

OFFICIAL STATEMENT DATED JANUARY 28, 2016

**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. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax on certain corporations, as described under "Appendix B - Form of Legal Opinion of Bond Counsel" and "Tax Matters" herein. 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.*



**TOWN OF WEST HARTFORD, CONNECTICUT**

**\$14,000,000**

**General Obligation Bonds, Series 2016A**

**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, 2016. 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. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

**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**

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>
2017	\$935,000	5.000%	0.450%	953106Z61	2025	\$935,000	2.000%	1.750%*	9531062E0
2018	935,000	5.000	0.700	953106Z79	2026	935,000	2.000	1.950*	9531062F7
2019	935,000	2.000	0.830	953106Z87	2027	930,000	2.000	2.110	9531062G5
2020	935,000	5.000	1.000	953106Z95	2028	930,000	2.125	2.230	9531062H3
2021	935,000	5.000	1.100	9531062A8	2029	930,000	2.500	2.430*	9531062J9
2022	935,000	2.000	1.230*	9531062B6	2030	930,000	2.625	2.520*	9531062K6
2023	935,000	2.000	1.390*	9531062C4	2031	930,000	2.750	2.600*	9531062L4
2024	935,000	2.000	1.550*	9531062D2					

\* Priced assuming redemption on January 15, 2021; however any such redemption is at the option of the Town. (See "Optional Redemption" herein).

*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 11, 2016 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 Municipal 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) 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 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 to this Official Statement.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, the purchaser of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

**BOND COUNSEL**

**SHIPMAN & GOODWIN LLP**

Hartford, Connecticut  
(860) 251-5000

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

<b>Issuer:</b>	Town of West Hartford, Connecticut (the "Town").
<b>Issue:</b>	\$14,000,000 General Obligation Bonds, Series 2016A, Book-Entry-Only (the "Bonds").
<b>Dated Date:</b>	Date of Delivery
<b>Principal and Interest Due:</b>	Principal due on January 15 in each of the years 2017 through 2031, inclusive. Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2016.
<b>Purpose:</b>	Bond proceeds will be used to finance various capital improvement projects authorized by the Town Council.
<b>Security:</b>	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.
<b>Credit Rating:</b>	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.
<b>Tax Exemption:</b>	See Appendix B to this Official Statement.
<b>Bank Qualification:</b>	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.
<b>Optional Redemption:</b>	The Bonds are subject to redemption prior to maturity, as more fully described herein under "Optional Redemption."
<b>Continuing Disclosure:</b>	See Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, Hartford, Connecticut.
<b>Municipal Advisor:</b>	Independent Bond & Investment Consultants LLC will act as Municipal Advisor.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	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 11, 2016, in New York, New York, against payment in Federal funds.
<b>Issuer Official:</b>	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) 561-7461.

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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 \$14,000,000 General Obligation Bonds, Series 2016A (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 2017-2031, 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, 2016, 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, 2021 are not subject to redemption prior to maturity. The Bonds maturing on and after January 15, 2022 are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2021, 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, 2021 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:

<b>Project (Fiscal Year Authorized)</b>	<b>Amount<sup>1</sup> Authorized</b>	<b>Series 2016A</b>	<b>Authorized<sup>1</sup> but Unissued</b>
<b><u>General Public Improvements</u></b>			
Arterial Street Reconstruction (2016-2017) .....	\$ 2,750,000	\$ 2,750,000	\$ -
Athletic Playfield Improvements (2017) .....	100,000	-	100,000
Communications Infrastructure (2016-2017) .....	1,000,000	500,000	500,000
Energy Conservation (2016-2017) .....	4,480,000	1,450,000	3,030,000
Financial Management System (2016) .....	500,000	-	500,000
Neighborhood Street Reconstruction (2016-2017) .....	3,019,000	3,019,000	-
Park Road Interchange (2017) .....	4,600,000	-	4,600,000
Pedestrian and Bicycle Management (2016-2017) .....	1,063,000	839,000	224,000
Public Works Rolling Stock (2016-2017) .....	1,190,000	615,000	575,000
Radio System Replacement (2017) .....	4,900,000	-	4,900,000
Sarah Whitman Hooker House (2015) .....	7,000	7,000	-
Sitework at Recreational Facilities (2016-2017) .....	100,000	50,000	50,000
Storm Water Management (2016-2017) .....	1,093,000	1,093,000	-
Street Resurfacing (2016-2017) .....	1,430,000	1,430,000	-
Town Building Improvements (2015-2017) .....	2,977,213	503,583	2,473,630
Traffic System Management (2016) .....	200,000	200,000	-
Troutbrook Phase II (2015) .....	80,000	80,000	-
<b>Sub-Total General Public Improvements .....</b>	<b>\$ 29,489,213</b>	<b>\$ 12,536,583</b>	<b>\$ 16,952,630</b>
<b><u>School Improvements<sup>2</sup></u></b>			
Asbestos Removal (2015-2017) .....	\$ 520,000	\$ 225,000	\$ 295,000
Charter Oak School (2015) .....	15,890,512	-	15,890,512
Elementary School Expansion (2008) .....	123,226	-	123,226
Exterior School Building Improvements (2011-2017) ...	3,067,492	660,000	2,407,492
Heating & Ventilation Systems (2016-2017) .....	1,600,000	-	1,600,000
Interior School Building Improvements (2010-2017) ....	2,439,366	578,417	1,860,949
Portable Classrooms (2011) .....	37,455	-	37,455
School Security (2015-2017) .....	778,194	-	778,194
Site & Athletic Field Improvements (2014-2017) .....	820,000	-	820,000
Stage & Auditorium Renovations (2016-2017) .....	400,000	-	400,000
<b>Sub-Total School Improvements .....</b>	<b>\$ 25,676,245</b>	<b>\$ 1,463,417</b>	<b>\$ 24,212,828</b>
<b>Grand Total .....</b>	<b>\$ 55,165,458</b>	<b>\$ 14,000,000</b>	<b>\$ 41,165,458</b>

<sup>1</sup> Net of long-term debt previously issued and school progress payments received from the State of Connecticut prior to December 31, 2015. See "Capital Improvement Program" herein.

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

Note: Projects totaling \$21,330,000 authorized for fiscal year 2017 are included in this listing because they were authorized in April 2015.

## **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"), respectively. 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 page 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](http://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.

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<u>Office</u>	<u>Board of Education</u>	<u>Manner of Selection and Length of Service</u>
Chairperson	Mark Overmyer-Velazquez	Appointed 11/12-11/13 Elected 11/13-11/17
Vice-Chairperson	Tammy Exum Carol A. Banks Cheryl Greenberg Dave Pauluk Jay Sarzen	Elected 11/13-11/17 Elected 11/15-11/19 Elected 11/15-11/19 Elected 11/15-11/19 Appointed 12/12-11/13 Elected 11/13-11/17
	Mark Zydanowicz	Appointed 11/12-11/15 Elected 11/15-11/19

***Town Council***

R. 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.

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.

Beth Kerrigan, graduated from SUNY Oswego with a BS in Industrial Arts Technology and Education and was elected to the Town Council in November 2015.

Ben Wenograd, a Conard High School graduate, Wesleyan graduate and Northeastern Law School graduate, was elected to the Town Council in November 2015.

Chris Williams, a Conard High School graduate, was elected to the Town Council in November 2015. Chris is a graduate of Loyola College and Quinnipiac University School of Law.

## ***Town Administration***

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
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	Martha Church	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***

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
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 Financial Operations, Purchasing Services 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 Information" 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 seven neighborhood parks/playgrounds, five 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 510,000 visits annually. The libraries loaned over 830,000 items in the last year, including 37,000 electronic books and magazines. Library services include: information and reference assistance; 24/7 access to nearly 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 24,000 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 is comprised of 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 154 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 <sup>1</sup>			
	Elementary (K-5)	Middle (6-8)	Senior (9-12)	Total Enrollment
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
2015-2016	4,193	2,222	3,068	9,483
School Year	Projections			
	Elementary (K-5)	Middle (6-8)	Senior (9-12)	Total Enrollment
2016-2017	4,081	2,234	3,004	9,319
2017-2018	3,963	2,147	3,027	9,137
2018-2019	3,857	2,073	3,078	9,008

<sup>1</sup> 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 1,959 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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Board of Education	1,517	1,523	1,518	1,503	1,489
General Government	440	439	439	437	437
Federally Funded	2	2	2	3	5
<b>Total</b>	<b>1,959</b>	<b>1,964</b>	<b>1,959</b>	<b>1,943</b>	<b>1,931</b>

**Employee Bargaining Organizations**

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

<b>Bargaining Unit</b>	<b>Number of Members<sup>1</sup></b>	<b>Contract Expiration</b>
<u>General Government</u>		
Local 1241 International Association of Firefighters .....	84	6/30/16
West Hartford Police Officers Association .....	125	6/30/13 <sup>2</sup>
Public Safety Dispatcher Union Local 2001 SEIU .....	12	6/30/13 <sup>2</sup>
Local 1142 of Council No. 4 AFL-CIO .....	23	6/30/14 <sup>2</sup>
Professional & Management Union Local 2001 SEIU .....	68	6/30/17
Grounds Union Local 2001 SEIU .....	24	6/30/17
Buildings Union Local 2001 SEIU .....	4	6/30/13 <sup>2</sup>
Clerical Union Local 2001 SEIU .....	37	6/30/13 <sup>2</sup>
Supervisory Union, Local 2001 SEIU .....	7	6/30/13 <sup>2</sup>
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance .....	4	6/30/13 <sup>2</sup>
Non-Bargaining Employees .....	37	n/a
Sub-Total General Government .....	425	
<b>Bargaining Unit</b>	<b>Number of Members<sup>1</sup></b>	<b>Contract Expiration</b>
<u>Board Of Education</u>		
West Hartford Education Association .....	897	6/30/16
West Hartford Administrators Association .....	56	6/30/17
West Hartford Federation of Educational Secretaries .....	52	6/30/18
AFL-CIO AFSCME Local No. 1303 Council No. 4 Skilled Trades .....	17	6/30/17
West Hartford Federation of Educational Personnel .....	201	6/30/18
West Hartford Public Schools Nurses Association .....	23	6/30/16
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians .....	106	6/30/18
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians .....	4	6/30/18
AFL-CIO AFSCME Local No. 1303 Council No.4 Security .....	20	6/30/18
West Hartford BOE Professional Employees Local 760 SEIU .....	33	6/30/16
Non-Bargaining Employees (includes Teaching Assistants) .....	157	n/a
<b>Sub-Total Board of Education</b> .....	<b>1,566</b>	
<b>Total General Government and Board of Education</b> .....	<b>1,991</b>	

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

<sup>2</sup> 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

<b>Year</b>	<b>Town of West Hartford</b>	<b>% Change</b>	<b>Density<sup>1</sup></b>
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
2014	63,396	0.2	2,856

<sup>1</sup> Population per square mile: 22.2 square miles

Source: 1960 - 2010 U.S. Census Bureau, Centennial Census; 2014 – American Community Survey, 2010-14.

#### Age Characteristics of Population

<b>Age</b>	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 .....	3,241	5.1	49,447	5.5	194,338	5.4
5 - 9 .....	3,933	6.2	55,631	6.2	217,491	6.1
10 - 14 .....	4,263	6.7	57,038	6.4	234,666	6.5
15 - 19 .....	4,549	7.2	61,419	6.8	255,499	7.1
20 - 24 .....	3,010	4.7	56,867	6.3	234,482	6.5
25 - 34 .....	7,466	11.8	114,250	12.7	433,145	12.1
35 - 44 .....	8,307	13.1	113,809	12.7	459,130	12.8
45 - 54 .....	9,304	14.7	137,549	15.3	563,772	15.7
55 - 59 .....	4,375	6.9	63,786	7.1	253,952	7.1
60 - 64 .....	4,064	6.4	52,498	5.9	214,499	6.0
65 - 74 .....	4,630	7.3	69,552	7.8	280,541	7.8
75 - 84 .....	3,473	5.5	41,816	4.7	162,971	4.5
85 and over .....	2,781	4.4	23,712	2.6	87,567	2.4
Total.....	<u>63,396</u>	<u>100.0</u>	<u>897,374</u>	<u>100.0</u>	<u>3,592,053</u>	<u>100.0</u>
Median Age (years).....	41.5		40.0		40.3	

Source: U.S. Census Bureau, American Community Survey, 2010-14.

## Educational Attainment

Years of School Completed Age 25 and Over

<b>Educational Attainment Group</b>	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade .....	1,315	3.0	29,265	4.7	106,784	4.4
9th to 12th grade, no diploma .....	1,485	3.4	41,364	6.7	150,227	6.1
High School graduate .....	7,594	17.1	169,470	27.5	677,887	27.6
Some college, no degree .....	5,521	12.4	109,691	17.8	431,807	17.6
Associates degree .....	2,264	5.1	47,726	7.7	180,321	7.3
Bachelor's degree .....	12,179	27.4	124,696	20.2	506,662	20.6
Graduate or professional degree.....	14,042	31.6	94,760	15.4	401,889	16.4
Total.....	<b>44,400</b>	<b>100.0</b>	<b>616,972</b>	<b>100.0</b>	<b>2,455,577</b>	<b>100.0</b>
Percent of High School Graduates		93.7%		88.6%		89.5%
Percent of College Graduates		59.1%		35.6%		37.0%

Source: U.S. Census Bureau, American Community Survey, 2010-14.

## Selected Wealth and Income Indicators

	<b>Town of West Hartford</b>	<b>Hartford County</b>	<b>State of Connecticut</b>
Per Capita Income, 2014 .....	\$48,808	\$35,307	\$38,480
Per Capita Income, 1999 .....	\$33,468	\$26,047	\$28,766
Per Capita Income, 1989 .....	\$26,943	\$18,983	\$20,189
Median Family Income, 2014 .....	\$111,150	\$82,740	\$88,217
Median Household Income, 2014 .....	\$84,092	\$65,499	\$69,899
Percent of Families Below Poverty Level .....	5.6%	9.0%	7.5%

Source: U.S. Bureau of Census; Census 1990, Census 2000, American Community Survey, 2010-14.

## Income Distribution

	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000 .....	472	2.9	9,145	4.0	30,584	3.4
\$ 10,000 to 14,999 .....	249	1.5	5,729	2.5	18,591	2.1
\$ 15,000 to 24,999 .....	632	3.8	13,423	5.9	46,537	5.2
\$ 25,000 to 34,999 .....	685	4.2	14,886	6.6	56,473	6.3
\$ 35,000 to 49,999 .....	1,067	6.5	22,129	9.7	85,206	9.5
\$ 50,000 to 74,999 .....	2,446	14.9	37,781	16.6	140,776	15.6
\$ 75,000 to 99,999 .....	1,963	12.0	33,191	14.6	129,656	14.4
\$100,000 to 149,999 .....	3,375	20.5	45,939	20.2	184,327	20.5
\$150,000 to 199,999 .....	2,095	12.8	22,344	9.8	93,100	10.3
\$200,000 or more .....	3,441	20.9	23,086	10.1	114,307	12.7
Total .....	<b>16,425</b>	<b>100.0</b>	<b>227,653</b>	<b>100.0</b>	<b>899,557</b>	<b>100.0</b>

Source: U.S. Census Bureau, American Community Survey, 2010-14.

