assets being depreciated, net	<u>329,238,845</u>	<u>(7,244,951)</u>	<u>32,326</u>	<u>321,961,568</u>
Governmental Activities Capital Assets, Net	<u>\$ 890,623,900</u>	<u>\$ 157,085,707</u>	<u>\$ 446,388</u>	<u>\$ 1,047,263,219</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 9,548,683	\$	\$	\$ 9,548,683
Construction in progress	124,583,058	36,283,099	115,413	160,750,744
Total capital assets not being depreciated	<u>134,131,741</u>	<u>36,283,099</u>	<u>115,413</u>	<u>170,299,427</u>
Capital assets being depreciated:				
Buildings	101,004,634	12,369		101,017,003
Machinery and equipment	28,946,335	242,220	637,510	28,551,045
Infrastructure	282,134,781	3,433,724	250,627	285,317,878
Total capital assets being depreciated	<u>412,085,750</u>	<u>3,688,313</u>	<u>888,137</u>	<u>414,885,926</u>
Less accumulated depreciation for:				
Buildings	42,089,116	2,611,681		44,700,797
Machinery and equipment	15,130,276	1,650,626	636,037	16,144,865
Infrastructure	107,117,672	6,613,009	115,341	113,615,340
Total accumulated depreciation	<u>164,337,064</u>	<u>10,875,316</u>	<u>751,378</u>	<u>174,461,002</u>
Total capital assets being depreciated, net	<u>247,748,686</u>	<u>(7,187,003)</u>	<u>136,759</u>	<u>240,424,924</u>
Business-Type Activities Capital Assets, Net	<u>\$ 381,880,427</u>	<u>\$ 29,096,096</u>	<u>\$ 252,172</u>	<u>\$ 410,724,351</u>

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

Governmental activities:	
General government	\$ 513,612
Engineering	76,575
Operations	4,154,540
Plant and maintenance	<u>6,016,484</u>
Total Depreciation Expense - Governmental Activities	\$ <u>10,761,211</u>
Business-type activities:	
Water	\$ 10,726,707
Hydroelectric	<u>148,609</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>10,875,316</u>

Construction Commitments

The government has active construction projects as of December 31, 2013. At year end, the District's commitments with contractors for governmental activities are as follows:

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Mountain Farms, WH	\$ 222,490	\$ 2,035,440
Overflow Alarm and Gate Repair Program	4,807,167	192,833
SRP-Love Lane, Hartford	13,153	365,847
Upper Albany Sewer System Impr Phase I	1,663,983	836,017
Cornwall Street, Hartford	370,110	4,890
Storm Drainage Improvements	4,239,976	545,852
Incineration Modifications for RC	3,008,554	741,446
2001 Safety and Regulatory Upgrades, RH	693,531	306,469
Tower Brook Removal and Separation, Hartford	7,885,909	2,114,091
Private Property Inflow Program	11,655	288,345
Backwater Valve Installation Program	523,384	203
Rainleader Disconnection Program	60,511	4,939,489
Silas Deane Highway Pump Station	5,881	1,994,119
Upper Albany Ave CSO-Phase I Construction	4,245,763	114,237
Upper Albany Ave CSO-Phase II Design	30,540	219,460
Assessable Sewer Program-2002	50,869	749,131
2003 Tunxis Road, West Hartford	294,783	505,217
2003 WPC Infrastructure Impr.	554,486	285,514
2003 Fire Detection Systems	8,544	491,456
2003 Wethersfield Cove CSO Abatements	4,793	4,995,207
2003 Rocky Hill Headworks & Primary Hydraulics	4,218,913	421,087
2003 Upper Albany Area-CSO Burton Street	5,101,696	57,037
Sewer Rehabilitation Projects-2003	170,568	89,432
2004 Assessable Sewer Program	136,307	863,693
2004 Tower Brook Conduit Extension	119,698	2,115,302
2004 WPCF Infrastructure Improvements	1,041,875	58,125
2005 Assessable Sewer	1,885	298,115

Project Name	Spent to Date	Remaining Commitment
Various Sewer Rehabilitation Projects District-wide	\$ 2,005,352	\$ 94,648
Upper Albany Avenue Rainleader Relocation	40,610	4,459,390
Combined Sewer Separation	21,112	1,389,688
Combined Sewer Long-Term Control Plan	3,435,671	64,329
Inflow & Infiltration Master Plan	4,247,275	26,925
Sludge Processing Building Odor Control	539,030	1,160,970
Facility and Building Improvements	1,875,414	2,574,586
Farmington Ave Sewer Storm Separation	1,215,154	334,846
Tremont Sewer Separation	948,939	72,198
2000 ASP-Reservoir #6-Outlet Sewer	1,284,489	192,060
Long-Term Control Plan	11,285,691	4,514,309
2006-GPS-Various Sewer Rehabilitation	2,421,769	363,231
2006-GPS Reserve	220,718	79,282
2006-Wastewater Treatment Facilities	1,379,632	820,368
2006-WTF Incinerator Upgrade	218,569	4,781,431
2006-Wastewater Pump Station Imp.	906,488	93,512
2006-Sewer Inspection/CMOM	4,219,221	780,779
2006-Emergency Generators	137,400	162,600
2004 ASP-Cliffmore Rd, WH	858,741	76,367
2006-GPS West Normandy Drive, WH	133,097	81,903
2007 Sewer Inspection/CMOM	1,016,261	1,033,739
2007 Asset Management Wastewater Admin.	96,845	3,155
2007 Upgrade building systems 60 Murphy	480,705	19,295
2006 SSO Program	27,317,433	2,682,567
2006 Information System Improvements	1,784,474	15,526
2007 GPSP Various replacements/rehabilitation	115,326	1,410,674
2007 CF - Information Technology	2,968,193	131,807
2007 CF - Document Management	1,097,584	2,416
2007 GPSP Curcombe St Pump Station	100,244	23,756
2007 GPSP Pleasant St. Wind	13,238	176,762
2007 GPSP Dividend Road Rocky	9,930	550,070
2007 GPSP Backwater Valve Program (PPID)	455,683	35,317
2008 CMOM Equipment & Staffing	3,280,205	1,719,795
2008 Assessable Sewer Program	150,441	149,559
2008 Asset Management Wastewater Admin.	133,606	266,394
2008 District Facility Improvements	653,360	36,930
2008 Security System Upgrades	369,680	430,320
2008 GPS Park River 51" Interceptor Rep	1,219	298,781
2008 GPS Lawrence St. Htfd. 12" Main Rep	321,562	89,688
2008 WPC Infrastructure Repl & Imps	842,662	1,157,338
2008 GPS Airport Road Htfd Rep Main	1,491	148,509
2007 Wastewater Treatment Fac Imps	3,493,135	1,106,865
2009 Risk Management Initiatives	684,101	1,040,899
Facility & Building Improvements 60 Murphy	94,734	227,266
2009 Facility & Bldg Impr Headquarter	1,179,393	23,781
Communications Systems Planning	290	249,710
2008 Pump Station Radio/Antenna Upgr	1,025,367	1,988
2009 Hartford Odor Control Construction	2,024,247	2,863,753
Improvements to Scada System	1,050,135	1,449,865
Electronic Equip Repl	47,297	31,703
Long-Term Strategic Initiat	664,943	335,057
Info Sytm Improvement	690,286	14,214
ADA Handi Access Impro	328,498	171,502
IT System Equipment & Operating	521,066	326
Upgrade Motor Oil Dispensing	272,054	127,946
2009 CMOM Compliance	1,488,167	3,511,833

Project Name	Spent to Date	Remaining Commitment
2009 CMOM Equipment & Staff	\$ 1,698,471	\$ 3,301,529
2007 Wastewater Treatment Facility, SEC, & COMM	367,275	2,832,725
Curcombe St Pump Station Repl	13,115	786,885
2008 Cedar St Hartford Storm Drain	999,076	200,924
2009 Assessable Sewer	170,340	2,733,660
2009 Assessable Sewer - Mountain Road, WH	2,576,425	2,423,575
2008 Orchard Road, West Hartford	288,950	311,050
Mansfield St. Hdfd. Sewer Rep.	1,000	999,000
2009 Desmond Dr. Weth. Sewer Main Rep	468,130	31,870
Backwater Valve Prgm	276,402	73,598
2010 Headquarter Renovation Program	1,584,441	45,756
2010 CMOM Compliance	1,204,742	795,258
2011 CMOM Staffing	1,406,452	593,548
2010 Sewer Study Dividend	147,328	4,652,672
2010 Survey & Inspe Staff	1,753,809	246,191
CMMS - Phase II	262,127	2,377,873
General Purpose Sewer	99,318	702,682
2010 Sewer Pump Station Improv	186,746	336,254
2010 WPC Electrical System	930,495	3,349,505
Huyshope St Sewer Rehab Hartford	223,074	2,732,926
EHWPCF Screen & Grit	276,168	3,546,832
2010 WPC Renewal & Replacement	1,300,660	699,340
2009 Cedar St Hdfd Sewer Main Replacement	1,164,606	235,394
2010 Information System Improvement #2	1,644,676	355,324
2010 GPS New Park Ave	1,848,424	51,576
2008 Tunxis Rd/Wood Pond Rd W Hdfd	2,029,745	570,255
CMOM Goff Brook South Branch	1,391,092	788,908
2009 GPS Erosion Slope Repair, RH	129,690	155,110
2009 General Purpose Sewer	479	788,271
2010 - 1037 Windsor Ave.	107,322	7,078
2009 - 1200 Windsor Ave.	10,142	135,658
2011 Headquarters Renovation	1,350,733	149,267
2011 Facility & Equipment Improvement	625,996	774,004
2011 Security and SCADA	89,500	910,500
2008 Board Room Communication Impr	56,279	243,721
2011 Pump Station Generators	3,725,669	1,074,331
2011 WPC Equipment & Facility Refurb	938,755	261,245
2011 Sewer Pump Station Rehab.	675,059	1,324,941
2012 IT Security Improvements	601,789	4,398,211
2009 Goff Brook South Branch II	3,203,873	4,127
2012 Sewer Rehabilitation Prg	1,848,613	651,387
2012 Facility Improvement Prg	1,632,955	867,045
2012 Survey & Construction	4,678,379	321,621
2012 Engineering Services	2,506,835	1,593,165
2012 Sanitary Sewer Retreat Ave	580,511	4,419,489
2012 Construction Services	2,717,730	782,270
2012 Technical Services	1,123,904	376,096
2012 General Purpose Sewer	245,526	4,754,474
2012 Brainard Rd Building	1,003,657	2,202,343
2011 WPC Renewal & Replacements	758,153	1,491,847
2011 CMOM Compliance	1,114,918	1,685,082
2011 GPS	220,506	222,201
2012 Sewer Woodland Ave BL	66,970	1,243,030
2012 Sanitary Sewer Replacement	2,241,512	1,697,488
2012 Backwater Valve Program	2,430	537,570
2011 GIS Enterprise System Dev.	300,709	149,291
2006 Uni Htd PS	116,409	230,766
2012 Sewer Four Mile Rd WH	4,733,725	171,275
2012 WPC Equip & Fac Refurb	464,546	735,454
2012 S Pump Sta Ridge St WI	8,590	576,410

