

OFFICIAL STATEMENT DATED JANUARY 29, 2015

NEW MONEY ISSUE -Book-Entry-Only

Moody's: Aaa
Standard & Poor's: AAA
(See "RATINGS" herein)

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, 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 calculating the federal alternative minimum tax.



TOWN OF WEST HARTFORD, CONNECTICUT
\$21,000,000
General Obligation Bonds, Series 2015A

Dated: Date of Delivery

Due: January 15, as shown below

The Bonds will be general obligations of the Town of West Hartford, Connecticut ("Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.

The Bonds will bear interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2015. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York.

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

The Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank National Association, Hartford, Connecticut.

MATURITY SCHEDULE AND AMOUNTS

Table with 10 columns: Maturity, Amount, Coupon, Yield, CUSIP, Maturity, Amount, Coupon, Yield, CUSIP. It lists bond terms from 2016 to 2025 with corresponding financial details.

* Priced assuming redemption on January 15, 2020; however any such redemption is at the election of the Town. (See "Optional Redemption" herein).

Janney Montgomery Scott LLC

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about February 12, 2015 through the facilities of DTC or its custodial agent.

No dealer, broker, salesman or other person has been authorized by the Town of West Hartford, Connecticut (the "Town"), to give any information or to make any representations not contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

The Town deems this Official Statement to be "final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than matters expressly set forth as their opinion in Appendix B herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is to be executed by the Town substantially in the form attached as Appendix C, respectively to this Official Statement.

BOND COUNSEL

SHIPMAN & GOODWIN LLP

Hartford, Connecticut
(860) 251-5000

INDEPENDENT FINANCIAL ADVISOR

**INDEPENDENT BOND AND
INVESTMENT CONSULTANTS LLC**

Madison, Connecticut
(203) 245-8715

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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, speaks only as of its date and the information herein is subject to change.

Issuer:	Town of West Hartford, Connecticut (the "Town").
Issue:	\$21,000,000 General Obligation Bonds, Series 2015A, Book-Entry-Only (the "Bonds").
Dated Date:	Date of Delivery
Principal and Interest Due:	Principal due on January 15 in each of the years 2016 through 2035, inclusive. Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2015.
Purpose:	Bond proceeds will be used to finance various capital improvement projects authorized by the Town Council.
Security:	The Bonds will be general obligations of the Town of West Hartford, Connecticut (the "Town"), and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated "Aaa" and "AAA" by Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Rating Services (a division of the McGraw-Hill Companies, Inc.) ("Standard and Poor's"), respectively. The Town has received long-term ratings on its outstanding general obligation bonds of "Aaa" and "AAA" from Moody's and Standard and Poor's, respectively.
Tax Exemption:	See Appendix B to this Official Statement.
Bank Qualification:	The Bonds shall <u>not</u> be designated by the Town 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.
Optional Redemption:	The Bonds are subject to redemption prior to maturity, as more fully described herein under "Optional Redemption."
Continuing Disclosure:	See Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Hartford, Connecticut.
Financial Advisor:	Independent Bond & Investment Consultants LLC will act as Financial Advisor.
Legal Opinion:	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about February 12, 2015, in New York, New York, against payment in Federal funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Peter Privitera, Director of Financial Services, or Mrs. C. Elizabeth Hewitt, Financial Operations Manager, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, telephone (860) 561-7460.

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I. SECURITIES OFFERED

Introduction

This Official Statement is provided for the purpose of presenting certain information relating to the Town of West Hartford, Connecticut (the "Town"), in connection with the original issuance and sale of \$21,000,000 General Obligation Bonds, Series 2015A (the "Bonds") of the Town.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town 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 Town 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 Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as its opinion) and makes no representation that it has independently verified the same.

Description of the Bonds

The Bonds will be dated as of the date of delivery, will mature on January 15 in each of the years 2016-2035, in the amounts, and will bear interest at the rate or rates per annum payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2015, as set forth on the cover page of this Official Statement. The interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner or by wire transfer; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, NY, by such other means as DTC and the Town shall agree. Principal on the Bonds will be payable at the office of U.S. Bank National Association in Hartford, Connecticut.

Optional Redemption

The Bonds maturing on or before January 15, 2020 are not subject to redemption prior to maturity. The Bonds maturing on and after January 15, 2021 are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2020, 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 Town 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, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
January 15, 2020 and thereafter	100%

Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days prior to the date fixed for redemption to the registered owner of any Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. 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 such 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 for DTC, is the registered owner of the Bonds, all notices of redemption will be sent only to DTC.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of the State of Connecticut, as amended, the Charter of the Town and certain bond ordinances adopted by the Town Council. Proceeds of the Bonds will be used to finance various capital improvements of the Town. The specific projects to be financed are based upon construction progress. A summary of the Town’s authorized and unissued debt and the estimated allocation of bond proceeds to capital projects as follows:

Project (Fiscal Year Authorized)	Amount¹ Authorized	Series 2015A	Authorized¹ but Unissued
General Public Improvements			
Arterial Street Reconstruction (2015-2016)	\$ 2,680,000	\$ 1,320,000	\$ 1,360,000
Athletic Playfield Improvements (2015)	100,000	100,000	-
Communications Infrastructure (2015-2016)	1,000,000	500,000	500,000
Cornerstone Pool (2015)	25,000	25,000	-
Energy Conservation (2015-16)	200,000	100,000	100,000
Financial Management System (2016).....	500,000	-	500,000
Fire Apparatus (2015)	790,000	790,000	-
Neighborhood Street Reconstruction (2015-2016)	2,931,000	1,444,000	1,487,000
Pedestrian and Bicycle Management (2015-2016)	845,000	443,000	402,000
Pools - Beachland (2015)	1,350,000	1,350,000	-
Pools - Eisenhower (2016)	200,000	-	200,000
Public Works Rolling Stock (2015-2016)	1,265,000	650,000	615,000
Radio System Replacement (2016)	4,000,000	-	4,000,000
Storm Water Management (2015-2016)	930,000	340,000	590,000
Street Resurfacing (2015-2016)	1,194,000	588,000	606,000
Town Building Improvements (2014-2016)	3,521,987	2,005,000	1,516,987
Traffic System Management (2016)	200,000	-	200,000
Sub-Total General Public Improvements	<u>\$ 21,731,987</u>	<u>\$ 9,655,000</u>	<u>\$ 12,076,987</u>
School Improvements²			
Asbestos Removal (2011-2016)	\$ 668,000	\$ 155,000	\$ 513,000
Charter Oak School (2014-2015)	43,890,000	8,400,000	35,490,000
Elementary School Expansion (2008)	123,226	-	123,226
Exterior School Building Improvements (2011-2016)	3,287,114	660,000	2,627,114
Heating & Ventilation Systems (2007, 2008, 2015-2016) .	1,648,945	800,000	848,945
Interior School Building Improvements (2008-2016)	2,401,913	380,000	2,021,913
Portable Classrooms (2011)	37,455	-	37,455
School Security (2015-2016)	700,000	250,000	450,000
Site & Athletic Field Improvements (2014-2016)	1,170,000	600,000	570,000
Stage & Auditorium Renovations (2015-2016)	300,000	100,000	200,000
Sub-Total School Improvements	<u>\$ 54,226,653</u>	<u>\$ 11,345,000</u>	<u>\$ 42,881,653</u>
Grand Total	<u>\$ 75,958,640</u>	<u>\$ 21,000,000</u>	<u>\$ 54,958,640</u>

¹ Net of long-term debt previously issued and school progress payments received from the State of Connecticut prior to February 12, 2015. See "Capital Improvement Program" herein.

² Certain school improvement projects are eligible for progress payments from the State of Connecticut. See "Capital Improvements Program" and "School Projects" herein.

Note: Projects totaling \$15,782,000 authorized for fiscal year 2016 are included in this listing because they were authorized in April 2014.

Ratings

The Bonds are rated "Aaa" and "AAA" by Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Rating Services (a division of the McGraw-Hill Companies, Inc.) ("Standard & Poor's"). The Town has received long-term ratings on its outstanding general obligation bonds of "Aaa" from Moody's and "AAA" from Standard & Poor's. The ratings assigned by Moody's and Standard & Poor's express only the views of the Rating Agencies. The explanation of the significance of the ratings may be obtained from Moody's and Standard & Poor's, respectively. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of ratings on the Bonds may have an effect on the market price thereof.

Security and Remedies

The Bonds will be general obligations of the Town of West Hartford, Connecticut and the Town 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. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town 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 taxable at limited amounts. There was, however, no such classified property on the last completed Grand List of the Town, and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its powers to tax such dwelling houses.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be 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 Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town 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 Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefore or, in the absence thereof, to order the Town to 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 could take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 of Title 11 of the United State Code thereof 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 without the express prior written consent of the Governor. This prohibition applies to any city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

The Town of West Hartford has never defaulted in the payment of principal or interest on its bonds or notes.

Tax Matters

Opinion of Bond Counsel - Federal Tax Exemption

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code establishes certain requirements that must be met at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income of the owners thereof for federal income tax purposes. Failure to comply with the continuing requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement and the Tax Certificate, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code.

The Town covenants that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds will not be included in the gross income of the owners thereof for federal income tax purposes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount

The initial public offering prices of certain maturities of the Bonds (the "OID Bonds") may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount ("OID"). The offering prices relating to the yields set forth on the front cover pages of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law, OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner's basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the OID that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds should consult their tax advisors regarding the calculation of accrued OID, the accrual of OID in the case of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium

The initial public offering prices of certain maturities of the Bonds (the "OIP Bonds") may be more than their stated principal amounts. An owner who purchases an OIP Bond must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bond for federal income tax purposes.

Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations with excess net passive income, and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability and impact of such consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State of Connecticut Taxes

In the opinion of Bond Counsel, 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.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also 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.

Owners of OID Bonds or OIP Bonds should consult their tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of OID Bonds or OIP Bonds.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof.

General

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

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 recently and 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. No assurance can be given with respect to the impact of future legislation on the Bonds. Prospective purchasers of the Bonds should consult their own tax and financial advisors regarding such matters.

The discussion above does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner of a Bond. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

Section 265 (b) Qualification for Financial Institutions

The Bonds shall not be designated by the Town 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.

Book-Entry-Only System

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

DTC, the world's largest 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 interest 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.

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 the interest of each Direct Participant in such issues 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 Town 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).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town may decide to discontinue use of the system of book-entry 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 Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Replacement Bonds

The determination of the Town authorizing the Bonds provides for issuance of fully registered Bond certificates directly to Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC Practices

The Town 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.

II. THE ISSUER

Description of the Town

The Town is located in central Connecticut adjacent to and west of the City of Hartford, the state capital. The towns of Bloomfield, Newington, Farmington, and Avon also border the Town. West Hartford is approximately 100 miles southwest of Boston and approximately 100 miles northeast of New York City. The Town, a residential suburb in the Hartford metropolitan area, encompasses 22.2 square miles and has a population of 63,157. West Hartford was settled as an agricultural community in the early 1700s and was incorporated as a town in 1854.

West Hartford has access to the two major highways in central Connecticut: Interstate Routes 91 and 84, the latter of which has exits in the Town. The Town is also served by U.S. Routes 6 and 44 and State Routes 4, 173, 185 and 218. Amtrak provides passenger rail service for the area. Bradley International Airport is 20 minutes north of the center of West Hartford. Public transportation is provided by the CT Department of Transportation. The two largest public utilities are Connecticut Light and Power (CL&P) and Connecticut Natural Gas.

West Hartford is comprised primarily of property with single-family owner occupied, mid to upper price range dwellings. The Town has 11 public elementary schools; three middle schools (grades 6 through 8); and two public high schools. It also has seven parochial schools, seven private schools, one private college and two universities.

There are three branch post offices and a public library system with three branch locations. Additionally the Town has 36 public parks and playgrounds, one playhouse and 24 churches and synagogues. West Hartford has 217 miles of streets, 300 miles of sidewalks, and is almost fully sewered.

Form of Government

In 1919, the Town became the first in the State to appoint a Town Manager, and it presently operates with a Council-Manager form of government. The legislative function is performed by the nine-member council, which is elected biennially. The Council formulates policies for the administration of the Town. The Town Manager is appointed by the Council to serve as the Town's Chief Executive Officer, with appointive and removal authority over department directors and other employees of the Town. The Town Manager is responsible for the implementation of policies established by the Council. An elected seven-member Board of Education appoints a Superintendent of Schools, who administers the education system of the Town

Principal Municipal Officials

<u>Office</u>	<u>Town Council</u>	<u>Manner of Selection and Length of Service</u>
Mayor/President of Council	Scott Slifka	Elected 11/01-11/15
Deputy Mayor/Vice President of Council	Shari G. Cantor	Appointed 12/04-11/05
Minority Leader	Denise B. Hall	Elected 11/05-11/15
	Chris Barnes	Elected 11/09-11/15
	Harry J. Captain	Elected 11/13-11/15
		Appointed 3/11-11/11
		Elected 11/11-11/15
		Elected 11/09-11/15
		Elected 11/07-11/15
	Burke Doar	Appointed 03/11-11/11
		Elected 11/11-11/15
	Clare Kindall	Elected 11/11-11/15
	<u>Other Elected Officials</u>	
Town Clerk	Essie Labrot	Elected 1/08-1/16
Registrar of Voters	Beth Kyle	Elected 1/15-1/17
	Carolyn Thornberry	Elected 1/11-1/17

<u>Office</u>	<u>Board of Education</u>	<u>Manner of Selection and Length of Service</u>
Chairperson	Mark Overmyer-Velazquez	Appointed 11/11-11/13
		Elected 11/13-11/17
Vice-Chairperson	Jillian Gilchrest	Elected 11/13-11/17
	Tammy Exum	Elected 11/13-11/17
	Bruce Putterman	Elected 11/03-11/15
	Jay Sarzen	Appointed 12/12-11/13
		Elected 11/13-11/17
	Terry Schmitt	Elected 11/03-11/15
	Mark Zydanowicz	Appointed 11/12-11/13
Elected 11/13-11/17		

Town Council

Scott Slifka, a lifelong town resident, graduated from Hall High School. He received both his undergraduate and law degrees from George Washington University. He was elected to his first term in 2001 and serves as the Mayor of the Town.

Shari G. Cantor was appointed to the Town Council in December 2004 and elected in November 2005. She is a lifelong town resident, attended Hall High School and graduated from the University of Connecticut’s School of Business. She serves as the Deputy Mayor of the Town.

Denise B. Hall was elected to the Town Council in November 2009 and serves as the Minority Leader. A Conard High School graduate, she received her undergraduate degree from the University of Connecticut and an MBA from Rensselaer Polytechnic Institute.

Chris Barnes was elected to the Town Council in 2013. Chris received his undergraduate degree from the University of Colorado at Boulder, law degree from Quinnipiac University School of Law, and an LL.M. degree in Insurance Law from the University of Connecticut’s School of Law.

Harry J. Captain, appointed to the Town Council in March 2011 and elected in November 2011, served on the Board of Education for eight years prior to his time on the Town Council. He is a graduate of Western New England University and earned his Master of Professional Accounting from the University of Hartford.

Judy Casperson, who has made her career in the banking industry, was elected to the Town Council in November 2009. Judy holds a business diploma from Parks College.

Leon Davidoff was elected to the Town Council in November 2007. He received his undergraduate degree from Clark University and his law degree from Case Western Reserve University School of Law.

Burke Doar, a graduate of Princeton University and Albany Law School, was appointed to the Town Council in March 2011 and elected to the Town Council in November 2011. He works as an executive at a global manufacturing company.

Clare Kindall, a graduate of Wellesley College and the University of Virginia School of Law, works as an Assistant Attorney General. Prior to being elected in 2011, she served as Chairperson of the Board of Education.

Town Administration

<u>Position</u>		<u>Manner of Selection and Term</u>
Town Manager	Ronald F. Van Winkle	Appointed-Indefinite
Corporation Counsel	Joseph O'Brien	Appointed-Indefinite
Director of Assessment	Joseph Dakers Sr.	Appointed-Indefinite
Director of Community Services	Mark McGovern	Appointed-Indefinite
Director of Employee Services	Richard Ledwith	Appointed-Indefinite
Director of Plant and Facilities Services	Robert Palmer	Appointed-Indefinite
Director of Financial Services	Peter Privitera	Appointed-Indefinite
Director of Human & Leisure Services	Helen Rubino-Turco	Appointed-Indefinite
Director of Information Technology	Jared Morin	Appointed-Indefinite
Director of Library Services	Patricia Holloway	Appointed-Indefinite
Director of Public Works	John Phillips	Appointed-Indefinite
Chief, Fire Department	Gary S. Allyn	Appointed-Indefinite
Chief, Police Department	Tracey Gove	Appointed-Indefinite

Ronald F. Van Winkle, Town Manager, holds a BA degree in Economics and Finance from the University of South Florida and an MA degree in economic development from Northeastern University. He was appointed Town Manager on August 11, 2009, having served as Acting Town Manager since September 9, 2008. He began his career with the Town as the Director of Community Services in 1987.

Peter Privitera, Director of Financial Services, holds a BA and an MPA from the University of Hartford. He was appointed Director of Financial Services on July 15, 2013. Peter has over thirty (30) years of municipal finance experience in Connecticut. Prior to his tenure with the Town of West Hartford, Peter was employed by the City of Stamford as the Director of Management and Budget and Purchasing Agent (10 years) and prior to that worked for the City of Hartford (20 years).

Board of Education Administration

<u>Position</u>		<u>Manner of Selection and Term</u>
Superintendent of Schools	Thomas Moore	Appointed-Indefinite
Assistant Superintendent of Schools	Andrew Morrow	Appointed-Indefinite
Assistant Superintendent of Schools	Nancy DePalma	Appointed-Indefinite

Municipal Services

Department of Assessment

The Department of Assessment is responsible for real estate and personal property assessments. The administration of tax-exempt benefit programs for the elderly, disabled and veteran residents is also handled by this department. The Assessor is appointed by the Board of Assessors. The Town revalues property in accordance with Connecticut General Statutes.

Department of Community Service

The Department of Community Services manages those functions associated with residential and private development within the Town, including engineering, building inspections, planning, zoning, zoning enforcement, wetlands protection, public communications, traffic and transportation, and economic development. This department also handles the fair housing and housing rehabilitation programs. Grants and loans are available through the housing rehabilitation program to income-eligible homeowners to ensure property is maintained within the guidelines of the Housing and Property Maintenance Code.

Department of Employee Services

The Department of Employee Services manages all employee related functions, including central personnel administration, labor relations with the Town's nine employee bargaining units, employee involvement and training programs, and health and pension benefits administration.

Department of Plant and Facilities Services

The Department of Plant and Facilities Services is managed as a joint venture with the West Hartford Board of Education. The departmental staff addresses routine operation and upkeep of all town buildings, maintains building equipment and systems, upgrades mechanical systems and enhances the physical appearance of public spaces. In addition, this department is responsible for the management of capital projects involving town and school buildings.

Department of Financial Services

The Department of Financial Services serves as a central staff and service agency to all Town departments. The Accounting, Purchasing and Revenue Collection divisions are responsible for the financial affairs of the Town. The department prepares and administers the operating and capital budgets of the Town and is responsible for all financial reporting functions. A more detailed description of the operations of the Financial Services Department is included in the "Financial Administration" section herein.

Department of Human & Leisure Services

The Department of Human & Leisure Services is responsible for social services and the management of all recreational facilities and programs throughout the Town. Case management, information and referral and crisis intervention are available to residents of all ages by professional social workers. Tenant and landlord dispute resolution services, as well as eviction assistance, are provided. Recreational facilities include five neighborhood parks/playgrounds, six outdoor pools, an indoor Aquatics Center, an indoor skating rink, Westmoor Park, a Meeting and Conference Center, two golf courses, a community center and two senior centers. Annually, over 3,000 recreational instructional programs are scheduled for all ages and abilities.

Department of Information Technology

The Information Technology Department provides information technology services to all Town departments and agencies and is guided by a five-year information technology plan. The department manages all associated infrastructure, technical support, application and integration, and information cognizance.

Department of Library Services

The West Hartford Public Libraries consist of a main library and two branches that have over 520,000 visits annually. The libraries loaned over 830,000 items in the last year, including nearly 23,000 electronic books. Library services include: information and reference assistance; 24/7 access to seventy online research databases and other electronic materials; public computers and Wi-Fi access in each facility; institutional and homebound loans; and over 1,000 programs of interest to children (including preschool readiness programming), teens, and adults on a wide range of topics. The libraries have over 28,000 registered borrowers.

Department of Public Works

The Department of Public Works is responsible for the repair and maintenance of streets, storm drainage systems, public grounds, athletic fields, Town owned cemeteries, street signs, traffic signals and approximately 300 vehicles and pieces of equipment. Refuse/recycling and leaf collection services are provided by private contractors.

Fire Department

The Town provides around-the-clock fire prevention and control services through a professionally staffed Fire Department. The departmental staff of 92 is deployed in five fire stations equipped with seven fire apparatus. The Department has Fire Prevention, Control and Rescue, Training and Maintenance Divisions. The Town merits an ISO 2 rating for the purpose of fire insurance premium calculations.

Police Department

Crime prevention and patrol services are provided by the Town’s Police Department. The Chief of Police, with the assistance of two Assistant Police Chiefs, coordinates the efforts of 152 Police Department employees. The Department is divided into four divisions: patrol services, investigatory services, management, and support services. The Police Department has three full-time training officers and a police systems analyst who provides assistance to the Chief of Police.

Water and Sewer Services

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water, sanitary sewers and related services in eight member towns. Water services are provided directly by the MDC and billed to the individual users. Sewer services are billed to the eight member towns.

Educational System

The West Hartford public school system serves approximately 9,500 students. The curriculum exceeds all basic State requirements, in depth and variety. Individualization of instruction is emphasized. The elementary schools (Grades K-5) strive to develop the basic skills for learning in each child. The curriculum includes art, music, physical education, mathematics, social studies, science, health, language arts and computer literacy. In addition, comprehensive programs in special education are available. The middle schools (Grades 6-8) continue the development of basic skills while providing increasing opportunities for self-direction, program diversity and exploration of interests.

The senior high schools (Grades 9-12) are comprehensive high schools, each offering a fully accredited program. Twenty-two units of credit are required for graduation. When possible, a student's program is designed to meet his or her personal interests and future ambitions. Advanced placement courses are available in most academic areas. Work experience programs are offered, as are several options for community-based experiences in career exploration. A full program of extracurricular activities is available in each school as well as extensive interscholastic and intramural athletic programs for boys and girls.

School Enrollment

School Year	Historical ¹			
	Elementary (K-5)	Middle (6-8)	Senior (9-12)	Total Enrollment
2005-2006	4,595	2,254	2,982	9,831
2006-2007	4,609	2,273	3,054	9,936
2007-2008	4,610	2,181	3,030	9,821
2008-2009	4,659	2,187	3,035	9,881
2009-2010	4,677	2,172	3,147	9,996
2010-2011	4,678	2,228	3,129	10,035
2011-2012	4,633	2,249	3,003	9,885
2012-2013	4,550	2,225	3,042	9,817
2013-2014	4,488	2,164	3,005	9,657
2014-2015	4,336	2,201	2,994	9,531
School Year	Projections			
	Elementary (K-5)	Middle (6-8)	Senior (9-12)	Total Enrollment
2015-2016	4,227	2,201	3,031	9,459
2016-2017	4,150	2,196	2,964	9,310
2017-2018	4,048	2,100	2,989	9,137

¹ School populations reported as of October 1st of each school year. Projections represent estimates by the Board of Education.