## Age Distribution of Housing

Year Structure Built	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier .....	7,069	27.1	72,945	19.4	334,290	22.4
1940 to 1949 .....	3,538	13.6	32,106	8.6	104,523	7.0
1950 to 1959 .....	6,992	26.8	68,165	18.2	232,682	15.6
1960 to 1969 .....	3,526	13.5	53,745	14.4	199,413	13.4
1970 to 1979 .....	2,090	8.0	48,951	13.1	200,288	13.5
1980 to 1989 .....	1,234	4.7	49,366	13.2	193,794	13.0
1990 to 1999 .....	675	2.6	25,214	6.7	113,875	7.6
2000 to 2009 .....	922	3.6	22,873	6.1	104,093	7.0
2010 or later .....	19	0.1	1,090	0.3	7,423	0.5
Total housing units .....	<u>26,065</u>	<u>100.0</u>	<u>374,455</u>	<u>100.0</u>	<u>1,490,381</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2010-14.

## West Hartford Housing Inventory

Type	Units	Percent
1-unit detached .....	17,348	66.6
1-unit attached .....	764	2.9
2 to 4 units .....	2,814	10.8
5 to 9 units .....	901	3.4
10 or more units .....	4,162	16.0
Mobile home, trailer, other .....	76	0.3
Total Inventory .....	<u>26,065</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2010-14.

## Owner-Occupied Housing Values

Value of Owner Occupied Units	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	431	2.4	6,418	2.8	24,122	2.6
\$ 50,000 to \$ 99,999 .....	136	0.8	7,107	3.1	26,438	2.9
\$ 100,000 to \$149,999 .....	366	2.0	22,356	9.9	72,756	8.0
\$ 150,000 to \$199,999 .....	1,275	7.1	44,468	19.6	137,797	15.1
\$ 200,000 to \$299,999 .....	6,610	36.7	77,022	34.0	257,364	28.2
\$ 300,000 to \$499,999 .....	6,757	37.6	53,555	23.7	243,882	26.7
\$ 500,000 to \$999,999 .....	2,134	11.9	13,885	6.1	109,918	12.0
\$1,000,000 and over .....	275	1.5	1,746	0.8	40,766	4.5
Total .....	<u>17,984</u>	<u>100.0</u>	<u>226,557</u>	<u>100.0</u>	<u>913,043</u>	<u>100.0</u>
Median Value .....	\$304,000		\$238,600		\$274,500	

Source: U.S. Census Bureau, American Community Survey, 2010-14.

**Employment Data**  
By Place of Residence

Period	Town of West Hartford		Percentage Unemployed		
	Employed <sup>1</sup>	Unemployed <sup>1</sup>	Town of West Hartford (%) <sup>1</sup>	Hartford Labor Market (%) <sup>1</sup>	State of Connecticut (%) <sup>1</sup>
Jan-Nov 2015 .....	32,963	1,405	4.1	5.7	5.7
<b>Annual Average</b>					
2014 .....	32,212	1,593	4.7	6.6	6.6
2013 .....	31,559	1,851	5.5	7.7	7.7
2012 .....	31,718	2,048	6.1	8.4	8.3
2011 .....	31,994	2,229	6.5	8.8	8.8
2010 .....	31,955	2,347	6.8	9.2	9.1
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

<sup>1</sup> Not seasonally adjusted.  
Source: Connecticut Department of Labor

**Employment by Industry**  
Employed Persons 16 Years and Over

Employment Sector	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, & Mining ...	20	0.1	1,064	0.2	7,413	0.4
Construction .....	1,120	3.5	20,160	4.6	97,974	5.5
Manufacturing .....	2,703	8.4	46,596	10.7	191,057	10.8
Wholesale Trade .....	661	2.0	11,410	2.6	44,195	2.5
Retail Trade .....	2,243	7.0	46,979	10.8	191,267	10.8
Transportation, Warehousing & Utilities ....	775	2.4	17,291	4.0	65,068	3.7
Information .....	973	3.0	10,502	2.4	41,905	2.4
Finance, Insurance & Real Estate .....	4,471	13.9	49,546	11.3	161,926	9.2
Professional, Scientific & Management ....	4,131	12.9	46,055	10.5	197,880	11.2
Educational Services & Health Care .....	10,293	32.1	114,301	26.2	467,574	26.5
Arts, Entertainment, Recreation .....	2,038	6.3	34,395	7.9	154,005	8.7
Other Service (including nonprofit) .....	1,304	4.1	18,384	4.2	80,179	4.5
Public Administration .....	1,383	4.3	19,925	4.6	66,491	3.8
Total .....	<u>32,115</u>	<u>100.0</u>	<u>436,608</u>	<u>100.0</u>	<u>1,766,934</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2010-14.

## Major Employers

<b>Employer</b>	<b>Business</b>	<b>Number of Employees</b>
University of Hartford .....	Education	2,035
Town of West Hartford .....	Government	1,959
Hospital at Hebrew Health Care .....	Hospital	704
St. Mary's Home .....	Nursing Home	601
Wiremold/Legrand Products, Inc. ....	Manufacturing	500
UTC Aerospace/Triumph Engine Control Systems ....	Manufacturing	465
University of Connecticut <sup>1</sup> .....	Education	386
Colt Manufacturing .....	Manufacturing	311
American School for the Deaf .....	Education	310
American Medical Response .....	Ambulance Service	300
Cheesecake Factory .....	Restaurant	300
<b>Total</b>		<b>7,871</b>

<sup>1</sup> The University of Connecticut plans to vacate the West Hartford Campus in 2017. See "Economic Initiatives and Proposals – Conclusion" on page 21 for more information.

Source: Connecticut Department of Labor

## Number and Value of Building Permits

<b>Fiscal Year</b>	<b>Number of Permits</b>	<b>Value of Permits</b>
2016 <sup>1</sup>	3,001	\$ 46,542,328
2015 <sup>2</sup>	5,574	151,335,754
2014	6,091	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

<sup>1</sup> As of December 15, 2015.

<sup>2</sup> Fiscal Year 2015 data includes approximately \$40 million in permit value for tax-exempt entities, which are not subject to fees.

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.

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

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 have been completed or are nearing completion. A Class A office building totaling 18,500 square feet at 15 North Main Street and an 18-unit, market rate apartment building at 24 North Main both opened in the fall of 2015. These two developments have re-made 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 and is expected to open in the spring of 2016. These projects are spurring greater investment interest in the Center as more and more owners are looking to capitalize on the demand for new, market rate apartments.

### ***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 more than 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, West Elm 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. The hotel is currently under construction and is expected to be completed by early 2017. It will include 114 rooms, a spa, a full service restaurant and banquet facilities at a projected cost of \$36 million.

### ***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 has completed its final condominium building in its 148-unit development. The West Hartford Housing Authority, through its development arm Trout Brook Realty Advisors, opened The Goodwin in 2015. The development includes a total of 47 one-, two- and three-bedroom apartments and is located across from a new shopping center. 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 began 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 310 apartment units. Formal plans were filed in November 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. If approved, construction would commence in mid-2016 and the first units would be offered to the market in 2017.

### ***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.

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 condominium project is under construction. Nearby on Steele Road, Metro Realty is constructing 150 apartment units in six buildings, plus a clubhouse. This luxury development, which includes the demolition of a 265,000 square foot convent has an estimated project cost of \$22 million. The first buildings will be complete in mid-2016.

### ***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, Kingswood-Oxford and the University of St. Joseph continue to make 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. The Town is currently undertaking a study of the site to evaluate the buildings and grounds in order to have a better understanding of its highest and best use for the future. A negotiation with the University is expected in 2016.

#### 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	\$ 2,562,500	2021
1/15/2001	Schools	4.10 – 4.50	4,750,000	1,187,500	2021
1/15/2002	General Purpose	3.50 – 4.75	6,415,000	1,924,500	2022
1/15/2002	Schools	3.50 – 4.75	7,085,000	2,125,500	2022
6/9/2005	Refunding-Schools	3.00 – 5.00	11,105,000	2,970,000	2019
2/1/2007	General Purpose	3.00 – 5.00	12,546,510	836,434	2017
2/1/2007	Schools	3.00 – 5.00	2,453,490	163,566	2017
1/30/2008	General Purpose	2.00 – 3.50	10,722,000	3,574,000	2023
1/30/2008	Schools	2.00 – 3.50	4,278,000	1,426,000	2023
6/15/2009	General Purpose	2.00 – 4.00	10,902,800	5,814,827	2025
6/15/2009	Schools	2.00 – 4.00	4,097,200	2,185,173	2025
9/15/2009	Refunding-General Purpose	2.00 – 5.00	38,582,956	35,471,129	2026
9/15/2009	Refunding-Schools	2.00 – 5.00	3,077,044	2,828,871	2026
4/1/2010	Refunding-General Purpose	2.00 – 5.00	10,280,268	8,646,698	2024
4/1/2010	Refunding-Schools	2.00 – 5.00	10,329,732	8,688,302	2024
10/15/2010	General Purpose	2.00 – 4.00	6,002,000	3,995,081	2026
10/15/2010	Schools	2.00 – 4.00	1,998,000	1,329,919	2026
3/8/2012	General Purpose	2.50 – 5.00	11,648,000	9,318,400	2028
3/8/2012	Schools	2.50 – 5.00	3,352,000	2,681,600	2028
2/5/2014	General Purpose	2.63 – 5.00	12,829,947	11,110,734	2029
2/5/2014	Schools	2.63 – 5.00	7,170,053	6,209,266	2029
2/12/2015	General Purpose	2.00 – 4.00	9,655,000	9,172,250	2035
2/12/2015	Schools	2.00 – 4.00	11,345,000	10,777,750	2035
2/11/2016	General Purpose (This Issue)	2.00 – 5.00	12,536,583	12,536,583	2031
2/11/2016	Schools (This Issue)	2.00 – 5.00	1,463,417	1,463,417	2031
			\$ 224,875,000	\$149,000,000	

##### 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 2015, the Town Council approved a twelve year Capital Improvement Program ("CIP") in which approximately \$191.8 million is expected to be invested in capital improvements through fiscal year 2027. Approximately \$59.4 million (31%) of this investment is for school facilities, and \$132.4 million (69%) 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 \$32.7 million. The remainder of the CIP funding, approximately \$159.1 million is subject to debt authorization by the Town Council or the development of other funding sources during the period 2016-2027.

### **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 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, 2015	\$ 223,014
REIMBURSEMENT FOR REVENUE LOSS ON:	
Tax Relief for Elderly .....	<u>6</u>
BASE .....	223,020

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers<sup>1</sup></u>	<u>Urban Renewal</u>	<u>Pension</u>
<b>DEBT LIMITATION:</b>					
2 1/4 times base .....	\$ 501,795	-	-	-	-
4 1/2 times base .....	-	\$1,003,590	-	-	-
3 3/4 times base .....	-	-	\$ 836,325	-	-
3 1/4 times base .....	-	-	-	\$ 724,815	-
3 times base .....	-	-	-	-	\$ 669,060
Total debt limitation .....	<u>\$ 501,795</u>	<u>\$1,003,590</u>	<u>\$ 836,325</u>	<u>\$ 724,815</u>	<u>\$ 669,060</u>
<b>INDEBTEDNESS:</b>					
The Bonds ( <i>This Issue</i> ).....	12,537	1,463	-	-	-
Bonds Payable .....	92,427	42,573	-	-	-
Notes Payable .....	-	-	-	-	-
Overlapping Debt .....	-	-	101,190	-	-
Debt Authorized but Unissued .....	16,953	24,213	-	-	-
Total Indebtedness .....	<u>121,917</u>	<u>68,249</u>	<u>101,190</u>	<u>-</u>	<u>-</u>
Less: School Construction Grants					
Receivable .....	<u>-</u>	<u>(20,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Indebtedness: .....	<u>121,917</u>	<u>47,463</u>	<u>101,190</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF					
TOTAL INDEBTEDNESS .....	<u>\$ 379,878</u>	<u>\$ 956,127</u>	<u>\$ 735,135</u>	<u>\$ 724,815</u>	<u>\$ 669,060</u>

<sup>1</sup> Excludes debt related to the Clean Water Project to be paid from proceeds of MDC's Special Sewer Service Charge. See "Overlapping Debt" herein.

Note: In no case shall indebtedness exceed seven (7) times annual receipts from taxation. The maximum permitted under this formula would be \$1.56 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.

<u>Project</u>	<u>Total Authorization</u>	<u>Estimated Reimbursement Rate</u>	<u>Estimated Grant <sup>1</sup></u>
Asbestos Removal .....	\$ 1,400,000	30.57%	\$ 428,000
Charter Oak School .....	45,000,000	80.00%	36,000,000
Elementary School Expansion .....	500,000	35.00%	175,000
Exterior School Building Improvements ..	7,000,000	40.00%	2,800,000
Heating & Ventilation Systems .....	3,400,000	11.76%	400,000
Interior School Building Improvements ...	7,794,000	24.74%	1,928,000
Portable Classrooms .....	500,000	38.00%	190,000
School Security .....	1,050,000	28.57%	300,000
Site & Athletic Field Improvements .....	2,200,000	11.36%	250,000
<b>Total</b>	<b><u>\$ 68,844,000</u></b>		<b><u>\$42,471,000</u></b>

<sup>1</sup> Estimated grants receivable are based upon eligibility of project costs. Eligible costs are to be determined at completion of a post-project audit. As of December 31, 2015, the Town has received \$22,066,434 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, 2015 the Town expects to receive grant reimbursements under the prior program in an aggregate amount of \$381,582

### 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, 2015, the total gross overlapping debt of the MDC is \$721,360,549, of which \$158,338,640 or 21.95% is attributable to the Town. The total net overlapping debt of the MDC is \$461,000,645, of which the Town of West Hartford is responsible for \$101,189,641 or 21.95%. This excludes \$260,359,904 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 2021).

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 issuance of \$1,600,000,000, in bonds to finance the Clean Water Project. The MDC is pursuing state funding from the State of Connecticut's Clean Water Fund Program and federal funding 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 will 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 Town's allocation of the debt for the Clean Water Project (\$57,148,999) is directly supported by the Special Sewer Service Charge and therefore is 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)

<b>Long-term Debt</b>	
The Bonds ( <i>This Issue</i> ).....	\$ 14,000,000
School Bonds .....	42,573,447
General Purpose Bonds .....	92,426,553
<b>Total Long-term Debt</b> .....	<u>149,000,000</u>
<b>Short-term Debt</b>	
Bond Anticipation Notes .....	-
<b>Total Direct Debt</b> .....	<u>149,000,000</u>
MDC Overlapping Debt - Gross .....	158,338,640
MDC Overlapping Debt – Clean Water Project <sup>1</sup> .....	(57,148,999)
<b>Total Overall Debt</b> .....	<u>250,189,641</u>
Less: School Construction Grants Receivable <sup>2</sup> .....	(381,582)
<b>Total Overall Net Debt</b> .....	<u>\$ 249,808,059</u>

<sup>1</sup> To be paid from proceeds of the MDC's Special Sewer Service Charge. See "Overlapping Debt" herein.

<sup>2</sup> 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 2014 <sup>1</sup> .....	63,396
Net Taxable Grand List (10/1/14) .....	\$5,946,170,476
Estimated Full Value (10/1/14) .....	\$8,591,093,476
Equalized Net Grand List (10/1/13) <sup>2</sup> .....	\$9,156,172,567
Per Capita Income <sup>1</sup> .....	\$48,808

	<u>Total Direct Debt</u>	<u>Total Overall Debt</u>	<u>Total Overall Net Debt</u>
Debt per Capita .....	\$2,350	\$3,946	\$3,940
Percent of Net Taxable Grand List .....	2.51%	4.21%	4.20%
Percent of Estimated Full Value .....	1.73%	2.91%	2.91%
Percent of Equalized Net Grand List .....	1.63%	2.73%	2.73%
Percent of Debt per Capita to Income per Capita ...	4.82%	8.08%	8.07%

<sup>1</sup> Source: U.S. Bureau of Census, American Community Survey, 2010-14.