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2012 Hdq Parking Garage	\$ 183,823	\$ 2,911,177
2012 Sewer Infrastructure Design	313,201	166,799
2011 GPS EH Main St High St	405,574	952,787
2012 EHWPC Screening Install	347,543	4,402,457
2012 Sewer Gate Replacement Prg	304,369	991,631
2013 Facilities Improvement Program	859,871	1,140,129
2013 Construction Services	3,549,930	450,070
2008 GPS Fishfry PS	186,569	80,600
2013 Sewer Rehab Program	1,990,348	509,652
2013 Engineering Services	2,374,657	25,343
2013 Technical Services	2,097,686	582,961
2013 Survey & Construction	4,926,443	73,557
2011 WPC Electronic Development	110,373	1,639,627
2012 WPC Renewal & Replacement	220,076	2,779,924
2012 Sewer Montclair Dr WH	29,257	2,612,743
2013 Information Technology - Hardware	1,053,323	3,946,677
2013 Chateau Woods/High Path Rd WW	11,369	488,631
2013 Harvest Lane WWPS - Windsor	668	499,332
2013 WPC Equipment & Facility Refu	373,406	886,594
2013 WPC Plant Infra. Renewal & Re	4,663	1,085,337
2013 Various Sewr Pipe Replacement	606,056	4,333,944
2013 Meadow Street WWPS - Newington	752	599,248
2012 HWPC Solids Project	606,366	4,193,634
2013 Windsor Interceptor/NM-1	1,038	1,888,962
2013 Rocky Hill Interceptor	23,858	746,142
2013 Park St Sanitary Swr Imprv	2,417	2,137,583
2013 Park St Storm Swr Imprvmnts H	2,444	4,457,556
2013 Brookside Street WWPS - Newin	17,327	3,222,673
2013 Oakwood Sewer Improvements, W	79,178	4,480,822
2013 Park St Sanitary Swr Imprv - Assessable Sewer Prg (2003)	3,169 688	4,456,831 219,312
2013 231 Brainard Rd Bldg Renovation	283,299	4,716,701
2009 Woodpond North Pump Station	5,500	1,594,500
2013 Motts WWPS - Wethersfield	12,194	497,806
2013 Curcombe Street WWPS - Hartford	23,816	386,184
2013 Backwater Valve Program	2,000	748,000
2013 SCADA Upgrades	13,181	1,246,819
2009 WPC Infra Repl & Impr	2,493,442	1,961,558
2009 General Purpose Sewer Projects	1,067,417	539,583
2008 CMOM Compliance	2,466,648	396,068
2010 Information System Improvem	3,375,311	224,689
2010 Facility & Equip Improvements	101,924	342,076
2011 Survey & Construction Staffing	1,798,698	201,302
2011 IS Improvements	599,989	100,011
2012 Information Technology	2,736,929	263,071
2012 S Pump Sta Mohawk St EH	30,694	623,306
2013 Information Technology - SAP/Oracle	152,909	4,847,091
2013 Information Technology - Applications	59,438	4,940,563
2013 General Purpose Sewer	92,369	1,827,631
2006 Clean Water Project Referendum Phase 1	485,490,468	314,509,532
2012 Clean Water Project Referendum Phase 2	6,395,555	793,604,445
Total	\$ 721,738,425	\$ 1,330,534,131

The District's commitments with contractors for construction in process for business-type activities are as follows:

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2000 DAM Safety Impr. Reservoir #2	\$ 4,444,682	\$ 555,318
Water supply and treatment plant improvements	3,750,713	249,287
Water Supply Improvements	11,680	512,376
2003 Farmington Ave Water Main Replacement, Phase II	1,195,420	54,440
2003 GIS Landbase Development	536,412	38,588
2003 Reserve	116,618	33,382
2003 Various System Improvements	293,049	6,951
2003 Assessable Water Program	197,700	2,301
2004 Bloomfield Filter Expansion	584,097	15,903
2004 GPW-Radio Based Automated Meter	504,049	4,300
2004 GPW-Various System Improvements	449,861	550,139
2005 Assessable Water	3,781	85,219
Various Water Main Replacements/Rehabilitation	1,627,093	38,122
2005 Reserve	129,292	20,708
Bloomfield Water Treatment Improvements	2,033,434	1,566,566
Water Distribution System Improvements	2,264,523	735,477
Radio Based Automation Meter Reading	3,884,549	1,915,451
Water Supply Facility and Site Improvements	727,977	10,355
2006 GPW-Water Replacement/Rehab.	1,429,600	173,474
2006 GPW-Transmission System	259,808	40,192
2006 GPW-Land Acquisition	107,416	392,584
2006 GPW-Reserve	70,582	229,418
2006 - Water Treatment Facilities Imp	1,168,779	6,818
2006 - Water Pump Station Improvement	1,212,118	395,084
2006 - 36" Water Main Replacement	3,030,796	1,669,204
2003 - AWP Chapel Road, South Windsor	10,061	989,939
2007 Water Assessable Program	241,695	733,305
2007 Asset Management Water Administration	6,629,522	579,878
2007 Treatment Facility Upgrades	1,085,290	14,710
2007 Asset Management Planning & Testing	1,378,032	15,559
2007 Asset Mgmt Non-CSO Related Assets	856	757,144
2007 A M Non-CSO Capital Ave. Htfd	2,535,219	1,177,660
2007 A M Non-CSO Buckingham St Htfd	60,490	669,510
2007 A M Non-CSO Church St Htfd	324,246	758,754
2007 Water Supply Facility Improvements	1,319,639	130,361
2007 Radio Frequency Automated Meter Reading	3,619,077	1,380,923
2007 Asset Management Non-CSO-Related Assets-Silas	265,506	1,483,494
2007 GPWP Watershed Road Rehab	216,682	896
2007 GPWP Mohawk Dr. West Hartford	537,132	4,915
2006 Water Distribution Imps Oak St Phase II	2,002,182	1,797,818
2007 A M Non-CSO Tunxis Avenue, Bloomfield	1,583,115	165,885
2008 Filtered Water Basin Interconnection	1,535,254	464,746
2008 WH Access & Security Improvements	1,987,376	512,624
2008 Paving Program	3,507,923	18,001
2008 Water Supply Facility Improvements	1,734,616	465,384
2008 - Assessable Water	71,609	78,391
2008 Radio Frequency Automated Meter Rea	5,037,225	42,675
2008 Asset Management - Water Administration	295,714	204,286
2008 AM-Non CSO Burnside Ave East Htfd	400,686	86,721
2008 East Farmington Water Main Install	1,309,073	2,190,927
2008 AM-Non CSO Park Road West Htfd	664,456	136,144
2008 Farmington Avenue Water Main Replac	970,295	29,705
2008 GPW Collinsville Roof Replacement	177,646	22,354
2008 AM-Non CSO Lawrence St, Hartford	377,668	86,777