Source: West Hartford Board of Education

Municipal Employees

The Town of West Hartford currently has 1,964 full-time positions for general government and education, including two federally funded positions. With the exception of certain employees, all Town employees are represented by a collective bargaining organization. The following table shows the Town's authorized positions for the last five years:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Board of Education	1,523	1,518	1,503	1,489	1,464
General Government	439	439	437	437	438
Federally Funded	2	2	3	5	6
Total	1,964	1,959	1,943	1,931	1,908

Employee Bargaining Organizations

Nearly all full-time employees are represented by bargaining organizations as follows:

Bargaining Unit	Number of Members¹	Contract Expiration
<u>General Government</u>		
Local 1241 International Association of Firefighters	73	6/30/16
West Hartford Police Officers Association	125	6/30/13 ²
Public Safety Dispatcher Union Local 2001 SEIU	12	6/30/13 ²
Local 1142 of Council No. 4 AFL-CIO	23	6/30/14 ²
Professional & Management Union Local 2001 SEIU	66	6/30/13 ²
Grounds Union Local 2001 SEIU	24	6/30/13 ²
Buildings Union Local 2001 SEIU	4	6/30/13 ²
Clerical Union Local 2001 SEIU	39	6/30/13 ²
Supervisory Union, Local 2001 SEIU	7	6/30/13 ²
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance	4	6/30/13 ²
Non-Bargaining Employees	39	n/a
Sub-Total General Government	416	
Bargaining Unit	Number of Members¹	Contract Expiration
<u>Board Of Education</u>		
West Hartford Education Association	900	6/30/16
West Hartford Administrators Association	55	6/30/17
West Hartford Federation of Educational Secretaries	52	6/30/18
AFL-CIO AFSCME Local No. 1303 Council No. 4 Skilled Trades	19	6/30/13 ²
West Hartford Federation of Educational Personnel	198	6/30/14 ²
West Hartford Public Schools Nurses Association	23	6/30/16
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians	106	6/30/14 ²
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians	4	6/30/14 ²
AFL-CIO AFSCME Local No. 1303 Council No.4 Security	19	6/30/18
West Hartford BOE Professional Employees Local 760 SEIU	33	6/30/16
Non-Bargaining Employees (includes Teaching Assistants)	145	n/a
Sub-Total Board of Education	1,554	
Total General Government and Board of Education	1,970	

¹ Number of actual members differs from authorized positions due to vacancies and union agreements with part-time personnel.

² Contract currently in negotiation.

n/a – not applicable

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject the 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 shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of the municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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III. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

<u>Year</u>	<u>Town of West Hartford</u>	<u>% Increase</u>	<u>Density¹</u>
1960	62,382	--	2,810
1970	68,031	9.1	3,064
1980	61,301	(9.9)	2,761
1990	60,110	(1.9)	2,708
2000	61,045	1.6	2,750
2010	63,268	3.6	2,850
2013	63,340	0.1	2,853

¹Population per square mile: 22.2 square miles

Source: 1960 - 2010 U.S. Census Bureau, Centennial Census; 2013 – American Community Survey, 2009-13.

Age Characteristics of Population

<u>Age</u>	<u>Town of West Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5	3,307	5.2	49,926	5.6	197,395	5.5
5 - 9	4,056	6.4	57,139	6.4	220,139	6.1
10 - 14	4,034	6.4	56,733	6.3	236,742	6.6
15 - 19	4,469	7.1	61,897	6.9	255,816	7.1
20 - 24	3,119	4.9	56,121	6.3	229,708	6.4
25 - 34	7,523	11.9	112,375	12.5	428,258	12.0
35 - 44	8,066	12.7	115,908	12.9	469,746	13.1
45 - 54	9,817	15.5	139,037	15.5	568,510	15.9
55 - 59	3,974	6.3	61,675	6.9	246,210	6.9
60 - 64	3,976	6.3	52,072	5.8	210,753	5.9
65 - 74	4,565	7.2	67,075	7.5	269,422	7.5
75 - 84	3,653	5.8	42,685	4.8	164,260	4.6
85 and over	2,781	4.4	23,184	2.6	86,602	2.4
Total.....	<u>63,340</u>	<u>100.0</u>	<u>895,827</u>	<u>100.0</u>	<u>3,583,561</u>	<u>100.0</u>
Median Age (years).....	41.6		40.0		40.2	

Source: U.S. Census Bureau, American Community Survey, 2009-13.

Educational Attainment

Years of School Completed Age 25 and Over

Educational Attainment Group	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	1,290	2.9	30,091	4.9	109,133	4.5
9th to 12th grade, no diploma	1,414	3.2	42,674	7.0	155,272	6.4
High School graduate	7,746	17.5	170,017	27.7	678,370	27.8
Some college, no degree	5,394	12.2	110,152	17.9	431,469	17.7
Associates degree	2,440	5.5	46,875	7.6	178,597	7.3
Bachelor's degree	11,782	26.6	121,398	19.8	498,124	20.4
Graduate or professional degree.....	14,289	32.2	92,804	15.1	392,796	16.1
Total.....	<u>44,355</u>	<u>100.0</u>	<u>614,011</u>	<u>100.0</u>	<u>2,443,761</u>	<u>100.0</u>
Percent of High School Graduates		93.9%		88.1%		89.2%
Percent of College Graduates		58.8%		34.9%		36.5%

Source: U.S. Census Bureau, American Community Survey, 2009-13.

Selected Wealth and Income Indicators

	Town of West Hartford	Hartford County	State of Connecticut
Per Capita Income, 2013	\$47,485	\$34,698	\$37,892
Per Capita Income, 1999	\$33,468	\$26,047	\$28,766
Per Capita Income, 1989	\$26,943	\$18,983	\$20,189
Median Family Income, 2013	\$106,634	\$81,805	\$87,245
Median Household Income, 2013	\$82,322	\$64,967	\$69,461
Percent of Families Below Poverty Level	4.9%	8.7%	7.3%

Source: U.S. Bureau of Census; Census 1990, Census 2000, American Community Survey, 2009-13.

Income Distribution

	Town of West Hartford		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	441	2.7	8,863	3.9	29,895	3.3
\$ 10,000 to 14,999	278	1.7	5,838	2.6	19,176	2.1
\$ 15,000 to 24,999	487	3.0	13,259	5.8	47,319	5.2
\$ 25,000 to 34,999	761	4.6	14,689	6.5	56,997	6.3
\$ 35,000 to 49,999	1,142	7.0	22,737	10.0	86,025	9.5
\$ 50,000 to 74,999	2,576	15.7	38,289	16.9	143,989	15.9
\$ 75,000 to 99,999	2,145	13.1	34,023	15.0	131,874	14.6
\$100,000 to 149,999	3,243	19.8	45,500	20.0	187,718	20.8
\$150,000 to 199,999	2,114	12.9	21,723	9.6	90,602	10.0
\$200,000 or more	3,223	19.6	22,206	9.8	109,982	12.2
Total	<u>16,410</u>	<u>100.0</u>	<u>227,127</u>	<u>100.0</u>	<u>903,577</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2009-13.

Age Distribution of Housing

<u>Year Structure Built</u>	<u>Town of West Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier	7,147	27.4	74,221	19.9	336,587	22.6
1940 to 1949	3,570	13.7	32,513	8.7	105,742	7.1
1950 to 1959	7,091	27.2	68,139	18.2	232,555	15.6
1960 to 1969	3,237	12.4	52,766	14.1	200,430	13.5
1970 to 1979	2,073	7.9	49,011	13.1	200,576	13.5
1980 to 1989	1,507	5.8	49,145	13.1	192,185	12.9
1990 to 1999	577	2.2	24,243	6.5	111,295	7.5
2000 to 2009	871	3.3	23,031	6.2	102,666	6.9
2010 or later	21	0.1	740	0.2	4,959	0.3
Total housing units	<u>26,094</u>	<u>100.0</u>	<u>373,809</u>	<u>100.0</u>	<u>1,486,995</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2009-13.

West Hartford Housing Inventory

1-unit attached	758	2.9
2 to 4 units	2,991	11.5
5 to 9 units	785	3.0
10 or more units	4,111	15.8
Mobile home, trailer, other	73	0.3
Total Inventory	<u>26,094</u>	<u>100.0</u>

Source: U.S. Bureau of Census, American Community Survey, 2009-13.

Source: U.S. Census Bureau, American Community Survey, 2009-13.

Owner-Occupied Housing Values

<u>Value of Owner Occupied Units</u>	<u>Town of West Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	311	1.7	5,589	2.5	20,800	2.3
\$ 50,000 to \$ 99,999	143	0.8	6,723	2.9	24,638	2.7
\$ 100,000 to \$149,999	475	2.6	20,791	9.1	66,934	7.3
\$ 150,000 to \$199,999	1,304	7.2	44,966	19.7	135,714	14.8
\$ 200,000 to \$299,999	6,644	36.7	78,911	34.6	264,832	28.8
\$ 300,000 to \$499,999	6,710	37.1	54,719	24.0	250,076	27.2
\$ 500,000 to \$999,999	2,194	12.1	14,306	6.3	114,622	12.5
\$1,000,000 and over	308	1.7	1,949	0.9	41,872	4.6
Total	<u>18,089</u>	<u>100.0</u>	<u>227,954</u>	<u>100.0</u>	<u>919,488</u>	<u>100.0</u>
Median Value	\$303,700		\$241,500		\$278,900	

Source: U.S. Census Bureau, American Community Survey, 2009-13.

Employment Data
By Place of Residence

<u>Period</u>	<u>Town of West Hartford</u>		<u>Percentage Unemployed</u>		
	<u>Employed¹</u>	<u>Unemployed¹</u>	<u>Town of West Hartford (%)¹</u>	<u>Hartford Labor Market (%)¹</u>	<u>State of Connecticut (%)</u>
Jan-Nov 2014	28,354	1,663	5.5	6.8	6.8
<u>Annual Average</u>					
2013	27,879	1,945	6.5	8.2	7.9
2012	27,997	2,066	6.9	8.7	8.4
2011	28,513	2,284	7.4	9.2	8.8
2010	28,279	2,425	7.9	9.8	9.3
2009	27,550	2,164	7.3	8.3	8.3
2008	27,881	1,452	5.0	5.7	5.6
2007	27,748	1,189	4.1	4.7	4.6
2006	27,562	1,122	3.9	4.6	4.4
2005	27,313	1,232	4.3	5.1	4.9

¹ Not seasonally adjusted.
Source: Connecticut Department of Labor

Employment by Industry
Employed Persons 16 Years and Over

<u>Employment Sector</u>	<u>Town of West Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, Forestry, Fishing, & Mining	19	0.1	1,055	0.2	6,945	0.4
Construction	894	2.8	20,531	4.7	99,444	5.7
Manufacturing	2,745	8.6	47,141	10.8	193,945	11.0
Wholesale Trade	668	2.1	11,392	2.6	43,550	2.5
Retail Trade	2,234	7.0	47,231	10.8	191,841	10.9
Transportation, Warehousing & Utilities	811	2.5	17,507	4.0	65,630	3.7
Information	868	2.7	10,332	2.4	41,588	2.4
Finance, Insurance & Real Estate	4,303	13.4	49,715	11.4	160,976	9.1
Professional, Scientific & Management	4,182	13.0	44,951	10.3	194,959	11.1
Educational Services & Health Care	10,652	33.2	114,048	26.2	464,177	26.4
Arts, Entertainment, Recreation	2,157	6.7	33,690	7.7	148,097	8.4
Other Service (including nonprofit)	1,295	4.0	19,093	4.4	81,443	4.6
Public Administration	1,253	3.9	19,256	4.4	66,817	3.8
Total	<u>32,081</u>	<u>100.0</u>	<u>435,942</u>	<u>100.0</u>	<u>1,759,412</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2009-13.

Major Employers

<u>Employer</u>	<u>Business</u>	<u>Number of Employees</u>
University of Hartford	Education	2,015
Town of West Hartford	Government	1,964
Hospital at Hebrew Health Care	Hospital	704
Wiremold/Legrand Products, Inc.	Manufacturing	500
UTC Aerospace/Triumph Engine Control Systems	Manufacturing	465
University of Connecticut	Education	386
St. Mary's Home	Nursing Home	308
Colt Manufacturing	Manufacturing	306
American Medical Response	Ambulance Service	300
American School for the Deaf	Education	300
Cheesecake Factory	Restaurant	300
Total		7,548

Source: Connecticut Department of Labor

Number and Value of Building Permits

<u>Fiscal Year</u>	<u>Number of Permits</u>	<u>Value of Permits</u>
2015 ¹	2,962	\$ 39,600,968
2014	5,604	71,572,250
2013	5,265	67,298,445
2012	4,268	56,560,316
2011	4,534	56,648,306
2010	4,117	101,787,810
2009	4,275	66,833,848
2008	3,992	117,870,653
2007	3,700	181,000,000
2006	4,285	122,971,722

¹As of December 15, 2014.

Source: Town of West Hartford Building Department

Land Use Summary

The Town Planning and Zoning Commission, in conjunction with the Planning Division of the Department of Community Services, have responsibility for implementing the comprehensive plan of development for West Hartford. The Town Council adopted the most recent plan on December 1, 2008. The following table presents land use information in West Hartford.

<u>Land Use Category</u>	<u>Percent (%)</u>
Residential	48.0
Undeveloped, including MDC land	20.0
Streets	11.0
Institutional	8.0
Recreational	7.0
Commercial/Industrial	6.0
Total Area	100.0

Source: Department of Community Services, Town of West Hartford

Economic Initiatives and Proposals

The Town of West Hartford has enjoyed an unprecedented level of redevelopment and reinvestment in industrial/commercial properties since the real estate recession of the 1990s. Every commercial district in Town, from small neighborhood centers to regional shopping districts, has been revitalized. The concurrent improvements provided by the Town (infrastructure and streetscape aesthetics) and those provided by private property owners (building capital improvements and landscaping upgrades) fuel the Town's economy and attract new businesses. West Hartford continues to draw owners of all types of businesses from medical, personal, and household services to office, retail, wholesale, and dining establishments.

The number and variety of businesses in Town is significant. The overall driving force for economic development is the creation and maintenance of a community in which people want to invest. The streetscape improvements for the commercial centers are a significant piece in creating this environment. Hundreds of millions of private dollars have been invested in the community over the past decade and the vast majority of investment occurred in the redevelopment of existing but perhaps functionally obsolete properties. Each of the commercial centers in Town has adopted its own personality, function, and appeal as they evolve into the centers envisioned in previous Plans of Conservation and Development.

Over the past year, West Hartford has seen increasing development activity, especially in the area of multi-family housing. As more and more young professionals put off the purchase of homes, developers are trying to capitalize on this demand for rental apartments and view West Hartford as the ideal location to meet this need. Approximately 800 rental units are in various stages of planning or construction throughout Town.

West Hartford Center

Created at the geographic center of the community, the intersection of Main Street and Farmington Avenue, the "Center" is reflective of a traditional town center. The original Center developed primarily to the west of Main Street with most of the municipal property located to the east. The majority of western buildings date to the 1930s and the 1940s and wide sidewalks, mature trees, and large seasonal planters dominate the streetscape. A consolidated parking system behind the buildings and prevalent, well-marked crosswalks provide safe and inviting pedestrian travel throughout the entire district. There are over 140 specialty shops and restaurants, in addition to banks, professional offices, and salons in the western portion of the Center.

The popularity of the Center has increased significantly as it has become the commercial center of the region, leading to an escalation in land values. As a result, property owners and investors have begun to take on more substantial development projects. Three major redevelopments that have included the demolition of existing structures, are currently underway in the Center. The first is a Class A office building totaling 18,500 square feet at 15 North Main Street. Just across the street at 24 North Main, an 18-unit, market rate apartment building is also under construction. These two developments will re-make the northern gateway to the Center. The third project, located at 11 South Main will include 21 rental units and 8,000 square feet of new retail space. All of these projects are scheduled for completion in 2015.

Blue Back Square

Blue Back Square is comprised of approximately 20 acres of land, 600,000 square feet of mixed residential, retail and office improvements, two parking structures and new supporting infrastructure located east of South Main Street. Additionally, the area houses a new public square and the stately façade of the former Board of Education building was preserved. The development had an overall budget of \$200 million. The developer funded \$150 million through equity and debt and the Town provided approximately \$50 million from the proceeds of tax exempt general obligation bonds for the public improvement portion of the development. Town Hall renovations, police station addition and renovation, library expansion, and construction of a new senior center were all part of the bond expense. The debt service on the bonds is being paid from revenues generated by the new parking structures and from an additional tax levy being imposed on the property within the West Hartford Center - Special Services District in accordance with Connecticut General Statutes.

The redevelopment of this area reflects the evolution of the Center into the uses Town officials and Plans of Development first contemplated over twenty years ago. The actual planning and redevelopment occurred over a period of approximately five years, the result of which is a mixed use development that permits people to live, work, and shop in close proximity. Tenants include Crate and Barrel, Criterion Theaters, Cheesecake Factory, REI, and Hartford Hospital Surgical Center, among others, providing approximately 2,000 jobs. All of the 59 condo units located in the Heritage Building have been sold and the apartments have a waiting list.

Hotel

Absent from West Hartford Center is a full service hotel. To address this need, the Town issued a request for proposals in 2012 and selected Delamar West Hartford to develop an upscale hotel on Town owned land on Raymond Road, just east of Blue Back Square. In June of 2013, the Town Council approved the project plans that will include 111 rooms, a spa, a full service restaurant and banquet facilities at a projected cost of \$25 million. Groundbreaking is planned for the first quarter of 2015 with a completion date of June 2016.

Elmwood

Elmwood has seen a number of positive developments in recent years. Most significantly, the New Britain Avenue streetscape from Mayflower Street to New Park Avenue was completed by the State of Connecticut. In addition to a new road surface, brick sidewalks, decorative lighting and new landscaping was completed, all of which support the thriving business district which has seen increased retail occupancy up and down New Britain Avenue.

Residential development also continues in Elmwood. Quaker Green is currently constructing its final condominium building in its 148-unit development. The West Hartford Housing Authority is also nearing completion of The Goodwin, a mixed-income facility on Newington Road. The development will include a total of 47 one-, two- and three-bedroom apartments and is located across from a new shopping center, completed recently at an estimated cost of \$10.5 million. The Authority is now planning a mixed-use, transit oriented development on New Park Avenue that would include approximately 55 rental units and retail space adjacent to the Elmwood Fastrak Station. CT Fastrak is a busway system that will begin service in 2015.

Park Road

The Park Road District, a vibrant neighborhood commercial district, continues to see investment. New shops and restaurants have opened and a major housing development is being planned at the corner of Park Road and Prospect Avenue. The Sisters of Saint Joseph issued a request for proposals and selected Center Development Corporation to purchase the 21 acres and 185,000 square foot building. The developer plans to renovate the existing building and construct an addition that will provide for approximately 400 apartment units. Formal plans are expected to be filed in early 2015 and the potential impact of this project will be significant for the Town. It is the largest development proposal since Blue Back Square, and will likely involve an investment of more than \$100 million.

Bishops Corner

Demand in this area of town has been fueled by a major renovation of the Bishops Corner retail/office complex by EDENS at a cost of more than \$20 million. A Walmart Neighborhood Market has opened in a long-vacant space in the back of the plaza and all of the building facades have been upgraded. Bishop's Corner has also become a dining destination with additional sit down and fast casual options. In 2014, the local neighborhood association launched a very successful farmers' market that has added to the mix of uses at the corner.

As with other neighborhoods, Bishops Corner is seeing major housing development activity. Right at the corner, a former nursing home is currently being renovated into 64-market rate apartments and a new 10-unit ground up development is planned. In the summer of 2014, the Town Council approved an apartment complex that will include 150 units in six buildings, plus a clubhouse, on nearby Steele Road. This luxury development, which includes the demolition of a 265,000 square foot convent has an estimated project cost of \$22 million.

Conclusion

While these are the highlights of development activity in West Hartford, it is by no means a complete picture. In addition to the projects detailed above, local schools and universities such as the American School for the Deaf and the University of St. Joseph are making major investments in their campuses, wherever possible, parcels are being sub-divided to create new single family lots for home construction, and office and retail properties are seeing incredibly high occupancy rates. Altogether, West Hartford is as vibrant as ever and poised to attract considerable investment in the near future.

Going forward, the Town's most significant development issue will be the University of Connecticut campus. The University has plans to vacate the 58 acre campus and relocate to downtown Hartford in 2017. In accordance with State statutory requirements, the Town has a first right of refusal and must decide whether or not to purchase the property. With many unknowns, including the extent of and limitations associated with on-site wetlands, the development capacity and future use of the property is not clear. However, it presents a unique development opportunity for the years ahead.

IV. INDEBTEDNESS

Principal Amount of Bonded Indebtedness

As of Date of Closing

(Pro forma)

Date	Purpose	Rate %	Original Issue	Debt Outstanding Including This Issue	Fiscal Year Maturity
1/15/2001	General Purpose	4.10 – 4.50	\$ 10,250,000	\$ 3,075,000	2021
1/15/2001	Schools	4.10 – 4.50	4,750,000	1,425,000	2021
1/15/2002	General Purpose	3.50 – 4.75	6,415,000	2,245,250	2022
1/15/2002	Schools	3.50 – 4.75	7,085,000	2,479,750	2022
6/9/2005	Refunding-Schools	3.00 – 5.00	11,105,000	3,970,000	2019
10/12/2005	General Purpose	4.00 – 5.50	48,820,000	2,420,000	2017
2/1/2007	General Purpose	3.00 – 5.00	12,546,510	1,672,868	2023
2/1/2007	Schools	3.00 – 5.00	2,453,490	327,132	2023
1/30/2008	General Purpose	2.00 – 3.50	10,722,000	4,288,800	2025
1/30/2008	Schools	2.00 – 3.50	4,278,000	1,711,200	2025
6/15/2009	General Purpose	2.00 – 4.00	10,902,800	6,541,680	2026
6/15/2009	Schools	2.00 – 4.00	4,097,200	2,458,320	2026
9/15/2009	Refunding-General Purpose	2.00 – 5.00	38,582,956	36,800,138	2024
9/15/2009	Refunding-Schools	2.00 – 5.00	3,077,044	2,934,862	2024
4/1/2010	Refunding-General Purpose	2.00 – 5.00	10,280,268	9,182,908	2026
4/1/2010	Refunding-Schools	2.00 – 5.00	10,329,732	9,227,092	2026
10/15/2010	General Purpose	2.00 – 4.00	6,002,000	4,396,465	2026
10/15/2010	Schools	2.00 – 4.00	1,998,000	1,463,535	2026
3/8/2012	General Purpose	2.50 – 5.00	11,648,000	10,094,933	2028
3/8/2012	Schools	2.50 – 5.00	3,352,000	2,905,067	2028
2/5/2014	General Purpose	2.63 – 5.00	12,829,947	11,970,341	2029
2/5/2014	Schools	2.63 – 5.00	7,170,053	6,689,659	2029
2/12/2015	General Purpose (This Issue)	2.00 – 4.00	9,655,000	9,655,000	2035
2/12/2015	Schools (This Issue)	2.00 – 4.00	11,345,000	11,345,000	2035
			\$ 259,695,000	\$149,280,000	

Bond Authorization Procedure

Debt for capital projects is authorized by Town Council ordinance. Bond ordinances in excess of \$500,000 are subject to referendum if three percent of the Town electors sign a petition for referendum within thirty days of the ordinance publication.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing not more than two years from their original issue date (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year from the date of original issue and again for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of any bonds issued must be reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently financed 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 sewer notes from time to time in terms not to exceed six months until such time as the final grant payments are received (CGS Sec. 7-378b).