<sup>2</sup> Source: Office of Policy & Management, State of Connecticut.

## Historical Debt Ratios

Fiscal Year Ended 30-Jun	Net Assessed Value <sup>1</sup>	Estimated Full Value <sup>2</sup>	Total Direct Debt <sup>3</sup>	Ratio of Direct Debt to Net Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population <sup>4</sup>	Net Long-Term Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income <sup>5</sup> (%)
2015	\$5,924,661,849	\$8,556,847,000	\$149,280,000	2.52%	1.70%	63,396	\$2,355	4.82%
2014	5,888,535,750	8,504,964,400	140,830,000	2.39%	1.70%	63,396	\$2,221	4.55%
2013	5,878,019,742	8,491,271,284	133,085,000	2.26%	1.60%	63,340	\$2,101	4.42%
2012	5,034,401,821	8,945,737,664	145,620,000	2.89%	1.60%	63,268	\$2,302	5.23%
2011	4,999,850,463	8,872,674,429	145,095,000	2.90%	1.60%	63,268	\$2,293	5.21%
2010	4,953,923,498	8,816,983,257	151,225,000	3.05%	1.70%	61,045	\$2,477	7.40%
2009	4,889,430,313	8,692,557,657	148,150,000	3.03%	1.70%	61,045	\$2,427	7.25%
2008	4,498,455,415	8,614,597,736	160,995,000	3.58%	1.90%	61,045	\$2,637	7.88%
2007	3,710,940,390	5,353,686,271	156,055,000	4.21%	2.90%	61,045	\$2,556	7.64%
2006	3,659,932,780	5,277,936,829	151,115,000	4.13%	2.90%	61,045	\$2,475	7.40%

<sup>1</sup> Assessment Ratio: 70%.

<sup>2</sup> Includes tax exempt property.

<sup>3</sup> Excludes school building grants receivable and overlapping MDC debt.

<sup>4</sup> Source: U.S. Census Bureau.

<sup>5</sup> Per Capita Income based on U.S. Census Bureau estimates.

## Ratio of Annual Bonded Debt Service to Total General Governmental Expenditures

(Amounts Expressed in Thousands)

Fiscal Year Ended 6/30	Total Debt Service <sup>1</sup>	Total Governmental Funds Expenditures <sup>2</sup>	Debt Service as a % of Non-Capital Expenditures
2015	\$ 17,836	\$ 289,729	6.16%
2014	17,232	286,006	6.03%
2013	17,952	278,491	6.45%
2012 <sup>3</sup>	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 <sup>4</sup>	14,640	264,717	5.53%
2007	16,803	219,827	7.64%
2006	15,810	206,570	7.65%

<sup>1</sup> Represents debt service on all General Obligation Bonds including debt issued for the public improvement portion of the Blue Back Square project which is paid from a combination of parking revenues and an additional tax levy imposed within the West Hartford Center Special Services District.

<sup>2</sup> Includes all Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis of accounting.

<sup>3</sup> 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).

<sup>4</sup> 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.

**Annual Bonded Debt Maturity Schedule<sup>1</sup>**

As of Date of Closing

(Pro forma)

<b>Fiscal Year Ending</b>	<b>Outstanding Principal Payments<sup>2</sup></b>	<b>Outstanding Interest Payments<sup>2</sup></b>	<b>Principal On the Bonds</b>	<b>Interest On the Bonds</b>	<b>Total Debt Service<sup>3</sup></b>	<b>Cumulative Percent of Principal Retired</b>
2016	\$ -	\$ 784,769	\$ -	\$ -	\$ 784,769	0.00%
2017	14,365,000	4,836,363	935,000	381,131	20,517,494	10.27%
2018	14,460,000	4,274,569	935,000	364,050	20,033,619	20.60%
2019	14,570,000	3,689,413	935,000	317,300	19,511,713	31.01%
2020	13,695,000	3,116,813	935,000	298,600	18,045,413	40.83%
2021	13,835,000	2,548,750	935,000	251,850	17,570,600	50.74%
2022	12,125,000	2,030,713	935,000	205,100	15,295,813	59.50%
2023	10,540,000	1,603,875	935,000	186,400	13,265,275	67.20%
2024	9,655,000	1,216,050	935,000	167,700	11,973,750	74.31%
2025	8,580,000	886,550	935,000	149,000	10,550,550	80.70%
2026	7,735,000	617,338	935,000	130,300	9,417,638	86.52%
2027	3,380,000	441,988	930,000	111,600	4,863,588	89.41%
2028	3,380,000	348,463	930,000	93,000	4,751,463	92.30%
2029	2,380,000	262,063	930,000	73,238	3,645,301	94.52%
2030	1,050,000	189,000	930,000	49,988	2,218,988	95.85%
2031	1,050,000	157,500	930,000	25,575	2,163,075	97.18%
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>\$135,000,000</u>	<u>\$27,319,217</u>	<u>\$ 14,000,000</u>	<u>\$ 2,804,831</u>	<u>\$179,124,048</u>	

<sup>1</sup> Excludes Overlapping Debt.<sup>2</sup> Excludes payments made on or before February 11, 2016.<sup>3</sup> Totals may not add up due to rounding.*{The remainder of this page intentionally left blank}*

## 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, 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, 2015, 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.

Public Act No. 15-244 created a municipal spending cap beginning in fiscal year 2018 for municipalities to be eligible to receive the full amount of the State’s municipal revenue sharing grant. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality's percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. However, for municipalities that taxed motor vehicles at more than 32 mills for the 2013 assessment year (for taxes levied in fiscal year 2015), the reduction may not exceed the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills. (See “Assessment Practices” herein).

The Act requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures:

1. for debt service, special education, or costs to implement court orders or arbitration awards;
2. associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or
3. for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 2017 disbursements, or 29.63 mills, for fiscal year 2018 disbursements and thereafter.

**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 2014. 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, 2015 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 Town implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year ending June 30, 2014. In accordance with GASB Statement No. 67, the net position is based on the fair market value as of the end of the fiscal year and the total pension liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net pension liability of the West Hartford Retirement System as of June 30, 2015 were as follows:

Total pension liability	\$	375,665
Plan fiduciary net position		182,086
Net pension liability	\$	193,579
Plan fiduciary net position as a % of total pension liability		48.47%

The following represents the net pension liability of the West Hartford Retirement System, calculated using the current discount rate, 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 or 1 percentage point higher than the current rate:

	<b>1% Decrease</b> <b>(6.54%)</b>	<b>Current</b> <b>Discount Rate</b> <b>(7.54%)</b>	<b>1% Increase</b> <b>(8.54%)</b>
Town's Net Pension Liability	\$ 233,001	\$ 193,579	\$ 159,935

In fiscal year 2014-2105, the Town changed actuarial consultants. During the preparation of the Town's July 1, 2015 pension valuation report, the Town was notified by the current actuarial firm that the prior actuarial firm omitted certain plan provisions from prior valuations, thus understating the Town's accrued liability; specifically a Police and Fire Death Benefit and a \$600 per year supplemental benefit for years worked after the Normal Retirement Date. These liabilities are now included in the new valuation analysis. The current actuarial firm also recommended that the amortization period be amended to a closed 30 year period from a closed 23 year period and a reduction in the payroll growth assumption from 4% to 2.5%. In addition, the Town has developed a funding plan and plans on reducing the payroll growth assumption by .25% per year until a level dollar amortization method is being used. The Town had previously committed to a reduction in the Discount rate from 7.54% to 7.5%, which is reflected in the valuation as well. Based on the aforementioned, the Actuarial Accrued Liability increased to \$403.7 million from \$367.4 million. The Actuarially Determined Contribution is expected to increase to \$20,551,457 from \$17,916,822 in fiscal year 2015-16.

**Schedule of Funding Progress (in Thousands)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
July 1, 2015 <sup>1</sup>	\$ 173,141	\$ 403,746	\$ 230,605	42.9%	\$ 59,332	388.7%
July 1, 2014	159,254	367,482	208,228	43.3%	55,892	372.6%
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%

<sup>1</sup> Draft valuation dated July 1, 2015.

**Schedule of Employer Contributions (in Thousands)**

<b>Fiscal Year</b>	<b>Actuarial Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2016 <sup>1</sup>	\$ 17,917	\$ 17,917	100.0 %
2015	17,712	17,712	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 %

<sup>1</sup> Adopted 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, 2015 the reserve had a balance of \$11.1 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 Funding Progress (in Thousands)

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
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 Employer Contributions (in Thousands)

<b>Fiscal Year</b>	<b>Actuarial Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2016 <sup>1</sup>	\$ 10,363	\$ 10,180	98.2%
2015	9,780	8,473	86.6%
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%

<sup>1</sup> Adopted 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. Revaluations are conducted in accordance with Connecticut General Statutes, currently every five years. The Town's next revaluation is scheduled for October 1, 2016 and will be effective for fiscal year 2017-18.

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.

Public Act No. 15-244 allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 32.00 mills for the 2015 assessment year and (2) 29.36 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to reimburse municipalities for a portion of the revenue loss attributed to the motor vehicle property tax cap. However, the grant is currently static so there will be a constantly increasing tax shift for the Town to real and personal property from motor vehicle property under the Act. In addition, based on the Town's calculations, the current grant estimates do not fully reimburse the Town when benchmarked against fiscal year 2015.

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 <sup>1</sup>			Personal Property <sup>1</sup>		Less: Exemption on Taxable Property	Net Taxable Grand List	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other	Motor Vehicle			
2014	\$4,448,363	\$846,482	\$81,656	\$218,010	\$419,255	\$67,595	\$5,946,171	38.31
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 <sup>2</sup>	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 <sup>3</sup>	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

<sup>1</sup> Assessed Value is 70% of Estimated Actual Value.

<sup>2</sup> 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.

<sup>3</sup> 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)

	Assessed Value as of 10/1/14
<b>Public</b>	
Federal .....	\$ 9,521,610
Town of West Hartford .....	125,849,150
State of Connecticut .....	34,582,450
Sub-Total Public .....	<u>169,953,210</u>
<b>Private</b>	
Public Service Companies .....	5,339,670
Scientific, Educational, Historical, Charitable ...	273,541,940
Churches .....	139,827,730
Cemeteries .....	12,968,270
Veteran's Organizations .....	1,441,860
Recreation .....	65,344,440
Private Colleges and Hospitals .....	93,955,680
Sub-Total Private .....	<u>592,419,590</u>
<b>Total Exempt Property</b> .....	<u>\$ 762,372,800</u>
Percent of Net Taxable Grand List of 10/1/14....	12.82%

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

**Principal Taxpayers**  
(Amounts Expressed in Thousands)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List of October 1, 2014</u>		
		<u>Taxable Value</u>	<u>Rank</u>	<u>Percent of Total</u>
Sof-Ix Blue Back Square Holdings LP ....	Retail, Office, Apartments, Residential .	\$ 75,658	1	1.27%
West Farms Mall LLC .....	Mall .....	38,204	2	0.64%
Connecticut Light & Power .....	Utility .....	37,699	3	0.63%
Corbins Corner Shopping Center LLC ....	Shopping Center .....	33,840	4	0.57%
Town Center West Associates .....	Office .....	24,934	5	0.42%
Bishop's Corner (E&A) LLC .....	Shopping Center .....	18,243	6	0.31%
Sisters of Mercy/McAuley Center .....	Assisted Living .....	17,741	7	0.30%
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>
<b>Total</b>		<b>\$289,061</b>		<b>4.86%</b>

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)

<u>Fiscal Year Ending 6/30</u>	<u>Total Tax Rate (In Mills)</u>	<u>Total Adjusted Tax Levy</u>	<u>Collected within Fiscal Year of Levy</u>		<u>Collections Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Collections</u>	<u>Percentage of Levy</u>		<u>Collections</u>	<u>Percentage of Levy</u>
2016 <sup>1</sup>	38.31	\$ 227,161	n/a	n/a	n/a	n/a	n/a
2015	37.37	222,213	\$ 220,483	99.2%	n/a	\$220,483	99.2%
2014	36.30	214,310	212,530	99.2%	\$1,071	213,601	99.7%
2013	35.75	210,065	208,258	99.1%	1,389	209,647	99.8%
2012	39.44	199,192	197,344	99.1%	1,398	198,742	99.8%
2011 <sup>2</sup>	38.38	192,761	190,585	98.9%	1,739	192,324	99.8%
2010	37.54	186,542	184,817	99.1%	1,530	186,347	99.9%
2009	36.97	181,771	180,089	99.1%	1,335	181,424	99.8%
2008	38.63	174,302	172,515	99.0%	1,423	173,938	99.8%
2007	46.19	172,700	171,389	99.2%	962	172,351	99.8%

n/a-information not yet available

<sup>1</sup> Adopted Budget

<sup>2</sup> 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, 2015)

<b>Grand List Year</b>	<b>Adjusted Total Tax Levy</b>	<b>Remaining Uncollected Levy</b>	<b>Percent Adjusted Levy Uncollected</b>
2013	\$222,213	\$ 1,730	0.8%
2012	214,310	651	0.3%
2011	210,066	147	0.1%
2010	199,192	85	0.0%
2009	192,761	65	0.0%
2008	186,542	40	0.0%
2007	181,771	31	0.0%
2006	174,302	14	0.0%
2005	172,700	9	0.0%
2004	162,715	8	0.0%

Note: As of June 30, 2015 the total uncollected levy from all years was \$2,814,000.

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 2011-2015 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**  
(Amounts Expressed in Thousands)

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Property Tax Revenues</b>	<b>Property Tax Revenues as a Percentage of Fund Revenues</b>
2016 <sup>1</sup>	\$ 257,514	\$ 227,985	88.5 %
2015	271,837	223,063	82.1
2014	264,659	214,923	81.2
2013	257,007	210,571	81.9
2012 <sup>2</sup>	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 <sup>3</sup>	248,490	173,318	69.7
2007	206,033	172,565	83.8

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

<sup>2</sup> 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).

<sup>3</sup> 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 2015-16 adopted budget.

**Intergovernmental Revenues**  
(Amounts Expressed in Thousands)

<u>Fiscal Year</u>	<u>General Fund Revenues &amp; Transfers in</u>	<u>Intergovernmental Revenue</u>	<u>Aid As a Percentage Of General Fund Revenues</u>
2016 <sup>1</sup>	\$ 257,514	\$ 22,199	8.6 %
2015	271,837	41,016	15.1
2014	264,659	43,115	16.3
2013	257,007	39,863	15.5
2012 <sup>2</sup>	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 <sup>3</sup>	248,490	66,234	26.7
2007	206,033	24,177	11.7

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

<sup>2</sup> 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).

<sup>3</sup> 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 2015-16 adopted budget.

**Expenditures**

<u>Fiscal Year</u>	<u>Education</u>	<u>Public Safety</u>	<u>Non- Departmental</u> <sup>1</sup>	<u>Community Maintenance</u>	<u>Transfers Out</u> <sup>2</sup>
2016 <sup>3</sup>	57.6 %	10.0 %	15.3 %	6.2 %	6.4 %
2015	60.0	9.5	13.7	5.8	6.8
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 <sup>4</sup>	65.7	12.2	9.1	6.5	1.0
2007	59.0	14.2	10.8	7.5	2.0

<sup>1</sup> 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.