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2008-AW Pope Park Hwy Water Main Ext	\$ 391,046	\$ 52,920
2008 Transmission Valve Replacement	306,149	1,693,851
Tower Avenue North Water Main Rep. 2007	3,350,156	284,844
2009 Mansfield St Hart Water Main	29,742	1,465,258
2009 Farmington Water Main Inst W.H.	1,169,248	210,752
Planning & Testing	184,012	415,988
2008 CSO-Related Assets	541,506	1,618,494
2009 Paving Prgm	3,009,929	9,782
2009 Gen Purpose Water	2,019,301	1,495,699
2009 Non-CSO Rel Projects	1,835,226	2,464,774
2009 Transmission Valve Repl	114,703	3,385,297
2009 Automated Metr Reading	4,122,963	877,037
2009 Water Main Vlve Repl	51,143	2,248,857
2009 Oak St E Hfd Water Main Work	26,429	1,123,571
2009 Water Trmt Facility Impr	2,250,829	534,171
2007 Mid Franklin 2008-92	354,276	1,084,329
2008 Cold Spring Dr Blfd Water Main	586,190	913,810
2007 Cedar St Htf Water Main Repl	1,028,024	87,362
2009 Assessable Water	88,729	1,142,271
2009 Goodrich & South Rd Farmington	703,956	796,044
2008 Land Acquisition	525,786	24,214
2008 Watershed Road Rehab	121,702	678,298
2009 Whiting Ln W.H. Water Main Rep	617,769	82,231
2007 Desmond Dr Weth. Water Main Rep	269,565	12,087
2007 Penwood L Weth. Water Main Rep	106,198	143,802
2010 Water Supply Fac Improvements	2,161,437	338,563
2010 Water Facilities Security	2,379,915	2,112,085
Hydraulic Computer Modeling	402,113	1,947,887
2010 Water Main Replacement Hartford	129,453	870,547
2010 Water Main Replace W Htfd	175,348	224,652
2010 Water Main Repl Wethersfield	28,453	571,547
2010 Paving Program	2,961,170	38,830
2010 Water Main Repl Bloomfield	313,619	86,381
2010 Radio Frequency	4,429,428	417,372
2010 Water Main Replacement Windsor	14,555	385,445
Water Main Re Farmington Ave WH	1,247,688	111,712
2010 Water Main Repl Norwood Rd	3,824	121,176
2010 Water Pump Station Replace	608,541	4,191,459
2010 Water Treatment Fac Upgrade	2,734,209	2,219,141
Dam Safety RES #1	522,287	792,713
2010 Dam Safety RES #2	516,947	798,053
2010 Dam Safety RES #3	47,977	1,267,023
2010 CWP Water Main Broad St. Htfd	56,170	443,830
2010 Water Main Replace E. Htfd	38,498	961,502
CWP WaterMain Guilford Fliny	2,848,456	258,544
CWP WaterMain Warner/Manz	2,270,409	1,149,591
CWP WaterMain Farmington Av	746,532	2,383,468
CWP WaterMain Cleveland/Main	1,269,895	763,105
CWP WaterMain Wethersfield Av #3	619,919	2,072,081
2008 High St. Htfd. Water Replace	420,509	36,491
2008 CSO Assets Burton St. WMR	2,497,156	767,170
2009 CSO Farmington 1A	4,491,304	676,541
2008 CSO Asset Edgewood Separation	153,241	42,433
Burnham Acres, South Windsor	397,550	380,950

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2011 Paving Program	\$ 2,899,835	\$ 100,165
2011 Radio Frequency Automated Meter	967,836	532,164
2011 TMR Hamilton St&Park Terr, Htfd	30,457	1,469,543
2011 WMR Mountain Rd& Clifford Dr.	20,930	379,070
2011 Water Supply CIP	473,554	1,126,446
2011 WHWTF-North Storage Tank Inst.	8,671	4,791,329
2011 CWP Water Main Replacement	475,540	1,182,558
2011 Linden Place WMR	499,756	23,244
2011 Water Pump Station Improvements	388,420	811,580
2011 WMR-Cottage Grove Rd, Bloomfield	47,606	1,402,394
2011 GPW	341,701	575,299
2011 WMR-Colony Road, West Hartford	478,800	221,200
2011 WMR-Pine St & Auburn Rd, WH	364,975	335,025
2011 Design of WMR Outside of CWP	1,062	998,938
2011 WMR-Longview Dr, Talcott and PHE	51,617	1,648,383
2012 RF Program	859,366	4,140,634
2012 Water Rehab Program	641,175	858,825
2011 Water Treatment Facility Upgrade	829,811	145,629
2011 Water Storage Upgrades - Phase I	25,000	2,475,000
2012 Paving Program	2,742,532	2,257,468
2012 Wtr Main Replacement - Retreat	1,021,806	3,072,194
2012 WTR Infrstrctr Design-District	338,283	141,717
2012 Wtr Main Replace-Farmington	193,698	3,306,302
2011 CWP WMR - Fenway St., Hartford	288,862	81,138
2012 General Purpose Water	1,159,709	2,840,291
2012 Water Treatment Upgrade	473,273	2,026,727
2012 CWP W/M Replace - S. Maple East	2,030,533	719,467
2012 CWP W/M Replace - S. Maple West	2,035,348	1,964,652
2011 Assessable Water	69,666	1,430,334
2012 Wtr Main Replacement-Four Mile	20,151	1,168,849
2011 WMR Franklin 13	606,264	688,736
2012 Frmgngtn Ave WH W/M Install	1,135,222	732,778
2011 CWP Water Main Replacement	1,058,039	1,033,863
2011 Ground Water Development	306,334	4,693,666
2012 Pump Station Upgrade-Canal Road	1,311,513	257,487
2012 Dam Safety-Goodwin/Saville	228,737	1,811,263
2013 Water Rehabilitation Program	485,930	514,070
2013 Pitkin St. Water Main Replace	42,285	1,272,715
2013 CWP-Church St-WM/Main St to H	185,175	4,384,825
2013 Radio Frequency AMR	1,169,732	3,830,269
2013 Jerome Ave Wtr Main Replace.	26,368	1,373,632
2013 Paving Program	1,819,648	2,380,352
2013 CWP - WM Replace portion of P	3,109	4,446,891
2012 Asset Mngmnt Computer Model Enh	5,451	390,549
2012 W/M Replacement-Montclair Dr WH	28,059	428,941
2013 CWP-Capital Ave WM Replace, H	56,962	213,038
2012 Wtr Service Rplcmnts-Dist Wide	295	479,705
2013 Water Supply Generators	155,190	2,994,810
2013 CWP-WM Rplc Portion of Park S	1,155	1,798,845
2008 GPW WMR Repl Various WSFLD	1,389	208,611
2013 Water Treatment Facilities Up	18,553	2,141,447
2011 WMR East Hartford	59,737	2,390,263

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2010 Roslyn Road, Wtr Main Repl. Hartford	\$ 25,478	\$ 2,325,522
2013 BLWTF Filtered Water Basin Im	12,792	4,987,208
2012 Wtr Storage Tank Safety Upgrade	807	838,193
2013 Oakwood Wtr Main Replace, W.	41,365	1,808,635
2012 P/S Upgrade - Newing & Glaston	1,699	4,198,301
2013 Wickham Hill Basins - East Ha	1,386	4,978,614
2013 WMR-Franklin #13	271,437	1,828,563
2011 Dam Safety Improvements - Res #6	24,271	1,305,729
2013 Asset Management Water Main R	60	4,459,940
2011 CWP WMR-Enfield St., Hartford	28	684,972
2008 General Purpose Water Program	487,186	612,814
2008 Canal Road Storage Tank #2 Improve	1,287,290	312,710
2010 General Purpose Water	1,381,668	969,332
2010 Dam Safety - Nepaug, Phelps, E Dike	280,381	4,663,619
2013 Buckingham WPS - Glastonbury	53,792	1,686,208
2013 General Purpose Water Program	192,488	3,667,512
Total	<u>\$ 160,750,742</u>	<u>\$ 193,598,371</u>

The commitments are being financed with general obligation bonds and state and federal grants.

E. Bond Anticipation Note

The District uses bond anticipation notes during the construction period of various projects prior to the issuance of the bonds at the completion of the project.

The District issued bond anticipation notes of \$187,446,000 at an interest rate of 0.20% on June 19, 2013 and \$45,500,000 at an interest rate of 1.25% on November 5, 2013. Both notes mature on March 25, 2014.

Bond anticipation note transactions for the year ended December 31, 2013 were as follows:

Outstanding - December 31, 2012	\$ 246,690,000
New borrowings	254,721,000
Repayments	<u>(246,690,000)</u>
Outstanding - December 31, 2013	<u>\$ 254,721,000</u>

Subsequent Events

The District issued general obligation bond anticipation notes as follows:

<u>Series</u>	<u>Amount</u>	<u>Premium</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
A	\$ 52,762,000	\$ 87,585	0.50%	8/7/14
B	100,000,000	632,000	1.00%	12/5/14
C	90,459,000	800,562	1.00%	3/23/15
D	35,000,000	313,600	1.00%	3/23/15

F. Operating Leases

Total operating lease payments for the year ended December 31, 2013 were \$342,230. Commitments under an operating lease agreement with the Army Corps of Engineers for water storage rights require minimum annual rental payments, including interest at 3.14% over 50 years. The total cost of this lease was \$204,222 for the year ended December 31, 2013. Other operating lease payments for office equipment totaled \$138,008 for the year ended December 31, 2013. Future operating lease commitments are as follows:

	<u>Amount</u>
2014	\$ 334,344
2015	304,672
2016	258,136
2017	247,805
2018	236,910
2018-2019	<u>204,222</u>
Total	<u>\$ 1,586,089</u>

G. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 150,188,070	\$ 41,838,000	\$ 7,931,614	\$ 184,094,456	\$ 9,690,826
Revenue bonds		85,000,000		85,000,000	1,000,000
Premiums	<u>4,661,334</u>	<u>9,952,391</u>	<u>566,682</u>	<u>14,047,043</u>	
Total bonds payable	154,849,404	136,790,391	8,498,296	283,141,499	10,690,826
Clean water fund loans	168,874,722	40,364,999	11,261,863	197,977,858	51,475,272
Compensated absences	3,193,757	1,773,536	2,132,593	2,834,700	504,856
OPEB obligation	<u>13,698,257</u>	<u>1,944,906</u>		<u>15,643,163</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 340,616,140</u>	<u>\$ 180,873,832</u>	<u>\$ 21,892,752</u>	<u>\$ 499,597,220</u>	<u>\$ 62,670,954</u>
Business-Type Activities:					
General obligation bonds	\$ 78,036,914	\$ 13,427,000	\$ 4,853,386	\$ 86,610,528	\$ 5,244,174
Premiums	<u>2,673,082</u>	<u>1,000,553</u>	<u>186,090</u>	<u>3,487,545</u>	
Total bonds payable	80,709,996	14,427,553	5,039,476	90,098,073	5,244,174
Drinking water fund loans	6,671,780	14,510,839	579,670	20,602,949	4,880,442
Compensated absences	3,182,290	1,890,887	2,143,533	2,929,644	608,508
Net pension obligation	20,428,295			20,428,295	
OPEB obligation	<u>23,400,630</u>	<u>6,704,502</u>		<u>30,105,132</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 134,392,991</u>	<u>\$ 37,533,781</u>	<u>\$ 7,762,679</u>	<u>\$ 164,164,093</u>	<u>\$ 10,733,124</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