Capital Improvement Program

In April 2014, the Town Council approved a twelve year Capital Improvement Program ("CIP") in which approximately \$220 million is expected to be invested in capital improvements through fiscal year 2026. Approximately \$100 million (45%) of this investment is for school facilities, and \$120 million (55%) has been allocated to other Town projects for repairs, replacements, or improvements to streets, sidewalks, sewers, recreational facilities, communications, and drainage facilities. The CIP anticipates non-debt financing of approximately \$53 million. The remainder of the CIP funding is subject to debt authorization by the Town Council or the development of other funding sources during the period 2015-2026.

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

- General Purposes: 2.25 times annual receipts from taxation
- School Purposes: 4.50 times annual receipts from taxation
- Sewer Purposes: 3.75 times annual receipts from taxation
- Urban Renewal Purposes: 3.25 times annual receipts from taxation
- Unfunded Past Benefit Pension Obligation: 3 times annual receipts from taxation

In no case, however, shall total indebtedness exceed seven times the annual tax receipts.

Annual receipts from taxation (the "base"), is defined as total tax collections, including interest, penalties, late payment of taxes and payments made by the State for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation of debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires, and pipes; for the construction of underground conduits for cables, wires, and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from state or federal grants evidenced by a written commitment or contract, but only to the extent such indebtedness can be paid from such proceeds.

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Statement of Statutory Debt Limitation

As of Date of Closing

(Pro forma, all amounts in thousands)

TOTAL TAX COLLECTIONS (including interest and lien fees)	
received by the Tax Collector for the year ended June 30, 2014	\$ 214,966
REIMBURSEMENT FOR REVENUE LOSS ON:	
Tax Relief for Elderly	<u>7</u>
BASE	214,973

	General Purposes	Schools	Sewers¹	Urban Renewal	Pension
DEBT LIMITATION:					
2 1/4 times base	\$ 483,689	-	-	-	-
4 1/2 times base	-	\$ 967,379	-	-	-
3 3/4 times base	-	-	\$ 806,149	-	-
3 1/4 times base	-	-	-	\$ 698,662	-
3 times base	-	-	-	-	\$ 644,919
Total debt limitation	<u>\$ 483,689</u>	<u>\$ 967,379</u>	<u>\$ 806,149</u>	<u>\$ 698,662</u>	<u>\$ 644,919</u>
INDEBTEDNESS:					
The Bonds (<i>This Issue</i>).....	9,655	11,345	-	-	-
Bonds Payable	92,688	35,592	-	-	-
Notes Payable	-	-	-	-	-
Overlapping Debt	-	-	95,097	-	-
Debt Authorized but Unissued	12,077	42,882	-	-	-
Total Indebtedness	<u>114,420</u>	<u>89,819</u>	<u>95,097</u>	<u>-</u>	<u>-</u>
Less: School Construction Grants					
Receivable	-	(41,070)	-	-	-
Net Indebtedness:	<u>114,420</u>	<u>48,749</u>	<u>95,097</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF					
TOTAL INDEBTEDNESS	<u>\$ 369,269</u>	<u>\$ 918,630</u>	<u>\$ 711,052</u>	<u>\$ 698,662</u>	<u>\$ 644,919</u>

¹ Excludes debt related to the Clean Water Project to be paid from proceeds of MDC’s Special Sewer Service Charge.

Note: In no case shall indebtedness exceed seven (7) times annual receipts from taxation. The maximum permitted under this formula would be \$1.5 billion.

Short-Term Debt

The Town does not have any short-term debt outstanding.

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress grant payments for eligible school construction expenses on school projects approved after July 1, 1996. The full amount of all current projects is authorized. When progress payments are received those amounts are removed from the authorized totals. This is done on June 30 of each year for payments received during that fiscal year. Under the current program, the Town expects to receive progress payments for eligible school construction costs at the rate of approximately 25-35 percent.

Project	Total Authorization	Estimated Reimbursement Rate	Estimated Grant¹
Asbestos Removal	\$ 1,175,000	30.47%	\$ 358,000
Charter Oak School	45,000,000	80.00%	36,000,000
Elementary School Expansion	500,000	35.00%	175,000
Exterior School Building Improvements ..	5,850,000	40.00%	2,340,000
Heating & Ventilation Systems	2,600,000	15.38%	400,000
Interior School Building Improvements ...	6,854,000	25.36%	1,738,000
Portable Classrooms	500,000	38.00%	190,000
School Security	700,000	28.57%	200,000
Site & Athletic Field Improvements	1,950,000	12.82%	250,000
Total	\$ 65,129,000		\$41,651,000

¹ Estimated grants receivable are based upon eligibility of project costs. Eligible costs are to be determined at completion of a post-project audit. To date, the Town has received \$1,075,356 for the above projects.

Debt service reimbursement will continue under the prior school grant program for all school projects approved prior to July 1, 1996. Under the prior program the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds. As of December 31, 2014 the Town expects to receive grant reimbursements under the prior program in an aggregate amount of \$494,374.

Overlapping Debt

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided directly by the MDC and billed to the users. As of December 31, 2014, the total gross overlapping debt of the MDC is \$521,655,619 of which \$112,521,116 or 21.57% is attributable to the Town. The total net overlapping debt of the MDC is \$440,877,569 of which the Town of West Hartford is responsible for \$95,097,291 or 21.57%. This excludes \$80,778,050 in debt related to the Clean Water Project described below, which is being financed from a special sewer service charge collected directly from MDC water customers (the "Special Sewer Service Charge").

The MDC was cited by the U.S. Environmental Protection Agency (USEPA) and the United States Department of Justice (USDOJ) for overflows from the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The District was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The District also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection (CTDEEP) to control the Combined Sewer Overflows (CSO) located in the Hartford sewer system within 15 years (by the year 2022).

The MDC has conducted studies of the CSO under the direction of the CTDEEP. A plan for abating these pollution sources – called the Clean Water Project – has been prepared by consultants to the MDC. The plan combines several abatement approaches including: new sewers, removal of storm water flows during storm events, and additional treatment capacity. Completion of these system improvements will require a construction program of at least 15 years. Significant abatement can also be achieved by individual homeowners disconnecting roof leaders, sump pumps and yard drains.

On November 7, 2006, and November 6, 2012 voters in the eight member towns approved referendums authorizing the MDC to appropriate \$800,000,000, for a total of \$1,600,000,000 between the two referendums, for the Clean Water Project to be financed by the issuance of bonds. The MDC is pursuing state funding from the Clean Water Fund and federal funding from Congress to assist with the cost of the project. The total cost for the program is expected to be approximately \$2,100,000,000. The MDC has adopted a Special Sewer Service Charge for customers of the MDC who utilize the District sewer system and are furnished water directly by the MDC. The proceeds from the Special Sewer Service Charge shall be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project. The \$17,423,825 attributable to the Town from bonds and other loans used to finance the Clean Water Project that are supported by the Special Sewer Service Charge (\$80,778,050) are deducted from the calculation of Overall Debt in the table herein.

Underlying Debt

The Town of West Hartford has no underlying debt.

Debt Statement

As of Date of Closing
(Pro forma)

Long-term Debt	
The Bonds (<i>This Issue</i>).....	\$ 21,000,000
School Bonds	35,591,617
General Purpose Bonds	92,688,383
Total Long-term Debt	<u>149,280,000</u>
Short-term Debt	
Bond Anticipation Notes	-
Total Direct Debt	<u>149,280,000</u>
MDC Overlapping Debt - Gross	112,521,116
MDC Overlapping Debt – Clean Water Project ¹	(17,423,825)
Total Overall Debt	<u>244,377,291</u>
Less: School Construction Grants Receivable ²	(494,374)
Total Overall Net Debt	<u>\$ 243,882,917</u>

¹ To be paid from proceeds of the MDC's Special Sewer Service Charge (see "Overlapping/Underlying Debt").

² Represents principal component of all school projects approved prior to July 1, 1996, for which the State will continue to reimburse the Town over the life of the bonds. For all school projects approved after July 1, 1996, the State will provide proportional progress grant payments.

Current Debt Ratios

As of Date of Closing
(Pro forma)

Population 2013 ¹	63,340
Net Taxable Grand List (10/1/13)	\$5,924,661,849
Estimated Full Value (10/1/13)	\$8,556,847,356
Equalized Net Grand List (10/1/12) ²	\$9,035,908,810
Per Capita Income ¹	\$47,485

	<u>Total Direct Debt</u>	<u>Total Overall Debt</u>	<u>Total Overall Net Debt</u>
Debt per Capita	\$2,357	\$3,858	\$3,850
Percent of Net Taxable Grand List	2.52%	4.12%	4.12%
Percent of Estimated Full Value	1.74%	2.86%	2.85%
Percent of Equalized Net Grand List	1.65%	2.70%	2.70%
Percent of Debt per Capita to Income per Capita ...	4.96%	8.12%	8.11%

¹ Source: U.S. Bureau of Census, American Community Survey, 2009-13.

² Source: Office of Policy & Management, State of Connecticut.

Historical Debt Ratios

Fiscal Year Ended 30-Jun	Net Assessed Value ¹	Estimated Full Value ²	Total Direct Debt ³	Ratio of Long-Term Debt to Net Assessed Value (%)	Ratio of Long-Term Debt to Estimated Full Value (%)	Population ⁴	Net Long-Term Debt per Capita	Ratio of Long-Term Debt per Capita to Per Capita Income ⁵ (%)
				Assessed Value (%)	Estimated Full Value (%)			Income ⁵ (%)
2014	\$5,888,535,750	\$8,504,964,400	\$140,830,000	2.4%	1.7%	63,340	\$2,223	4.7%
2013	5,878,019,742	8,491,271,284	133,085,000	2.3%	1.6%	63,340	\$2,101	4.4%
2012	5,034,401,821	8,945,737,664	145,620,000	2.9%	1.6%	63,268	\$2,302	5.2%
2011	4,999,850,463	8,872,674,429	145,095,000	2.9%	1.6%	63,268	\$2,293	5.2%
2010	4,953,923,498	8,816,983,257	151,225,000	3.1%	1.7%	61,045	\$2,477	7.4%
2009	4,889,430,313	8,692,557,657	148,150,000	3.0%	1.7%	61,045	\$2,427	7.3%
2008	4,498,455,415	8,614,597,736	160,995,000	3.6%	1.9%	61,045	\$2,637	7.9%
2007	3,710,940,390	5,353,686,271	156,055,000	4.2%	2.9%	61,045	\$2,556	7.6%
2006	3,659,932,780	5,277,936,829	151,115,000	4.1%	2.9%	61,045	\$2,475	7.4%
2005	3,627,960,740	5,234,425,343	112,400,000	3.1%	2.1%	61,045	\$1,841	5.5%

¹ Assessment Ratio: 70%.

² Includes tax exempt property.

³ Excludes school building grants receivable and overlapping MDC debt.

⁴ Source: U.S. Department of Commerce, Bureau of the Census.

⁵ Per Capita Income based on U.S. Census Bureau estimates. For fiscal years 2013 to 2015, the figure was \$47,485. Prior to 2013, the figure was \$43,998 in 2011 to 2012 and \$33,468 from 2006 to 2010.

Ratio of Annual Bonded Debt Service to Total General Governmental Expenditures

(Amounts Expressed in Thousands)

Fiscal Year Ended 6/30	Total Debt Service	Total Governmental Funds Expenditures ¹	Debt Service as a % of Non-Capital Expenditures
2015	\$ 17,836	\$ 266,474	6.69%
2014	17,232	286,006	6.03%
2013	17,952	278,491	6.45%
2012 ²	20,022	282,644	7.08%
2011	19,877	257,064	7.73%
2010	19,268	244,463	7.88%
2009	19,689	244,864	8.04%
2008 ³	14,640	264,717	5.53%
2007	16,803	219,827	7.64%
2006	15,810	206,570	7.65%

¹ Includes all Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis of accounting.

² 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).

³ Increase in Total Governmental Funds Expenditures for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

General Fund Annual Bonded Debt Maturity Schedule¹
As of Date of Closing
(Pro forma)

Fiscal Year Ending	Outstanding Principal Payments²	Outstanding Interest Payments²	Principal On the Bonds	Interest On the Bonds	Total Debt Service³	Cumulative Percent of Principal Retired
2015	\$ -	\$ 889,969	\$ -	\$ -	\$ 889,969	0.00%
2016	13,230,000	4,829,919	1,050,000	497,766	19,607,685	9.57%
2017	13,315,000	4,319,238	1,050,000	517,125	19,201,363	19.19%
2018	13,410,000	3,788,944	1,050,000	485,625	18,734,569	28.88%
2019	13,520,000	3,224,788	1,050,000	464,625	18,259,413	38.64%
2020	12,645,000	2,673,188	1,050,000	443,625	16,811,813	47.81%
2021	12,785,000	2,147,125	1,050,000	401,625	16,383,750	57.08%
2022	11,075,000	1,650,088	1,050,000	380,625	14,155,713	65.20%
2023	9,490,000	1,244,250	1,050,000	359,625	12,143,875	72.26%
2024	8,605,000	877,425	1,050,000	338,625	10,871,050	78.73%
2025	7,530,000	568,925	1,050,000	317,625	9,466,550	84.48%
2026	6,685,000	320,713	1,050,000	296,625	8,352,338	89.66%
2027	2,330,000	166,363	1,050,000	275,625	3,821,988	91.92%
2028	2,330,000	96,463	1,050,000	252,000	3,728,463	94.19%
2029	1,330,000	41,563	1,050,000	220,500	2,642,063	95.78%
2030	-	-	1,050,000	189,000	1,239,000	96.48%
2031	-	-	1,050,000	157,500	1,207,500	97.19%
2032	-	-	1,050,000	126,000	1,176,000	97.89%
2033	-	-	1,050,000	94,500	1,144,500	98.59%
2034	-	-	1,050,000	63,000	1,113,000	99.30%
2035	-	-	1,050,000	31,500	1,081,500	100.00%
	<u>\$128,280,000</u>	<u>\$26,838,961</u>	<u>\$ 21,000,000</u>	<u>\$ 5,913,141</u>	<u>\$182,032,102</u>	

¹ Excludes Underlying/Overlapping Debt.

² Excludes payments made on or before February 12, 2015.

³ Totals may not add up due to rounding.

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V. FINANCIAL INFORMATION

Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to the Financial Statements.

Basis of Accounting

By Charter, the responsibility for managing the Town's finances rests with the Director of Financial Services. The Director is responsible for a broad and integrated fiscal operation consisting of general accounting, grants accounting, cash management, revenue collection, purchasing, debt management, and capital financing. The Director of Financial Services is also the Treasurer of the Town, a voting member of the Pension Board, and an advisor to the Risk Management Advisory Board and the Finance and Budget Committee of the Town Council.

The Department of Financial Services utilizes a computerized financial management system which integrates budgeting, purchasing, accounting, and financial reporting. The Town uses the modified accrual basis of accounting for its governmental and expendable trust funds. Revenues are recognized when determined to be measurable and available, and expenditures are recognized when services or goods are received and a liability is incurred. The accrual basis of accounting is used for the Town's proprietary, fiduciary, and non-expendable trust funds.

Audit

The Town of West Hartford, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, currently BlumShapiro, LLP of West Hartford, Connecticut, is appointed by the Council, and is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report.

The most recent annual audit covers the fiscal year ended June 30, 2014, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by the Town's independent auditor. The information contained in Appendix A is not the whole audit report. Individuals wishing a complete document should contact the Town's Director of Financial Services.

Budgetary Procedures

In March 1981, the Town Council adopted a comprehensive budgeting and accounting ordinance which sets forth the standards and practices governing the Town's financial management. All funds must be appropriated except those which may be expended outside budgetary operations in accordance with specific laws or ordinances. The ordinance also provides administrative flexibility in the management of long-term financing options for capital improvements.

The budget is legally enacted at the department and character of expenditure level (personal services, non-personal expense, capital outlay, and sundry). Budgetary control is maintained via an encumbrance system. Expenditures require a purchase order and accounts are encumbered when the purchase order is issued. An expenditure or expense is recorded when a liability is incurred. Commitments which exceed an appropriation balance are not processed until transfers or additional appropriations are made. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of fund balance at June 30.

A twelve year capital improvement program (CIP) provides the basis for formulating the annual capital budget. A capital financing model is used to determine the impact of debt service on the operating budget over the life of the CIP. The capital budget is funded via bonds, contributions from the Capital and Non-Recurring Expenditure (CNRE) Fund, other fund contributions and state grant progress payments. These funds are revenues to the Capital Projects Fund, which is used to account for the acquisition or construction of major capital facilities. Bond proceeds flow directly to the Capital Projects Fund. The Town contributions are transferred from the CNRE Fund to the Capital Projects Fund. The CNRE Fund receives funds from appropriated transfers from the General Fund annual budget, residual balances of closed projects, and proceeds on the sale of Town property.

Certificate of Achievement for Excellence in Financial Reporting

The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1986 through 2013. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audited standards. The report also contains a wide variety of information useful in evaluating the financial condition of a government and conforms to certain generally accepted terminology and formatting standards established for the Certificate Program. The Town has submitted its comprehensive annual financial report for fiscal year ended June 30, 2014 to the GFOA to determine its eligibility for another certificate.

Employee Pension Systems

The Town sponsors and maintains a single-employer defined benefit plan (West Hartford Retirement System). This plan covers all full-time employees of the Town and Board of Education, except for those employees eligible for participation in the State of Connecticut Teachers' Retirement System. Refer to the "Notes to the General Purpose Financial Statements", Note 11. Employee Retirement Systems and Pension Plans.

The July 1, 2013 Pension Fund valuation reflects an assumption change in order to better anticipate future plan experience. The discount rate was reduced from 8.125% to 7.95% with further reductions expected to an eventual rate of 7.5%. Additionally, the mortality table was revised. These changes added approximately \$4,300,000 to the Pension Plan's liabilities and \$236,500 to the annual required contribution.

Schedule of Funding Progress (in Thousands)

(Actuarial Value - In Thousands)						
Actuarial Valuation Date	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)
July 1, 2013	\$ 145,023	\$ 350,770	\$ 205,747	41.3%	\$ 53,742	382.8%
July 1, 2012	142,936	323,024	180,088	44.2%	57,281	314.4%
July 1, 2011	148,816	308,852	160,036	48.2%	55,078	290.6%
July 1, 2010	154,825	279,485	124,660	55.4%	55,150	226.0%
July 1, 2009	167,268	270,814	103,546	61.8%	53,028	195.3%
July 1, 2008	178,201	244,095	65,894	73.0%	50,031	131.7%
July 1, 2007	179,480	237,381	57,901	75.6%	48,107	120.4%
January 1, 2006	166,424	221,165	54,741	75.2%	40,074	136.6%
January 1, 2005	171,644	215,631	43,987	79.6%	38,533	114.2%
January 1, 2004	168,758	191,885	23,127	87.9%	38,800	59.6%

Schedule of Employer Contributions (in 000's)

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2015 ¹	\$ 17,711	\$ 17,711	100.0 %
2014	15,957	15,957	100.0 %
2013	14,167	14,167	100.0 %
2012	11,648	11,648	100.0 %
2011	10,002	10,000	100.0 %
2010	7,481	7,480	100.0 %
2009	6,813	6,812	100.0 %
2008	6,001	6,100	101.6 %
2007	5,942	5,942	100.0 %
2006	5,641	5,641	100.0 %

¹Adopted budget.

Other Post-Employment Benefits

In 1986, the Town established a reserve fund for retiree health care benefits. Annual contributions to the reserve fund are made by the Town and employees, and health care costs for retirees are paid from this fund. The Town actuarially measures its post-employment benefit (OPEB) obligations every two years in order to determine its liability and model its funding policy. The July 1, 2013 valuation indicated an actuarial liability of \$118.9 million. The Town's funding policy calls for increasing contributions from the General Fund and employees, as well as Medigap reimbursements and investment income on the reserve balance, in order to fund current retiree health benefits and grow the reserve to cover future claims costs. As of June 30, 2014 the reserve had a balance of \$9.3 million.

The Town negotiated significant changes in the retirement benefits for new employees in all union labor contracts. For non-public safety employees, the normal retirement age was increased from 55 to 65 years of age and the early retirement age was increased from 45 to 55 years of age. The required years of service for the Police and Fire Unions, was increased from 20 to 25 years. A minimum age of 50 was established for retirement for the Fire Union. These changes will have a long term effect on retiree pension and health care liabilities as the existing workforce retires and new employees are hired to replace them. During fiscal year 2009 the Town established an OPEB Trust Fund from which benefits for these new employees will be paid. The Town continues long-term financial planning to manage liabilities and funding for post employment pension and health care benefits for employees and has implemented the new accounting standards that address this issue. Refer to the "Notes to the General Purpose Financial Statements", Note 10. Other Postemployment Benefits.

The following presents historical information regarding the post-employment benefit funding progress. The Town's most recent complete actuarial valuation was effective July 1, 2013. Please See Appendix A, for more information.

Schedule of Employer Contributions

**Schedule of Funding Progress
(Actuarial Value - In Thousands)**

Actuarial Valuation Date	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)
July 1, 2013	\$ 183	\$ 118,865	\$ 118,682	0.15%	\$ 127,047	93.4%
July 1, 2011	80	107,490	107,410	0.07%	121,405	88.5%
July 1, 2009	20	89,038	89,018	0.02%	116,938	76.1%
July 1, 2007	-	85,496	85,496	0.00%	N/A	N/A

Schedule of Funding Progress

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2015 ¹	\$ 9,780	\$ 9,130	93.4%
2014	8,999	7,690	85.5%
2013	8,506	7,381	86.8%
2012	7,318	6,450	88.1%
2011	6,979	6,381	91.4%
2010	7,062	6,400	90.6%
2009	6,658	5,910	88.8%
2008	6,274	5,476	87.3%

¹Adopted budget.

Investment Policy for Operating and Pension Funds

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, Sections 7-400, 7-402, and 7-403. Refer to the "Notes to the General Purpose Financial Statements," Note 3. Cash, Cash Equivalents and Investments, regarding the Town's investments and investment policies.

The Town invests operating funds in qualified public depositories or the State of Connecticut Short Term Investment Fund (STIF). STIF was authorized in 1978 (P.A. 78-236) to enable the State Treasurer to invest various state funds. Section 3-27a (CGS) spells out the various governmental entities eligible to participate in STIF. Section 3-27d details eligible investments for STIF as those relating to the investments approved for savings banks, or U.S. government obligations, U.S. agency obligations, U.S. postal service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts and bank acceptances, and repurchase agreements relating to the above securities. Section 3-27f authorizes all agencies, instrumentalities, and political subdivisions of the State of Connecticut to invest in STIF.

Assessment Practices

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Town Assessor. The Grand List represents the total assessed values for all taxable real and personal property located within the Town on October 1 of a given year. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last revaluation.

When the building of a new structure - or modification to an existing structure - is undertaken, the Assessment Department receives a copy of the permit issued by the Building Inspection Division of the Community Services Department. A physical inspection is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. The proper depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with NADA price guides with a valuation schedule recommended by the Office of Policy and Management in cooperation with the Connecticut Association of Assessing Officials.