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

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

<sup>4</sup> 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 2015-16 adopted budget.

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

	<b>Fiscal Year 2014-15</b>			<b>Fiscal Year</b>
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2015-16 Adopted Budget</b>
<b>REVENUES</b>				
Property Taxes .....	\$ 222,328	\$ 223,063	\$ 735	\$ 227,985
Intergovernmental .....	22,600	22,879	279	22,199
Charges for Services .....	5,012	5,711	699	5,205
Investment Income .....	250	282	32	250
Miscellaneous .....	950	842	(108)	836
<b>TOTAL REVENUES</b> .....	<b>\$ 251,140</b>	<b>252,777</b>	<b>1,637</b>	<b>\$ 256,475</b>
<b>EXPENDITURES</b>				
Current:				
General Government .....	5,422	5,410	12	\$ 5,515
Public Safety .....	25,795	25,639	156	25,652
Community Maintenance .....	15,742	15,587	155	15,953
Human & Cultural Resources .....	6,125	6,079	46	6,152
Education .....	145,582	144,402	1,180	148,371
Non-departmental .....	37,389	37,178	211	39,288
<b>TOTAL EXPENDITURES</b> .....	<b>236,055</b>	<b>234,295</b>	<b>1,760</b>	<b>240,931</b>
Excess (deficiency) of revenues over expenditures .....	<u>15,085</u>	<u>18,482</u>	<u>3,397</u>	<u>15,544</u>
Other financing sources (uses):				
Operating transfers in .....	988	922	(66)	1,039
Operating transfers out <sup>1</sup> .....	(18,449)	(18,436)	13	(16,583)
Total Other financing sources (uses) ..	(17,461)	(17,514)	(53)	(15,544)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses .....	<u>\$ (2,376)</u>	<u>\$ 968</u>	<u>\$ 3,344</u>	<u>\$ -</u>

<sup>1</sup> Includes transfers to Debt Service Fund and non-public school health and transportation expenses.

Source: Town annual audited financial statements; annual budgets.

## Comparative Balance Sheet – General Fund

Fiscal Year Ended:	(In Thousands)				
	2011	2012	2013	2014	2015
<b>Assets</b>					
Cash and cash equivalents .....	\$ 23,538	\$ 19,322	\$ 28,840	\$ 41,369	\$ 43,244
Receivables, net .....	4,179	13,119	4,301	3,592	3,144
Due from other funds .....	2,503	2,950	5,003	2,447	2,287
Inventories .....	170	167	179	178	172
Prepaid items .....	8	2	-	-	-
<b>Total Assets</b> .....	<b>\$ 30,398</b>	<b>\$ 35,560</b>	<b>\$ 38,323</b>	<b>\$ 47,586</b>	<b>\$ 48,847</b>
<b>Liabilities</b>					
Accounts payable .....	\$ 2,457	\$ 2,384	\$ 1,859	\$ 2,738	\$ 2,434
Payroll liabilities .....	2,289	2,624	4,047	4,277	3,933
Other liabilities .....	2,198	2,252	2,242	866	735
Unearned revenue .....	4,743	9,945	10,732	1,292	1,316
<b>Total Liabilities</b> .....	<b>11,687</b>	<b>17,205</b>	<b>18,880</b>	<b>9,173</b>	<b>8,418</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes ..	-	-	-	1,920	1,748
Unavailable revenue - school grants....	-	-	-	615	494
Advance tax collections.....	-	-	-	15,673	17,132
<b>Total Deferred Inflows of Resources</b> .....	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,208</b>	<b>19,374</b>
<b>Fund Balances (Deficits)</b>					
Nonspendable .....	178	169	179	178	172
Restricted .....	-	-	-	-	-
Committed .....	-	-	-	-	-
Assigned .....	652	355	333	374	262
Unassigned .....	17,881	17,831	18,931	19,653	20,621
<b>Total Fund Balances</b> .....	<b>18,711</b>	<b>18,355</b>	<b>19,443</b>	<b>20,205</b>	<b>21,055</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b> .....	<b>\$ 30,398</b>	<b>\$ 35,560</b>	<b>\$ 38,323</b>	<b>\$ 47,586</b>	<b>\$ 48,847</b>

Source: Town annual audited financial statements.

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

Fiscal Year Ended:	(In Thousands)				
	2011	2012 <sup>1</sup>	2013	2014	2015
<b>Revenues</b>					
Property taxes .....	\$192,984	\$200,033	\$210,571	\$214,923	\$223,062
Intergovernmental .....	32,117	46,477	39,853	43,115	41,016
Charges for services .....	4,304	4,970	4,632	4,741	5,711
Income on investments .....	710	451	382	256	282
Miscellaneous .....	1,140	1,004	779	775	844
<b>Total Revenues</b> .....	<u>\$231,255</u>	<u>\$252,935</u>	<u>\$256,217</u>	<u>\$263,810</u>	<u>\$270,915</u>
<b>Expenditures</b>					
Current:					
General government .....	5,033	5,064	5,182	5,328	5,393
Public Safety.....	23,497	25,340	25,629	25,368	25,609
Community maintenance .....	15,011	14,398	15,329	15,669	15,701
Human and cultural .....	5,503	5,691	5,864	6,079	6,055
Education .....	139,573	149,600	155,074	160,266	162,477
Debt and sundry .....	25,922	40,601	32,380	34,431	37,184
Capital outlay .....	99	-	48	102	132
<b>Total Expenditures</b> .....	<u>214,638</u>	<u>240,694</u>	<u>239,506</u>	<u>247,243</u>	<u>252,551</u>
Excess (deficiency) of revenues over expenditures .....	16,617	12,241	16,711	16,567	18,364
<b>Other financing sources (uses):</b>					
Operating transfers in .....	878	994	790	849	922
Operating transfers (out) .....	(16,786)	(13,591)	(16,413)	(16,654)	(18,436)
<b>Total other financing sources (uses) ..</b>	<u>(15,908)</u>	<u>(12,597)</u>	<u>(15,623)</u>	<u>(15,805)</u>	<u>(17,514)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses .....	709	(356)	1,088	762	850
Fund Balance - July 1 .....	<u>18,002</u>	<u>18,711</u>	<u>18,355</u>	<u>19,443</u>	<u>20,205</u>
Fund Balance - June 30 .....	<u>\$ 18,711</u>	<u>\$ 18,355</u>	<u>\$ 19,443</u>	<u>\$ 20,205</u>	<u>\$ 21,055</u>

<sup>1</sup> 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.

### Municipal Advisor

The Town has retained Independent Bond and Investment Consultants LLC, of Madison, Connecticut, as municipal 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 by the Town 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 28, 2016. 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*

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Ronald F. Van Winkle  
*Town Manager*

*/s/ Peter Privitera*

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Peter Privitera  
*Director of Financial Services*

Dated as of January 28, 2016

**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, 2015, 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, 2015 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.

## **Change in Accounting Principle**

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the Town has been restated to recognize the net pension liability required in implementing GASB No. 68. Our opinion is not modified with respect to this matter.

## **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-62 through A-67 and the pension schedules on pages A-68 through A-71 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 11, 2015

## TOWN OF WEST HARTFORD, CONNECTICUT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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 Town adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions for fiscal year 2015, requiring restatement of net position as of July 1, 2014.
- The assets and deferred outflows of the Town of West Hartford exceeded its liabilities and deferred inflows at the close of fiscal year 2015 by \$31,141, an increase of \$6,666 over the prior year net position.
- The governmental activities funds reported consolidated net position of \$22,123, an increase of \$5,155 over fiscal year 2014.
- The business-type activities of the Town had a net position of \$9,018 at fiscal year-end, an increase of \$1,511 from the prior year.
- The Town achieved a current year tax collection rate of 99.2% for fiscal year 2015 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 general government, public safety, community maintenance, human and cultural, and education, 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 75-80 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 63-68 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 29-62.

## **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 increased from \$24,475 at the end of fiscal year 2014 (restated) to \$31,141 at the end of fiscal year 2015. 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 (\$168,325), 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 \$891 of the Town's net position represents resources subject to use restrictions by external sources. The remaining balance is unrestricted and is comprised of \$52,465 which may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, offset by the Town's net pension liability of \$190,540.

**TABLE 1**  
**Net Position**  
**In Thousands**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 117,165	\$ 98,880	\$ 224	\$ 250	\$ 117,389	\$ 99,130
Capital assets, net of accumulated depreciation	307,811	306,387	14,052	12,533	321,863	318,920
Total assets	<u>424,976</u>	<u>405,267</u>	<u>14,276</u>	<u>12,783</u>	<u>439,252</u>	<u>418,050</u>
Deferred charge on refunding	507	555			507	555
Difference of economic/demographic gains or losses for pensions	591		9		600	
Difference of assumption changes or inputs for pensions	4,814		77		4,891	
Difference of investment gains or losses for pensions	3,656		58		3,714	
Total deferred outflows of resources	<u>9,568</u>	<u>555</u>	<u>144</u>		<u>9,712</u>	<u>555</u>
Long-term liabilities	383,232	360,759	3,150	2,972	386,382	363,731
Other liabilities	12,057	12,422	2,252	2,304	14,309	14,726
Total liabilities	<u>395,289</u>	<u>373,181</u>	<u>5,402</u>	<u>5,276</u>	<u>400,691</u>	<u>378,457</u>
Advance property tax collections	<u>17,132</u>	<u>15,673</u>			<u>17,132</u>	<u>15,673</u>
Net Position:						
Net investment in capital assets	154,273	161,236	14,052	12,533	168,325	173,769
Restricted	891	2,515			891	2,515
Unrestricted (deficit)	<u>(133,041)</u>	<u>(146,783)</u>	<u>(5,034)</u>	<u>(5,026)</u>	<u>(138,075)</u>	<u>(151,809)</u>
Total Net Position	<u>\$ 22,123</u>	<u>\$ 16,968</u>	<u>\$ 9,018</u>	<u>\$ 7,507</u>	<u>\$ 31,141</u>	<u>\$ 24,475</u>

**Governmental Activities.** Net position of the Town's governmental activities increased \$5,155 from the prior year. Net investment in capital assets (net of related debt) decreased \$6,963 due to the issuance of general obligation bonds in amount higher than what was retired. Restricted assets decreased \$1,624 and unrestricted (net pension liability offset by the amount which may be used to finance day-to-day operations without constraints) had a favorable variance of \$13,742.

Total assets increased \$19,709 from the prior year, primarily the result of higher cash and investment balances than were on-hand at June 30, 2014. Total deferred outflows of resources increased \$9,013 due to losses and assumption changes in the Town's pension plan. Total liabilities increased \$22,108 due to an increase in bonds payable, as the Town issued \$21,000 in new debt during fiscal year 2015 and retired only \$12,550, and an increase of \$12,519 in the Town's net pension liability. In addition, advance property tax collections increased from \$15,673 to \$17,132 due to the mailing date of tax bills.

**Business-Type Activities.** The total net position of the Town's business-type activities increased \$1,511, the result of capital asset activity in which current year asset additions exceeded depreciation expense.

**TABLE 2**  
**Changes in Net Position**  
*In Thousands*

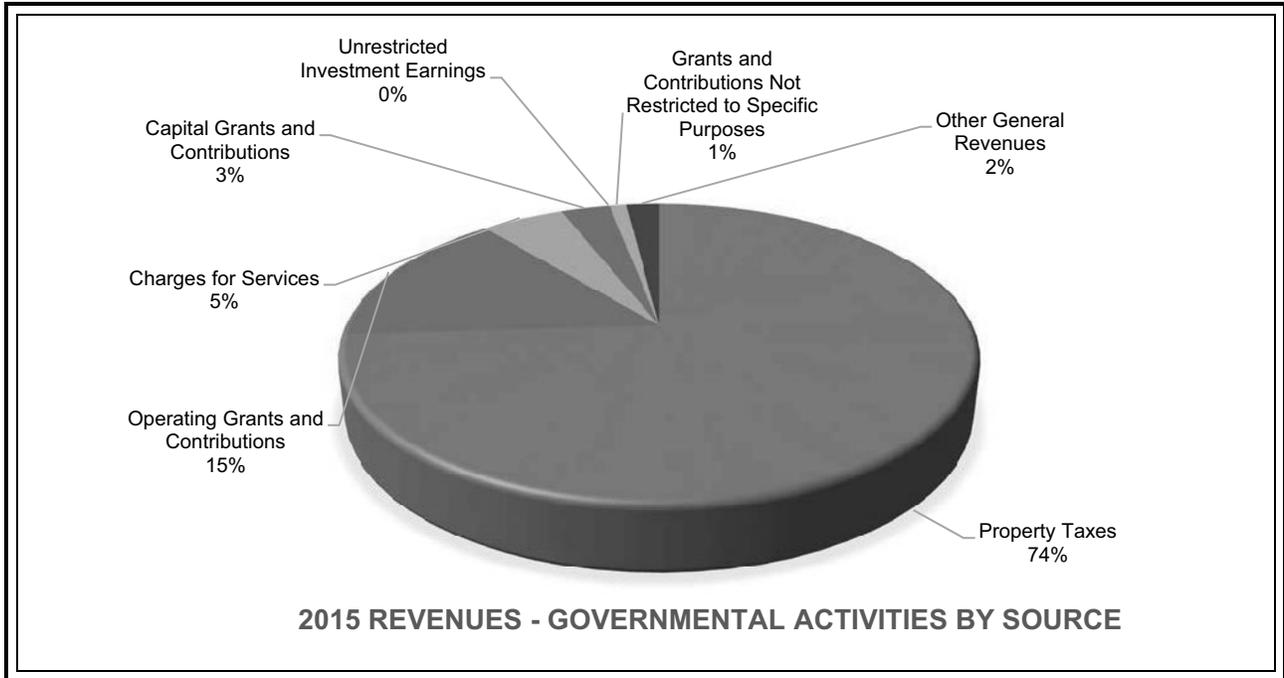
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 15,139	\$ 13,962	\$ 2,968	\$ 2,889	\$ 18,107	\$ 16,851
Operating grants and contributions	46,460	48,077		26	46,460	48,103
Capital grants and contributions	7,627	962	2,520	468	10,147	1,430
General revenues:						
Property taxes	222,840	214,970			222,840	214,970
Grants and contributions not restricted to specific purposes	2,895	2,855			2,895	2,855
Unrestricted investment earnings	1,378	2,685			1,378	2,685
Other general revenues	4,512	4,089			4,512	4,089
Total revenues	<u>300,851</u>	<u>287,600</u>	<u>5,488</u>	<u>3,383</u>	<u>306,339</u>	<u>290,983</u>
Program expenses:						
General government	10,059	11,362			10,059	11,362
Public safety	48,798	45,213			48,798	45,213
Community maintenance	37,042	35,598			37,042	35,598
Human and cultural	13,858	11,526			13,858	11,526
Education	180,805	178,648			180,805	178,648
Interest on long-term debt	4,989	4,963			4,989	4,963
Leisure services			4,122	3,971	4,122	3,971
Total program expenses	<u>295,551</u>	<u>287,310</u>	<u>4,122</u>	<u>3,971</u>	<u>299,673</u>	<u>291,281</u>
Change in net assets before transfers	5,300	290	1,366	(588)	6,666	(298)
Transfers	<u>(145)</u>	<u>(151)</u>	<u>145</u>	<u>151</u>		
Change in net assets	5,155	139	1,511	(437)	6,666	(298)
Net Assets at Beginning of Year, as Restated	<u>16,968</u>	<u>16,829</u>	<u>7,507</u>	<u>7,944</u>	<u>24,475</u>	<u>24,773</u>
Net Assets at End of Year	<u>\$ 22,123</u>	<u>\$ 16,968</u>	<u>\$ 9,018</u>	<u>\$ 7,507</u>	<u>\$ 31,141</u>	<u>\$ 24,475</u>

### Primary Government

Total primary government revenues increased \$15,356 from the prior year, while total primary government program expenses increased \$8,392 over the same time period. The following analysis separately considers the operations of governmental and business-type activities.