General obligation bonds are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on member towns and other operating revenues. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ 184,094,456
Business-type activities	Various	<u>86,610,528</u>
		<u>\$ 270,704,984</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 9,690,826	\$ 7,374,569	\$ 5,244,174	\$ 3,413,196
2015	10,027,508	7,005,319	5,442,490	3,219,737
2016	9,992,216	6,609,406	5,267,784	3,020,165
2017	10,107,853	6,161,058	5,332,146	2,783,406
2018	10,091,939	5,701,632	5,298,060	2,540,054
2019-2023	47,775,013	21,835,596	26,549,985	9,239,517
2024-2028	40,675,064	13,383,573	23,524,933	4,246,879
2028-2032	27,550,721	6,944,061	8,634,275	1,094,217
2033-2037	12,998,316	2,798,100	1,316,681	135,748
2038-2040	<u>5,185,000</u>	<u>352,575</u>		
Total	\$ <u>184,094,456</u>	\$ <u>78,165,889</u>	\$ <u>86,610,528</u>	\$ <u>29,692,919</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds at December 31, 2013 is \$1,650,269,296. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Revenues Bonds

Revenue bonds are direct obligations of the District for which full faith and credit are pledged and are payable from the Special Sewer Service Surcharge. Revenue bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ <u>85,000,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
2014	\$	1,000,000	\$ 3,921,250
2015		1,000,000	3,891,250
2016		1,000,000	3,846,250
2017		1,000,000	3,796,250
2018		1,000,000	3,760,000
2019-2023		5,000,000	18,163,750
2024-2028		5,000,000	16,996,875
2028-2032		19,000,000	15,010,000
2033-2037		42,990,000	6,402,100
2038-2040		<u>8,010,000</u>	<u>168,550</u>
Total	\$	<u>85,000,000</u>	<u>\$ 75,956,275</u>

Clean Water Fund Loans

The District participates in the State of Connecticut’s Clean and Drinking Water programs, which provide low-interest loans bearing 2% interest for eligible waste water and 2% interest for eligible drinking water projects. Projects are financed by interim loan obligations until project completion, at which time internal loan obligations are replaced by permanent loan obligations.

Clean Water Fund loans finance the sewer infrastructure and facility improvements (governmental activities) and will be repaid from future taxation and user fees.

Drinking Water Fund loans finance the water infrastructure and facility improvements (business-type activities) and will be financed by user charges.

Permanent loan obligations mature as follows:

	Governmental Activities	
	Principal	Interest
2014	\$ 10,566,314	\$ 2,821,492
2015	10,364,336	2,609,668
2016	9,354,447	2,412,655
2017	9,019,902	2,227,971
2018	9,019,902	2,046,908
2019-2023	41,909,291	7,622,396
2024-2028	37,291,580	365,125
2029-2032	17,805,768	485,967
	<u>\$ 145,331,540</u>	<u>\$ 20,592,182</u>

	Business-Type Activities	
	Principal	Interest
2014	\$ 580,582	\$ 130,195
2015	580,582	116,694
2016	580,582	103,192
2017	580,582	89,690
2018	580,582	76,188
2019-2023	1,998,621	211,172
2024-2028	892,938	77,410
2029-2032	297,642	5,365
	<u>\$ 6,092,111</u>	<u>\$ 809,906</u>

Interim loan obligations mature as follows:

	Governmental Activities	
	Principal	Interest
2014	\$ 40,908,958	\$ 556,043
2015	11,737,360	44,494
	<u>\$ 52,646,318</u>	<u>\$ 600,537</u>

Business-Type Activities

	<u>Principal</u>	<u>Interest</u>
2014	\$ 4,299,860	\$ 210,767
2015	<u>10,210,978</u>	<u>36,725</u>
	<u>\$ 14,510,838</u>	<u>\$ 247,492</u>

H. Fund Balance

The components of fund balance for the governmental funds at December 31, 2013 are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Assessable Sewer Construction</u>	<u>Sanitary Sewer Overflow Construction</u>	<u>2006 Clean Water Project Referendum</u>	<u>2013 Clean Water Project Referendum</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:								
Nonspendable:								
Prepays	\$ 1,699,114							\$ 1,699,114
Inventory	281,058					19,951		301,009
Restricted for:								
Debt service		5,845,298			14,605,348			20,450,646
Committed to:								
General purpose sewer							615,947	615,947
Tower Brook							4,435	4,435
WPCF infrastructure improvements							2,217	2,217
Safety and regulatory upgrades							2,571	2,571
Incineration modification for regulatory compliance							4,127	4,127
Overflow alarm/gate repair							2,017	2,017
Storm drain improvements phase I							602,195	602,195
Stormwater management							292,745	292,745
Pump station replacement							1,970	1,970
Upper Albany improvements phase I							9,265	9,265
Combined sewer LT control plan							1,005,345	1,005,345
Sludge processing building odor							254	254
Combined sewer septic							416	416
Sewer inspection rehab-CMOM							597,839	597,839
Assigned to:								
Infrastructure improvements	891,949							891,949
Unassigned	<u>12,585,122</u>		<u>(1,515,097)</u>	<u>(5,013,215)</u>		<u>(6,231,455)</u>	<u>(88,276,819)</u>	<u>(88,451,464)</u>
Total Fund Balances	<u>\$ 15,457,243</u>	<u>\$ 5,845,298</u>	<u>\$ (1,515,097)</u>	<u>\$ (5,013,215)</u>	<u>\$ 14,605,348</u>	<u>\$ (6,211,504)</u>	<u>\$ (85,135,476)</u>	<u>\$ (61,967,403)</u>

Significant encumbrances at December 31, 2013 are contained in the above table in the assigned category of the General Fund.

4. EMPLOYEE RETIREMENT PLAN

A. Plan Description

The District has an employee retirement system with a pension plan adopted January 1, 1944 and amended April 1, 1989. The Aetna Insurance Company is the administrator of the Metropolitan District Employees' Retirement System (MDERS), which is a defined benefit, single employer retirement system. The MDERS provides retirement, disability and death benefits to plan members and beneficiaries.

The pension plan is included in the District's financial reporting entity and accounted for in the pension trust fund. The MDERS does not issue a stand-alone financial report.

At January 1, 2013, which is the last date of actuarial valuation, membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	596
Terminated members entitled to but not yet receiving benefits	17
Current active members	503
Nonvested former participants	<u>19</u>
Total Members	<u>1,135</u>

Participation in the plan is immediate upon employment for all full-time employees. Vesting in benefits occurs after ten years of service. Termination of employment before that time results in forfeiture of the District's portion of the accrued benefit.

The District's Personnel, Pension and Insurance Committee, as provided by the District's general ordinances, establishes the benefit provisions and the employer's and employees' obligations. Any bargaining or nonbargaining unit employee who becomes totally and permanently disabled and has completed 10 years of service will receive 100% of the pension that the employee would have been entitled to. Annual pension payments are determined at 2% times years of service times final average earnings subject to a maximum of 32 years.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The Pension Trust Fund's financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with plan provisions. Administrative costs of the plan are financed through investment earnings.

Valuation of Investments - Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price.

C. Funding Policy

Employees are required to contribute 5% of their annual covered salary. The District is required to contribute at an actuarially determined rate; the current rate is 15% of annual covered payroll.

D. Annual Pension Cost and Net Pension (Asset) Obligation

The District's pension cost and net pension obligation to the MDERS for the current year are as follows:

Annual required contribution	\$ 5,804,428
Interest on net pension asset	601,473
Adjustment to annual required contribution	<u>(603,460)</u>
Annual pension cost	5,802,441
Contributions made	<u>5,881,000</u>
Change in net pension obligation	(78,559)
Net pension obligation, beginning of year	<u>8,019,642</u>
Net Pension Obligation, End of Year	<u><u>\$ 7,941,083</u></u>

The net pension (asset) obligation at year end is comprised of the following:

Mid-Connecticut Project	\$ 20,428,295
District	<u>(12,487,212)</u>
Total Net Pension Obligation	<u><u>\$ 7,941,083</u></u>

The following is a summary of certain significant actuarial assumptions and other MDERS information:

Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent - Closed
Remaining Amortization Period	20 Years for MDC employees
Asset Valuation Method	5-Year Smoothing of Investment Returns Greater (Less) than Expected
Actuarial Assumptions:	
Investment rate of return	7.5%
Projected salary increases	3.5%
Inflation	2.75%
Cost of living adjustments	0.0%

E. Three-Year Trend Information

<u>Year Ended December 31</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 15,465,247	30.0 %	\$ 8,572,855
2012	5,268,885	110.5	8,019,642
2013	5,802,441	101.4	7,941,083

The decrease for 2011 in the percentage of APC contributed is a result of the Connecticut Resource Recovery Authority (CRRA) not making the annual required contributions for District personnel assigned to the Mid-Connecticut Project as per the contractual agreement. (See Mid-Connecticut disclosure on page 60.) A summary of the three-year trend for the Annual Required Contribution is as follows:

<u>Year Ended Dec. 31,</u>	<u>Annual Required Contribution</u>			<u>Actual Contribution</u>			<u>Actual Contribution</u>		
	<u>District</u>	<u>Mid-Connecticut</u>	<u>Total</u>	<u>District</u>	<u>Mid-Connecticut</u>	<u>Total</u>	<u>District</u>	<u>Mid-Connecticut</u>	<u>Total</u>
2011	\$ 4,948,298	\$ 10,102,174	\$ 15,050,472	\$ 4,633,200	\$ -	\$ 4,633,200	93.6%	0.0%	30.8%
2012	5,347,556	-	5,347,556	5,822,098	-	5,822,098	108.9%	0.0%	108.9%
2013	5,804,428	-	5,804,428	5,881,000	-	5,881,000	101.3%	0.0%	101.3%

As of January 1, 2013, the most recent actuarial valuation date, the plan was 73.6% funded. The actuarial accrued liability for benefits was approximately \$223 million, and the actuarial value of assets was \$164 million, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$59 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$39 million.

5. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

The Retiree Health Plan (RHP) is provided through indemnity plans and health maintenance organizations. The RHP is a single-employer defined benefit healthcare plan and provides medical, dental and life insurance benefits to eligible retirees and their spouses. District employees eligible to participate in the plan are as follows: 65 years old or 55 years old with 10 years of service or the sum of age and service is 85. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

Some expenses for postemployment benefits were paid out of the General Fund, as well as the OPEB trust fund, during fiscal year ended December 31, 2013. The plan does not issue a stand-alone financial report.

At January 1, 2013, plan membership consisted of the following:

	Retiree Health Plan
Retired members	396
Spouses of retired members	427
Active plan members	544
Total Participants	<u>1,367</u>

Funding Policy

The contribution requirements of plan members and the District are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums.

The cost per month for District retiree spouse coverage under Connecticut Blue Cross/Blue Shield Century 94 plus Major Medical Blue Cross Basic Dental Plan is 5% of the difference in cost between the individual coverage and the cost of the coverage selected. There is no cost for retirees. Retirees are eligible to receive term life insurance in the amount equal to one half of their group life insurance.

Employer contributions to the plan of \$6,512,592 were made in accordance with actuarially determined requirements. Of this amount, \$377,444 represents accrued premium payment from CRRA and \$6,135,148 was contributed to prefund benefits.

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 actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs 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:

		Retiree Health Plan
Annual required contribution (ARC)	\$	15,162,000
Interest on net OPEB obligation		1,483,955
Adjustment to annual required contribution		<u>(1,483,955)</u>
Annual OPEB cost		15,162,000
Contributions made		<u>6,512,592</u>
Increase in net OPEB obligation		8,649,408
Net OPEB obligation, beginning of year		<u>37,098,887</u>
Net OPEB Obligation, End of Year		<u><u>\$ 45,748,295</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended December 31, 2013, 2012 and 2011 are presented below:

Fiscal Year Ended	Annual OPEB Cost (AOC)			Actual Contribution			Percentage of AOC Contributed			Net OPEB Obligation		
	District	Mid-Connecticut	Total	District	Mid-Connecticut	Total	District	Mid-Connecticut	Total	District	Mid-Connecticut	Total
12/31/2011	\$ 16,122,587	\$ 3,124,451	\$ 19,247,038	\$ 26,995,985	-	\$ 26,995,985	167.4%	0.0%	140.3%	\$ 24,282,286	\$ 6,402,227	\$ 30,684,513
12/31/2012	12,117,974	2,228,485	14,346,459	7,932,085	-	7,932,085	65.5%	0.0%	55.3%	28,468,175	8,630,712	37,098,887
12/31/2013	12,807,000	2,355,000	15,162,000	6,512,592	-	6,512,592	50.9%	0.0%	43.0%	34,762,583	10,985,712	45,748,295

As of January 1, 2012, the most recent actuarial valuation date, the plan was 11.8% funded. The actuarial accrued liability for benefits was approximately \$221 million, and the actuarial value of assets was approximately \$26 million, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$194 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$40 million.

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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.

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 January 1, 2012 actuarial valuation, projected unit credit method was used. The annual medical cost trend rate is 7.1% initially, reduced by decrements to an ultimate rate of 4.7% for pre-65 and 4.8% for past-65. Years until ultimate medical inflation rate are 70 for pre-65 and 72 for post-65. The discount rate assumption is 4.0%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2013 was 26 years.

6. OTHER INFORMATION

A. Clean Water Project

The Clean Water Project is comprised of three projects based upon a final consent decree entered in Federal Court by the United States Department of Justice, the United States Environmental Protection Agency, the Connecticut Attorney General and the Connecticut Department of Environmental Protection (now known as Connecticut Department of Energy and Environmental Protection, hereafter CT DEEP), a separate consent order by CT DEEP and a general permit for nitrogen reduction by CT DEEP.

1. Under the consent decree, the District is required to eliminate Sanitary Sewer Overflows (SSOs) caused by either insufficient hydraulic capacity and/or excessive inflow and infiltration of clean water into the sewer system in Rocky Hill, Wethersfield and Windsor by 2015 (or five years after the approval of the Sewer System Evaluation Survey) and West Hartford and Newington by 2020 (or ten years after the approval of the Sewer System Evaluation Survey).
2. Under the consent order, the District is required to develop and implement a Long-Term Control Plan for the abatement of Combined Sewer Overflows (CSOs). This control plan includes the reduction of CSOs from the Hartford sewage system, elimination of all overflows to the Wethersfield Cove, and the North Branch of the Park River, expansion of the Hartford water pollution control facility, and the construction of a storage tunnels and consolidation conduits to convey combined sewage to the Hartford Plant for treatment. The consent order stipulates interim milestones and requires full compliance by 2023.

3. CT DEEP requires the District to reduce the nitrogen in the effluent from the District's wastewater facilities by 2014 to reduce hypoxia in the Long Island Sound. In order to meet the permit requirements, new treatment processes and facilities will have to be added to existing facilities to reduce the nitrogen in the effluent. Alternatively, CT DEEP has established a nitrogen credit trading program that allows for the purchase of credits to meet the permit limits. The District plans to construct facilities prior to 2014 and in the interim will be purchasing credits to meet the annual permit levels.

The total cost of the Clean Water Project is estimated at approximately \$2.1 billion. Based upon the District Charter, appropriations for the costs of the Clean Water Project must be submitted to a referendum. An \$800 million appropriation for Phase I was approved by the voters of the member municipalities at referendum on November 7, 2006. An appropriation for an additional \$800 million for Phase II of the Clean Water Project was approved by the voters of the member municipalities at referendum on November 6, 2012. Phase III will require submission of a further referendum for appropriation to voters, currently expected to be in 2017. The District has made no determination as to when the additional referendum will be sent to voters. The District expects that Phase I and Phase II will be completed within authorized appropriations, and to be placed in service without regard to the outcome of any additional referendum.

As of December 31, 2013, the construction contracts authorized under Phase I of the Clean Water Project are approximately 60% complete.

Pursuant to Consent Order WC5435, the District filed the Long-Term Control Plan Average Annual Expenditure Report with CT DEEP, which detailed the actual calculation of both the annual expenditure spent and an average expenditure rate. The Long-Term Control Plan for the abatement of CSOs consent order carries a requirement of a minimum annual expenditure level of \$40 million and at a minimum average expenditure rate of \$90 million per calendar year. The second reporting requirement under the consent order was made on January 10, 2013. The District filed its second Annual Expenditure Report with CT DEEP on January 10, 2014. During the six-year period, the District reported \$104.1 million, which exceeded the minimum average expenditure rate and complied with the minimum annual expenditure level for the final four years of the reporting period.

The District's Sewer Ordinances were amended on October 1, 2007 by the District Board to allow the implementation of a Special Sewer Service Surcharge on users of District water who also use the District's sewer system in order to repay the indebtedness to be issued for the District's Clean Water Project. The Special Sewer Service Surcharge was implemented effective January 1, 2008 at a rate of \$0.35 per ccf of water consumed with the subsequent years rates being established during the annual budgeting process. The table below summarizes the activity in the Special Sewer Service Surcharge account since inception.

	<u>SSSS Rate per ccf</u>	<u>Amount Billed to Customers</u>	<u>Amount Collected from Customers</u>	<u>Clean Water Project Principal & Interest Payments</u>	<u>Balance</u>
Fiscal 2008	\$ 0.35	\$ 5,549,162	\$ 4,362,801	\$	\$ 4,362,801
Fiscal 2009	0.70	10,989,325	9,661,762		14,024,563
Fiscal 2010	1.05	17,424,073	15,761,599		29,786,162
Fiscal 2011	1.40	22,471,604	16,579,932	2,767,075	43,599,019
Fiscal 2012	1.90	29,766,565	30,975,490	7,028,145	67,546,364
Fiscal 2013	2.40	37,420,561	37,112,473	12,552,598	92,106,239

Through December 31, 2013, the Clean Water Project has been funded through the issuance of long-term debt in the amount of \$268.2 million, which is comprised of \$112 million of Clean Water Fund Loans and \$71.2 million of General Obligation Bonds and \$85 million of Revenue Bonds.

B. Risk Management

The District is exposed to various risks of loss including torts; officers' and employees' liabilities; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all risks of loss except those risks described in the next paragraph. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

The District is self-insured for health care, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location, and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The self-insurance fund is primarily supported by contributions from the General Fund and the Water Utility Enterprise Fund. Administration for workers' compensation and general and auto liability claims is performed in-house and through third-party administrators whose administrative fees are paid by the self-insurance fund. Blue Cross and Blue Shield administer the District's medical insurance plan for which the District pays a fee. The medical

insurance plan provides coverage for most District employees. The District has purchased a stop loss policy for total medical claims in any one year exceeding an aggregate of 110% of expected claims. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in any coverage during the year from that of the prior year.