All business personal property (furniture, fixtures, equipment and machinery) is valued annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

Tax Collection Procedure

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Taxes are due July 1; however, at the discretion of the Town and for the convenience of the taxpayer, real estate tax bills are payable in two installments – July 1 and January 1. Motor vehicle taxes are due in one installment on July 1. Supplemental motor vehicle taxes (for vehicles registered between October 1 and August 1) are due in one installment on January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by including a modest estimate for prior years' delinquent taxes when computing anticipated property tax revenue from the current levy. A modest estimate for interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Taxes become delinquent one month after the installment is due. Delinquent taxes are billed at least four times a year, with interest charged at the rate of 1½ percent per month retroactive to the original due date. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically lien-ed each year in June, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Comparative Assessed Valuations

(Amounts Expressed in Thousands)

Grand List as of 10/1	Real Property ¹			Personal Property ¹		Less: Exemption on Taxable Property	Net Taxable Grand List	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other	Motor Vehicle			
2013	\$4,429,342	\$845,804	\$86,007	\$212,811	\$415,829	\$65,131	\$5,924,662	37.37
2012	4,410,715	845,821	86,130	204,405	406,403	64,939	5,888,535	36.30
2011 ²	4,399,030	843,891	86,022	201,370	413,576	65,870	5,878,019	35.75
2010	4,763,366	842,798	71,412	197,281	387,159	1,227,614	5,034,402	39.44
2009	4,738,213	837,183	71,579	197,343	366,554	1,211,022	4,999,850	38.38
2008	4,711,416	828,730	73,027	195,797	362,919	1,217,965	4,953,924	37.54
2007	4,651,563	801,976	74,008	180,180	377,062	1,195,360	4,889,429	36.97
2006 ³	4,602,650	815,582	73,570	168,500	369,916	1,531,763	4,498,455	38.63
2005	2,605,522	546,377	67,714	159,506	368,461	36,640	3,710,940	46.19
2004	2,583,536	535,544	67,590	152,863	355,022	34,623	3,659,932	44.07

¹ Assessed Value is 70% of Estimated Actual Value.

² The Town conducted a State-mandated revaluation as of October 1, 2011. This updated revaluation eliminated any phase-in tax exemption from the prior revaluation.

³ The Town conducted its State-mandated revaluation as of October 1, 2006. The Town Council of the Town of West Hartford elected to phase-in revaluation over a period not to exceed five years. The value of the new assessments being phased-in is reflected as a tax exemption in the Grand List. In June 2009, the Town Council elected to suspend the phase-in in accordance with State legislation. The phase-in tax exemption totaled \$1,072,480,480 as of 10/1/10.

Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

Source: Assessor's Office, Town of West Hartford.

Exempt Property
(Assessed Value)

Public	Assessed Value as of 10/1/13
Federal	\$ 9,521,610
Town of West Hartford	126,697,620
State of Connecticut	34,732,600
Sub-Total Public	<u>\$ 170,951,830</u>
Private	
Public Service Companies	5,339,670
Scientific, Educational, Historical, Charitable ...	260,197,420
Churches	154,221,620
Cemeteries	12,968,270
Veteran's Organizations	1,441,860
Recreation	65,344,440
Private Colleges and Hospitals	92,590,680
Sub-Total Private	<u>\$ 592,103,960</u>
Total Exempt Property	<u>\$ 763,055,790</u>
 Percent of Net Taxable Grand List of 10/1/13....	 12.88%

Source: Assessor's Office, Town of West Hartford.

Principal Taxpayers
(Amounts Expressed in Thousands)

Name of Taxpayer	Nature of Business	Grand List of October 1, 2013		
		Taxable Value	Rank	Percent of Total
Sof-Ix Blue Back Square Holdings LP	Retail, Office, Apartments, Residential .	\$ 75,659	1	1.28%
West Farms Mall LLC	Mall	37,805	2	0.64%
Connecticut Light & Power	Utility	34,964	3	0.59%
Corbins Corner Shopping Center LLC	Shopping Center	33,490	4	0.57%
Town Center West Associates	Office	24,930	5	0.42%
Bishop's Corner (E&A) LLC	Shopping Center	18,170	6	0.31%
Sisters of Mercy/McAuley Center	Assisted Living	16,858	7	0.28%
E&A Northeast Limited Partnership	Shopping Center	15,498	8	0.26%
Prospect Plaza Improvements LLC	Shopping Center	13,995	9	0.24%
Westgate Apartments LLC	Apartments	<u>13,249</u>	10	<u>0.22%</u>
Total		\$284,618		4.81%

Note: Assessments include Real Property, Personal Property and Motor Vehicles.

Source: Assessor's Office, Town of West Hartford.

Property Tax Levies and Collections
(Amounts Expressed in Thousands)

Fiscal Year Ending 6/30	Total Tax Rate (In Mills)	Total Adjusted Tax Levy	Collected within Fiscal Year of Levy		Collections Subsequent Years	Total Collections to Date	
			Collections	Percentage of Levy		Collections	Percentage of Levy
2015 ¹	37.37	\$ 220,518	n/a	n/a	n/a	n/a	n/a
2014	36.30	214,310	\$ 212,530	99.2%	n/a	\$212,530	99.2%
2013	35.75	210,065	208,258	99.1%	\$1,074	209,332	99.7%
2012	39.44	199,192	197,344	99.1%	1,334	198,678	99.7%
2011 ²	38.38	192,761	190,585	98.9%	1,691	192,276	99.7%
2010	37.54	186,542	184,817	99.1%	1,489	186,306	99.9%
2009	36.97	181,771	180,089	99.1%	1,317	181,406	99.8%
2008	38.63	174,302	172,515	99.0%	1,418	173,933	99.8%
2007	46.19	172,700	171,389	99.2%	962	172,351	99.8%
2006 ²	44.07	162,715	161,504	99.3%	843	162,347	99.8%

n/a-information not yet available

¹ Adopted Budget

² Revaluation of assessed property values implemented

Source: Revenue Collection Division, Town of West Hartford.

Property Taxes Receivable
(Amounts Expressed in Thousands)
(As of June 30, 2014)

Grand List Year	Adjusted Total Tax Levy	Remaining Uncollected Levy	Percent Adjusted Levy Uncollected
2012	\$214,310	\$ 1,780	0.8%
2011	210,066	692	0.3%
2010	199,192	149	0.1%
2009	192,761	112	0.1%
2008	186,542	81	0.0%
2007	181,771	48	0.0%
2006	174,302	20	0.0%
2005	172,700	9	0.0%
2004	162,715	8	0.0%
2003	153,917	6	0.0%

Note: As of June 30, 2014 the total uncollected levy from all years was \$2,937,000.

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

Revenues

The Town derives its revenues from a direct tax levy on property, State and Federal aid, various fees and charges, and other miscellaneous sources. Town revenues are summarized for fiscal years ended 2010-2014 in "Statements of General Fund Revenues, Expenditures and Changes in Fund Balance-General Fund" herein. The prior year's appropriated surplus is also included.

Property Tax Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues & Transfers in</u>	<u>Property Tax Revenues</u>	<u>Property Tax Revenues as a Percentage of Fund Revenues</u>
2015 ¹	\$ 250,845	\$ 221,513	88.3 %
2014	264,659	214,923	81.2
2013	257,007	210,571	81.9
2012 ²	253,929	200,033	78.8
2011	232,133	192,984	83.1
2010	222,576	186,107	83.6
2009	222,371	181,795	81.8
2008 ³	248,490	173,318	69.7
2007	206,033	172,565	83.8
2006	195,865	162,739	83.1

¹ Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

² 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).

³ Increase in Total Governmental Funds Revenues for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: Annual audited financial statements; fiscal year 2014-15 adopted budget.

Intergovernmental Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues & Transfers in</u>	<u>Intergovernmental Revenue</u>	<u>Aid As a Percentage Of General Fund Revenues</u>
2015 ¹	\$ 250,845	\$ 22,265	8.9 %
2014	264,659	43,115	16.3
2013	257,007	39,863	15.5
2012 ²	253,929	46,477	18.3
2011	232,133	32,117	13.8
2010	222,576	28,491	12.8
2009	222,371	31,677	14.2
2008 ³	248,490	66,234	26.7
2007	206,033	24,177	11.7
2006	195,865	23,822	12.2

¹ Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

² 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).

³ Increase in Total Governmental Funds Revenues for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: Annual audited financial statements; fiscal year 2014-15 adopted budget.

Expenditures

<u>Fiscal Year</u>	<u>Education</u>	<u>Public Safety</u>	<u>Debt & Sundry</u> ¹	<u>Community Maintenance</u>	<u>Transfers Out</u> ²
2015 ³	58.2 %	10.1 %	14.8 %	6.3 %	6.0 %
2014	60.7	9.6	13.0	5.9	6.3
2013	60.6	10.0	12.7	6.0	6.4
2012	58.8	10.0	16.0	5.7	5.3
2011	60.3	10.2	11.2	6.5	7.3
2010	59.1	10.0	18.2	6.9	1.1
2009	59.4	13.2	12.4	8.4	0.7
2008 ⁴	65.7	12.2	9.1	6.5	1.0
2007	59.0	14.2	10.8	7.5	2.0
2006	58.4	14.3	8.1	10.5	2.2

¹ Includes pension and risk management costs, Metropolitan District Commission ("MDC") assessment for water and sewer services, health district assessment and contingency. See "Overlapping Debt" herein for more information on the Town's membership with the MDC.

² Includes transfers to Debt Service Fund and non-public school health and transportation expenses.

³ Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

⁴ Increase in Total Governmental Funds Expenditures for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: Annual audited financial statements; fiscal year 2014-15 adopted budget.

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Comparative General Fund Operation Statement
 Budget and Actual (Budgetary Basis)

	Fiscal Year 2013-14			Fiscal Year
	Revised Budget	Actual	Variance Favorable (Unfavorable)	2014-15 Adopted Budget
REVENUES				
Property Taxes	\$214,692,426	\$214,922,916	\$ 230,490	\$221,512,947
Intergovernmental	21,704,885	21,978,579	273,694	22,264,687
Charges for Services	4,849,977	4,741,110	(108,867)	5,096,394
Investment Income	500,000	255,997	(244,003)	250,000
Miscellaneous	636,593	774,135	137,542	696,000
TOTAL REVENUES	\$242,383,881	242,672,737	288,856	\$249,820,028
EXPENDITURES				
Current:				
General Government	5,327,823	5,327,811	12	\$ 5,407,955
Public Safety	25,415,456	25,414,503	953	25,440,822
Community Maintenance	15,743,525	15,743,522	3	15,738,062
Human & Cultural Resources	6,079,613	6,079,610	3	6,028,448
Debt and Sundry	34,442,205	34,422,555	19,650	37,235,153
Education	139,768,935	139,157,596	611,339	145,888,757
TOTAL EXPENDITURES	226,777,557	226,145,597	631,960	235,739,197
Excess (deficiency) of revenues over expenditures	<u>15,606,324</u>	<u>16,527,140</u>	<u>920,816</u>	<u>14,080,831</u>
Other financing sources (uses):				
Operating transfers in	1,035,955	849,139	(186,816)	1,024,995
Operating transfers out	<u>(16,642,279)</u>	<u>(16,653,835)</u>	<u>(11,556)</u>	<u>(15,105,826)</u>
Total Other financing sources (uses) ..	<u>(15,606,324)</u>	<u>(15,804,696)</u>	<u>(198,372)</u>	<u>(14,080,831)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 722,444</u>	<u>\$ 722,444</u>	<u>\$ -</u>

Source: Town annual audited financial statements; annual budgets.

Comparative Balance Sheet – General Fund

Fiscal Year Ended:	(In Thousands)				
	2010	2011	2012	2013	2014
Assets					
Cash and cash equivalents	\$ 23,878	\$ 23,538	\$ 19,322	\$ 28,840	\$ 41,369
Receivables, net	4,064	4,179	13,119	4,301	3,592
Due from other funds	2,438	2,503	2,950	5,003	2,447
Inventories	169	170	167	179	178
Prepaid items	6	8	2	-	-
Total Assets	\$ 30,555	\$ 30,398	\$ 35,560	\$ 38,323	\$ 47,586
Liabilities					
Accounts payable	\$ 2,692	\$ 2,457	\$ 2,384	\$ 1,859	\$ 2,738
Payroll liabilities	2,883	2,289	2,624	4,047	4,277
Other liabilities	2,481	2,198	2,252	2,242	866
Unearned revenue	4,497	4,743	9,945	10,732	1,292
Total Liabilities	12,553	11,687	17,205	18,880	9,173
Deferred Inflows of Resources					
Unavailable revenue - property taxes ..	-	-	-	-	1,920
Unavailable revenue - school grants....	-	-	-	-	615
Advance tax collections	-	-	-	-	15,673
Total Deferred Inflows of Resources	-	-	-	-	18,208
Fund Balances (Deficits)					
Reserved	809	-	-	-	-
Unreserved	17,193	-	-	-	-
Nonspendable	-	178	169	179	178
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	652	355	333	374
Unassigned	-	17,881	17,831	18,931	19,653
Total Fund Balances	18,002	18,711	18,355	19,443	20,205
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
	\$ 30,555	\$ 30,398	\$ 35,560	\$ 38,323	\$ 47,586

Source: Town annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

Fiscal Year Ended:	(In Thousands)				
	2010 ¹	2011	2012 ²	2013	2014
Revenues					
Property taxes	\$186,107	\$192,984	\$200,033	\$210,571	\$214,923
Intergovernmental	28,491	32,117	46,477	39,853	43,115
Charges for services	5,023	4,304	4,970	4,632	4,741
Income on investments	1,045	710	451	382	256
Miscellaneous	841	1,140	1,004	779	775
Total Revenues	\$221,507	\$231,255	\$252,935	\$256,217	\$263,810
Expenditures					
Current:					
General government	4,788	5,033	5,064	5,182	5,328
Public Safety.....	22,252	23,497	25,340	25,629	25,368
Community maintenance	15,297	15,011	14,398	15,329	15,669
Human and cultural	5,503	5,503	5,691	5,864	6,079
Education	131,068	139,573	149,600	155,074	160,266
Debt and sundry	40,418	25,922	40,601	32,380	34,431
Capital outlay	77	99	-	48	102
Total Expenditures	219,403	214,638	240,694	239,506	247,243
Excess (deficiency) of revenues over expenditures	2,104	16,617	12,241	16,711	16,567
Other financing sources (uses):					
Issuance of refunding bonds	67,710	-	-	-	-
Premium on bond refunding	-	-	-	-	-
Payment to escrow agent	(67,257)	-	-	-	-
Operating transfers in	1,069	878	994	790	849
Operating transfers (out)	(2,484)	(16,786)	(13,591)	(16,413)	(16,654)
Total other financing sources (uses) ..	(962)	(15,908)	(12,597)	(15,623)	(15,805)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,142	709	(356)	1,088	762
Fund Balance - July 1	16,860	18,002	18,711	18,355	19,443
Fund Balance - June 30	<u>\$ 18,002</u>	<u>\$ 18,711</u>	<u>\$ 18,355</u>	<u>\$ 19,443</u>	<u>\$ 20,205</u>

¹ In fiscal year 2010, the budgets for all Risk Management costs (Health, Workers Compensation, etc.) was transferred from individual departments to Debt and Sundry.

² 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).

Source: Town annual audited financial statements.

VI. ADDITIONAL INFORMATION

Litigation

In the opinion of the Town's Corporation Counsel, as of the date of this Official Statement, there are no claims or litigation pending or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the Town that would have a material adverse effect on the finances of the Town or its financial position or the power of the Town to levy and collect taxes.

Financial Advisor

The Town has retained Independent Bond and Investment Consultants LLC, of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although Independent Bond and Investment Consultants LLC has assisted in the preparation of the Official Statement, Independent Bond and Investment Consultants LLC is not obligated to undertake, and has not undertaken to make, an independent verification of, nor does it assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Independent Bond and Investment Consultants LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities.

Availability of Continuing Disclosure Information

The Town of West Hartford 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.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement, pursuant to a Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12 (b)(5).

In the past five (5) years, the Town has not failed to comply, in any material respect, with its undertakings in such continuing disclosure agreements.

The Town is not responsible for any failure by EMMA or any other nationally recognized municipal securities information repository to timely post disclosure submitted to it by the Town or any failure to associate such submitted disclosure to all related CUSIPs.

Documents Accompanying the Delivery of the Bonds

The original purchaser will be furnished the following documents when the Bonds are delivered.

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 Town signed by the Town Manager and the Director of Financial Services, which will be dated the date of delivery, together with a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted the description and statements in the Official Statement relating to the Town 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 Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.

4. The approving opinion of Shipman & Goodwin LLP, Bond Counsel of Hartford, Connecticut substantially in the form attached as Appendix B to this Official Statement.

5. An executed Continuing Disclosure Agreement substantially in the form attached as Appendix C to this Official Statement.

6. The Town of West Hartford, Connecticut has prepared an Official Statement for the Bond issue, which is dated January 29, 2015. The Town 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.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Paying Agent, U.S. Bank National Association, in Hartford, Connecticut and may be examined upon reasonable notice.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town of West Hartford from official and other sources and is believed by the Town of West Hartford to be reliable, but such information, other than that obtained from official records of the Town of West Hartford, has not been independently confirmed or verified by the Town of West Hartford and its accuracy is not guaranteed.

Additional information may be obtained upon request from the Department of Finance, Attn. Mr. Peter Privitera, Director of Financial Services, or Mrs. C. Elizabeth Hewitt, Financial Operations Manager, Town Hall, 50 South Main Street, West Hartford, CT 06107, (860) 561-7460.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town of West Hartford by the following officials:

TOWN OF WEST HARTFORD,
CONNECTICUT

/s/ Ronald F. Van Winkle

Ronald F. Van Winkle
Town Manager

/s/ Peter Privitera

Peter Privitera
Director of Financial Services

Dated as of January 29, 2015

APPENDIX A - AUDITED FINANCIAL STATEMENTS

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BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Members of the Town Council
Town of West Hartford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut'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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-3 through A-16, the budgetary comparison information on pages A-55 through A-60, and the Pension Trust Fund schedules required under GASB 67 on pages A-61 through A-63 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
December 4, 2014

TOWN OF WEST HARTFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

This discussion and analysis of the financial performance of the Town of West Hartford (the Town) is prepared by management to provide a narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our transmittal letter, which can be found on pages v-x of this report, and the Town's financial statements, Exhibits I to IX. All amounts, unless otherwise stated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the Town of West Hartford exceeded its liabilities at the close of fiscal year 2014 by \$206,981. Of this amount, \$30,697 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The governmental activities funds reported consolidated net position of \$196,634 with \$32,883 available for spending at the Town's discretion.
- The business-type activities of the Town had a net position of \$10,347 at fiscal year-end.
- The Town's net position declined \$298 as a result of current year operations. Net position from governmental activities increased \$139, while net position of business-type activities decreased \$437.
- The Town achieved a current year tax collection rate of 99.2% for fiscal year 2014 and delinquent tax collections continued to remain strong.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The 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.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide the reader with a broad overview of the Town's financial position in a manner similar to the private-sector.

The *statement of net position* (Exhibit I) presents information on all the Town's assets and liabilities, with the difference between the two reported as *net position*, and is one way to measure the Town's financial health. Over time, increases or decreases in net position may serve as a useful indicator as to whether the Town's financial position has improved or deteriorated.

The *statement of activities* (Exhibit II) presents changes to the Town's net position during the fiscal year presented. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items, such as uncollected taxes and earned but unused vacation leave, which will only result in cash flows of future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are primarily supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user charges and fees (business-type activities). Both are discussed below:

- *Governmental Activities* - Most of the Town's basic services, which include education, public safety, human and cultural, community maintenance and general government, are recorded here. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges user fees to customers to help cover all or a significant portion of the costs of these services.

The government-wide financial statements include not only the Town itself, but also a discretely presented component unit known as the West Hartford Center Special Services District which was established in 2004. Financial information for the discretely presented component unit is reported separately from the financial information of the primary government. The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources segregated for a specific objective or activity. Some funds are required to be established by Town Charter. The Town Council establishes many other funds to help control and manage financial activities for particular purposes (such as the Capital Projects Fund and the Police Private Duty Services Fund) or to show that it is meeting legal responsibilities for using grants and other money (such as grants received from the State Department of Education and the Federal Department of Housing and Urban Development). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds (Exhibits III and IV). The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. These financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

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. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in the reconciliation at the bottom of the fund financial statements. By reading both of these, readers may better understand the long-term impact of the government's short-term financing decisions.

The Town maintains twenty-seven (27) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Funds (comprised of the Capital Projects Fund and the Capital Non-recurring Expenditure Fund), CDBG (Community Development Block Grant) Housing Rehabilitation Fund, and the Debt Service Funds (comprised of the Debt Service Fund and the Blue Back Square Fund), all of which are considered major funds. The remaining twenty-one (21) funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements located on pages 67-72 of this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, showing original budget, final budget and actual results has been provided to demonstrate compliance with this budget and is located in the required supplementary information on pages 56-60 of this report.

The basic governmental fund financial statements can be found on pages 20-23.

Proprietary Funds (Exhibits V, VI and VII). The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town's only enterprise fund is the Leisure Services Fund. *Internal service funds* are used to accumulate and allocate internal costs among various departments. The Town uses internal service funds to account for risk management costs and utility costs. Because both of these functions predominantly benefit governmental rather than business-type functions, these activities have been included within governmental activities in the government-wide financial statements. Proprietary funds are reported using the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred.

Fiduciary Funds (Exhibits VIII and IX). The Town is the trustee, or fiduciary, for its employees' pension plan and other postemployment benefits trust plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements as the resources for those funds are not available to support the Town's operations. The Town is responsible for ensuring that the assets reported in the fund are used for their intended purposes. The accounting method used for fiduciary funds is similar to that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information necessary to fully understand the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-55.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful tool to analyze a government's financial position. The Town's combined net position decreased from \$207,279 at the end of fiscal year 2013 to \$206,981 at the end of fiscal year 2014, a decrease of 0.1%. The discussion below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

The largest component of the Town's net position (\$173,769 or 84.0%), is its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, machinery and equipment), less any related debt outstanding to acquire such assets. These assets are used to provide services to citizens and thus are not available to finance future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that resources necessary to repay this debt must be provided from other sources, as capital assets cannot be used to satisfy these liabilities.

An additional portion of the Town's net position (\$2,515 or 1.2%) represents resources subject to use restrictions by external sources. The remaining balance (\$30,697 or 14.8%) is unrestricted and may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

TABLE 1
Net Position
In Thousands

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 100,526	\$ 80,761	\$ 250	\$ 347	\$ 100,776	\$ 81,108
Capital assets, net of accumulated depreciation	<u>306,387</u>	<u>307,191</u>	<u>12,533</u>	<u>13,040</u>	<u>318,920</u>	<u>320,231</u>
Total assets	<u>406,913</u>	<u>387,952</u>	<u>12,783</u>	<u>13,387</u>	<u>419,696</u>	<u>401,339</u>
Deferred charge on refunding	<u>555</u>	<u>687</u>	<u> </u>	<u> </u>	<u>555</u>	<u>687</u>
Long-term liabilities	182,739	173,163	132	176	182,871	173,339
Other liabilities	<u>12,422</u>	<u>11,138</u>	<u>2,304</u>	<u>2,427</u>	<u>14,726</u>	<u>13,565</u>
Total liabilities	<u>195,161</u>	<u>184,301</u>	<u>2,436</u>	<u>2,603</u>	<u>197,597</u>	<u>186,904</u>
Advance property tax collections	<u>15,673</u>	<u>7,843</u>	<u> </u>	<u> </u>	<u>15,673</u>	<u>7,843</u>
Net Position:						
Net investment in capital assets	161,236	171,505	12,533	13,040	173,769	184,545
Restricted	2,515	2,601			2,515	2,601
Unrestricted (deficit)	<u>32,883</u>	<u>22,389</u>	<u>(2,186)</u>	<u>(2,256)</u>	<u>30,697</u>	<u>20,133</u>
Total Net Position	<u>\$ 196,634</u>	<u>\$ 196,495</u>	<u>\$ 10,347</u>	<u>\$ 10,784</u>	<u>\$ 206,981</u>	<u>\$ 207,279</u>

Governmental Activities. Net position of the Town's governmental activities increased \$139 from the prior year. Net investment in capital assets (net of related debt) decreased \$10,269, while restricted assets decreased \$86 and unrestricted (which may be used to finance day-to-day operations without constraints) increased \$10,494 or 46.9%.