## Governmental Activities

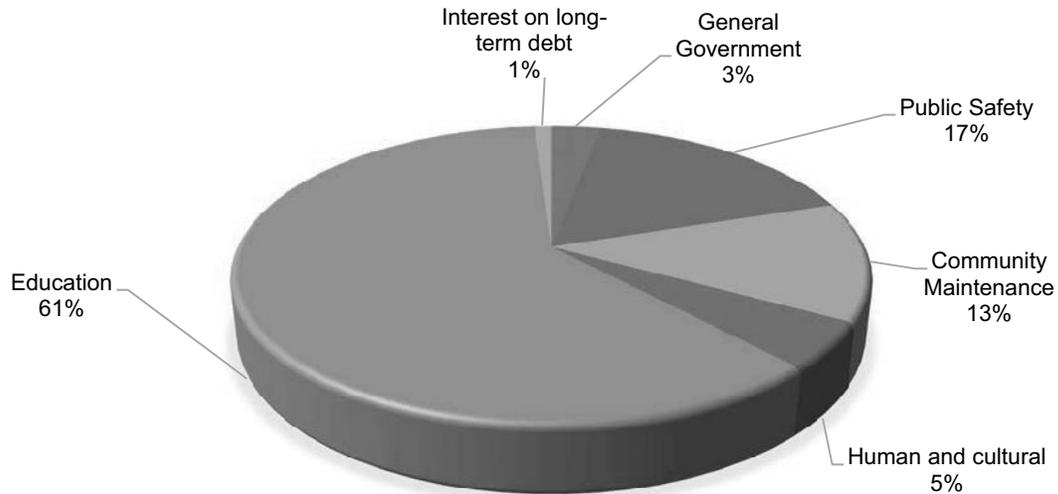
Revenues for governmental activities exclusive of transfers totaled \$300,851 for fiscal year 2015, an increase of \$13,251 over the prior year. Property taxes (74%), operating grants and contributions (15%) and charges for services (5%) were the primary revenue sources, while capital grants and contributions, unrestricted grants, investment earnings and other general revenues combined contributed 6% of the Town's revenues.



Operating grants and contributions totaled \$46,460 in fiscal year 2015, a decrease of \$1,617 from the prior year relating primarily to Board of Education intergovernmental grants. Capital grants and contributions increased \$6,665 from the prior year, the result of school construction grants received from the State of Connecticut for the construction of a new elementary school. 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 lower equity returns in the risk management reserves compared to fiscal year 2014 had an unfavorable impact on investment earnings.

In order to cover the increased cost of services, the fiscal year 2015 adopted General Fund budget required an increase of 3.5% in current year property tax revenue. Actual property tax revenue comprised 74.1% of total governmental activities revenue in fiscal year 2015, a slight reduction from fiscal year 2014.

Program expenses for governmental activities totaled \$295,551 for fiscal year 2015. Approximately 23% of program expenses were supported by program revenues with the balance funded from general revenues, primarily property taxes. Expenses for education (61%), public safety (17%), and community maintenance (13%) comprise 91% of total governmental activities program expenses, with general government, human and cultural, and interest on long-term debt comprising the remaining 9%.

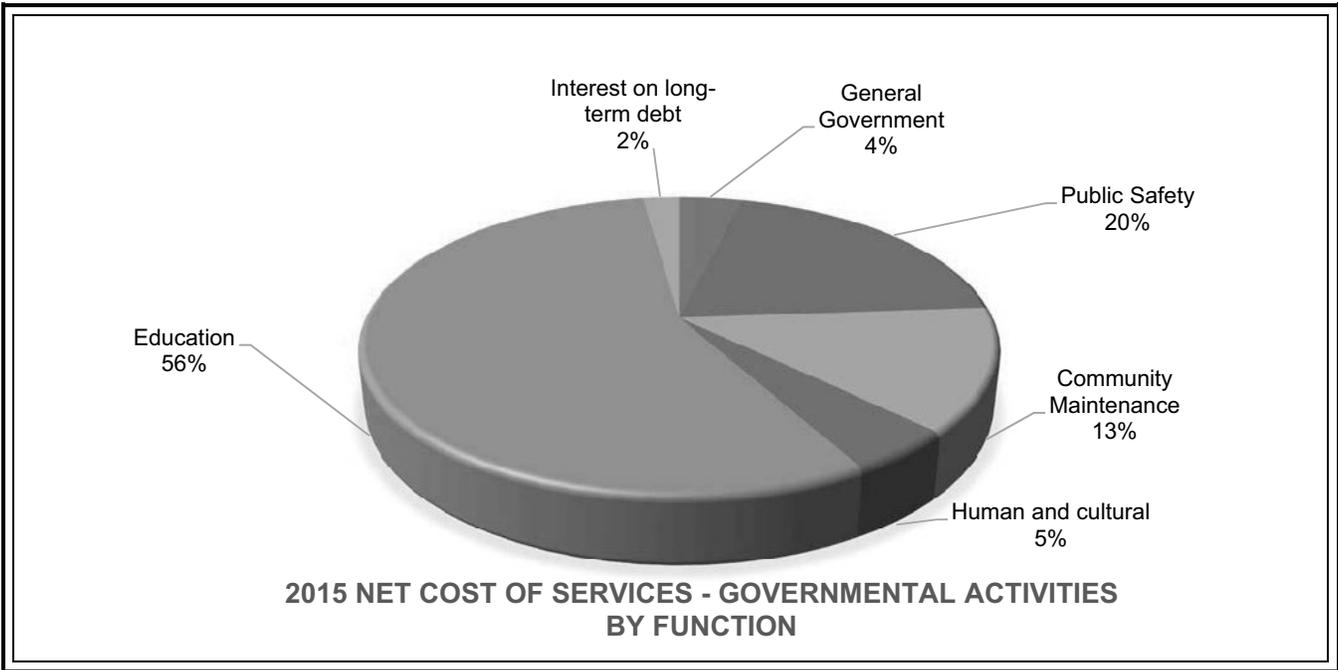


**2015 EXPENSES - GOVERNMENTAL ACTIVITIES BY FUNCTION**

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, human and cultural, general government, and interest on long-term debt. The net cost shows the financial burden placed on the Town's taxpayers by function.

**TABLE 3**  
**Cost of Governmental Activities by Function**  
*In Thousands*

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Education	\$ 180,805	\$ 178,648	\$ 126,544	\$ 128,371
Public safety	48,798	45,213	45,323	41,764
Community maintenance	37,042	35,598	30,263	30,149
Human and cultural	13,858	11,526	10,616	9,180
General government	10,059	11,362	8,611	9,910
Interest on long-term debt	4,989	4,963	4,968	4,935
<b>Total</b>	<b>\$ <u>295,551</u></b>	<b>\$ <u>287,310</u></b>	<b>\$ <u>226,325</u></b>	<b>\$ <u>224,309</u></b>



**Business-Type Activities**

Revenues from business-type activities increased \$2,105 from the prior year due to increases in capital grants and contributions (\$2,052) and charges for services (\$79), offset by a decrease in operating grants and contributions (\$26). Program expenses increased \$151 while transfers decreased \$6 in fiscal year 2015 resulting in change in net assets of \$1,511 for fiscal year 2015.

**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, 2015, the Town’s governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$52,355. This represents an increase of \$13,393 or 34.4% from the prior year. Based upon fund balance classification under GASB 54, \$20,621 or 39.4% is unassigned and is comprised solely of fund balance of the General Fund. An additional \$28,682 or 54.8% is committed, or constrained for a specific purpose by the Town Council. The remainder is comprised of non-spendable (\$227), restricted (\$2,535), and assigned (\$290) fund balance, as defined in footnote 1.

The net change in fund balances (Exhibit IV) totaled \$13,393 for fiscal year 2015. Included in this total is an increase of \$850 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 \$12,942, reflecting intergovernmental revenue of \$7,289, transfers in of \$3,563, charges for services of \$135 and miscellaneous revenues of \$340, with corresponding capital expenditures of \$18,708 and transfers out of \$677. In addition, the Town issued \$21,000 in general obligation bonds in fiscal year 2015. The CDBG Housing Rehabilitation Fund had a reduction to fund balance of \$33, while the Debt Service Funds had a net increase in fund balance of \$83. Non-major Governmental Funds experienced a net decrease in fund balance of \$449, as detailed by fund in Exhibit B-2. Significant changes in fund balance were seen in the Cemetery Operating Fund (-\$264), Cafeteria Fund (-\$236), School Special Programs Fund (-\$191), Police Private Duty Fund (-\$180), and School Interscholastic Sports Fund (-\$94), offset by an increase of \$495 in the Parking Lot Fund, while the remaining non-major governmental funds experienced modest changes totaling a net increase of \$21.

**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 \$29,763 at year-end, an increase of \$5,792 from the prior year. Net position of the Internal Service Funds increased \$4,281 as a result of the Town’s effort to build the retiree health reserve of the Risk Management Fund. The Leisure Services Fund achieved an increase of \$1,511 due to capital contributions.

**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 2015 and the variance between the final budget and actual results.

<u>Revenue</u>	<u>Budget</u>		<u>Change</u>	<u>Actual Revenue</u>	<u>Over/ (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>			
Property taxes	\$ 221,513	\$ 222,328	\$ 815	\$ 223,063	\$ 735
Federal	37	360	323	317	(43)
State	22,228	22,240	12	22,562	322
Charges for services	4,913	5,012	99	5,711	699
Local revenues	916	950	34	842	(108)
Income on investments	250	250		282	32
Transfers in	988	988		922	(66)
Total Revenues	<u>250,845</u>	<u>252,128</u>	<u>1,283</u>	<u>253,699</u>	<u>1,571</u>
Planned Use of Fund Balance					-
Total Adopted Budget	<u>\$ 250,845</u>	<u>\$ 252,128</u>	<u>\$ 1,283</u>	<u>\$ 253,699</u>	<u>\$ 1,571</u>

**General Fund Budgetary Amendments**

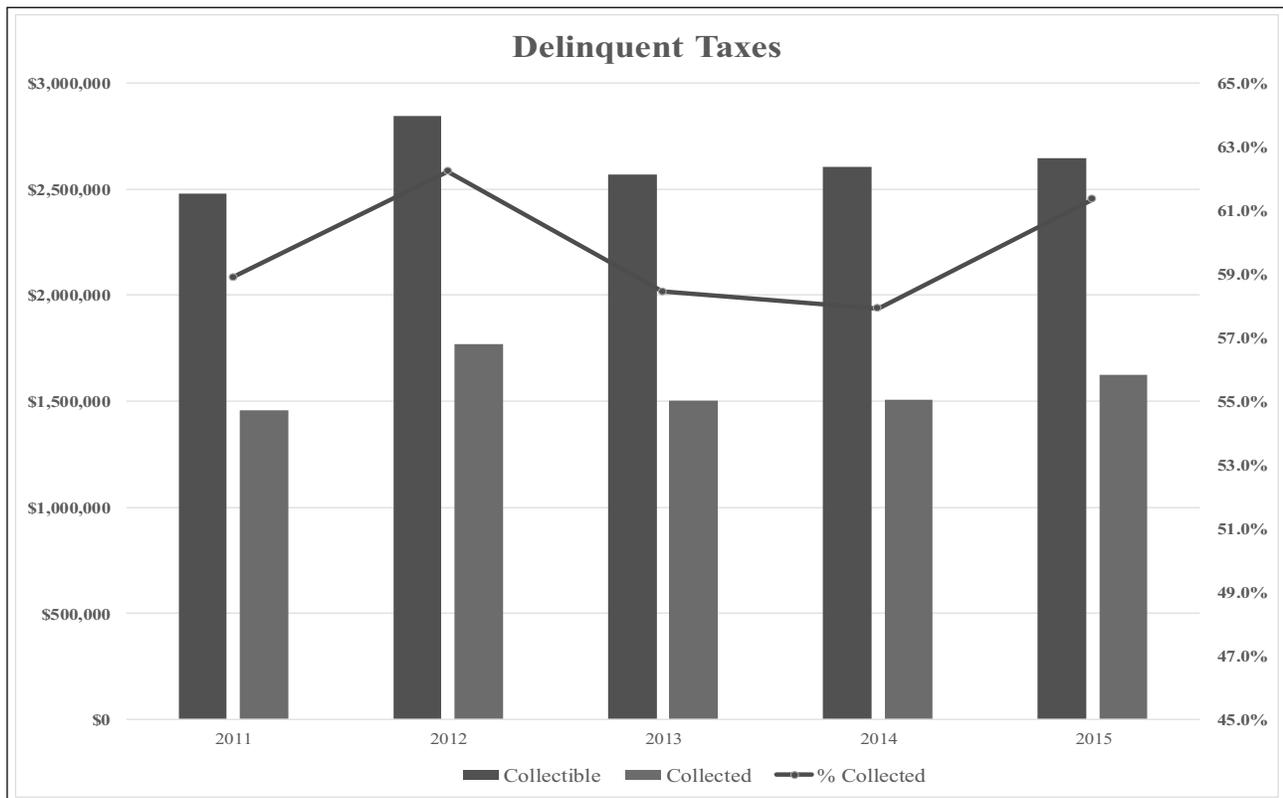
The General Fund’s final estimated revenues increased \$1,283 or 0.5% from the original adopted budget.

- Property taxes increased a total of \$815, comprised of increases to current year property tax revenue (\$450), prior year property tax revenue (\$265), and interest & lien fees (\$100).
- Additional federal grants totaling \$323 were appropriated during the fiscal year, including Police grants (\$261) and an expanded Dial-a-Ride grant (\$62).
- Estimated intergovernmental revenue from the State of Connecticut increased \$12 due to minor miscellaneous grants.
- The increase in estimated charges for services revenue resulted primarily from the appropriation of fees related to the Connecticut SWAT Challenge (\$93), 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, total actual revenue was \$1,571 higher than budgeted. Property tax revenue exceeded budget by \$735 due to strong collections of both current year and prior year taxes. Federal revenue was lower than estimated (\$43) due to the timing of expenditures for reimbursement grants. The unexpended portion of these grants will be carried forward to the fiscal year 2016 budget. State revenue exceeded budget by \$322. Significant favorable variances were seen in the education cost sharing grant (\$183) and payment-in-lieu of taxes grant (\$73), with smaller favorable variances in the telephone access grant (\$31), school transportation grant (\$15) and miscellaneous other grants (\$20). Charges for services exceeded budget by \$699. Favorable variances were achieved in building permit revenue (\$422), fire permits (\$412), and engineering permits (\$45), offset by shortfalls in conveyance tax (\$71) and land records fees (\$131). While positive variances were experienced in sale of assets (\$22), rental income (\$115), and workers' compensation reimbursements (\$51), overall local revenues fell short of estimate by \$108 due to management's decision to postpone use of budgeted prior year tax overpayments as a revenue source (\$300). Income on investments was \$32 more than estimated while transfers in from other funds were \$66 less than expected due to a reduction in the LoCIP grant and lower capital project reimbursements.