The claims liability of \$3,011,198 for the self-insurance fund reported at December 31, 2013 is based on the requirements of GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. The District's policy is to have an actuarial study performed annually.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

		Accrued Liability Beginning of Fiscal Year		Current Year Claims and Changes in Estimates		Accrued Liability Claim Payments		Accrued Liability End of Fiscal Year
	2012	\$ 2,815,328	\$	2,528,777	\$	2,587,348	\$	2,756,757
	2013	2,756,757		3,367,445		3,113,004		3,011,198

C. Contingent Liabilities

Environmental Matters

On November 7, 2006, the member town voters of the District overwhelmingly approved the referendum for the first phase of the Clean Water Project authorizing the District to bond \$800,000,000 of the current total estimated project cost of \$1.6 billion (current escalated amount of \$2.1 billion). The second phase of the Clean Water Project was approved by referendum on November 6, 2012 by the voters, which authorized the District to bond an additional \$800,000,000. The Clean Water Project includes all the programs needed to comply with the Consent Decree from the United States Department of Justice, the U.S. Environmental Protection Agency (EPA) and CT DEEP to eliminate eight SSOs and the Consent Order from CT DEEP to implement the Long-Term Control Plan for Combined Sewer Overflow Abatement and to reduce nitrogen from the District's water pollution control facilities as required by CT DEEP general permit. The District is utilizing the State of Connecticut Clean Water Fund to finance the eligible portions of these projects to the extent funding is available. The Clean Water Fund provides a grant and loan combination for some of this work and a loan only for certain projects.

The Consent Decree issued on August 23, 2006 by the U.S. Department of Justice, the EPA and CT DEEP for the elimination of SSOs requires the overflows to be eliminated within five years of the approval of an elimination plan by the EPA in Wethersfield, Rocky Hill and Windsor, and within ten years in West Hartford and Newington. The Consent Decree also carried an \$850,000 civil penalty that was paid in 2006. The Consent Decree requires many interim action reports and construction necessary to reduce the infiltration and inflow of clean water into the sewer systems in the towns outside Hartford including individual homeowner actions. The Clean Water Fund can supply loans at 2% interest for this design and construction.

A Consent Order issued on November 6, 2006 by CT DEEP establishes a compliance schedule for the full implementation of the Long-Term Control Plan for Combined Sewer Overflow Abatement by 2021. The work includes separation of sewers in portions of Hartford to eliminate certain overflows, construction of new conveyance sewers, treatment plant expansion for wet weather flows and a large storage tunnel for retention of flow for later treatment. Meeting the schedule will require extensive and timely capital expenditures, currently projected to be more than \$1 billion over the next 15 years. Construction costs for portions of the sewer separation projects and for construction of conveyance and storage tunnels are eligible for State Clean Water Fund financing with a 50% grant and loan at 2% for the balance to the extent funding is available. Funding for the treatment plant expansion work is eligible for State Clean Water Fund support with a 20% grant and a 2% loan for the balance. In the case that funding was unavailable through the Clean Water Fund, the District would be obligated to issue bonds for the construction, adding increased debt service to its budget.

The third component of the Clean Water Project includes the reduction of nitrogen in the treatment facilities' effluent to meet the state general permit to reduce nitrogen to Long Island Sound. The permit requires the annual reduction of nitrogen levels through 2014. New facilities are eligible for financing by the Clean Water Fund with a 30% grant and loan at 2% for the balance.

Arbitrage

The District may be subject to rebate penalties to the federal government relating to various bond and note issues. The District expects such amounts, if any, to be immaterial.

Mid-Connecticut Project

The CRRA and the District entered into a contract dated December 31, 1984 that defines the responsibilities of both parties with respect to the District's operation of the Mid-Connecticut Resources Recovery Facility. The agreement details the District's contractual obligations with respect to the operation of the waste processing facility, the transfer stations, the Hartford Landfill and the transportation systems between the transfer stations, the Hartford Landfill and the waste processing facilities as well as the contractual obligations of the CRRA to compensate and indemnify the District for its services.

The term of the initial agreement was for twenty-seven (27) years and the CRRA had the option to extend the agreement for an additional twenty (20) years under the same terms and conditions. The District received notification from CRRA of its intent not to extend the agreement; therefore, the agreement terminated effective December 31, 2011.

Upon receipt of notification of the pending contract termination, the District determined that the contract termination would result in certain costs relating to District employees that operated the facilities and these termination costs are estimated to be in excess of \$60 million. The District initiated discussions with the CRRA with respect to funding these contract termination liabilities. The principal components of the contract termination liabilities are unfunded pension and OPEB obligations for District employees who operated the facilities during the term of the expiring contract as well as employment costs associated with the elimination of positions at the Mid-Connecticut Resources Recovery Facility.

Despite attempts to resolve the issues associated with contract termination liability, no resolution was reached, and, therefore, in accordance with the contract terms, in September 2009 the District presented the CRRA with formal notice of the dispute.

CRRA, at its Board of Directors' meeting on December 16, 2010, authorized management to negotiate a contract with another entity for the operation and maintenance of the Mid-Connecticut Resources Recovery Facility. The District and CRRA have entered into binding arbitration to resolve the dispute related to closing costs and other disputed issues. The District's legal representatives expect the entire matter will be resolved by the end of this calendar year.

A receivable from CRRA is recognized in the Mid-Connecticut Project as disclosed in Note 3B.

Other

There are other various suits and claims pending against the District, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the District's financial position.

THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxation:				
Hartford	\$ 9,955,500	\$ 9,955,500	\$ 9,955,500	\$ -
East Hartford	3,964,500	3,964,500	3,964,500	-
Newington	3,014,900	3,014,900	3,014,900	-
Wethersfield	2,756,900	2,756,900	2,756,900	-
Windsor	3,026,500	3,026,500	3,026,500	-
Bloomfield	2,584,900	2,584,900	2,584,900	-
Rocky Hill	2,011,100	2,011,100	2,011,100	-
West Hartford	7,485,100	7,485,100	7,485,100	-
Total taxation	<u>34,799,400</u>	<u>34,799,400</u>	<u>34,799,400</u>	<u>-</u>
Sewer user fees:				
Bradley Airport - Hamilton - East Granby	632,900	632,900	414,923	(217,977)
Nonmunicipal - tax exempt	3,056,300	3,056,300	3,214,002	157,702
Hi-flow charges	1,212,200	1,212,200	2,257,319	1,045,119
Hi-strength	883,300	883,300	739,125	(144,175)
Penalties	19,000	19,000	4,296	(14,704)
Manchester	58,500	58,500	97,516	39,016
South Windsor	8,500	8,500	3,991	(4,509)
Farmington	91,400	91,400	9,422	(81,978)
Cromwell	4,800	4,800	3,921	(879)
CRRA	164,300	164,300	121,868	(42,432)
SUC tax credit			(213,827)	(213,827)
Total	<u>6,131,200</u>	<u>6,131,200</u>	<u>6,652,556</u>	<u>521,356</u>
Less sewer user rebates			(1,011,037)	(1,011,037)
Total sewer user fees	<u>6,131,200</u>	<u>6,131,200</u>	<u>5,641,519</u>	<u>(489,681)</u>
Intergovernmental:				
Sludge handling	2,587,500	2,587,500	3,050,468	462,968
Household hazardous waste	273,000	273,000	52,892	(220,108)
Other government agencies			3,000	3,000
Total intergovernmental	<u>2,860,500</u>	<u>2,860,500</u>	<u>3,247,905</u>	<u>387,405</u>
Investment income	<u>50,000</u>	<u>50,000</u>	<u>33,637</u>	<u>(16,363)</u>

(Continued on next page)

THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Other revenues:				
Rental fees	\$ 5,000	\$ 5,000	\$ 3,859	\$ (1,141)
Bill jobs	85,000	85,000	5,103	(79,897)
Developers	268,000	268,000		(268,000)
Payroll additives and indirect costs	30,000	30,000	2,685	(27,315)
Nontaxable fees	130,000	130,000	14,237	(115,763)
Taxable fees	80,000	80,000	154,456	74,456
Property rents	62,000	62,000	177,645	115,645
Septage/glycol discharge fees	897,800	897,800	926,230	28,430
Miscellaneous	6,319,500	6,319,500	6,436,779	117,279
Total other revenues	<u>7,877,300</u>	<u>7,877,300</u>	<u>7,720,994</u>	<u>(156,306)</u>
Total revenues	<u>51,718,400</u>	<u>51,718,400</u>	<u>51,443,455</u>	<u>(274,945)</u>
Other financing sources:				
Appropriation of fund balance	3,295,600	3,295,600		(3,295,600)
Transfers in	37,660,000	37,660,000	15,752,598	(21,907,402)
	<u>40,955,600</u>	<u>40,955,600</u>	<u>15,752,598</u>	<u>(25,203,002)</u>
Total Revenues and Other Financing Sources	<u>92,674,000</u>	<u>92,674,000</u>	<u>67,196,053</u>	<u>(25,477,947)</u>
Expenditures:				
General government:				
District Board	118,300	118,300	112,537	5,763
Executive office	387,200	387,200	329,694	57,506
Administrative services	162,800	162,800	107,658	55,142
Legal	1,194,400	1,194,400	976,090	218,310
Human resources	657,400	657,400	583,018	74,382
Information systems	1,769,100	1,769,100	1,662,103	106,997
Finance	1,938,500	1,938,500	1,866,988	71,512
Environmental health and safety	592,800	592,800	444,510	148,290
Customer service	1,585,100	1,585,100	1,582,882	2,218
Total general government	<u>8,405,600</u>	<u>8,405,600</u>	<u>7,665,480</u>	<u>740,120</u>
Engineering and planning	<u>152,100</u>	<u>152,100</u>	<u>61,163</u>	<u>90,937</u>
Chief Operating office	<u>500,200</u>	<u>500,200</u>	<u>403,645</u>	<u>96,555</u>
Operations	<u>2,197,300</u>	<u>2,267,300</u>	<u>2,045,513</u>	<u>221,787</u>