Total assets increased \$18,961 from the prior year, primarily the result of higher cash and investment balances than were on-hand at June 30, 2013. Total liabilities increased \$10,860 due to an increase in bonds payable as the Town issued \$20,000 in new debt during fiscal year 2014. In addition, advance property tax collections increased from \$7,843 to \$15,673 due to the timing of the mailing of tax bills.

Business-Type Activities. The total net position of the Town's business-type activities decreased by \$437 or 4.1%, the result of capital asset activity in which current year depreciation expense exceeded asset additions.

TABLE 2
Changes in Net Position
In Thousands

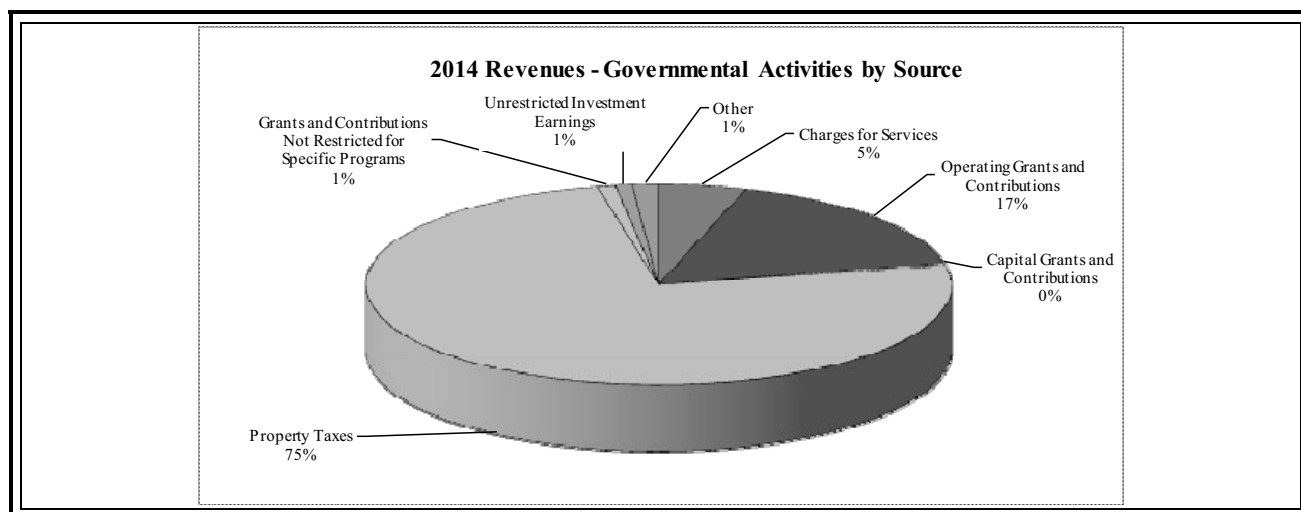
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,962	\$ 14,597	\$ 2,889	\$ 2,648	\$ 16,851	\$ 17,245
Operating grants and contributions	48,077	45,239	26	20	48,103	45,259
Capital grants and contributions	962	2,277	468	923	1,430	3,200
General revenues:						
Property taxes	214,970	210,661			214,970	210,661
Grants and contributions not restricted to specific purposes	2,855	3,001			2,855	3,001
Unrestricted investment earnings	2,685	2,024			2,685	2,024
Other general revenues	4,089	4,042		19	4,089	4,061
Total revenues	<u>287,600</u>	<u>281,841</u>	<u>3,383</u>	<u>3,610</u>	<u>290,983</u>	<u>285,451</u>
Program expenses:						
General government	11,362	9,410			11,362	9,410
Public safety	45,213	43,699			45,213	43,699
Community maintenance	35,598	34,227			35,598	34,227
Human and cultural	11,526	11,308			11,526	11,308
Education	178,648	172,635			178,648	172,635
Interest on long-term debt	4,963	4,978			4,963	4,978
Leisure services			3,971	3,896	3,971	3,896
Total program expenses	<u>287,310</u>	<u>276,257</u>	<u>3,971</u>	<u>3,896</u>	<u>291,281</u>	<u>280,153</u>
Change in net assets before transfers	290	5,584	(588)	(286)	(298)	5,298
Transfers	<u>(151)</u>	<u>(304)</u>	<u>151</u>	<u>304</u>		
Change in net assets	139	5,280	(437)	18	(298)	5,298
Net Assets at Beginning of Year	<u>196,495</u>	<u>191,215</u>	<u>10,784</u>	<u>10,766</u>	<u>207,279</u>	<u>201,981</u>
Net Assets at End of Year	<u>\$ 196,634</u>	<u>\$ 196,495</u>	<u>\$ 10,347</u>	<u>\$ 10,784</u>	<u>\$ 206,981</u>	<u>\$ 207,279</u>

Primary Government

Total primary government revenues increased \$5,532 from the prior year, while total primary government program expenses increased \$11,128 over the same time period. The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for governmental activities exclusive of transfers totaled \$287,600 for fiscal year 2014. Property taxes (75%), operating grants and contributions (17%) and charges for services (5%) were the primary revenue sources, while capital grants and contributions, unrestricted grants, investment earnings and other general revenues combined contributed 3% of the Town's revenues.



Operating grants and contributions totaled \$48,077 in fiscal year 2014, an increase of \$2,838 from the prior year relating primarily to Board of Education intergovernmental grants. Capital grants and contributions decreased \$1,315, a result of fewer community maintenance and human and cultural grants in fiscal year 2014. On a government-wide basis, unrestricted investment earnings include both short-term investments in the governmental funds as well as investment income from the risk management reserve accounts. With the short-term interest rate environment remaining stagnant, interest earnings on short-term investments were consistent with the prior year while higher equity returns in the risk management reserves over fiscal year 2013 had a favorable impact on investment earnings.

In order to cover the increased cost of services, the fiscal year 2014 adopted General Fund budget required an increase of 1.8% in current year property tax revenue. Actual property tax revenue comprised 74.7% of total governmental activities revenue in fiscal year 2014, consistent with fiscal year 2013.

Program expenses for governmental activities totaled \$287,310 for fiscal year 2014. Approximately 22% of program expenses were supported by program revenues with the balance funded from general revenues, primarily property taxes. Expenses for education (62%), public safety (16%), and community maintenance (12%) comprise 90% of total governmental activities program expenses, with general government, human and cultural, and interest on long-term debt comprising the remaining 10%.

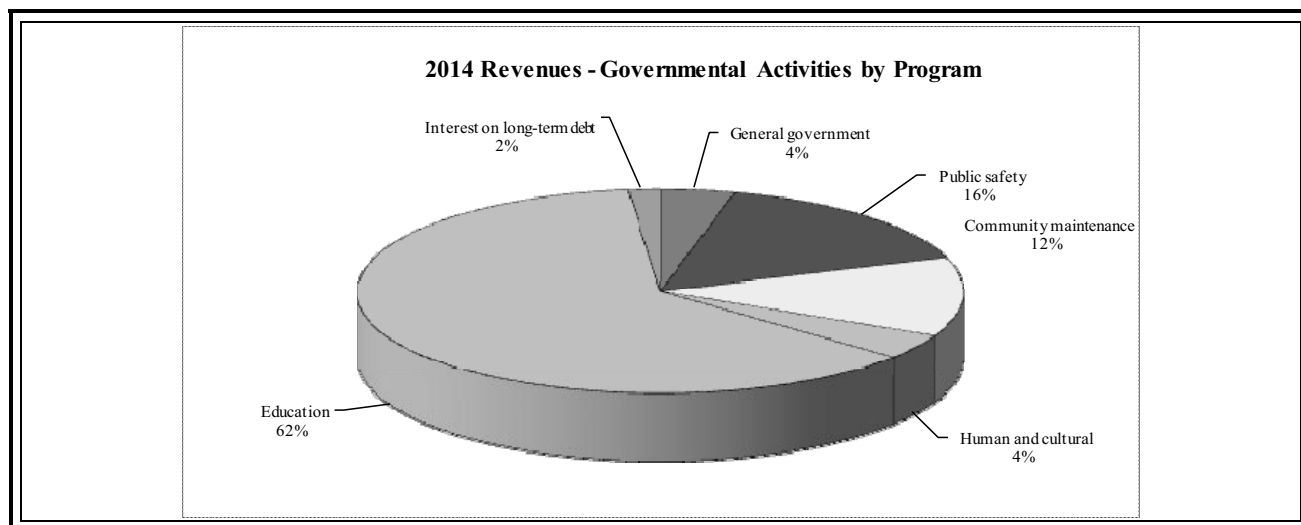
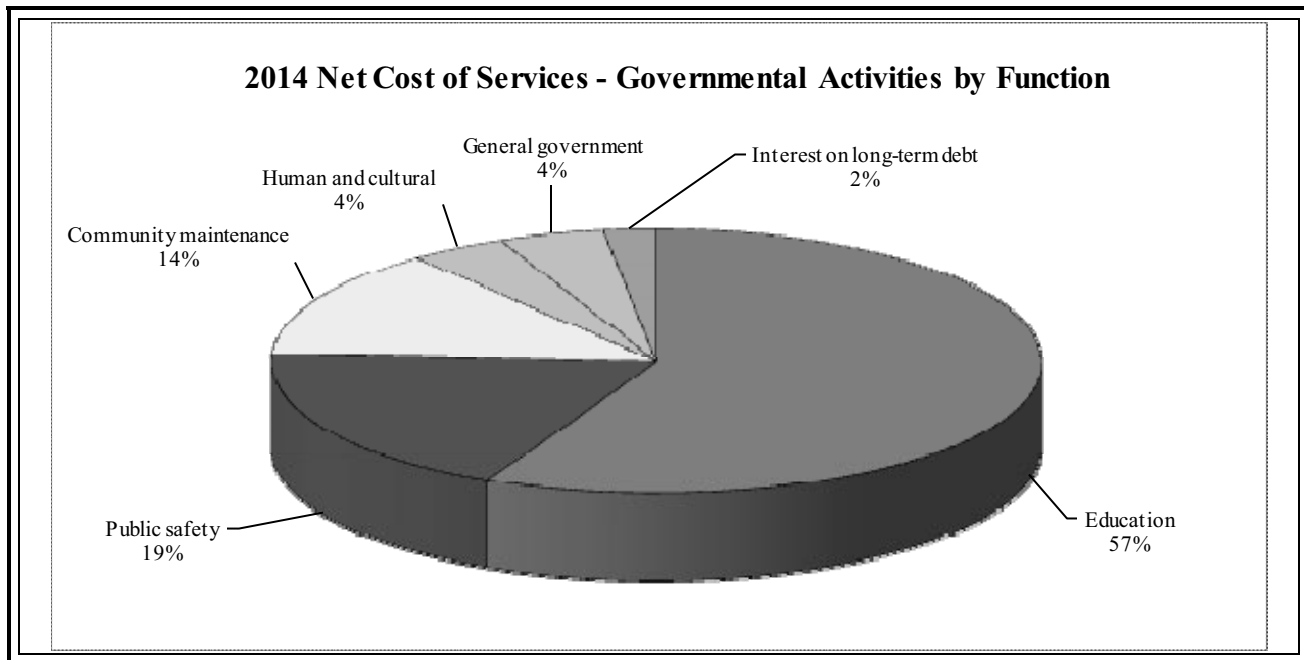


Table 3 presents the total cost and net cost of services (total cost less revenues from non-tax sources directly related to the individual function) for each of the Town's six major functions: education, public safety, community maintenance, general government, human and cultural, and interest on long-term debt. The net cost shows the financial burden placed on the Town's taxpayers by function.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Education	\$ 178,648	\$ 172,635	\$ 128,371	\$ 124,913
Public safety	45,213	43,699	41,764	40,141
Community maintenance	35,598	34,227	30,149	27,865
Human and cultural	11,526	11,308	9,180	8,365
General government	11,362	9,410	9,910	7,918
Interest on long-term debt	4,963	4,978	4,935	4,942
Total	<u><u>\$ 287,310</u></u>	<u><u>\$ 276,257</u></u>	<u><u>\$ 224,309</u></u>	<u><u>\$ 214,144</u></u>

The chart below depicts the percentage of total net costs by function.



Business-Type Activities

Revenues from business-type activities decreased \$227 from the prior year due to decreases in capital grants and contributions (\$455) and other revenues (\$19), offset by an increase in charges for services (\$241) and operating grants and contributions (\$6). Program expenses increased \$75 while transfers decreased \$153 in fiscal year 2014 resulting in net position of \$10,347 at year-end, an overall decrease of \$437 from the prior year.

FUND FINANCIAL ANALYSIS

As noted earlier, the Town uses fund accounting to control and manage financial activities for a particular purpose or to demonstrate compliance with legal requirements.

Governmental Funds

As of June 30, 2014, the Town's governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$38,962. This represents an increase of \$10,120 or 35.1% from the prior year. Based upon fund balance classification under GASB 54, \$19,653 or 50.4% is unassigned and is comprised solely of fund balance of the General Fund. An additional \$17,459 or 44.8% is committed, or constrained for a specific purpose by the Town Council. The remainder is comprised of non-spendable (\$266), restricted (\$1,136), and assigned (\$448) fund balance, as defined in footnote 1.

Included in the fiscal year 2014 net change in fund balance is an increase of \$762 for the General Fund. Factors affecting the General Fund are discussed below in the General Fund Highlights section.

Fund balance of the Capital Project Funds increased \$8,327, reflecting intergovernmental revenue of \$727, transfers in of \$1,701 and other revenues of \$382, with corresponding capital expenditures of \$13,829 and transfers out of \$654. In addition, the Town issued \$20,000 in general obligation bonds in fiscal year 2014. The CDBG Housing Rehabilitation Fund had no change in fund balance, while the Debt Service Funds had a net increase in fund balance of \$1,171 resulting from a bond premium (\$2,027) offset by planned use of fund balance (\$856). Non-major Governmental Funds experienced a net decrease in fund balance of \$140, as detailed in Exhibit B-2. Fund balance of the Cafeteria Fund decreased \$188, offset by an increase of \$63 in the School Special Programs Fund, while the remaining non-major governmental funds experienced modest changes totaling a net decrease of \$15.

Proprietary Funds

The Town's proprietary fund statements (Exhibits V-VII) provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of proprietary funds was \$26,811 at year-end, an increase of \$1,790 from the prior year. Net position of the Internal Service Funds increased \$2,227 as a result of the Town's effort to build the retiree health reserve of the Risk Management Fund. The Leisure Services Fund had a decrease in net position of \$437.

General Fund Highlights

Over the course of the year, the Town Council approved budget revisions for factors not known during the budget process. Tables 4 and 5 highlight the changes from the original adopted budget to the final amended budget for fiscal year 2014 and the variance between the final budget and actual results.

Revenue	Budget		Change	Actual Revenue	Over/ (Under) Final Budget
	Original	Final			
Property taxes	\$ 213,676	\$ 214,692	\$ 1,016	\$ 214,923	\$ 231
Federal	37	152	115	178	26
State	20,848	21,552	704	21,801	249
Charges for services	4,741	4,850	109	4,741	(109)
Local revenues	600	637	37	774	137
Income on investments	500	500		256	(244)
Transfers in	1,036	1,036		849	(187)
Total Adopted Budget	\$ 241,438	\$ 243,419	\$ 1,981	\$ 243,522	\$ 103

General Fund Budgetary Amendments

The General Fund's final estimated revenues increased \$1,981 or 0.8% from the original adopted budget.

- Property taxes increased a total of \$1,016, comprised of increases to current year property tax revenue (\$300), prior year property tax revenue (\$150), interest & lien fees (\$316), and motor vehicle supplement (\$250).
- Additional federal grants totaling \$115 were appropriated during the fiscal year, including Police grants (\$53) and an expanded Dial-a-Ride grant (\$62).
- Estimated intergovernmental revenue from the State of Connecticut increased \$704 as municipal aid that had been eliminated in the Governor's proposed budget was subsequently reinstated. Additional appropriations were made for public school transportation (\$278), payments-in-lieu of taxes (\$168), and the Mashantucket Pequot fund (\$242). Miscellaneous grants increased \$16.
- The increase in estimated charges for services revenue resulted from the appropriation of fees related to the Connecticut SWAT Challenge (\$109), an annual event coordinated by the Town's Police Department in which fees are used to cover the cost of the event.

General Fund Revenue Variance

When compared to final estimated revenues, actual revenue was \$103 higher than budgeted. Actual property tax revenue exceeded budget by \$231, as favorable variances were achieved in all property tax line items. Federal revenue was slightly higher than anticipated (\$26), and State revenue exceeded budget by \$249. Significant favorable variances were seen in the payment-in-lieu of taxes grant (\$141) and the municipal revenue sharing grant (\$170), offset by small unfavorable variances in other grants. Charges for services fell short of budget by \$109. Shortfalls were experienced in building permits (\$75), conveyance tax (\$121), and land records fees (\$141), offset by favorable variances in fire permits (\$120), electronic recording of mortgages (\$66) and zoning permits (\$53). Local revenues exceeded budget as a result of sale of assets (\$74), rental income (\$32), and a recycling rebate (\$27). Income on investments was \$244 less than estimated due to stagnant interest rates and transfers in from other funds were \$187 less than expected due to a reduction in the LoCIP grant.

The Town achieved a property tax collection rate of 99.2% for fiscal year 2014. The continued success of property tax collections, the major revenue source for the Town, has been critical to its financial health. In addition, the Department of Financial Services has demonstrated strong collection of delinquent taxes. Delinquent taxes receivable totaled \$2.5 million at the end of fiscal year 2014 (net of lawful corrections, allowance for doubtful accounts and transfers to suspense). As detailed on the following chart, the collection rate for delinquent taxes has ranged from 58% to 62% over the five years presented.

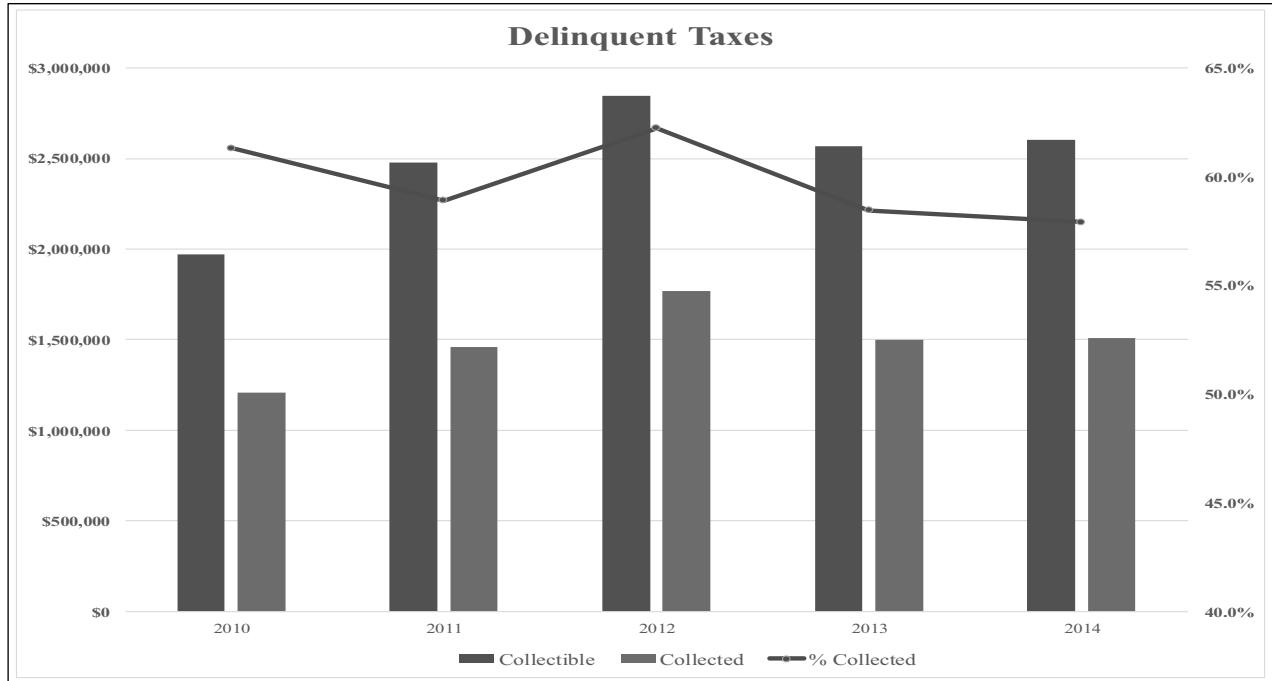


TABLE 5
Summary of General Fund Budget - Original and Final
Appropriations vs. Actual
In Thousands

<u>Department</u>	<u>Original</u>	<u>Final</u>	<u>Change</u>	<u>Actual Expenditure</u>	<u>(Over)/ Under Final Budget</u>
Town Council	\$ 390	\$ 384	\$ (6)	\$ 384	\$ -
Town Clerk	266	288	22	288	-
Town Manager	271	271		271	-
Corporation Counsel	459	465	6	465	-
Registrar of Voters	264	188	(76)	188	-
Information Technology	752	747	(5)	747	-
Financial Services	1,969	1,963	(6)	1,963	-
Assessment	631	615	(16)	615	-
Employee Services	409	407	(2)	407	-
Fire	10,099	10,214	115	10,214	-
Police	14,716	15,201	485	15,200	1
Community Services	2,540	2,586	46	2,586	-
Public Works	11,012	10,843	(169)	10,843	-
Facilities	2,265	2,314	49	2,314	-
Library	3,184	3,185	1	3,185	-
Human & Leisure Services	2,783	2,895	112	2,895	-
Education	139,769	139,769		139,158	611
Debt and Sundry	34,255	34,442	187	34,423	19
Transfers Out	<u>15,404</u>	<u>16,642</u>	<u>1,238</u>	<u>16,654</u>	<u>(12)</u>
Total Adopted Budget	<u>\$ 241,438</u>	<u>\$ 243,419</u>	<u>\$ 1,981</u>	<u>\$ 242,800</u>	<u>\$ 619</u>

Changes to departmental budgets resulted from transfers between departments and resolutions relating to grant funds. Significant variances between the original and amended budget result from the following:

- The Fire Department required a transfer of \$115 at year-end due to higher than anticipated personal services costs resulting from termination payments of unused sick and vacation time for firefighters who retired, in accordance with the union contract. This was offset by slight savings in operating expenses.
- The Police Department budget increased \$485 over the fiscal year due to grants (\$54), minor equipment (\$7), an appropriation for costs related to the SWAT Challenge (\$104), and a required transfer at year-end (\$320). The required transfer was attributed to personal services costs and social security that were higher than anticipated (\$426) due to termination payments of unused sick and vacation time, in accordance with union contract, for six (6) police officers who retired in fiscal year 2014, and excess overtime due to vacancies, employees out on long-term workers compensation leave, and military leave. Offsetting this overage was savings in operating expense (\$106), primarily due to lower gasoline, maintenance and repairs, and office equipment costs.

- The Department of Public Works budget was reduced \$169 during fiscal year 2014. Personal services and related social security savings of \$159 were achieved through reduced temporary payroll and a hiring lag in filling vacant positions. In addition, the department's operating expenses showed a net favorable variance of \$10.
- The Department of Human and Leisure Services budget was increased \$112. Appropriations were made for grants (\$65) and contributions (\$12) during the fiscal year. At year end, a required transfer of \$35 was made for operating expense overages, primarily related to the Dial-a-Ride program and professional services.
- The Debt & Sundry appropriation had a net increase of \$187 in fiscal year 2014. A contingency for unsettled union contracts was offset by savings in the radio maintenance and paramedic services programs.
- The final budget for transfers to other funds had a net increase of \$1,238 from the original budget. Transfers to the CNRE Fund were increased \$1,107 to fund capital projects and purchase vehicles from surplus and a transfer of \$131 was made to the Leisure Services Fund to cover an unanticipated operating deficit.