The Town achieved a property tax collection rate of 99.2% for fiscal year 2015. 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 \$2.3 million at the end of fiscal year 2015 (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	\$ 354	\$ 368	\$ 14	\$ 368	\$ -
Town Clerk	265	268	3	268	-
Town Manager	271	277	6	277	-
Corporation Counsel	462	465	3	465	-
Registrar of Voters	266	256	(10)	256	-
Information Technology	732	744	12	744	-
Financial Services	2,001	1,988	(13)	1,988	-
Assessment	641	641		641	-
Employee Services	416	415	(1)	403	12
Fire	10,580	10,581	1	10,531	50
Police	14,860	15,214	354	15,108	106
Community Services	2,482	2,486	4	2,438	48
Public Works	11,094	11,048	(46)	10,941	107
Facilities	2,162	2,208	46	2,208	-
Library	3,190	3,229	39	3,229	-
Human & Leisure Services	2,839	2,896	57	2,850	46
Education	145,582	145,582		144,402	1,180
Debt and Sundry	37,389	37,389		37,178	211
Transfers Out	15,259	18,449	3,190	18,436	13
<b>Total Adopted Budget</b>	<b>\$ <u>250,845</u></b>	<b>\$ <u>254,504</u></b>	<b>\$ <u>3,659</u></b>	<b>\$ <u>252,731</u></b>	<b>\$ <u>1,773</u></b>

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

- The Police Department budget increased \$354 during the fiscal year due to grants (\$261) and an appropriation for costs related to the SWAT Challenge (\$93).
- The Department of Public Works budget was reduced \$46 during fiscal year 2015. The department was able to reduce operating expenses, primarily in the area of solid waste disposal costs, enabling a portion of the budget to be transferred to other departments.
- The Facilities Services departmental budget required an increase of \$46 due to higher than anticipated maintenance and contractual services costs.
- The fiscal year 2015 Library budget was increased \$39 to address termination costs for employees who retired during the fiscal year.
- The Department of Human and Leisure Services budget was increased \$57. Appropriations were made for grants (\$62) and contributions (\$33) during the fiscal year, offset by a budget reduction (\$38) at year end relating to savings in the Dial-a-Ride program.
- The final budget for transfers to other funds had a net increase of \$3,190 from the original budget. Current year surplus was used to fund transfers of \$2,175 to the CNRE Fund to fund capital projects, vehicles and equipment purchases, and \$125 to the Leisure Services Fund to cover an unanticipated operating deficit.

**General Fund Expenditure Variance**

In comparison to final appropriations, actual expenditures were \$1,773 less than budgeted. Significant favorable variances were achieved in the areas of Education (\$1,180), Debt & Sundry (\$211), Public Works (\$107), and Public Safety (Police-\$106, Fire-\$50). The variance in Education resulted primarily from lower personal services costs than budgeted. Debt & Sundry savings occurred in the paramedic services program and the contingency for unsettled union contracts. Public Works experienced lower operating expenses, while the Public Safety departments had payroll and related social security cost savings due to vacant positions, as well as reduced vehicle maintenance expenditures resulting from lower gasoline rates.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2015 the Town had \$321.9 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 increase of \$3.0 million, or 0.9%, from the prior year.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 10.6	\$ 10.6	\$	\$	\$ 10.6	\$ 10.6
Construction in progress	28.4	19.1	3.1	1.6	31.5	20.7
Buildings and land improvements	176.2	182.5	10.9	10.8	187.1	193.3
Furniture and equipment	3.6	3.7	0.1	0.1	3.7	3.8
Vehicles	3.7	3.4			3.7	3.4
Infrastructure	<u>85.3</u>	<u>87.1</u>			<u>85.3</u>	<u>87.1</u>
<b>Total Capital Assets</b>	<b>\$ <u>307.8</u></b>	<b>\$ <u>306.4</u></b>	<b>\$ <u>14.1</u></b>	<b>\$ <u>12.5</u></b>	<b>\$ <u>321.9</u></b>	<b>\$ <u>318.9</u></b>

The Town's capital budget appropriated 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, 2015 the Town had \$149,280 in bonds outstanding versus \$140,830 in the prior year.

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General Obligation Bonds (backed by the Town)	\$ 149.3	\$ 140.8	\$ -	\$ -	\$ 149.3	\$ 140.8

The increase in outstanding debt resulted from the issuance of \$21,000 in general obligation bonds in January 2015, offset by principal payments on existing debt of \$12,550 made during fiscal year 2015. 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 2015.

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 \$1.56 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 2015, 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**

In Connecticut, the local property tax is the sole means allowed for financing municipal and educational services. Because annual growth in the Grand List is insufficient to support the cost increases of those services, the balancing of property taxation with service levels continues to provide the framework for the Town's annual budget. The fiscal year 2016 General Fund budget totals \$257,514, and represents an increase of \$6,257 or 2.5% over fiscal year 2015, at the time of adoption. The municipal services portion of the budget totals \$94,024, an increase of \$2,050 or 2.6%. The education budget totals \$148,370, an increase of \$2,482 or 1.7%. The capital financing portion of the budget for both municipal and education services is \$15,120, an increase of \$1,366 or 9.9%.

The fiscal year 2016 budget maintains consistent services with no program eliminations or reductions. The following assumptions and significant changes are included in the budget:

- A 99.0% tax collection rate;
- Grand List growth of approximately \$18.6 million or 0.31% over the prior year;
- Modest increases in non-current year tax revenue estimates;
- Inclusion of the Governor's fiscal year 2016 proposal for State Aid;
- Reallocation of the salaries and benefit costs associated with two police officer positions to the Parking Lot Fund;
- Capital investment in an energy conservation project which will result in significant electric cost savings;
- Full funding of the actuarially determined contribution to the Town's Pension Plan; and
- An increase in the contribution to the Retiree Health Reserve.

Increases in property tax revenue, the Town's primary revenue source, are generated from growth in the value of taxable property and increases to the mill rate. As a fully developed community, growth in the Town's taxable property is limited and results primarily through reuse of existing property. The October 1, 2014 net taxable Grand List (prior to Board of Assessment appeals) totaled \$5,947,138, an increase of \$18,577 or 0.3%. This Grand List growth generates \$718 in additional revenue for fiscal year 2016, an amount which is not adequate to support the increased cost of maintaining municipal and education services for fiscal year 2016. In order to fully finance the budget, an increase in current year property tax revenue for existing taxpayers of \$5,504 is required. This equates to a mill rate of 38.31, an increase of 0.94 mills or 2.5% from the fiscal year 2015 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.westhartfordct.gov>.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**  
**(In Thousands)**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		West Hartford Special Services District
<b>Assets:</b>				
Cash and cash equivalents	\$ 86,595	\$ 1	\$ 86,596	\$ 4
Investments	16,925		16,925	
Receivables, net	13,415	198	13,613	23
Inventories	227		227	
Prepaid asset	3	25	28	
Capital assets:				
Assets not being depreciated	39,008	3,118	42,126	
Assets being depreciated, net	268,803	10,934	279,737	
Total assets	<u>424,976</u>	<u>14,276</u>	<u>439,252</u>	<u>27</u>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	507		507	
Difference of economic/demographic gains or losses for pensions	591	9	600	
Difference of assumption changes or inputs for pensions	4,814	77	4,891	
Difference of investment gains or losses for pensions	3,656	58	3,714	
Total deferred outflows of resources	<u>9,568</u>	<u>144</u>	<u>9,712</u>	<u>-</u>
<b>Liabilities:</b>				
Accounts and other payables	6,147	83	6,230	
Payroll liabilities	4,308	122	4,430	
Other current liabilities	735	7	742	11
Internal balances	(1,576)	1,576	-	
Unearned revenue	2,443	464	2,907	16
Noncurrent liabilities:				
Due within one year	28,048	38	28,086	
Due in more than one year	355,184	3,112	358,296	
Total liabilities	<u>395,289</u>	<u>5,402</u>	<u>400,691</u>	<u>27</u>
<b>Deferred Inflows of Resources:</b>				
Advance property tax collections	<u>17,132</u>		<u>17,132</u>	
<b>Net Position:</b>				
Net investment in capital assets	154,273	14,052	168,325	
Restricted for:				
Perpetual care:				
Expendable	809		809	
Nonexpendable	82		82	
Unrestricted	<u>(133,041)</u>	<u>(5,034)</u>	<u>(138,075)</u>	
Total Net Position	\$ <u>22,123</u>	\$ <u>9,018</u>	\$ <u>31,141</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, 2015  
(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	\$ 10,059	\$ 1,434	\$ 8	\$ 6	\$ (8,611)	\$	\$ (8,611)	\$
Public safety	48,798	3,021	454		(45,323)		(45,323)	
Community maintenance	37,042	5,303	691	785	(30,263)		(30,263)	
Human and cultural	13,858	1,493	1,393	356	(10,616)		(10,616)	
Education	180,805	3,888	43,893	6,480	(126,544)		(126,544)	
Interest on long-term debt	4,989		21		(4,968)		(4,968)	
Total governmental activities	295,551	15,139	46,460	7,627	(226,325)	-	(226,325)	-
Business-type activities:								
Leisure services	4,122	2,968		2,520		1,366	1,366	
Total Primary Government	\$ 299,673	\$ 18,107	\$ 46,460	\$ 10,147	(226,325)	1,366	(224,959)	-
Component Unit:								
West Hartford Special Services District	\$ 4,642	\$ 2,931	\$ -	\$ -				(1,711)
General revenues:								
Property taxes					222,840		222,840	1,701
Grants and contributions not restricted to specific programs					2,895		2,895	
Unrestricted investment earnings					1,378		1,378	10
Miscellaneous					4,512		4,512	
Transfers					(145)	145		
Total general revenues and transfers					231,480	145	231,625	1,711
Change in net position					5,155	1,511	6,666	-
Net Position at Beginning of Year, as Restated					16,968	7,507	24,475	-
Net Position at End of Year					\$ 22,123	\$ 9,018	\$ 31,141	\$ -

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(In Thousands)

	General	Capital Project Funds	CDBG Housing Rehabilitation Fund	Debt Service Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 43,244	\$ 18,511	\$ 21	\$ 3,141	\$ 8,212	\$ 73,129
Receivables, net	3,144	1,716	3,029	3	2,314	10,206
Due from other funds	2,287					2,287
Inventories	172				55	227
Total Assets	<u>\$ 48,847</u>	<u>\$ 20,227</u>	<u>\$ 3,050</u>	<u>\$ 3,144</u>	<u>\$ 10,581</u>	<u>\$ 85,849</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 2,434	\$ 205			\$ 175	\$ 2,814
Payroll liabilities	3,933				335	4,268
Due to other funds					711	711
Other liabilities	735					735
Unearned revenue	1,316	4			1,123	2,443
Total liabilities	<u>8,418</u>	<u>209</u>	<u>-</u>	<u>-</u>	<u>2,344</u>	<u>10,971</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,748					1,748
Unavailable revenue - school building grants	494					494
Unavailable revenue - loans receivable			3,029		120	3,149
Advance property tax collections	17,132					17,132
Total deferred inflows of resources	<u>19,374</u>	<u>-</u>	<u>3,029</u>	<u>-</u>	<u>120</u>	<u>22,523</u>
Fund balances:						
Nonspendable	172				55	227
Restricted			10		2,525	2,535
Committed		20,018		3,144	5,520	28,682
Assigned	262		11		17	290
Unassigned	20,621					20,621
Total fund balances	<u>21,055</u>	<u>20,018</u>	<u>21</u>	<u>3,144</u>	<u>8,117</u>	<u>52,355</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 48,847</u>	<u>\$ 20,227</u>	<u>\$ 3,050</u>	<u>\$ 3,144</u>	<u>\$ 10,581</u>	<u>\$ 85,849</u>

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**TOWN OF WEST HARTFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**  
**(In Thousands)**

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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)	\$	52,355
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	527,274	
Less accumulated depreciation		<u>(219,463)</u>	
Net capital assets			307,811

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

Property tax receivables greater than 60 days	1,748
Interest receivable on property taxes	724
Housing loans receivable	3,149
Interest receivable on housing loans	603
Deferred charges	507
Receivable from the state for school construction projects	494
Deferred outflows related to economic/demographic gains or losses	591
Deferred outflows related to assumption changes or inputs	4,814
Deferred outflows related to investment gains or losses	3,656

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.

20,745

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	(149,280)
Interest payable on bonds and notes	(2,126)
Compensated absences	(20,627)
Other postemployment obligations	(7,736)
Bond premium	(4,765)
Net pension liability	<u>(190,540)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>22,123</u></u>
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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 FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015  
 (In Thousands)

	General	Capital Project Funds	CDBG Housing Rehabilitation Fund	Debt Service Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 223,062	\$	\$	\$	\$	\$ 223,062
Intergovernmental	41,016	7,289	187		8,081	56,573
Charges for services	5,711	135	1	19	8,868	14,734
Income on investments	282			1	412	695
Miscellaneous	844	340		3,707	710	5,601
Total revenues	<u>270,915</u>	<u>7,764</u>	<u>188</u>	<u>3,727</u>	<u>18,071</u>	<u>300,665</u>
Expenditures:						
Current:						
General government	5,393				47	5,440
Public safety	25,609				1,886	27,495
Community maintenance	15,701				2,421	18,122
Human and cultural	6,055		221		1,640	7,916
Education	162,477				13,123	175,600
Debt and sundry	37,184			17,972		55,156
Capital outlay	132	18,708			22	18,862
Total expenditures	<u>252,551</u>	<u>18,708</u>	<u>221</u>	<u>17,972</u>	<u>19,139</u>	<u>308,591</u>
Excess (Deficiency) of Revenues over						
Expenditures	<u>18,364</u>	<u>(10,944)</u>	<u>(33)</u>	<u>(14,245)</u>	<u>(1,068)</u>	<u>(7,926)</u>
Other Financing Sources (Uses):						
Transfers in	922	3,563		13,914	1,582	19,981
Transfers out	(18,436)	(677)			(963)	(20,076)
Issuance of bonds		21,000				21,000
Bond premium				414		414
Total other financing sources (uses)	<u>(17,514)</u>	<u>23,886</u>	<u>-</u>	<u>14,328</u>	<u>619</u>	<u>21,319</u>
Net Change in Fund Balances	850	12,942	(33)	83	(449)	13,393
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 21,055</u>	<u>\$ 20,018</u>	<u>\$ 21</u>	<u>\$ 3,144</u>	<u>\$ 8,117</u>	<u>\$ 52,355</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, 2015**  
**(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)	\$	13,393
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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	15,889
Depreciation expense	(13,454)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position of capital assets.	(1,011)
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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	(122)
Property tax receivable - accrual basis change	(172)
Property tax interest and lien revenue - accrual basis change	(50)
Housing loans accrued interest	(45)
Housing loans receivable	49
Change in deferred outflows related to economic/demographic gains or losses	591
Change in deferred outflows related to assumption changes or inputs	4,814
Change in deferred outflows related to investment gains or losses	3,656

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	12,550
Issuance of bonds and notes	(21,000)

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	(301)
Accrued interest	(74)
Amortization of deferred charge on refunding	(48)
Amortization of bond premiums	525
Other postemployment obligations	(1,383)
Bond premium	(414)
Change in net pension liability	(12,519)

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.