(Continued on next page)

THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Plants and maintenance:				
Water Pollution Control	\$ 15,267,500	\$ 15,577,500	\$ 14,161,066	\$ 1,416,434
Maintenance	5,324,000	5,324,000	4,912,926	411,074
Total plants and maintenance	20,591,500	20,901,500	19,073,992	1,827,508
Employee benefits and other:				
Employee benefits	8,382,300	8,382,300	8,106,569	275,731
General insurance	1,053,000	1,053,000	1,018,393	34,607
Special agreements and programs	571,000	571,000	550,112	20,888
Contingencies	558,600	178,600		178,600
Total employee benefits and other	10,564,900	10,184,900	9,675,074	509,826
Total expenditures	42,411,600	42,411,600	38,924,867	3,486,733
Other financing uses:				
Transfers out	50,262,400	50,262,400	29,038,950	21,223,450
Total Expenditures and Other Financing Uses	92,674,000	92,674,000	67,963,817	24,710,183
Net Change in Fund Balance	\$ -	\$ -	(767,764)	\$ (767,764)

Budgetary expenditures are different than GAAP expenditures because:

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	235,169
Expenditures not included in the budget, consisting primarily of the material and equipment used for Mid-Connecticut Project orders	(209,430)
Compensated absences expenditures not included in budgetary basis	51,803
Allowance for doubtful accounts not included in budgetary basis	(478,269)
Reimbursement for CWF expenditures are included in budgetary basis but not for GAAP	6,226,500
CWF expenditures are recorded for budgetary basis, but are not for GAAP	(6,226,500)

Net Change in Fund Balance as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balances - Governmental Funds

\$ (1,168,491)

**THE METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - PENSION TRUST FUND**

Schedule of Funding Progress

Actuarial Valuation Date January 1	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll (((B-A)/C))
2008	\$ 150,707,160	\$ 175,269,586	\$ 24,562,426	86.0 %	\$ 37,960,169	64.7 %
2009	131,276,651	174,498,025	43,221,374	75.2	42,052,737	102.8
2010	137,150,657	180,185,360	43,034,703	76.1	45,271,276	95.1
2011	144,905,441	196,799,792	51,894,351	73.6	43,872,205	118.3
2012	159,952,035	203,917,854	43,965,819	78.4	41,341,171	106.3
2013	164,039,584	222,764,319	58,724,735	73.6	38,773,923	151.5

Schedule of Employer Contributions

<u>Year Ended December 31</u>	<u>Required Contribution</u>	<u>Annual Percentage Contributed</u>
2008	\$ 3,784,198	100.0 %
2009	7,066,074	108.6
2010	8,809,272	55.2
2011	15,050,472	30.8
2012	5,347,556	108.9
2013	5,804,428	101.3

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

**THE METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION -
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$	\$ 152,354,680	\$ 152,354,680	0.0 %	n/a	n/a
1/1/2009		160,119,431	160,119,431	0.0	n/a	n/a
1/1/2010		167,502,977	167,502,977	0.0	n/a	n/a
1/1/2011		218,824,953	218,824,953	0.0	n/a	n/a
1/1/2012	26,346,000	221,243,000	194,897,000	11.9	\$40,364,000	482.85%

Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Required Contribution</u>	<u>Annual Percentage Contributed</u>
2008	\$ 13,918,177	38.2 %
2009	15,429,144	31.6
2010	16,271,928	31.7
2011	19,989,745	135.0
2012	14,301,000	55.5
2013	15,162,000	43.0

n/a - The covered payroll is not available.

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APPENDIX B – FORMS OF OPINION OF BOND COUNSEL

FORM OF OPINION OF HINCKLEY, ALLEN & SNYDER LLP, BOND COUNSEL TO THE DISTRICT

March 19, 2015

The Metropolitan District
555 Main Street
P.O. Box 800
Hartford, Connecticut 06142-0800

Ladies and Gentlemen:

In connection with our representation of The Metropolitan District, Hartford County, Connecticut (the “District”) as bond counsel, we have examined certified copies of the proceedings of the District, a Tax Regulatory Agreement of the District dated March 19, 2015 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$66,740,000 Metropolitan District, Hartford County, Connecticut General Obligation Bonds, dated March 19, 2015 and maturing serially on March 1, 2016-2035 (the “Bonds”). The Bonds are subject to redemption prior to maturity.

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are valid and binding general obligations of the District for the payment of the principal of and interest on which the full faith and credit of the District are pledged, that the District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor comprising the District, proportionately as provided in the District’s Charter to pay the principal of the Bonds and interest thereon, and that such city and towns are authorized to levy ad valorem taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount except as to property classified under the general statutes,

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

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The opinion set forth below is subject to the condition that the District comply with all such requirements. The District has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excludable from gross income for federal income tax purposes under the Code. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds

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

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

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

March 19, 2015
Page 3

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

HINCKLEY, ALLEN & SNYDER LLP



ATTORNEYS AT LAW

[FORM OF OPINION OF FINN DIXON & HERLING LLP, BOND COUNSEL TO THE DISTRICT]

March 19, 2015

The Metropolitan District
555 Main Street
P.O. Box 800
Hartford, Connecticut 06142-0800

Ladies and Gentlemen:

In connection with our representation of The Metropolitan District, Hartford County, Connecticut (the "District") as bond counsel, we have examined certified copies of the proceedings of the District, a Tax Regulatory Agreement of the District dated March 19, 2015 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$66,740,000 Metropolitan District, Hartford County, Connecticut General Obligation Bonds, Issue of 2015, dated March 19, 2015 and maturing serially on March 1, 2016-2035 (the "Bonds"). The Bonds are subject to redemption prior to maturity.

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are valid and binding general obligations of the District for the payment of the principal of and interest on which the full faith and credit of the District are pledged, that the District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor comprising the District, proportionately as provided in the District's Charter to pay the principal of the Bonds and interest thereon, and that such city and towns are authorized to levy ad valorem taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount except as to property classified under the general statutes, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are

further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the District.

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The opinion set forth below is subject to the condition that the District comply with all such requirements. The District has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excludable from gross income for federal income tax purposes under the Code. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

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

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

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APPENDIX C- CONTINUING DISCLOSURE AGREEMENT

The Metropolitan District, Hartford County, Connecticut
\$66,740,000 General Obligation Bonds, Issue of 2015
Dated March 19, 2015

WHEREAS, The Metropolitan District, Hartford County, Connecticut (the "District") has authorized the issuance of \$66,740,000 General Obligation Bonds, Issue of 2015, dated March 19, 2015 (the "Bonds"), to mature on the dates and in the amounts set forth in the District's Official Statement dated March 10, 2015 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by competitive bidding pursuant to a Notice of Sale dated February 27, 2015 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the District acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the District has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure as required by the Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the District desires to assist the underwriters of the Bonds to meet the requirements of the Rule; and

WHEREAS, the District is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriters of the Bonds to meet the requirements of the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the District in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the District hereby represents, covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions above, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to and as described in and consistent with Sections 2 and 3 of this Disclosure Agreement.

"Annual Filing Date" means the date, set in Section 2(a) by which the Annual Report is to be filed with the Repository.

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

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

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" shall mean the Electronic Municipal Market Access system of the MSRB as described in 1934 Act Release No. 57577 for purposes of the Rule or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for the purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

SECTION 2. Provision of Annual Reports.

(a) The District shall provide, annually, an electronic copy of the Annual Report to the Repository not later than eight (8) months after the end of each fiscal year of the District, commencing with the fiscal year ending December 31, 2014. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If Audited Financial Statements of the District are prepared but not available prior to the Annual Filing Date, the District shall submit unaudited financial statements by the Annual Filing Date and, when the Audited Financial Statements are available, shall file the Audited Financial Statements in a timely manner with the Repository.

(c) If the District is unable to provide an Annual Report to the Repository by the Annual Filing Date, it shall send a notice in electronic format to the Repository of its failure to provide such Annual Report.

SECTION 3. Content of Annual Reports.

(i) (a) Each Annual Report shall contain Annual Financial Information with respect to the District as follows: (i) commencing with information and data for the fiscal year ending December 31, 2014, the Audited Financial Statements of the District, which statements shall be prepared in accordance with generally accepted accounting principles accepted in the United States, as promulgated by the Government Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and (ii) to the extent not included in the financial statements described in (i) above:

(1) under the heading "WATER POLLUTION CONTROL", information concerning the District's facilities for sewer service and the sewer user charges;

(2) under the heading "WATER OPERATIONS", information concerning the District's facilities for water service, water consumption and water utility unit charges;

(3) under the heading "ECONOMIC AND DEMOGRAPHIC INFORMATION - MEMBER MUNICIPALITIES", information concerning income levels, labor force data and major employers of each member municipality;

(4) under the heading "DEBT SUMMARY", the computation of the District's debt limits and net direct indebtedness, outstanding indebtedness, debt ratios, and debt service requirements, all as of the close of the District's prior fiscal year;

(5) under the heading "DEBT SUMMARY", information concerning the member municipalities' net direct debt and underlying net debt, and debt summary, all as of the close of such municipalities' prior fiscal year;

(6) under the heading "FINANCIAL INFORMATION", summaries of the general fund revenues and expenditures for each member municipality.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. If the District is no longer required by applicable law, regulations or other legally binding obligation to prepare such audited financial statements, the District reserves the right to provide only financial statements which are not audited. Audited Financial Statements (if any) will be provided pursuant to Section 2.

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

SECTION 4. Reporting of Significant Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Receipt of an adverse tax opinion; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or other similar event of any obligated person;
13. The consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement related to such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of a name of a trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, provide or cause to be provided a notice of such occurrence to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB.