General Fund Expenditure Variance

In comparison to final appropriations, actual expenditures were \$619 less than budgeted in the areas of Education (\$611), Debt & Sundry (\$19), and Police (\$1), while transfers out were \$12 higher than anticipated. The significant variance in Education resulted primarily from a surplus in the tuition account, with minor variances in salaries and transportation costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the Town had \$318.9 million (net of accumulated depreciation) invested in a broad range of capital assets including land, land improvements, buildings, park facilities, vehicles, furniture and equipment, and infrastructure (such as roads, bridges, dams, storm sewers, and traffic signals) as detailed in Table 6. This amount represents a net decrease of \$1.3 million, or 0.4%, from the prior year.

TABLE 6
Capital Assets at Year-end
Net of Depreciation
In Millions

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 10.6	\$ 10.6	\$	\$	\$ 10.6	\$ 10.6
Construction in progress	19.1	16.9	1.6	1.3	20.7	18.2
Buildings and land improvements	182.5	188.1	10.8	11.6	193.3	199.7
Furniture and equipment	3.7	3.0	0.1	0.1	3.8	3.1
Vehicles	3.4	2.7			3.4	2.7
Infrastructure	87.1	85.9			87.1	85.9
Total Capital Assets	\$ 306.4	\$ 307.2	\$ 12.5	\$ 13.0	\$ 318.9	\$ 320.2

The Town's capital budget appropriates a spending level of \$55,790 for capital projects during fiscal year 2015, \$42,000 of which will be utilized to construct a new Charter Oak Elementary School. It is estimated that the Town will be reimbursed for 80% of the construction cost for the new school. The Town has no plans to fund current operations from the proceeds of debt issuance. Detailed information about the Town's capital assets is presented in note 5 to the basic financial statements.

Long-Term Debt

On June 30, 2014 the Town had \$140,830 in bonds outstanding versus \$133,085 in the prior year.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds (backed by the Town)	\$ 140.8	\$ 133.1	\$ -	\$ -	\$ 140.8	\$ 133.1

The increase in outstanding debt resulted from the issuance of \$20,000 in general obligation bonds in January 2014, offset by principal payments on existing debt of \$12,255 made during fiscal year 2014. Long-term debt is discussed in greater detail in note 7 to the financial statements. The Town's general obligation bonds continue to carry the highest ratings awarded by both Moody's Investors Services, Inc. and Standard & Poor's Financial Services, LLC (Aaa and AAA, respectively). These ratings, which have been assigned to the Town since 1972, were reaffirmed by the rating agencies in January 2014.

The State limits the amount of general obligation debt towns can issue based upon a State mandated formula calculated on the type of debt and tax base. The Town's total debt, as calculated by State guidelines, is significantly below the \$1.50 billion State imposed limit. The Town has adopted its own capital financing guidelines which state that annual debt service as a percentage of General Fund expenditures shall not exceed 10%, and is targeted to be 8% or less. Actual debt service for fiscal year 2014, inclusive of debt service of the Blue Back Square Fund, was 7.1% of General Fund expenditures. The General Fund portion of debt service was 5.5% of General Fund expenditures. More information on the Town's debt is available in Tables 8, 9 and 10 in the statistical section of this document.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With reliance on the local property tax as the sole means allowed for financing local municipal and educational services in Connecticut and growth in the Grand List insufficient to support increases in the cost of those services, the balancing of service levels and property taxation continues to frame the Town's annual budget process. The fiscal year 2015 General Fund budget totals \$250,845 and represents an increase of \$9,289 or 3.8% from fiscal year 2014, at the time of adoption. The municipal services portion of the budget totals \$91,202, an increase of \$3,688 or 4.2%. The education budget totals \$145,889, an increase of \$5,833 or 4.2%. The capital financing portion of the budget for both municipal and education services is \$13,754, a decrease of \$232 or 1.7%.

The fiscal year 2015 budget was prepared with the goal of maintaining the current level of services while minimizing the property tax increase. In order to do so, certain assumptions and policy issues are reflected, as follows:

- Continuing to assume a 99% property tax collection rate and use of conservative revenue estimates for non-tax revenues.
- An increase of \$1,125 in intergovernmental revenue based upon inclusion of the Governor's fiscal year 2015 proposal for state aid and adjustment to the Education Cost Sharing Grant.
- Continuing to make the full actuarially recommended contribution to the Town's Pension Fund and a higher contribution to the retiree health reserve.
- The addition of a new Building Inspector position in response to increased building permit applications, which are expected to sustain at current levels, and to address the associated backlog to date. In an effort to mitigate the cost of the additional Building Inspector, the vacant Assistant Zoning Enforcement Officer position is unfunded in fiscal year 2015.
- The upgrade on an existing position to Deputy Town Clerk to assume the operational responsibilities of the Registrars of Voters Department.

Property taxes are the primary source of revenue for municipalities in Connecticut and increases in property tax revenue are generated from growth in the value of taxable property and increases to the tax rate. As a fully developed community, growth in the Town's taxable property is through reuse of existing property which has been reduced with the economic climate. The October 1, 2013 net taxable Grand List (prior to Board of Assessment appeals) totaled \$5,928,561, an increase of \$34,665 or 0.6%. This Grand List growth generates \$1,295 in additional revenue for fiscal year 2015. However, the growth in the Grand List is insufficient to provide the necessary revenue to support the increased cost of maintaining municipal and education services for fiscal year 2015. In order to finance the budget, an increase in current year property tax revenue for existing taxpayers of \$6,166 is required. This equates to a mill rate of 37.37, an increase of 1.07 mills or 2.9% from the fiscal year 2014 mill rate.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department of Financial Services, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, (860) 561-7460, or visit the Town's website at <http://www.westhartford.org>.

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2014
(In Thousands)

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>West Hartford</u>
	<u>Activities</u>	<u>Activities</u>		
				<u>Services District</u>
Assets:				
Cash and cash equivalents	\$ 69,464	\$ 1	\$ 69,465	\$ 35
Investments	16,406		16,406	
Receivables, net	12,726	228	12,954	17
Inventories	266		266	
Prepaid asset	1,664	21	1,685	
Capital assets:				
Assets not being depreciated	29,661	1,561	31,222	
Assets being depreciated, net	276,726	10,972	287,698	
Total assets	<u>406,913</u>	<u>12,783</u>	<u>419,696</u>	<u>52</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	<u>555</u>		<u>555</u>	
Liabilities:				
Accounts and other payables	6,513	80	6,593	
Payroll liabilities	4,554	100	4,654	
Other current liabilities	866	7	873	34
Internal balances	(1,709)	1,709		
Unearned revenue	2,198	408	2,606	18
Noncurrent liabilities:				
Due within one year	26,321	44	26,365	
Due in more than one year	156,418	88	156,506	
Total liabilities	<u>195,161</u>	<u>2,436</u>	<u>197,597</u>	<u>52</u>
Deferred Inflows of Resources:				
Advance property tax collections	<u>15,673</u>		<u>15,673</u>	
Net Position:				
Net investment in capital assets	161,236	12,533	173,769	
Restricted for:				
Perpetual care:				
Expendable	2,433		2,433	
Nonexpendable	82		82	
Unrestricted	<u>32,883</u>	<u>(2,186)</u>	<u>30,697</u>	
Total Net Position	<u>\$ 196,634</u>	<u>\$ 10,347</u>	<u>\$ 206,981</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit West Hartford Special Services District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 11,362	\$ 1,445	\$ 7	\$	\$ (9,910)	\$	\$ (9,910)	\$
Public safety	45,213	3,048	303	98	(41,764)		(41,764)	
Community maintenance	35,598	4,128	692	629	(30,149)		(30,149)	
Human and cultural	11,526	1,423	886	37	(9,180)		(9,180)	
Education	178,648	3,918	46,161	198	(128,371)		(128,371)	
Interest on long-term debt	4,963		28		(4,935)		(4,935)	
Total governmental activities	287,310	13,962	48,077	962	(224,309)		(224,309)	
Business-type activities:								
Leisure services	3,971	2,889	26	468		(588)	(588)	
Total Primary Government	\$ 291,281	\$ 16,851	\$ 48,103	\$ 1,430	(224,309)	(588)	(224,897)	
Component Unit:								
West Hartford Special Services District	\$ 4,159	\$ 2,449	\$ -	\$ -				(1,710)
General revenues:								
Property taxes					214,970		214,970	1,702
Grants and contributions not restricted to specific programs					2,855		2,855	
Unrestricted investment earnings					2,685		2,685	8
Miscellaneous					4,089		4,089	
Transfers					(151)	151	-	
Total general revenues and transfers					224,448	151	224,599	1,710
Change in net position					139	(437)	(298)	-
Net Position at Beginning of Year					196,495	10,784	207,279	-
Net Position at End of Year					\$ 196,634	\$ 10,347	\$ 206,981	\$ -

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

(In Thousands)

	<u>General</u>	<u>Capital Project Funds</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 41,369	\$ 6,679	\$ 60	\$ 3,059	\$ 9,120	\$ 60,287
Receivables, net	3,592	509	3,102	2	1,996	9,201
Due from other funds	2,447					2,447
Inventories	178				88	266
Total Assets	<u>\$ 47,586</u>	<u>\$ 7,188</u>	<u>\$ 3,162</u>	<u>\$ 3,061</u>	<u>\$ 11,204</u>	<u>\$ 72,201</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities:						
Accounts and other payables	\$ 2,738	\$ 111	\$ 34	\$	\$ 624	\$ 3,507
Payroll liabilities	4,277	1			250	4,528
Due to other funds					738	738
Other liabilities	866					866
Unearned revenue	1,292				906	2,198
Total liabilities	<u>9,173</u>	<u>112</u>	<u>34</u>	<u></u>	<u>2,518</u>	<u>11,837</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,920					1,920
Unavailable revenue - school building grants	615					615
Unavailable revenue - loans receivable			3,074		120	3,194
Advance property tax collections	15,673					15,673
Total deferred inflows of resources	<u>18,208</u>	<u>-</u>	<u>3,074</u>	<u>-</u>	<u>120</u>	<u>21,402</u>
Fund balances:						
Nonspendable	178				88	266
Restricted			54		1,082	1,136
Committed		7,076		3,061	7,322	17,459
Assigned	374				74	448
Unassigned	19,653					19,653
Total fund balances	<u>20,205</u>	<u>7,076</u>	<u>54</u>	<u>3,061</u>	<u>8,566</u>	<u>38,962</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 47,586</u>	<u>\$ 7,188</u>	<u>\$ 3,162</u>	<u>\$ 3,061</u>	<u>\$ 11,204</u>	<u>\$ 72,201</u>

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TOWN OF WEST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2014

(In Thousands)

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$	38,962
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	514,904
Less accumulated depreciation		<u>(208,517)</u>
Net capital assets		306,387
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Net pension asset		1,646
Property tax receivables greater than 60 days		1,920
Interest receivable on property taxes		774
Housing loans receivable		3,194
Interest receivable on housing loans		554
Deferred charges		555
Receivable from the state for school construction projects		615
Internal service funds are used by management to charge the costs of risk management and utility services to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		
		16,464
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable		(140,830)
Interest payable on bonds and notes		(2,052)
Compensated absences		(20,326)
Other postemployment obligations		(6,353)
Bond premium		<u>(4,876)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u><u>196,634</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	<u>General</u>	<u>Capital Project Funds</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 214,923	\$	\$	\$	\$	\$ 214,923
Intergovernmental	43,115	727	29		7,639	51,510
Charges for services	4,741	146	2	20	8,668	13,577
Income on investments	256		15	2	405	678
Miscellaneous	775	236	162	3,321	701	5,195
Total revenues	<u>263,810</u>	<u>1,109</u>	<u>208</u>	<u>3,343</u>	<u>17,413</u>	<u>285,883</u>
Expenditures:						
Current:						
General government	5,328				-	5,328
Public safety	25,368				1,969	27,337
Community maintenance	15,669			136	2,076	17,881
Human and cultural	6,079		208		1,642	7,929
Education	160,266				12,774	173,040
Debt and sundry	34,431			17,365		51,796
Capital outlay	102	13,829			447	14,378
Total expenditures	<u>247,243</u>	<u>13,829</u>	<u>208</u>	<u>17,501</u>	<u>18,908</u>	<u>297,689</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,567</u>	<u>(12,720)</u>	<u>-</u>	<u>(14,158)</u>	<u>(1,495)</u>	<u>(11,806)</u>
Other Financing Sources (Uses):						
Transfers in	849	1,701		13,302	1,520	17,372
Transfers out	(16,654)	(654)			(165)	(17,473)
Issuance of bonds		20,000				20,000
Bond premium				2,027		2,027
Total other financing sources (uses)	<u>(15,805)</u>	<u>21,047</u>	<u>-</u>	<u>15,329</u>	<u>1,355</u>	<u>21,926</u>
Net Change in Fund Balances	762	8,327	-	1,171	(140)	10,120
Fund Balances at Beginning of Year	<u>19,443</u>	<u>(1,251)</u>	<u>54</u>	<u>1,890</u>	<u>8,706</u>	<u>28,842</u>
Fund Balances at End of Year	<u>\$ 20,205</u>	<u>\$ 7,076</u>	<u>\$ 54</u>	<u>\$ 3,061</u>	<u>\$ 8,566</u>	<u>\$ 38,962</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 10,120
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	12,870
Depreciation expense	(13,255)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position.	(419)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(179)
Property tax receivable - accrual basis change	40
Property tax interest and lien revenue - accrual basis change	7
Housing loans accrued interest	52
Housing loans receivable	(6)
Net pension asset	23

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

Bond principal payments	12,255
Issuance of bonds and notes	(20,000)

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

Compensated absences	(344)
Accrued interest	(159)
Amortization of deferred charge on refunding	(132)
Amortization of bond premiums	439
Other postemployment obligations	(1,373)
Bond premium	(2,027)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

	<u>2,227</u>
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Change in Net Position of Governmental Activities (Exhibit II)	\$ <u><u>139</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2014
(In Thousands)

	<u>Business-Type Activities</u> <u>Leisure Services Fund</u>	<u>Governmental Activities</u> <u>Internal Service Funds</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 1	\$ 9,177
Investments		16,406
Receivables, net	228	2,197
Prepaid items	21	18
Total current assets	<u>250</u>	<u>27,798</u>
Noncurrent:		
Capital assets:		
Assets not being depreciated	1,561	
Assets being depreciated, net	10,972	
Total noncurrent assets	<u>12,533</u>	<u>-</u>
Total assets	<u>12,783</u>	<u>27,798</u>
Liabilities:		
Current:		
Accounts and other payables	80	954
Payroll liabilities	100	26
Other liabilities	7	
Due to other funds	1,709	
Risk management claims		6,087
Unearned revenue	408	
Compensated absences	44	
Total current liabilities	<u>2,348</u>	<u>7,067</u>
Noncurrent:		
Compensated absences	88	
Risk management claims		4,267
Total noncurrent liabilities	<u>88</u>	<u>4,267</u>
Total liabilities	<u>2,436</u>	<u>11,334</u>
Net Position:		
Invested in capital assets	12,533	
Unrestricted	<u>(2,186)</u>	<u>16,464</u>
Total Net Position	<u>\$ 10,347</u>	<u>\$ 16,464</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	Business-Type Activities	Governmental Activities
	Leisure Services Fund	Internal Service Funds
Operating Revenues:		
Fund premiums	\$	\$ 42,203
Charges for services	2,865	
Employee contributions		7,478
Other	50	305
Total operating revenues	2,915	49,986
Operating Expenses:		
Administrative expense		273
Personal services	1,160	
Employee benefits		39,504
Insurance and program services		5,452
Utilities	305	4,435
Other operating expense	1,531	
Depreciation	975	
Total operating expenses	3,971	49,664
Operating Income (Loss)	(1,056)	322
Nonoperating Expense:		
Income on investments		1,955
Income (Loss) Before Contributions and Transfers	(1,056)	2,277
Capital Contributions	468	
Transfers In	151	
Transfers Out		(50)
Change in Net Position	(437)	2,227
Net Position at Beginning of Year	10,784	14,237
Net Position at End of Year	\$ 10,347	\$ 16,464

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Leisure Services Fund</u>	<u>Internal Service Funds</u>
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 7,478
Cash received from operating funds		42,205
Cash received from customers	2,975	
Cash payments to employees for services	(1,172)	
Cash payments to suppliers for goods and services	(2,004)	(10,495)
Cash payment to providers benefits		(42,379)
Other operating receipts	50	317
Net cash used in operating activities	<u>(151)</u>	<u>(2,874)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	151	
Transfers to other funds		(50)
Net cash flows provided by (used in) noncapital financing activities	<u>151</u>	<u>(50)</u>
Cash Flows from Investing Activities:		
Gain on investments		6
Purchase of investments		(100)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(94)</u>
Net Increase in Cash and Cash Equivalents	-	(3,018)
Cash and Cash Equivalents at Beginning of Year	<u>1</u>	<u>12,195</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1</u>	<u>\$ 9,177</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (1,056)	\$ 322
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	975	
Change in assets and liabilities:		
Decrease in receivables	94	(1,401)
Decrease in prepaid items	3	14
Decrease in accounts and other payables	(7)	(345)
Increase (decrease) in payroll liabilities	(12)	10
Increase in risk management claim liability		(1,474)
Decrease in due to other funds	(164)	
Increase in unearned revenue	16	
Net Cash Used in Operating Activities	<u>\$ (151)</u>	<u>\$ (2,874)</u>
Noncash Investing and Capital Financing Activities:		
Net increase in fair value of investments	<u>\$</u>	<u>\$ 1,949</u>
Contribution of Capital Assets from Town	<u>\$ 468</u>	<u>\$</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2014
(In Thousands)

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Student Activity Fund</u>
Assets:			
Cash and cash equivalents	\$ 1,043	\$ 78	\$ 818
Investments:			
Mutual funds	147,772	262	
Common stock	29,921		
Receivables:			
Interest and dividends	<u>34</u>	<u> </u>	<u> </u>
Total assets	<u>178,770</u>	<u>340</u>	<u>\$ 818</u>
Liabilities:			
Accounts and other payables	<u>188</u>	<u>1</u>	<u>\$ 818</u>
Net Position:			
Held in Trust for Pension Benefits	178,582		
Held in Trust for OPEB Benefits	<u> </u>	<u>339</u>	
Total Net Position	<u>\$ 178,582</u>	<u>\$ 339</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS
PENSION TRUST FUND AND OPEB TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 15,957	\$ 61
Plan members	2,621	70
Total contributions	<u>18,578</u>	<u>131</u>
Investment income:		
Net appreciation in fair value of investments	25,789	24
Dividends	2,864	3
Total investment income	<u>28,653</u>	<u>27</u>
Less investment expense	<u>(422)</u>	<u>(1)</u>
Net investment income	<u>28,231</u>	<u>26</u>
Total additions	<u>46,809</u>	<u>157</u>
Deductions:		
Benefits	24,332	
Administration	315	1
Total deductions	<u>24,647</u>	<u>1</u>
Net Increase	22,162	156
Net Position - Beginning of Year	<u>156,420</u>	<u>183</u>
Net Position - End of Year	<u>\$ 178,582</u>	<u>\$ 339</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of West Hartford, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town was incorporated in 1854. The Town operates under a Council-Manager form of government and provides the following services as authorized by its Charter: public safety, community maintenance, human and cultural resources, education and general government.

The primary government includes the Town of West Hartford, the Town of West Hartford Board of Education and the Town of West Hartford Library Board, as the Town exercises legal powers on their behalf. All functions included in the primary government are under the jurisdiction of the Town Council and administered by the Town Manager as determined on the basis of budget adoption. The West Hartford-Bloomfield Health District, the West Hartford Housing Authority and the Metropolitan District Commission (MDC), a quasi-municipal corporation that provides water and sewer services to West Hartford and other member communities, are excluded from this report.

Discretely Presented Component Unit

Pursuant to Chapter 105A of the Connecticut General Statutes, the Town established a special service district to be known as “West Hartford Center Special Service District.” The purpose of the West Hartford Center Special Service District shall be to promote the economic and general welfare of the citizens and property owners of West Hartford both within and without such district through the preservation, enhancement, protection and development of the economic health and vitality of West Hartford. This legal separate entity is included as a component unit due to its close relationship to, or financial integration with the Town.

B. 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 Town. The effect of interfund activity has been removed from these statements where appropriate. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

C. 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 Pension Trust 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues, including property taxes, to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Charges for services, licenses 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. Only the portion of housing loans receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Capital Project Funds are used to account for financial resources to acquire or construct major capital facilities, other than those financed by proprietary funds.

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related cost.

The CDBG Housing Rehabilitation Fund accounts for housing loan activity under the federal grant program. The major source of revenue for this fund is federal assistance.

The Town reports the following major proprietary fund:

The Leisure Services Fund accounts for recreation activities of the Town.

Additionally, the Town reports the following fund types:

The Internal Service Funds account for the risk management activities and utilities services of the Town.

The Pension Trust Fund accounts for the activities of the West Hartford Retirement System, which accumulates resources for pension benefit payments to qualified Town employees.

The OPEB Trust Fund accounts for the activities of the West Hartford nonpension postemployment benefits for certain retirees and their beneficiaries.

The Agency Fund is used to account for assets held by the Town in an agent capacity for student activities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Leisure Services Fund, the Town's Risk Management Fund and the Utility Services Fund are charges to internal and external customers for sales and services. Operating expenses for the enterprise fund 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 Town'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.

D. Deposits and Investments

Cash and cash equivalents consist of cash in banks and short-term investments in certificates of deposits having an original maturity of 90 days or less, money market accounts and the State of Connecticut's Short-Term Investment Fund (STIF), which has legislative approval for municipal use. The Town uses a pooled investment account for all funds except the Pension Trust Fund to maximize cash management opportunities. Section 18-41 of the Town code requires apportionment of interest income, which is done on a monthly basis, based on the average daily cash balance of all funds in the pooled cash account.

Investments are reported at fair value.

E. 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 either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported 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 trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied on July 1 on all assessed property on the Grand List as of October 1 prior to the beginning of the fiscal year. Taxes are due July 1; however, at the discretion of the Town, and for the convenience of the taxpayer, real estate and business personal property tax bills are payable in two installments - July 1 and January 1. Motor vehicle taxes are due in one installment on July 1. Supplemental motor vehicle taxes (for vehicles registered between October 1 and August 1) are due in one installment on January 1. Taxes become delinquent one month after the installment is due. Delinquent taxes are billed at least four times a year, with interest charged at the rate of 1.5% per month retroactive to the original due date.

In accordance with state law, the oldest outstanding tax is collected first. Prior to June 30 of each year, liens are automatically placed on outstanding real estate tax accounts, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years, at which time they cease to be carried as receivables.

Real estate, motor vehicle and personal property accounts are no longer collectible 15 years after due date in accordance with State Statutes. An amount of \$468 has been established as an allowance for uncollectible taxes at June 30, 2014. This represents 15.9% of all property taxes receivable.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 (\$100,000 for infrastructure) (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Land improvements	20
Vehicles	5-15
Furniture and equipment	3-20
Infrastructure	15-60

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. 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 net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collection in the government-wide statement of net position and in the governmental funds balance sheet and proprietary funds statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, school building receivables, long-term loans and other revenues. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Vacation leave liability is valued using current salary costs, as well as any salary-related payments that are directly and incrementally connected with leave payments to employees. (The calculation includes any nonvested leave earned by employees that are considered likely to vest for both sick and vacation leave). Sick leave is accrued and is contingent upon absences being caused by employees' future illnesses or retirements. The sick leave calculation is also based on current salary costs as well as salary-related payments.