4,281
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Change in Net Position of Governmental Activities (Exhibit II)	\$	<u>5,155</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, 2015**  
**(In Thousands)**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Leisure Services Fund</b>	<b>Internal Service Funds</b>
<b>Assets:</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 1	\$ 13,466
Investments		16,925
Receivables, net	198	1,884
Prepaid items	25	3
Total current assets	<u>224</u>	<u>32,278</u>
<b>Noncurrent:</b>		
<b>Capital assets:</b>		
Assets not being depreciated	3,118	
Assets being depreciated, net	10,934	
Total noncurrent assets	<u>14,052</u>	<u>-</u>
Total assets	<u>14,276</u>	<u>32,278</u>
<b>Deferred Outflows of Resources:</b>		
Difference of economic/demographic gains or losses for pensions	9	
Difference of assumption changes or inputs for pensions	77	
Difference of investment gains or losses for pensions	58	
Total deferred outflows of resources	<u>144</u>	<u>-</u>
<b>Liabilities:</b>		
<b>Current:</b>		
Accounts and other payables	83	1,209
Payroll liabilities	122	40
Other liabilities	7	
Due to other funds	1,576	
Risk management claims		5,996
Unearned revenue	464	
Compensated absences	38	
Total current liabilities	<u>2,290</u>	<u>7,245</u>
<b>Noncurrent:</b>		
Compensated absences	73	
Net pension liability	3,039	
Risk management claims		4,288
Total noncurrent liabilities	<u>3,112</u>	<u>4,288</u>
Total liabilities	<u>5,402</u>	<u>11,533</u>
<b>Net Position:</b>		
Invested in capital assets	14,052	
Unrestricted	<u>(5,034)</u>	<u>20,745</u>
Total Net Position	<u>\$ 9,018</u>	<u>\$ 20,745</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, 2015**

	<u>Business-Type Activities Leisure Services Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Operating Revenues:		
Fund premiums	\$	\$ 45,528
Charges for services	2,933	
Employee contributions		8,592
Other	35	387
Total operating revenues	<u>2,968</u>	<u>54,507</u>
Operating Expenses:		
Administrative expense		292
Personal services	1,193	
Employee benefits		40,087
Insurance and program services		5,803
Utilities	351	4,629
Other operating expense	1,577	
Depreciation	1,001	
Total operating expenses	<u>4,122</u>	<u>50,811</u>
Operating Income (Loss)	(1,154)	3,696
Nonoperating Expense:		
Income on investments		<u>635</u>
Income (Loss) Before Contributions and Transfers	(1,154)	4,331
Capital Contributions	2,520	
Transfers in	145	
Transfers out		<u>(50)</u>
Change in Net Position	1,511	4,281
Net Position at Beginning of Year, as Restated	<u>7,507</u>	<u>16,464</u>
Net Position at End of Year	<u>\$ 9,018</u>	<u>\$ 20,745</u>

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, 2015**  
**(In Thousands)**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Leisure Services Fund</b>	<b>Internal Service Funds</b>
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 8,592
Cash received from operating funds		45,528
Cash received from customers	3,019	
Cash payments to employees for services	(1,137)	
Cash payments to suppliers for goods and services	(2,062)	(10,455)
Cash payment to providers benefits		(39,844)
Other operating receipts	35	402
Net cash provided by (used in) operating activities	<u>(145)</u>	<u>4,223</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	145	
Transfers to other funds		(50)
Net cash flows provided by (used in) noncapital financing activities	<u>145</u>	<u>(50)</u>
Cash Flows from Investing Activities:		
Gain on investments		6
Purchase of investments		110
Net cash provided by investing activities	<u>-</u>	<u>116</u>
Net Increase in Cash and Cash Equivalents	-	4,289
Cash and Cash Equivalents at Beginning of Year	<u>1</u>	<u>9,177</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1</u>	<u>\$ 13,466</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (1,154)	\$ 3,696
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,001	
Change in assets and liabilities:		
(Increase) decrease in receivables	30	313
(Increase) decrease in prepaid items	(4)	15
(Increase) decrease in deferred outflows	(144)	
Increase (decrease) in accounts and other payables	3	255
Increase (decrease) in payroll liabilities	1	14
Increase (decrease) in pension liability	199	
Increase (decrease) in risk management claim liability		(70)
Increase (decrease) in due to other funds	(133)	
Increase (decrease) in unearned revenue	56	
Net Cash Provided by (Used in) Operating Activities	<u>\$ (145)</u>	<u>\$ 4,223</u>
Noncash Investing and Capital Financing Activities:		
Net increase in fair value of investments	<u>\$ -</u>	<u>\$ 645</u>
Contribution of Capital Assets from Town	<u>\$ 2,520</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2015**  
**(In Thousands)**

	<u>Trust Funds</u>	<u>Student Activity Fund</u>
Assets:		
Cash and cash equivalents	\$ 837	\$ 967
Investments:		
Mutual funds	152,977	
Common stock	28,900	
Receivables:		
Accounts and other receivables	94	
Interest and dividends	55	
	<u>182,863</u>	<u>967</u>
Total assets		<u>\$ 967</u>
Liabilities:		
Accounts and other payables	<u>75</u>	<u>\$ 967</u>
Net Position:		
Held in Trust for Pension and OPEB Benefits	<u>\$ 182,788</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST HARTFORD, CONNECTICUT  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015  
(In Thousands)**

	<u>Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 17,995
Plan members	2,753
Total contributions	<u>20,748</u>
Investment income:	
Net appreciation in fair value of investments	5,148
Interest	23
Dividends	3,807
Total investment income	<u>8,978</u>
Less investment expense	<u>(343)</u>
Net investment income	<u>8,635</u>
Total additions	<u>29,383</u>
Deductions:	
Benefits	25,209
Administration	307
Total deductions	<u>25,516</u>
Net Increase	3,867
Net Position at Beginning of Year	<u>178,921</u>
Net Position at End of Year	<u>\$ 182,788</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**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. This legally separate entity has its own separate corporate powers and can not be reported as a component unit of another entity. The governing body of the special service district is substantially the same as the governing body of the Town. The Town is not responsible for the operational management of the special service district and the services provided by the district are not provided entirely to the Town or exclusively benefit 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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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.

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 funds 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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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 Trust Funds account for the activities of the defined benefit pension plans and Other Post Employment Benefits Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.

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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**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, 2015. This represents 16.6% 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015**

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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 and deferred outflows related to pension in the government-wide statement of net position and proprietary funds 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. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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. 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**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. Net Pension Liability**

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

**K. 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**L. 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.

**M. 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

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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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 \$3,659 were made to the adopted fiscal year 2015 General Fund budget to increase total appropriations.

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

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015**

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**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, \$84,965 of the Town's bank balance of \$86,858 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 76,373
Uninsured and collateral held by the pledging trust department, not in the Town's name	<u>8,592</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 84,965</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, 2015, the Town's cash equivalents amounted to \$2,181. 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 &amp; Poor's</u>
State Short-Term Investment Fund (STIF) Wells Fargo	AAAm *

\*Not rated

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**Investments**

As of June 30, 2015, the Town had the following investments in the Pension, OPEB and Risk Management Funds:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Government Bonds	N/A	\$ 6,412	\$ <u>375</u>	\$ <u>3,514</u>	\$ <u>2,523</u>
Other investments:					
Common stock		28,900			
Mutual funds		<u>163,490</u>			
Total Investments		\$ <u>198,802</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, 2015, 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**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	\$ 2,814						\$ 2,814
Interest*						55	55
Accounts and other	85	32		3	198	2,671	2,989
Housing loans			3,029			117	3,146
Intergovernmental	713	1,684				1,504	3,901
Gross receivables	3,612	1,716	3,029	3	198	4,347	12,905
Less allowance for uncollectibles	468						468
Net Total Receivables	\$ 3,144	\$ 1,716	\$ 3,029	\$ 3	\$ 198	\$ 4,347	\$ 12,437

\*Accrued interest on property taxes and long-term housing loans in the amount of \$1,327 are not included in the fund financial statements.

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<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	19,091	14,822	(4,509)	(966)	28,438
Total capital assets not being depreciated	29,661	14,822	(4,509)	(966)	39,008
Capital assets being depreciated:					
Buildings	255,521		1,273		256,794
Land improvements	19,551		250		19,801
Vehicles	11,382	338	498	(405)	11,813
Furniture and equipment	13,284	729		(2,148)	11,865
Infrastructure	185,505		2,488		187,993
Total capital assets being depreciated	485,243	1,067	4,509	(2,553)	488,266
Less accumulated depreciation for:					
Buildings	(87,324)	(6,814)			(94,138)
Land improvements	(5,211)	(1,026)			(6,237)
Vehicles	(7,988)	(540)		399	(8,129)
Furniture and equipment	(9,593)	(798)		2,109	(8,282)
Infrastructure	(98,401)	(4,276)			(102,677)
Total accumulated depreciation	(208,517)	(13,454)	-	2,508	(219,463)
Total capital assets being depreciated, net	276,726	(12,387)	4,509	(45)	268,803
Governmental Activities Capital Assets, Net	\$ 306,387	\$ 2,435	\$ -	\$ (1,011)	\$ 307,811

**TOWN OF WEST HARTFORD, CONNECTICUT  
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	<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	\$ 1,561	\$ 2,140	\$ (583)	\$	\$ 3,118
Capital assets being depreciated:					
Buildings and systems	19,376	380	225		19,981
Land improvements	7,165		358		7,523
Furniture and equipment	1,531			(212)	1,319
Total capital assets being depreciated	<u>28,072</u>	<u>380</u>	<u>583</u>	<u>(212)</u>	<u>28,823</u>
Less accumulated depreciation for:					
Buildings and systems	(13,522)	(612)			(14,134)
Land improvements	(2,139)	(364)			(2,503)
Furniture and equipment	(1,439)	(25)		212	(1,252)
Total accumulated depreciation	<u>(17,100)</u>	<u>(1,001)</u>	<u>-</u>	<u>212</u>	<u>(17,889)</u>
Total capital assets being depreciated, net	<u>10,972</u>	<u>(621)</u>	<u>583</u>	<u>-</u>	<u>10,934</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,533</u>	<u>\$ 1,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,052</u>

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

Governmental activities:	
General government	\$ 1,555
Public safety	967
Community maintenance	4,880
Human and cultural	700
Education	<u>5,352</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 13,454</u>
Business-type activities:	
Leisure Services Fund	<u>\$ 1,001</u>

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**Construction Commitments**

The Town had numerous active construction projects during the year ended June 30, 2015. The following is a summary of capital projects as of June 30, 2015:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Public buildings	\$ 8,113	\$ 6,182
Parks and recreation	5,502	3,770
Infrastructure	16,843	12,774
Miscellaneous	8,995	5,313
Schools	<u>62,619</u>	<u>13,872</u>
 Total	 <u>\$ 102,072</u>	 <u>\$ 41,911</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, 2015 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,287	\$
Nonmajor Governmental Funds		711
Leisure Services Fund		<u>1,576</u>
 Total	 <u>\$ 2,287</u>	 <u>\$ 2,287</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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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The following is a schedule of transfers by fund type:

<u>Transfers to</u>	<u>Transfers From</u>				
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	<u>Total Transfers</u>
General	\$	\$ 677	\$ 195	\$ 50	\$ 922
Capital Projects	2,815		748		3,563
Debt Service Fund	13,914				13,914
Nonmajor Enterprise	1,582				1,582
	125		20		145
Total	\$ <u>18,436</u>	\$ <u>677</u>	\$ <u>963</u>	\$ <u>50</u>	\$ <u>20,126</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, 2015 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	\$ 140,830	\$ 21,000	\$ (12,550)	\$ 149,280	\$ 14,280
Bond premium	4,876	414	(525)	4,765	
Total bonds payable	145,706	21,414	(13,075)	154,045	14,280
Compensated absences	20,326	7,985	(7,684)	20,627	7,772
Net OPEB obligation	6,353	1,383		7,736	
Net pension liability	178,020	12,520		190,540	
Risk management liability	10,354	6,017	(6,087)	10,284	5,996
Total Governmental Activities Long-Term Liabilities	\$ <u>360,759</u>	\$ <u>49,319</u>	\$ <u>(26,846)</u>	\$ <u>383,232</u>	\$ <u>28,048</u>
Business-Type Activities:					
Compensated absences	\$ 132	\$ 23	\$ (44)	\$ 111	\$ 38
Net pension liability	2,840	199		3,039	
Total Business-Type Activities Long-Term Liabilities	\$ <u>2,972</u>	\$ <u>222</u>	\$ <u>(44)</u>	\$ <u>3,150</u>	\$ <u>38</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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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, 2015. The net pension liability is paid from primarily the General Fund and Leisure Fund. The net OPEB obligation is paid from primarily the General 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</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 14,280	\$ 5,328	\$ 19,608
2017	14,365	4,836	19,201
2018	14,460	4,275	18,735
2019	14,570	3,689	18,259
2020	13,695	3,117	16,812
2021-2025	54,735	8,286	63,021
2026-2030	17,925	1,859	19,784
2031-2035	<u>5,250</u>	<u>472</u>	<u>5,722</u>
Total	<u>\$ 149,280</u>	<u>\$ 31,862</u>	<u>\$ 181,142</u>

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**Principal Amount of Debt Indebtedness**

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Year Maturity</u>
1/15/2001	General Purpose	4.10-4.50	\$ 10,250	\$ 3,075	2021
1/15/2001	Schools	4.10-4.50	4,750	1,425	2021
1/15/2002	General Purpose	3.50-4.75	6,415	2,245	2022
1/15/2002	Schools	3.50-4.75	7,085	2,480	2022
6/9/2005	Refunding - Schools	3.00-5.00	11,105	3,970	2019
10/12/2005	General Purpose	3.50-5.00	48,820	2,420	2015
2/1/2007	General Purpose	4.00-5.50	12,547	1,673	2017
2/1/2007	Schools	4.00-5.50	2,453	327	2017
1/30/2008	General Purpose	3.00-5.00	10,722	4,289	2023
1/30/2008	Schools	3.00-5.00	4,278	1,711	2023
6/15/2009	General Purpose	2.00-3.50	10,903	6,542	2024
6/15/2009	Schools	2.00-3.50	4,097	2,458	2024
9/15/2009	Refunding - General Purpose	2.00-4.00	38,583	36,800	2026
9/15/2009	Refunding - Schools	2.00-4.00	3,077	2,935	2026
4/1/2010	Refunding - General Purpose	2.00-5.00	10,280	9,183	2024
4/1/2010	Refunding - Schools	2.00-5.00	10,330	9,227	2024
10/15/2010	General Purpose	2.00-4.00	6,002	4,396	2026
10/15/2010	Schools	2.00-4.00	1,998	1,464	2026
2/15/2012	General Purpose	2.50-5.00	11,648	10,095	2028
2/15/2012	Schools	2.50-5.00	3,352	2,905	2028
2/5/2014	General Purpose	2.63-5.00	12,830	11,970	2029
2/5/2014	Schools	2.63-5.00	7,170	6,690	2029
2/12/2015	General Purpose	2.00-3.00	9,655	9,655	2035
2/12/2015	Schools	2.00-3.00	11,345	11,345	2035
			<u>\$ 259,695</u>	<u>\$ 149,280</u>	

**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, 2015, the following refunded bonds outstanding are considered defeased:

<u>Original Issue</u>	<u>Date Refunded</u>	<u>Refunded Amount</u>	<u>Defeasance Balance</u>
Tuesday, July 14, 2009	Wednesday, March 24, 2010	\$ 2,135	\$ 1,000
Thursday, February 7, 2008	Wednesday, March 24, 2010	2,000	2,000
Thursday, February 1, 2007	Wednesday, March 24, 2010	5,000	5,000
Wednesday, October 12, 2005	Wednesday, September 23, 2009	32,155	32,155

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The following is a schedule of direct and overlapping debt as of June 30, 2015:

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to West Hartford</u>	<u>Outstanding Debt Applicable to Town</u>
West Hartford	\$ 149,280	100.00%	\$ 149,280
Metropolitan District Commission	601,753	21.95	<u>132,085</u>
Total			<u>\$ 281,365</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</u>	<u>Balance</u>
General purpose	\$ 501,794	\$ 102,433	\$ 399,361
Schools	1,003,589	80,085	923,504
Sewers	836,324	132,085	704,239
Urban renewal	724,814		724,814
Pension deficit	669,059		669,059

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.56 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 \$33,732 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2015. Additionally, school indebtedness is net of school building grants amounting to \$494.