SECTION 5. Termination of Reporting Obligation. The District's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Dissemination Agent. The District may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement and may discharge any such agent with or without appointing a successor agent.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the District may amend this Agreement (and any provision of this Agreement may be waived), provided that the following conditions are satisfied:

(a) It may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or of the type of business conducted by the District;

(b) This Agreement, as so amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The District receives an opinion of counsel expert in federal securities laws to the effect that, the amendment or waiver does not materially impair the interests of the holders of the Bonds.

A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following the adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

SECTION 8. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Enforceability. The District agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event of a failure of the District to comply with any provision of this Agreement, the District shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the District does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to specific performance to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default of the District with respect to the Bonds. No person or entity shall have any right to any monetary damages for any default under this Agreement.

SECTION 10. Indemnification. The District agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding loss, expense or liability due any such person's willful misconduct. The obligations of the District under this Section shall survive payment of the Bonds.

SECTION 11. Miscellaneous.

(a) All documents provided by the District to a Repository pursuant to the District's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

IN WITNESS WHEREOF, the District has caused this Continuing Disclosure Agreement to be executed in its name by the undersigned officers, duly authorized, all as of the date first written above.

**THE METROPOLITAN DISTRICT,
HARTFORD COUNTY, CONNECTICUT**

By: _____
William A. DiBella
Chairman

By: _____
John M. Zinzarella
Deputy Chief Executive Officer
Business Services/Treasurer

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APPENDIX D – NOTICE OF SALE

NOTICE OF SALE
\$71,959,000*
THE METROPOLITAN DISTRICT
HARTFORD COUNTY, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2015

Electronic bids (as described herein) will be received by The Metropolitan District, Hartford County, Connecticut, (the “District”), until 11:30 A.M. (E.D.T.) Tuesday

March 10, 2015

for the purchase of all, but not less than all, of the \$71,959,000* The Metropolitan District, Hartford County, Connecticut General Obligation Bonds, Issue of 2015, (the “Bonds”). Electronic bids must be submitted via **PARITY**[®]. (See “Electronic Bidding Procedures”).

The Bonds

The Bonds will be dated the date of delivery, mature on March 1 in each of the years and in the principal amounts as follows:

<u>Year of Maturity</u>	<u>Principal* Amount</u>	<u>Year of Maturity</u>	<u>Principal* Amount</u>
2016	3,599,000	2026	3,600,000
2017	3,600,000	2027	3,600,000
2018	3,600,000	2028	3,595,000
2019	3,600,000	2029	3,595,000
2020	3,600,000	2030	3,595,000
2021	3,600,000	2031	3,595,000
2022	3,600,000	2032	3,595,000
2023	3,600,000	2033	3,595,000
2024	3,600,000	2034	3,595,000
2025	3,600,000	2035	3,595,000

* Subject to change, see “Adjustment of Principal Amount and Maturity Schedule”, herein.

The Bonds will bear interest payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity, as further described in the Preliminary Official Statement for the Bonds dated February 27, 2015 (the “Preliminary Official Statement”).

Optional Redemption

The Bonds maturing on March 1, 2025 and thereafter are subject to redemption prior to maturity, at the election of the District, on and after March 1, 2024, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the District may determine, at the respective prices (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
From: March 1, 2024 and thereafter	100%

*Preliminary, subject to change prior to and at the time of award, as described in this Notice of Sale

Advance Modification of Bid Specification and Maturity Schedule

The District reserves the right to change the bid specifications and maturity schedule provided above in “The Bonds” and below in the “Bid Specifications/Basis of Award” by giving notice of such change, via bond buyer wire service, and PARITY at least 20 hours in advance of the time set for receipt of bids. Any such notice shall be considered an amendment to this Official Notice of Sale.

Book-Entry Only

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the District or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Bonds will be general obligations of the District payable, unless paid from other sources, from general property tax revenues from member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, comprising the District, proportionately as provided in the District’s Charter, to pay the principal of and interest on the Bonds, and such city and towns are authorized to levy ad valorem taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

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

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to the i-Deal LLC BiDComp Competitive Bidding System is required in order to submit an electronic bid and the District will neither confirm any subscription nor be responsible for the failure or any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 – email notice: parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by **PARITY**® shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, computed and rounded to six decimal places, as described under “Bid Specifications/Basis of Award” below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Each bid must be for the entire \$71,959,000* of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum, provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 3%. The high bidder will be required to submit reoffering yields and dollar prices prior to award. No bid for less than 100% or greater than 115% of the principal amount of the Bonds will be accepted (subject to adjustments as provided above). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest will be considered. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. Unless all bids are rejected the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

For the purpose of determining the successful bidder, the true interest cost to the District will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to March 19, 2015, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to March 19, 2015, the delivery date of the Bonds. In the event there is more than one bid specifying the lowest such rate, the Bonds will be awarded to the bidder whose bid is selected by the District by lot from among all such bids. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal. The Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (E.D.T.) on March 10, 2015. The purchase price must be paid in Federal Funds.

Adjustment of Principal Amount and Maturity Schedule

The District reserves the right to change the aggregate principal amount of the Bonds and the maturity schedule for the Bonds after the determination of the winning bid by increasing or decreasing the principal amount of each maturity by such amount as may be necessary in order to substantially equalize principal payable in each year and to produce sufficient funds for the repayment of bond anticipation notes being refunded by the proceeds of the Bonds after taking into account any premium to be received by the District. In such event, the final aggregate principal amount of the Bonds will be decreased by the net amount of such change or changes in principal amount of one or more maturities, which net change will not exceed fifteen percent (15%) of the original aggregate principal amount of the Bonds. The adjusted bid price will reflect changes in the dollar amount of the underwriter’s discount and original issue discount/premium, if any, but will not change the per-bond underwriter’s discount as calculated from the bid and reoffering prices required to be delivered to the District as stated herein. **THE WINNING BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE IN ACCORDANCE HEREWITH.** Bidders are advised that bidding with a large net premium for the Bonds will likely result in a corresponding reduction in the par amount of the Bonds. The interest rates specified by the respective successful bidder for each maturity of the Bonds will not change. The final annual principal amount of each maturity for the Bonds will be communicated to the winning bidder within four hours after the sale.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Hinckley, Allen & Snyder LLP, Bond Counsel, Hartford, Connecticut, and Finn Dixon & Herling LLP, Bond Counsel, Stamford, Connecticut, and the winning bidder will be furnished with their respective opinions without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the District relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

*Preliminary, subject to change.

The legal opinions will further state that, under existing statutes and court decisions (i) interest on the Bonds is excludable from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax; and is not taken into account in the calculation of adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on corporations, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinions, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the District for the benefit of the owners of the Bonds, and further, will assume compliance by the District with the covenants and procedures set forth in such Tax Regulatory Agreement.

Continuing Disclosure

The District will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain material events, within 10 days of the occurrence of such events, with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Settlement of the Bonds

It shall be the responsibility of the winning bidder to certify to the District before delivery of the Bonds the prices at which a substantial amount of the Bonds of each maturity were initially offered and sold to the public.

The Bonds will be available for delivery on or about March 19, 2015. The deposit of the Bonds with DTC, or its custodian, under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the District will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the District in a timely manner. The District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the District for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the District's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the District's financial advisor. If the District's financial advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Related Information

For more information regarding the Bonds and the District, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from Janette Marcoux, Senior Vice President, First Southwest Company, 628 Hebron Avenue, Suite 306, Glastonbury, CT. Telephone No. (860) 290-3003 or Maureen Gurghigian, Managing Director, First Southwest Company, (401) 334-4267.

February 27, 2015

JOHN M. ZINZARELLA
Chief Financial Officer/Treasurer

**PROPOSAL FOR THE METROPOLITAN DISTRICT,
HARTFORD COUNTY, CONNECTICUT
GENERAL OBLIGATION BONDS**

March 10, 2015

John M. Zinzarella
Deputy Chief Executive Officer of Business Services/Treasurer
c/o Hinckley, Allen & Snyder LLP
20 Church Street
Hartford, CT 06103

Subject to the provisions and in accordance with the terms of the Notice of Sale February 27, 2015, which Notice of Sale is made a part of this proposal, we offer to purchase all of the \$71,959,000 General Obligation Bonds, Issue of 2015 (the "Bonds") of The Metropolitan District, Hartford County, Connecticut comprising the issue described in said Notice of Sale and to pay therefor par and accrued interest to date of delivery, plus a premium of \$ _____, provided that the Series A Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
March 1, 2016	\$ 3,599,000	%
March 1, 2017	3,600,000	%
March 1, 2018	3,600,000	%
March 1, 2019	3,600,000	%
March 1, 2020	3,600,000	%
March 1, 2021	3,600,000	%
March 1, 2022	3,600,000	%
March 1, 2023	3,600,000	%
March 1, 2024	3,600,000	%
March 1, 2025	3,600,000	%
March 1, 2026	3,600,000	%
March 1, 2027	3,600,000	%
March 1, 2028	3,595,000	%
March 1, 2029	3,595,000	%
March 1, 2030	3,595,000	%
March 1, 2031	3,595,000	%
March 1, 2032	3,595,000	%
March 1, 2033	3,595,000	%
March 1, 2034	3,595,000	%
March 1, 2035	3,595,000	%

We acknowledge that the aggregate principal amount of any maturity may be adjusted by the issuer at the time of award as described in the Notice of Sale.

We acknowledge receipt of the Preliminary Official Statement referred to in the Notice of Sale.

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
Authorized Agent of Bidder: _____

Telephone Number: _____

The following is our computation of the percent true interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal, for the purchase of the \$71,959,000 Bonds under the foregoing proposal:

Percent True Interest Cost _____ %
(Six Decimals)

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Financial Advisory Services
Provided By