Eligible Town employees earn 15 days of sick leave per year and 10-25 days of vacation per year depending on the employees' length of service. A maximum of 150 days of sick leave and 50 days of vacation leave may be accrued. An employee leaving the employ of the Town is entitled to be paid a maximum of 50 days for vacation and 70-100 days unused sick leave upon retirement, based upon union contract.

Board of Education employees earn 10-18 days of sick leave per year. Maximum sick leave accrual varies by bargaining units from 90-220 days. Board of Education employees, with the exception of teachers, earn 10-30 days of vacation leave that cannot be accrued and must be used within the fiscal year. Upon termination, Board employees are paid for all unused vacation leave. Unused sick leave is paid only on retirement to a maximum of 35-60 days depending on bargaining units.

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 and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

K. Fund Equity

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

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

Restricted - Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

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

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

Restricted Fund Balance - This 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 represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of West Hartford Town Council). A commitment of fund balance and any subsequent modification or rescission requires a resolution of the West Hartford Town Council.

Assigned Fund Balance - This balance represents amounts constrained for the intent to be used for a specific purpose by the Town of West Hartford Town Council. The Town Council has authorized the finance director to assign fund balance.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

L. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The budgetary basis follows the modified accrual basis of accounting except that encumbrances are recognized as a valid and proper charge against an appropriation in the year the purchase order is issued. In accordance with the Town Charter, Chapter VII, not later than 130 days before the end of the fiscal year, each department files a detailed statement of estimated revenues and proposed expenditures for the ensuing fiscal year. The Superintendent of Schools files a similar statement with the Board of Education and Town Manager at least 115 days prior to the end of the fiscal year.

Not later than 110 days prior to the end of the fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Not later than 75 days before the end of the fiscal year, two or more public hearings are conducted at locations throughout the Town to obtain taxpayer comments.

Not later than 65 days before the end of the fiscal year, the budget is legally enacted through passage of an ordinance. The appropriated budget is prepared by fund, department and character of expenditure. The legal level of budgetary control is at both the character and department level. Each department's budget is appropriated at four characters of expenditure (personal services, nonpersonal services, capital outlay and debt and sundry). The budget for education is appropriated at the department level.

The Town Manager is authorized to transfer appropriated amounts within departments as long as the characters of expenditure remain the same. Transfers between characters of expenditure and departments must be approved by resolution of the Town Council. During the last three months of the fiscal year, the Town Council may delegate this authority to transfer between departments to the Town's administration. Any revisions that alter the total revenues or expenditures must be approved by the Town Council.

Legally adopted operating budgets were employed during the year for the General Fund and all special revenue funds, except the following: Cafeteria Fund, Drug Enforcement Fund, School Grants Fund, School Special Programs Fund, School Interscholastic Sports Fund, Police Home Ownership Program Fund, C.F. Morway Fund, The Town That Cares Fund, School Donations Trust, Affordable Housing Trust and Veterans Memorial. A budget is also adopted for the Leisure Services Fund (enterprise fund). The Capital Projects Fund budget is adopted on a project basis for the life of the project, and a budgetary comparison is included as a schedule in this report and includes the activity of the Capital and Nonrecurring Expenditure Fund.

For financial statement comparisons, budgetary results have been reconciled to GAAP. Budgeted amounts are as originally adopted or as amended by the Town Council. Supplemental budget amendments totaling \$1,981 were made to the adopted fiscal year 2014 General Fund budget to increase total appropriations.

Unencumbered appropriations lapse at year end with the exception of the Capital Projects Fund.

Appropriations in addition to those contained in the budget, made for the purpose of meeting a public emergency threatening the public peace, life, health or property within the Town and emergency appropriations, the total amount of which shall not exceed 3% percent of the current tax levy in any one fiscal year, may be made upon the recommendation of the Town Manager and by a vote of not less than two-thirds of the entire membership of the Town Council. A public hearing, at which any elector or taxpayer of the Town shall have an opportunity to be heard, shall be held prior to making such appropriation, notice of which hearing shall be given in a newspaper having circulation in the Town not more than ten (10) nor less than five (5) days prior to such hearing.

Such hearing and notice of hearing may be waived if the Town Council, by at least two-thirds of its entire membership, shall decide that a delay in making the emergency appropriation would jeopardize the public peace, life, health or property within the Town. In the absence of an available unappropriated and unencumbered General Fund cash balance to meet such appropriation, additional means of financing shall be provided in such manner, consistent with the provisions of the Connecticut General Statutes and of the Town Charter, as may be determined by the Town Council.

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds 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 Town's deposit will not be returned. The Town 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 a branch office 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*, \$67,813 of the Town's bank balance of \$69,718 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 60,925
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>6,888</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 67,813</u></u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2014, the Town's cash equivalents amounted to \$2,538. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

*Not rated

Investments

As of June 30, 2014, the Town had the following investments in the Pension, OPEB and Risk Management Funds:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
Government Bonds	N/A	\$ 6,324	\$	\$ 4,457	\$ 1,867
Other investments:					
Common stock		29,921			
Mutual funds		<u>158,116</u>			
Total Investments		<u><u>\$ 194,361</u></u>			

N/A - Not applicable

Interest Rate Risk - The Town 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.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices. The Town's interest-bearing investments are in U.S. government guaranteed obligations and therefore are not subject to credit risk.

Concentration of Credit Risk - The Town's general investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments at the time of purchase.

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 Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2014, the Town's investments, other than open-end mutual funds and other pooled accounts that are not categorized as to custodial credit risk, were uninsured and unregistered securities held by the counterparty, or by its trust department or agent, and were not in the Town's name.

4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor, enterprise, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation</u>	<u>Debt Service</u>	<u>Leisure Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 2,937						\$ 2,937
Interest*						57	57
Accounts and other	297	32		2	228	2,905	3,464
Housing loans			3,102			117	3,219
Intergovernmental	826	477				1,148	2,451
Gross receivables	<u>4,060</u>	<u>509</u>	<u>3,102</u>	<u>2</u>	<u>228</u>	<u>4,227</u>	<u>12,128</u>
Less allowance for uncollectibles	468						468
Net Total Receivables	<u>\$ 3,592</u>	<u>\$ 509</u>	<u>\$ 3,102</u>	<u>\$ 2</u>	<u>\$ 228</u>	<u>\$ 4,227</u>	<u>\$ 11,660</u>

* Accrued interest on property taxes and long-term housing loans in the amount of \$1,328 are not included in the fund financial statements.

5. CAPITAL ASSETS

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

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,570	\$	\$	\$	\$ 10,570
Construction in progress	16,877	11,683	(9,070)	(399)	19,091
Total capital assets not being depreciated	<u>27,447</u>	<u>11,683</u>	<u>(9,070)</u>	<u>(399)</u>	<u>29,661</u>
Capital assets being depreciated:					
Buildings	253,432	50	2,039		255,521
Land improvements	19,421		130		19,551
Vehicles	10,528	290	1,002	(438)	11,382
Furniture and equipment	11,951	847	501	(15)	13,284
Infrastructure	180,107		5,398		185,505
Total capital assets being depreciated	<u>475,439</u>	<u>1,187</u>	<u>9,070</u>	<u>(453)</u>	<u>485,243</u>
Less accumulated depreciation for:					
Buildings	(80,584)	(6,740)			(87,324)
Land improvements	(4,191)	(1,020)			(5,211)
Vehicles	(7,808)	(602)		422	(7,988)
Furniture and equipment	(8,936)	(668)		11	(9,593)
Infrastructure	(94,176)	(4,225)			(98,401)
Total accumulated depreciation	<u>(195,695)</u>	<u>(13,255)</u>	<u>-</u>	<u>433</u>	<u>(208,517)</u>
Total capital assets being depreciated, net	<u>279,744</u>	<u>(12,068)</u>	<u>9,070</u>	<u>(20)</u>	<u>276,726</u>
Governmental Activities Capital Assets, Net	<u>\$ 307,191</u>	<u>\$ (385)</u>	<u>\$ -</u>	<u>\$ (419)</u>	<u>\$ 306,387</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 1,303	\$ 433	\$ (125)	\$ (50)	\$ 1,561
Capital assets being depreciated:					
Buildings and systems	19,299	77			19,376
Land improvements	7,032	8	125		7,165
Furniture and equipment	1,539			(8)	1,531
Total capital assets being depreciated	<u>27,870</u>	<u>85</u>	<u>125</u>	<u>(8)</u>	<u>28,072</u>
Less accumulated depreciation for:					
Buildings and systems	(12,931)	(591)			(13,522)
Land improvements	(1,784)	(355)			(2,139)
Furniture and equipment	(1,418)	(29)		8	(1,439)
Total accumulated depreciation	<u>(16,133)</u>	<u>(975)</u>	<u>-</u>	<u>8</u>	<u>(17,100)</u>
Total capital assets being depreciated, net	<u>11,737</u>	<u>(890)</u>	<u>125</u>	<u>-</u>	<u>10,972</u>
Business-Type Activities Capital Assets, Net	<u>\$ 13,040</u>	<u>\$ (457)</u>	<u>\$ -</u>	<u>\$ (50)</u>	<u>\$ 12,533</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	
General government	\$ 1,550
Public safety	1,109
Community maintenance	4,681
Human and cultural	682
Education	5,233
	<u>13,255</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 13,255</u>
Business-type activities:	
Leisure Services Fund	\$ 975
	<u>975</u>

Construction Commitments

The Town had numerous active construction projects during the year ended June 30, 2014. The following is a summary of capital projects as of June 30, 2014:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Public buildings	\$ 7,315	\$ 5,153
Parks and recreation	2,847	1,787
Infrastructure	16,510	12,395
Miscellaneous	7,488	5,151
Schools	16,010	8,768
	<u>50,170</u>	<u>33,254</u>
Total	\$ <u>50,170</u>	\$ <u>33,254</u>

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

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at June 30, 2014 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,447	\$
Nonmajor Governmental Funds		738
Leisure Services Fund		1,709
	<u>2,447</u>	<u>2,447</u>
Total	\$ <u>2,447</u>	\$ <u>2,447</u>

The above interfund balances are the result of temporary circumstances where one fund is due amounts based on budgetary or Town Council requirements or funds being temporarily advanced to provide cash flow.

The following is a schedule of transfers by fund type:

<u>Transfers to</u>	<u>Transfers From</u>				<u>Total Transfers</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	
General	\$	\$ 654	\$ 145	\$ 50	\$ 849
Capital Projects	1,701				1,701
Debt Service Fund	13,302				13,302
Nonmajor Governmental	1,520				1,520
Enterprise	131		20		151
	<u>16,654</u>	<u>654</u>	<u>165</u>	<u>50</u>	<u>17,523</u>
Total	\$ <u>16,654</u>	\$ <u>654</u>	\$ <u>165</u>	\$ <u>50</u>	\$ <u>17,523</u>

Note: Transfers represent normal operating procedures required by budgetary or Town Council action.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 133,085	\$ 20,000	\$ (12,255)	\$ 140,830	\$ 12,550
Bond premium	3,288	2,027	(439)	4,876	
Total bonds payable	<u>136,373</u>	<u>22,027</u>	<u>(12,694)</u>	<u>145,706</u>	<u>12,550</u>
Compensated absences	19,982	7,897	(7,553)	20,326	7,684
Net OPEB obligation	4,980	1,373		6,353	
Risk management liability	11,828	5,855	(7,329)	10,354	6,087
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 173,163</u>	<u>\$ 37,152</u>	<u>\$ (27,576)</u>	<u>\$ 182,739</u>	<u>\$ 26,321</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 176</u>	<u>\$ 12</u>	<u>\$ (56)</u>	<u>\$ 132</u>	<u>\$ 44</u>

All general obligation long-term bonds are secured by the general revenue raising powers of the Town. No sinking funds have been established as of June 30, 2014. The net OPEB obligation is paid from the Town's risk management fund. Compensated absences are paid from revenues of the fund in which the employee is budgeted.

The liability for compensated absences includes termination payments for unused vacation and sick leave using the vesting method outlined in GASB Statement No. 16.

Bonds Payable

The annual debt service requirements of the Town's bonded indebtedness reported in governmental activities described above are as follows:

	<u>General Obligations</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 12,550	\$ 5,286	\$ 17,836
2016	13,230	4,830	18,060
2017	13,315	4,319	17,634
2018	13,410	3,789	17,199
2019	13,520	3,225	16,745
2020-2024	54,600	8,592	63,192
2025-2029	20,205	1,194	21,399
Total	<u>\$ 140,830</u>	<u>\$ 31,235</u>	<u>\$ 172,065</u>

Principal Amount of Debt Indebtedness

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u>	<u>Date of Fiscal Year Maturity</u>
1/15/2001	General Purpose	4.10-4.50	\$ 10,250	\$ 3,588	2021
1/15/2001	Schools	4.10-4.50	4,750	1,662	2021
1/15/2002	General Purpose	3.50-4.75	6,415	2,566	2022
1/15/2002	Schools	3.50-4.75	7,085	2,834	2022
1/15/2003	Refunding - General Purpose	2.00-5.00	7,767	187	2015
1/15/2003	Refunding - Schools	2.00-5.00	11,803	283	2015
6/9/2005	Refunding - Schools	3.00-5.00	11,105	4,970	2019
10/12/2005	General Purpose	3.50-5.00	48,820	4,720	2015
2/1/2007	General Purpose	4.00-5.50	12,547	2,509	2017
2/1/2007	Schools	4.00-5.50	2,453	491	2017
1/30/2008	General Purpose	3.00-5.00	10,722	5,004	2023
1/30/2008	Schools	3.00-5.00	4,278	1,996	2023
7/14/2009	General Purpose	2.00-3.50	10,903	7,269	2024
7/14/2009	Schools	2.00-3.50	4,097	2,731	2024
9/15/2009	Refunding - General Purpose	2.00-4.00	38,583	37,157	2026
9/15/2009	Refunding - Schools	2.00-4.00	3,077	2,963	2026
3/24/2010	Refunding - General Purpose	2.00-5.00	10,280	9,729	2024
3/24/2010	Refunding - Schools	2.00-5.00	10,330	9,776	2024
10/15/2010	General Purpose	2.00-4.00	6,002	4,798	2026
10/15/2010	Schools	2.00-4.00	1,998	1,597	2026
2/15/2012	General Purpose	2.50-5.00	11,648	10,871	2028
2/15/2012	Schools	2.50-5.00	3,352	3,129	2028
2/5/2014	General Purpose	2.63-5.00	12,830	12,830	2029
2/5/2014	Schools	2.63-5.00	7,170	7,170	2029
			\$ 258,265	\$ 140,830	

Prior Year's In-Substance Defeasance

The Town has defeased general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the Town's financial statements. At June 30, 2014, the following refunded bonds outstanding are considered defeased:

<u>Original Issue</u>	<u>Date Refunded</u>	<u>Refunded Amount</u>	<u>Defeased Balance</u>
Tuesday, July 14, 2009	Wednesday, March 24, 2010	\$ 2,135	\$ 1,000
Thursday, February 07, 2008	Wednesday, March 24, 2010	2,000	2,000
Thursday, February 01, 2007	Wednesday, March 24, 2010	5,000	5,000
Wednesday, October 12, 2005	Wednesday, September 23, 2009	32,155	32,155
Tuesday, February 15, 2005	Wednesday, September 23, 2009	6,810	6,810

The following is a schedule of direct and overlapping debt as of June 30, 2014:

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to West Hartford</u>	<u>Outstanding Debt Applicable to Town</u>
West Hartford	\$ 140,830	100.00%	\$ 140,830
Metropolitan District Commission	650,055	21.57	<u>140,217</u>
Total			<u><u>\$ 281,047</u></u>

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 483,689	\$ 101,937	\$ 381,752
Schools	967,378	43,765	923,613
Sewers	806,148	140,217	665,931
Urban renewal	698,662		698,662
Pension deficit	644,918		644,918

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.50 billion. Except for proprietary fund bonds, if any, all long-term debt obligations are retired through General Fund appropriations.

Indebtedness, in accordance with State Statutes, includes long-term debt outstanding, bond anticipation notes outstanding and the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project. There were \$5,487 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2014. Additionally, school indebtedness is net of school building grants amounting to \$615.

As of June 30, 2014 the Town had, in addition to amounts referred to above, a total of \$70,472 authorized but unissued debt, consisting of \$21,022 for general public improvements and \$49,450 for school purposes. It is the Town Council's policy to authorize the issuance of bonds for the first two years of the Capital Improvement Program to improve the ability to plan and execute projects. Project funding will be released over a two-year period according to the capital financing policy.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2014 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 178				\$ 88	\$ 266
Restricted for:						
Grants			54		138	192
Human and cultural					944	944
Committed to:						
General government					47	47
Public safety					752	752
Community maintenance					1,467	1,467
Human and cultural					2,139	2,139
Education					2,917	2,917
Debt and sundry				3,061		3,061
Capital projects		7,076				7,076
Assigned to:						
General government					22	22
Public safety	2					2
Community maintenance	130				48	178
Education	242				4	246
Unassigned	19,653					19,653
Total Fund Balances	<u>\$ 20,205</u>	<u>\$ 7,076</u>	<u>\$ 54</u>	<u>\$ 3,061</u>	<u>\$ 8,566</u>	<u>\$ 38,962</u>

Significant encumbrances at June 30, 2014 are contained in the above table in assigned fund balance. General Fund encumbrances amounted to \$374 at June 30, 2014.

9. RISK MANAGEMENT

A. Types of Risk

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town established its Risk Management Fund (an internal service fund) in 1980 to account for and finance both its insured and self-insured risks of loss. There are six programs accounted for in the fund: Workers' Compensation, Heart and Hypertension, Town Health, Self-Insured, Insured and Board of Education Health. The Town is self-insured for workers' compensation, heart and hypertension, general liability, automobile liability, law enforcement liability, school leaders and public officials liability, and health claims. In addition, stop-loss or excess coverage is purchased for each of these programs.

B. Insurance Coverage

The following is a summary of major coverage:

Coverage	Retention	Limits
Excess workers' compensation	\$ 500	Statutory
General liability	250	\$ 20,000
Law enforcement liability	250	20,000
Public officials liability	250	20,000
School leaders liability	250	20,000
Automobile liability	250	20,000
Auto physical damage-comprehensive	5	Actual Cash Value
Property	50	\$ 500,000
Excess liability	N/A	5,000/10,000/5,000

Excess liability insurance is maintained with Gemini for \$5,000 excess of \$250 self-insurance retention, with Tower National for \$10,000 excess of \$5,000 and with Mt. Hawley Insurance Co. for \$5,000 excess of \$15,000. Claims are self-administered for the Self-Insured Risk Program. PMA Management Corporation of New England administers the Self-Insured Workers' Compensation Program. Settled claims have not exceeded the commercial coverages above in any of the previous three years.

C. Loss Estimation Methodology

The Risk Management Fund receives revenues from other funds to finance its cost of risk allocations based on both exposure and experience factors, depending on the risk. In the case of the self-insured, workers' compensation and heart and hypertension programs, actuarial estimates are used to determine ultimate losses. Claims and loss expenses are accrued at their present value utilizing actuarially developed factors and discount rates. The discount rate used is 7.5%. The estimate of incurred but not reported (IBNR) health claims is based on two months average claims. Total claims liabilities of \$10.4 million at June 30, 2014 are based on the requirements of GASB Statement 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred. At the date of the financial statements, the amount of the loss must be able to be reasonably estimated.

Changes in the fund's claims liabilities for the past two years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2012-13	\$ 11,176	\$ 39,609	\$ (38,957)	\$ 11,828
2013-14	11,828	40,713	(42,187)	10,354

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town, in a single-employer plan in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town issues separate stand-alone financial statements for the Pension Fund, which can be obtained from the Town's Financial Services Department.

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

Number of members:	
Active	1,345
Retired members	810
Spouses of retired members	491
	<hr/>
Total Participants	2,646
	<hr/>

B. Funding Policy

The Town has actuarially calculated and funded retiree health benefits in a reserve fund since 1985. All retiree claims are paid for in the reserve fund and funded from a combination of employee contributions, investment income on the reserve balance, revenue from the Medicare subsidy and an annual appropriation from the General Fund. The Health Reserve portion of the Risk Management Fund had net position of \$9,030 on June 30, 2014. State law allows the fund to invest up to a maximum of 50% in equity securities and the assumed rate of return is 7.5%.

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which requires the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees. Other postemployment benefits for Town and Board of Education employees hired subsequent to an increase in the normal retirement age (July 2003 and forward with varying dates depending on union affiliation) are accounted for in the OPEB Trust Fund. All other employees' postemployment benefits are accounted for in the Risk Management Fund. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

Date of hire prior to July 1, 1986 who receive either an early or normal retirement pension benefit: Town pays 100% of premium;

Date of hire after July 1, 1986 and prior to November 10, 1997 who receive a normal retirement pension benefit: Town pays 93% of the premium until Medicare eligibility, then Town pays 100%;

Date of hire after November 10, 1997 and prior to June 30, 2003 who receive a normal retirement pension benefit with eligibility at age 55 and 25 years of service: Town pays 85% of the premium until Medicare eligibility, then Town pays 100%;

Date of hire after November 10, 1997 and prior to June 30, 2003 who receive a normal retirement pension benefit with eligibility at age 60 and 10 years of service: Town pays 70% of the premium until Medicare eligibility, then Town pays 100%;

Date of hire after July 1, 2003 (July 1, 2007 for dispatchers union) who receive a normal retirement pension benefit with eligibility at age 65 with 15 years of service or age 62 with 35 years of service: Town pays 75% of the premium for employee and 50% of the premium for dependent until Medicare eligibility, then Town pays 100%.

Board of Education

Teachers and Administrators: Employee pays 100% of the premium for employee and dependent;

Secretarial/Clerical and Nonbargaining: Board pays 100% of the premium for employee and 50% of the premium for dependent;

Custodial and Maintenance: Pre-65, Board pays 100% of the premium for employee and 50% of the premium for dependent; Post-65, the employee pays 100% of the Major Medical premium for both employee and dependent. The Board pays 100% of the premium for the employee and 50% of the premium for dependent for the Over 65 portion;

Nurses: Board pays 50% of the premium for employee and dependent;

Police and Fire

Date of hire prior to July 1, 1986:

- 10-15 years of service: Town pays greater of rate in effect on July 1st after retirement or 50% of the premium;
- 15-20 years of service: Town pays greater of rate in effect on July 1st after retirement or 75% of the premium;
- 20+ years of service: Town pays 100% of the premium.

Fire employees with date of hire on or after July 1, 1986 and prior to July 1, 2005:

- Less than 20 years of service: no coverage;
- 20+ years of service: Town pays 100% of the premium.

Fire employees with date of hire on or after July 1, 2005:

- Less than 25 years of service: no coverage;
- 25+ years of service and age 50: Town pays 100% of the premium.

Police employees with date of hire on or after to July 1, 1986 and prior to July 1, 2006:

- Less than 20 years of service: no coverage;
- 20+ years of service: Town pays 100% of the premium.

Police employees with date of hire on or after July 1, 2006:

- Less than 25 years of service: no coverage;
- 25+ years of service: Town pays 100% of the premium.

Member Contributions:

Effective October 2, 2000, active Police employees pay 1% of bi-weekly base wage toward the cost of retiree health benefits;

Effective July 15, 2002, active Fire employees pay 1% of bi-weekly base wage toward the cost of retiree health benefits;

Effective July 1, 2005, active Police and Fire employees pay 1.65% of bi-weekly base wage toward the cost of retiree health benefits.

C. Annual OPEB Cost and Net OPEB Obligations

The Town of West Hartford’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town’s net OPEB obligation (asset):

Annual required contribution	\$ 8,999
Interest on net OPEB obligation	374
Adjustment to annual required	<u>(310)</u>
Annual OPEB cost	9,063
Contributions made	<u>7,690</u>
Increase in net OPEB obligation	1,373
Net OPEB obligation, beginning of year	<u>4,980</u>
Net OPEB Obligation, End of Year	<u><u>\$ 6,353</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the three fiscal years ended June 30, 2014 are presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contribute	Net OPEB Obligation (Asset)
6/30/2012	\$ 7,363	\$ 6,450	87.60%	\$ 3,800
6/30/2013	8,561	7,381	86.22	4,980
6/30/2014	9,063	7,690	84.85	6,353

As of July 2013, the date of the most recent valuation, the plan was 0.15% funded. The actuarial accrued liability for benefits was approximately \$118,865 and the actuarial value of the assets was \$183, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$118,682.

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.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	\$ 20	\$ 89,038	\$ 89,018	0.02%	\$ 116,938	76.10%
7/1/2011	80	107,490	107,410	0.07%	121,405	88.50%
7/1/2013	183	118,865	118,682	0.15%	127,047	93.40%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
2009	\$ 6,658	88.8%
2010	7,062	90.6
2011	6,979	91.4
2012	7,318	88.1
2013	8,506	86.8
2014	8,999	85.4

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 cost 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 July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.75% rate of return for retirees and employees hired prior to plan changes and 8.5% for employees hired after plan changes whose benefits will be paid through the trust. The annual healthcare cost trend rate is 6.8% initially, reduced by decrements to an ultimate rate of 4.7% over a period of 72 years. The general inflation assumption is 2.5%. Projected payroll growth rate was 4%. The actuarial value of assets was determined using the level percent method. The amortization method is level percent closed. The remaining amortization period at July 1, 2013 was 23 years.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Town of West Hartford Retirement System

A. Plan Description

By the authority of Chapter VIII, Section 3, of the Town Charter and Chapter 30, Article II of the Code of Ordinances, the Town sponsors and maintains a single-employer defined benefit plan (West Hartford Retirement System). This plan covers all full-time employees of the Town and Board of Education, except for those employees eligible for participation in the State of Connecticut Teachers' Retirement System.

The Plan is administered by a Pension Board that is appointed by the Town Council and represents both management and employees. The Pension Board consists of 5 members who serve a 5-year term. The Pension Board issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to The Pension Board, 50 South Main Street, West Hartford, Connecticut 06107.

Certified teachers employed by the Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System, which is a cost-sharing multi-employer defined benefit Public Employees Retirement System (PERS) with the State acting as a nonemployer contributor.

An annual valuation of the pension plan is conducted on July 1 of each year for the subsequent fiscal year.

Membership in the Plan as of July 1, 2013 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	1047
Terminated vested employees	75
Total inactive participants	<u>1,122</u>
Current employees:	
Fully vested	702
Nonvested	157
Total active participants	<u>859</u>
Total	<u>1,981</u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: Plan financial statements are prepared using 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 the terms of the plan.

Method Used to Value Investments: Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

C. Funding Policy

The contribution requirements of plan members are established and may be amended by the Town Council subject to union contract negotiation. As a condition of participation, members are required to contribute a specified portion (1.8% to 7%) of their salary to the Plan, depending upon their class of membership.

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Plan amortizes the actuarial accrued liability over a 30-year period. Contributions are recommended by the actuary through the Town's fiscal year end of June 30. The Town's contributions for the fiscal years ended June 30, 2014 and 2013, were \$15,957 and \$14,167, respectively, and were in accordance with actuarially determined requirements.

D. Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Core fixed income	30%
Broad U.S. securities	54
Developed foreign equities	11
Real estate	5
	<hr/>
Total	100%
	<hr/> <hr/>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of the Town

In accordance with Government Accounting Standards Board Statement No. 67, the components of the net pension liability of the Town at June 30, 2014, were as follows:

Total pension liability	\$ 359,442
Plan fiduciary net position	178,582
	<hr/>
Net Pension Liability	\$ 180,860
	<hr/> <hr/>
Plan fiduciary net position as a percentage of the total pension liability	49.68%

The Town's net pension liability will be required to be recorded on the government-wide statement of net position at June 30, 2015.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Rates vary by age
Investment rate of return	7.95%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants Table projected to 2020 per Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2013-June 30, 2014.

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core fixed income	1.95%
Broad U.S. securities	4.49%
Developed foreign equities	4.39%
Real estate	3.66%

Discount Rate: The discount rate used to measure the total pension liability was 7.95%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.95%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.95%) or 1 percentage point higher (8.95%) than the current rate:

	<u>1% Decrease 6.95%</u>	<u>Current Discount Rate 7.95%</u>	<u>1% Increase 8.95%</u>
Town Net Pension Liability	\$ 217,167	\$ 180,860	\$ 149,762

F. Annual Pension Cost and Net Pension Obligation

In accordance with GASB Statement No. 27, the Town's annual pension cost and net pension obligation to the Plan for the year ended June 30, 2014 were as follows:

Annual required contribution	\$ 15,957
Interest on net pension obligation	(131)
Adjustment to annual required contribution	<u>108</u>
Annual pension cost	15,934
Contributions made	<u>15,957</u>
Decrease in net pension asset	(23)
Net pension asset, July 1, 2013	<u>(1,623)</u>
Net Pension Asset, June 30, 2014	<u><u>\$ (1,646)</u></u>

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

Valuation Date	July 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Closed
Amortization Period	24 years
Asset Valuation Method	5-year smoothed
Investment Rate of Return	7.95%
Projected Salary Increases	2.8-6.0%

G. Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/2012	\$ 11,618	100.3%	\$ (1,596)
6/30/2013	14,140	100.2%	(1,623)
6/30/2014	15,934	100.2%	(1,646)

H. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ 178,201	\$ 244,095	\$ 65,894	73.0%	\$ 50,031	131.7%
7/1/2009	167,268	270,814	103,546	61.8	53,028	195.3
7/1/2010	154,825	279,485	124,660	55.4	55,150	226.0
7/1/2011	148,816	308,852	160,036	48.2	55,078	290.6
7/1/2012	142,936	323,024	180,088	44.2	57,281	314.4
7/1/2013	178,582	359,442	180,860	49.7	57,281	315.7

State of Connecticut Teachers' Retirement System

Certified teachers employed by the West Hartford Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System. This system is a cost-sharing multi-employer defined benefit PERS with the State acting as a nonemployer contributor, which is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). The State of Connecticut Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Full-time certified staff who are employed for an average of at least one-half of a school day are required to participate. A member who completes 10 years of service in Connecticut public schools is eligible for a vested benefit commencing at age 60. Members are required to contribute 7.25% of their annual salary while the contributions by the State are determined on an actuarial reserve basis described in CGS Sections 10-1831 and 10-183z.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The Town does not contribute to the Connecticut Teachers' Retirement System nor has any legal obligation for benefits. For the year ended June 30, 2014, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$17,493 as payments made by the State of Connecticut on behalf of the Town and is reflected in the government-wide financial statements. The Town does not have any liability for teacher pensions.

12. COMMITMENTS AND CONTINGENCIES

The West Hartford-Bloomfield Health District is a regional health department servicing the towns of West Hartford and Bloomfield. The Town of West Hartford expends at least \$1.00 per capita per fiscal year from annual local tax receipts for the district's services.

The Metropolitan District Commission (the Commission) provides water and sewer services to the Town and certain other area municipalities financed by a service levy on the participating municipalities and user charges. This does not result in overlapping property tax for the residents of the Town. Since this is a separate governmental unit, its audited annual statements are not included in this report but are available from the Commission directly.

The Town, its officers, employees, boards and commissions are defendants in a number of lawsuits. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property taxes:				
Current year levy	\$ 210,276	\$ 210,576	\$ 210,577	\$ 1
Prior year's collections	1,200	1,350	1,448	98
Interest and liens fees	600	916	927	11
Motor vehicle supplement	1,600	1,850	1,910	60
Suspense			61	61
Total property taxes	<u>213,676</u>	<u>214,692</u>	<u>214,923</u>	<u>231</u>
Intergovernmental revenues:				
Federal:				
Justice assistance grant		7	7	-
EMS grant	15	15	36	21
Police Grants		46	50	4
Dial-A-Ride grant	22	84	84	-
Total federal assistance	<u>37</u>	<u>152</u>	<u>177</u>	<u>25</u>
State:				
Education cost sharing	17,601	17,601	17,568	(33)
School transportation		278	279	1
School building grants	207	207	207	-
Payments in lieu of taxes	1,033	1,201	1,342	141
Municipal revenue sharing	588	588	758	170
Elderly tax relief - homeowner tax credit	2	2	2	-
Disabled tax relief	6	6	5	(1)
Elderly tax exemption - circuit breaker	270	270	275	5
Veterans exemptions	78	78	70	(8)
Youth services grant	35	35	43	8
Alcohol/Drug abuse grant	6	6	6	-
Highway town aid	690	690	689	(1)
Mashantucket Pequot fund		242	242	-
Library grants	1	1	1	-
Miscellaneous state grants	15	31	22	(9)
Emergency 911 grant	141	141	141	-
Telephone access grant	175	175	151	(24)
Total state assistance	<u>20,848</u>	<u>21,552</u>	<u>21,801</u>	<u>249</u>
Total intergovernmental revenues	<u>20,885</u>	<u>21,704</u>	<u>21,978</u>	<u>274</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Charges for services:				
Town Clerk	\$ 1,575	\$ 1,575	\$ 1,414	\$ (161)
Financial Services	7	7	3	(4)
Assessment	2	2	2	
Fire Department	225	225	345	120
Police Department	492	601	557	(44)
Community Services	1,403	1,403	1,348	(55)
Public Works	262	262	272	10
Human and Leisure Services	708	708	733	25
Library	67	67	67	-
Total charges for services	<u>4,741</u>	<u>4,850</u>	<u>4,741</u>	<u>(109)</u>
Miscellaneous local revenues:				
Workers' compensation reimbursement	300	300	300	
Sale of assets		8	82	74
Town-owned property rentals	178	178	210	32
Miscellaneous	122	151	183	32
Total miscellaneous local revenues	<u>600</u>	<u>637</u>	<u>775</u>	<u>138</u>
Income on investments	<u>500</u>	<u>500</u>	<u>256</u>	<u>(244)</u>
Total revenues	240,402	242,383	242,673	290
Other financing sources:				
Transfers in	<u>1,036</u>	<u>1,036</u>	<u>849</u>	<u>(187)</u>
Total	<u>\$ 241,438</u>	<u>\$ 243,419</u>	243,522	<u>\$ 103</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted.

17,493

The Board of Education does not budget for
intergovernmental grants, which are credited against
education expenditures for budgetary reporting. These
amounts are recorded as revenues and expenditures for
GAAP financial statement purposes.3,644Total Revenues and Other Financing Sources as Reported on the Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -
Exhibit IV\$ 264,659

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General Government:				
Town Council:				
Personal services	\$ 136	\$ 138	\$ 138	\$ -
Non-personal expense	244	237	237	-
Debt and sundry	10	9	9	-
Total	<u>390</u>	<u>384</u>	<u>384</u>	<u>-</u>
Town Clerk:				
Personal services	162	168	168	-
Non-personal expense	94	110	110	-
Debt and sundry	10	10	10	-
Total	<u>266</u>	<u>288</u>	<u>288</u>	<u>-</u>
Town Manager:				
Personal services	252	252	252	-
Non-personal expense	4	4	4	-
Debt and sundry	15	15	15	-
Total	<u>271</u>	<u>271</u>	<u>271</u>	<u>-</u>
Corporation Counsel:				
Personal services	299	312	312	-
Non-personal expense	138	130	130	-
Debt and sundry	22	23	23	-
Total	<u>459</u>	<u>465</u>	<u>465</u>	<u>-</u>
Registrar of Voters:				
Personal services	190	151	151	-
Non-personal expense	67	28	28	-
Debt and sundry	7	9	9	-
Total	<u>264</u>	<u>188</u>	<u>188</u>	<u>-</u>
Information Technology:				
Personal services	378	394	394	-
Non-personal expense	344	324	324	-
Debt and sundry	30	29	29	-
Total	<u>752</u>	<u>747</u>	<u>747</u>	<u>-</u>
Financial Services:				
Personal services	1,515	1,531	1,531	-
Non-personal expense	340	324	324	-
Debt and sundry	114	108	108	-
Total	<u>1,969</u>	<u>1,963</u>	<u>1,963</u>	<u>-</u>
Assessment:				
Personal services	548	541	541	-
Non-personal expense	42	34	34	-
Debt and sundry	41	40	40	-
Total	<u>631</u>	<u>615</u>	<u>615</u>	<u>-</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Employee Services:				
Personal services	\$ 323	\$ 322	\$ 322	\$ -
Non-personal expense	62	62	62	-
Debt and sundry	24	23	23	-
Total	<u>409</u>	<u>407</u>	<u>407</u>	<u>-</u>
Total general government	<u>5,411</u>	<u>5,328</u>	<u>5,328</u>	<u>-</u>
Public Safety:				
Fire Department:				
Personal services	9,245	9,387	9,387	-
Non-personal expense	697	686	686	-
Debt and sundry	157	141	141	-
Total	<u>10,099</u>	<u>10,214</u>	<u>10,214</u>	<u>-</u>
Police Department:				
Personal services	13,428	13,891	13,890	1
Non-personal expense	1,010	1,022	1,022	-
Debt and sundry	278	288	288	-
Total	<u>14,716</u>	<u>15,201</u>	<u>15,200</u>	<u>1</u>
Total public safety	<u>24,815</u>	<u>25,415</u>	<u>25,414</u>	<u>1</u>
Community Maintenance:				
Community Services:				
Personal services	1,900	1,954	1,954	-
Non-personal expense	491	505	505	-
Debt and sundry	149	127	127	-
Total	<u>2,540</u>	<u>2,586</u>	<u>2,586</u>	<u>-</u>
Public Works:				
Personal services	3,954	3,826	3,826	-
Non-personal expense	6,757	6,742	6,742	-
Capital Outlay		5	5	-
Debt and sundry	301	270	270	-
Total	<u>11,012</u>	<u>10,843</u>	<u>10,843</u>	<u>-</u>
Plant and Facility Services:				
Personal services	1,036	1,060	1,060	-
Non-personal expense	1,154	1,176	1,176	-
Debt and sundry	75	78	78	-
Total	<u>2,265</u>	<u>2,314</u>	<u>2,314</u>	<u>-</u>
Total community maintenance	<u>15,817</u>	<u>15,743</u>	<u>15,743</u>	<u>-</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human and Cultural:				
Library:				
Personal services	\$ 2,365	\$ 2,397	\$ 2,397	\$ -
Non-personal expense	652	617	617	-
Debt and sundry	167	171	171	-
Total	<u>3,184</u>	<u>3,185</u>	<u>3,185</u>	<u>-</u>
Human and Leisure Services:				
Personal services	1,750	1,748	1,748	-
Non-personal expense	944	1,055	1,055	-
Debt and sundry	89	92	92	-
Total	<u>2,783</u>	<u>2,895</u>	<u>2,895</u>	<u>-</u>
Total human and cultural	<u>5,967</u>	<u>6,080</u>	<u>6,080</u>	<u>-</u>
Education	<u>139,769</u>	<u>139,769</u>	<u>139,158</u>	<u>611</u>
Debt and sundry	<u>34,255</u>	<u>34,442</u>	<u>34,423</u>	<u>19</u>
Total expenditures	226,034	226,777	226,146	631
Other financing uses:				
Transfers out	<u>15,404</u>	<u>16,642</u>	<u>16,654</u>	<u>(12)</u>
Total	<u>\$ 241,438</u>	<u>\$ 243,419</u>	242,800	<u>\$ 619</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			17,493	
The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.			3,644	
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 statement purposes.			(41)	
Inventory purchases are reported as expenditures for budgetary purposes.			<u>1</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 263,897</u>	

TOWN OF WEST HARTFORD, CONNECTICUT

CDBG HOUSING REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 247	\$ 29	\$ (218)
Charges for services		2	2
Interest		15	15
Miscellaneous		162	162
Total revenues	<u>247</u>	<u>208</u>	<u>(39)</u>
Expenditures:			
Current:			
Human and cultural:			
Human services:			
Non-personal expense	<u>336</u>	<u>218</u>	<u>118</u>
Deficiency of Revenues over Expenditures	<u>\$ (89)</u>	(10)	<u>\$ 79</u>
Fund Balance at Beginning of Year		<u>54</u>	
Fund Balance at End of Year		<u>\$ 44</u>	

TOWN OF WEST HARTFORD, CONNECTICUT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR
(in thousands)

	<u>2014</u>
Total pension liability:	
Service cost	\$ 5,563
Interest	27,384
Changes of benefit terms	57
Benefit payments, including refunds of member contributions	<u>(24,332)</u>
Net change in total pension liability	8,672
Total pension liability - beginning	<u>350,770</u>
Total pension liability - ending	<u>359,442</u>
 Plan fiduciary net position:	
Contributions - employer	15,957
Contributions - member	2,621
Net investment income	28,230
Benefit payments, including refunds of member contributions	(24,332)
Administrative expense	(314)
Net change in plan fiduciary net position	22,162
Plan fiduciary net position - beginning	<u>156,420</u>
Plan fiduciary net position - ending	<u>178,582</u>
 Net Pension Liability - Ending	 \$ <u><u>180,860</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 49.68%
 Covered-employee payroll	 \$ 57,281
 Net pension liability as a percentage of covered-employee payroll	 315.74%

TOWN OF WEST HARTFORD, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN FISCAL YEARS

(in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actuarially determined contribution	\$ 5,120	\$ 5,641	\$ 5,942	\$ 6,001	\$ 6,813	\$ 7,481	\$ 10,002	\$ 11,648	\$ 14,167	\$ 15,957
Contributions in relation to the actuarially determined contribution	<u>5,460</u>	<u>5,641</u>	<u>5,942</u>	<u>6,100</u>	<u>6,812</u>	<u>7,480</u>	<u>10,000</u>	<u>11,648</u>	<u>14,167</u>	<u>15,957</u>
Contribution Deficiency (Excess)	\$ <u>(340)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(99)</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 37,670	\$ 38,800	\$ 38,533	\$ 40,074	\$ 48,107	\$ 50,031	\$ 53,028	\$ 55,150	\$ 55,078	\$ 57,281
Contributions as a percentage of covered-employee payroll	14.49%	14.54%	15.42%	15.22%	14.16%	14.95%	18.86%	21.12%	25.72%	27.86%

Notes to Schedule

Valuation date: July 1, 2013
Measurement date: June 30, 2014
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Rates vary by age
Investment rate of return	7.95%
Retirement age	Rates vary by group and age
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants projected to 2020 per Scale AA.

TOWN OF WEST HARTFORD, CONNECTICUT

SCHEDULE OF INVESTMENT RETURNS

LAST FISCAL YEAR

2014

Annual money-weighted rate of return, net of investment expense

18.43%

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APPENDIX B - FORM OF LEGAL OPINION OF BOND COUNSEL

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be substantially in the following form:

Town of West Hartford
50 South Main Street
West Hartford, Connecticut 06107

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Town of West Hartford, Connecticut (the "Town") of its \$21,000,000 General Obligation Bonds, Series 2015A, dated February 12, 2015, maturing January 15, 2016-2035 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of February 12, 2015, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence 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 Town payable, with respect to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance 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 will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals or corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Bonds. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, 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.

4. We are 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.

The rights of the holders of the Bonds and the enforceability of the Bonds and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to 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,

Shipman & Goodwin LLP

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date, all pursuant to a Continuing Disclosure Agreement for the Bonds substantially in the following form:

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 12th day of February, 2015 by the Town of West Hartford, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$21,000,000 General Obligation Bonds, Series 2015A, dated February 12, 2015 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Town dated January 29, 2015, prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2014), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

(ii) the following financial information and operating data to the extent not included in the financial statements described in (i) above:

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,

- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2014. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

Section 3. Events.

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;

- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 6. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Identifying Information.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 8. Enforcement.

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 hereof or five business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Town's Director of Financial Services receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Financial Services is Town of West Hartford, Town Hall, 50 South Main Street, West Hartford, Connecticut 06107. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 9. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF WEST HARTFORD, CONNECTICUT

By _____
Ronald F. Van Winkle
Town Manager

By _____
Peter Privitera
Director of Financial Services

APPENDIX D – NOTICE OF SALE AND BID PROPOSAL

NOTICE OF SALE

\$21,000,000

TOWN OF WEST HARTFORD, CONNECTICUT

**GENERAL OBLIGATION BONDS, SERIES 2015A
BOOK-ENTRY-ONLY**

ELECTRONIC PROPOSALS via PARITY® will be received by the Town of West Hartford, Connecticut (the "Town"), at the offices of the Director of Financial Services, West Hartford Town Hall, 2nd Floor, 50 South Main Street, West Hartford, Connecticut 06107 until **11:00 A.M. (Eastern Standard Time) on THURSDAY,**

JANUARY 29, 2015

for the purchase, when issued, of the whole of the Town's \$21,000,000 General Obligation Bonds, Series 2015A, dated February 12, 2015, bearing interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2015, and maturing on January 15 in each year as follows:

2016	\$1,050,000	2026	\$1,050,000
2017	\$1,050,000	2027	\$1,050,000
2018	\$1,050,000	2028	\$1,050,000
2019	\$1,050,000	2029	\$1,050,000
2020	\$1,050,000	2030	\$1,050,000
2021	\$1,050,000	2031	\$1,050,000
2022	\$1,050,000	2032	\$1,050,000
2023	\$1,050,000	2033	\$1,050,000
2024	\$1,050,000	2034	\$1,050,000
2025	\$1,050,000	2035	\$1,050,000

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about February 12, 2015. The Bonds will NOT be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

The Bonds maturing on or before January 15, 2020 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2021 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2020, 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 Town 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 interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
January 15, 2020 and thereafter	100%

Proposals. All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$21,000,000 Bonds, or for less than par and accrued interest, will be considered.**

Basis of Award. As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 12, 2015, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY® by **11:00 A.M. (Eastern Standard Time), on Thursday, January 29, 2015**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY®, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town 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.

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY® are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY®, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations, and (3) that 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.

Official Statement. The Town has prepared a Preliminary Official Statement dated January 15, 2015 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision and amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

DTC Book-Entry. The Bonds will be issued by means of a book-entry-only 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 ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced 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 purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; 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 Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Certifying, Transfer and Paying Agent; Registrar. The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning purchaser to obtain CUSIP numbers for the Bonds prior to delivery. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of the winning purchaser to obtain such numbers and provide them to the Town in a timely manner. The Town 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.

Continuing Disclosure Agreement. The Town will agree, 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, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning purchaser'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.

Reoffering Price. IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE BONDS THE REOFFERING PRICES FOR THE BONDS AT WHICH A SUBSTANTIAL PORTION OF THE BONDS WERE SOLD.

Additional Information. For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated January 15, 2015. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. Copies of the Preliminary Official Statement and Official Statement may be obtained from the undersigned, or from Mr. William N. Lindsay, Director, Independent Bond & Investment Consultants, LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone No. (203) 245-9603.

January 15, 2015

Ronald F. Van Winkle
Town Manager

Peter Privitera
Director of Financial Services

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