As of June 30, 2015 the Town had, in addition to amounts referred to above, a total of \$37,112 authorized but unissued debt, consisting of \$29,402 for general public improvements and \$7,710 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.

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**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2015 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	\$ 172				\$ 55	\$ 227
Restricted for:						
Grants			10		171	181
Human and cultural					2,354	2,354
Committed to:						
General government					20	20
Public safety					572	572
Community maintenance					2,015	2,015
Human and cultural					502	502
Education					2,411	2,411
Debt and sundry				3,144		3,144
Capital projects		20,018				20,018
Assigned to:						
General government	12					12
Community maintenance	17				12	29
Human and cultural			11			11
Education	233				5	238
Unassigned	<u>20,621</u>					<u>20,621</u>
Total Fund Balances	<u>\$ 21,055</u>	<u>\$ 20,018</u>	<u>\$ 21</u>	<u>\$ 3,144</u>	<u>\$ 8,117</u>	<u>\$ 52,355</u>

Significant encumbrances at June 30, 2015 are contained in the above table in assigned fund balance. General Fund encumbrances amounted to \$262 at June 30, 2015.

**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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**B. Insurance Coverage**

The following is a summary of major coverage:

<u>Coverage</u>	<u>Retention</u>	<u>Limits</u>
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	15,000

Excess liability insurance is maintained with Gemini for \$5,000 excess of \$250 self-insurance retention and with Ironshore for \$15,000 excess of \$5,000. 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 costs. Risk allocations are 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 for the Town Health program and one month average claims for the Board of Education Health program. Total claims liabilities of \$10.3 million at June 30, 2015 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:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2013-14	\$ 11,828	\$ 40,713	\$ (42,187)	10,354
2014-15	10,354	40,953	(41,023)	10,284

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**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	<u>491</u>
 Total Participants	 <u><u>2,646</u></u>

**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 \$11,117 on June 30, 2015. 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.

The Town also began to fund pre-plan change OPEB liabilities in the Trust Fund in fiscal year 2015 and is phasing in the Annual Required Contribution over 5 years. 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%;

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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:

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- 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	\$ 9,780
Interest on net OPEB obligation	492
Adjustment to annual required contribution	<u>(416)</u>
Annual OPEB cost	9,856
Contributions made	<u>8,473</u>
Increase in net OPEB obligation	1,383
Net OPEB obligation, beginning of year	<u>6,353</u>
Net OPEB Obligation, End of Year	<u>\$ 7,736</u>

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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, 2015 are presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
6/30/2013	\$ 8,561	\$ 7,381	86.22%	\$ 4,980
6/30/2014	9,063	7,690	84.85	6,353
6/30/2015	9,856	8,473	85.96	7,736

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**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
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**

<b>Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
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
2015	9,780	86.6

**TOWN OF WEST HARTFORD, CONNECTICUT  
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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 all participants. 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 and Benefits Provided**

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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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Membership in the Plan as of July 1, 2013 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	1,047
Terminated vested employees	<u>75</u>
Total inactive participants	<u>1,122</u>
Current employees:	
Fully vested	702
Nonvested	<u>157</u>
Total active participants	<u>859</u>
Total	<u><u>1,981</u></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 fair 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, 2015 and 2014, were \$17,712 and \$15,957, respectively, and were in accordance with actuarially determined requirements.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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JUNE 30, 2015**

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**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, 2015:

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

**Rate of Return**

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.69%. 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**

The components of the net pension liability of the Town at June 30, 2015, were as follows:

Total pension liability	\$ 375,665
Plan fiduciary net position	<u>182,086</u>
Net Pension Liability	<u>\$ 193,579</u>
Plan fiduciary net position as a percentage of the total pension liability	48.47%

**F. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2015, 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	7.54%, net of pension plan investment expense, including inflation

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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, 2015 (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	1.85%
Broad U.S. securities	4.24%
Developed foreign equities	4.15%
Real estate	3.66%

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.54%. 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. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

<b>Employees' Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of June 30, 2014	\$ 359,442	\$ 178,582	\$ 180,860
Changes for the year:			
Service cost	5,845		5,845
Interest on total pension liability	27,666		27,666
Effect of plan changes	(185)		(185)
Effect of economic/demographic gains or losses	886		886
Effect of assumptions changes or inputs	7,220		7,220
Benefit payments	(25,209)	(25,209)	-
Employer contributions		17,712	(17,712)
Member contributions		2,675	(2,675)
Net investment income		8,633	(8,633)
Administrative expenses		(307)	307
Net changes	<u>16,223</u>	<u>3,504</u>	<u>12,719</u>
Balances as of June 30, 2015	<u>\$ 375,665</u>	<u>\$ 182,086</u>	<u>\$ 193,579</u>

The overall net pension liability is \$193,579, of which \$190,540 is reported in governmental activities and \$3,039 is reported in business-type activities.

**H. 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 7.54%, 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 (6.54%) or 1 percentage point higher (8.54%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.54%</b>	<b>Discount Rate</b>	<b>8.54%</b>
	<u>6.54%</u>	<u>7.54%</u>	<u>8.54%</u>
Net Pension Liability	\$ 233,001	\$ 193,579	\$ 159,935

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

For the year ended June 30, 2015, the Town recognized pension expense of \$21,226, of which \$20,945 is reported as governmental activities and \$281 as business-type activities. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Employees' Pension Plan Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 600
Changes of assumptions	4,891
Net difference between projected and actual earning on pension plan investments	<u>3,714</u>
Total	<u>\$ 9,205</u>

The overall deferred inflows of resources is \$9,205, of which \$9,061 is reported in governmental activities and \$144 is reported in business-type activities.

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

**Year Ending June 30,**

2016	\$ 3,544
2017	3,543
2018	1,190
2019	928

**Teachers Retirement**

**A. Plan Description**

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

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**B. Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

**C. Contributions**

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

*Employer (School Districts)*

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

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

*Employees*

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

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

At June 30, 2015, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>188,888</u>
Total	\$	<u><u>188,888</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$14,172 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**E. 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	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

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, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	<u>100.0%</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**H. Other Information**

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

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**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.

**13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27. As a result, the Town recorded the following restatements for the fiscal year ended June 30, 2015:

Primary Government:

Governmental Activities:

Net position balance at June 30 2014, as previously reported	\$ 196,634
Adjustments:	
Eliminate net pension assets reported per GASB No. 27	(1,646)
Record starting net pension liability per GASB No. 68	<u>(178,020)</u>
Net Position Balance at July 1, 2014, as Restated	<u>\$ 16,968</u>

Business-Type Activities

Net position balance at June 30 2014, as previously reported	\$ 10,347
Adjustments:	
Record starting net pension liability per GASB No. 68	<u>(2,840)</u>
Net Position Balance at July 1, 2014, as Restated	<u>\$ 7,507</u>

**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, 2015**  
**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Current year levy	\$ 217,738	\$ 218,188	\$ 218,465	\$ 277
Prior year's collections	1,300	1,565	1,562	(3)
Interest and liens fees	700	800	908	108
Motor vehicle supplement	1,775	1,775	2,066	291
Suspense			62	62
Total property taxes	<u>221,513</u>	<u>222,328</u>	<u>223,063</u>	<u>735</u>
Intergovernmental revenues:				
Federal:				
Justice assistance grant		22	22	-
EMS grant	15	15	19	4
Police Grants		239	191	(48)
Dial-A-Ride grant	22	84	85	1
Total federal assistance	<u>37</u>	<u>360</u>	<u>317</u>	<u>(43)</u>
State:				
Education cost sharing	18,181	18,181	18,364	183
School transportation	256	256	271	15
School building grants	142	142	141	(1)
Payments in lieu of taxes	1,332	1,332	1,405	73
Municipal revenue sharing	758	758	758	-
Elderly tax relief - homeowner tax credit	2	2		(2)
Disabled tax relief	5	5	6	1
Elderly tax exemption - circuit breaker	275	275	281	6
Veterans exemptions	70	70	69	(1)
Youth services grant	35	35	43	8
Alcohol/Drug abuse grant	6	6	6	-
Highway town aid	689	689	688	(1)
Mashantucket Pequot fund	220	220	220	-
Police grants			10	10
Library grants	1	1	1	-
Miscellaneous state grants		12	12	-
Emergency 911 grant	141	141	141	-
Telephone access grant	115	115	146	31
Total state assistance	<u>22,228</u>	<u>22,240</u>	<u>22,562</u>	<u>322</u>
Total intergovernmental revenues	<u>22,265</u>	<u>22,600</u>	<u>22,879</u>	<u>279</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, 2015**  
**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for services:				
Town Clerk	\$ 1,604	\$ 1,610	\$ 1,403	\$ (207)
Financial Services	7	7	7	-
Assessment	2	2	2	-
Fire Department	250	250	662	412
Police Department	346	439	479	40
Community Services	1,638	1,638	2,099	461
Public Works	301	301	290	(11)
Human and Leisure Services	698	698	707	9
Library	67	67	62	(5)
Total charges for services	<u>4,913</u>	<u>5,012</u>	<u>5,711</u>	<u>699</u>
Miscellaneous local revenues:				
Workers' compensation reimbursement	300	300	351	51
Sale of assets			22	22
Town-owned property rentals	183	184	299	115
Miscellaneous	433	466	170	(296)
Total miscellaneous local revenues	<u>916</u>	<u>950</u>	<u>842</u>	<u>(108)</u>
Income on investments	<u>250</u>	<u>250</u>	<u>282</u>	<u>32</u>
Total revenues	249,857	251,140	252,777	1,637
Other financing sources:				
Transfers in	<u>988</u>	<u>988</u>	<u>922</u>	<u>(66)</u>
Total	\$ <u>250,845</u>	\$ <u>252,128</u>	<u>253,699</u>	\$ <u>1,571</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. 14,172

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. 3,966

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 271,837

**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, 2015**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
General Government:				
Town Council:				
Personal services	\$ 102	\$ 114	\$ 114	\$ -
Non-personal expense	244	245	245	-
Debt and sundry	8	9	9	-
Total	<u>354</u>	<u>368</u>	<u>368</u>	<u>-</u>
Town Clerk:				
Personal services	154	144	144	-
Non-personal expense	102	116	116	-
Debt and sundry	9	8	8	-
Total	<u>265</u>	<u>268</u>	<u>268</u>	<u>-</u>
Town Manager:				
Personal services	252	260	260	-
Non-personal expense	4	2	2	-
Debt and sundry	15	15	15	-
Total	<u>271</u>	<u>277</u>	<u>277</u>	<u>-</u>
Corporation Counsel:				
Personal services	304	319	319	-
Non-personal expense	136	124	124	-
Debt and sundry	22	22	22	-
Total	<u>462</u>	<u>465</u>	<u>465</u>	<u>-</u>
Registrar of Voters:				
Personal services	212	200	200	-
Non-personal expense	42	44	44	-
Debt and sundry	12	12	12	-
Total	<u>266</u>	<u>256</u>	<u>256</u>	<u>-</u>
Information Technology:				
Personal services	411	421	421	-
Non-personal expense	287	294	294	-
Debt and sundry	34	29	29	-
Total	<u>732</u>	<u>744</u>	<u>744</u>	<u>-</u>
Financial Services:				
Personal services	1,525	1,510	1,510	-
Non-personal expense	362	370	370	-
Debt and sundry	114	108	108	-
Total	<u>2,001</u>	<u>1,988</u>	<u>1,988</u>	<u>-</u>
Assessment:				
Personal services	557	560	560	-
Non-personal expense	42	39	39	-
Debt and sundry	42	42	42	-
Total	<u>641</u>	<u>641</u>	<u>641</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, 2015**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Employee Services:				
Personal services	\$ 327	\$ 327	\$ 324	\$ 3
Non-personal expense	64	64	55	9
Debt and sundry	25	24	24	-
Total	<u>416</u>	<u>415</u>	<u>403</u>	<u>12</u>
Total general government	<u>5,408</u>	<u>5,422</u>	<u>5,410</u>	<u>12</u>
Public Safety:				
Fire Department:				
Personal services	9,672	9,626	9,598	28
Non-personal expense	743	790	790	-
Debt and sundry	165	165	143	22
Total	<u>10,580</u>	<u>10,581</u>	<u>10,531</u>	<u>50</u>
Police Department:				
Personal services	13,562	13,800	13,771	29
Non-personal expense	1,007	1,123	1,053	70
Debt and sundry	291	291	284	7
Total	<u>14,860</u>	<u>15,214</u>	<u>15,108</u>	<u>106</u>
Total public safety	<u>25,440</u>	<u>25,795</u>	<u>25,639</u>	<u>156</u>
Community Maintenance:				
Community Services:				
Personal services	1,863	1,863	1,849	14
Non-personal expense	474	478	459	19
Debt and sundry	145	145	130	15
Total	<u>2,482</u>	<u>2,486</u>	<u>2,438</u>	<u>48</u>
Public Works:				
Personal services	3,949	3,983	3,983	-
Non-personal expense	6,845	6,765	6,691	74
Debt and sundry	300	300	267	33
Total	<u>11,094</u>	<u>11,048</u>	<u>10,941</u>	<u>107</u>
Plant and Facility Services:				
Personal services	1,071	1,056	1,056	-
Non-personal expense	1,008	1,074	1,074	-
Debt and sundry	83	78	78	-
Total	<u>2,162</u>	<u>2,208</u>	<u>2,208</u>	<u>-</u>
Total community maintenance	<u>15,738</u>	<u>15,742</u>	<u>15,587</u>	<u>155</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, 2015  
(In Thousands)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human and Cultural:				
Library:				
Personal services	\$ 2,366	\$ 2,427	\$ 2,427	\$ -
Non-personal expense	654	632	632	-
Debt and sundry	170	170	170	-
Total	<u>3,190</u>	<u>3,229</u>	<u>3,229</u>	<u>-</u>
Human and Leisure Services:				
Personal services	1,759	1,775	1,775	-
Non-personal expense	986	1,010	964	46
Capital outlay		18	18	-
Debt and sundry	94	93	93	-
Total	<u>2,839</u>	<u>2,896</u>	<u>2,850</u>	<u>46</u>
Total human and cultural	<u>6,029</u>	<u>6,125</u>	<u>6,079</u>	<u>46</u>
Education	<u>145,582</u>	<u>145,582</u>	<u>144,402</u>	<u>1,180</u>
Debt and sundry	<u>37,389</u>	<u>37,389</u>	<u>37,178</u>	<u>211</u>
Total expenditures	235,586	236,055	234,295	1,760
Other financing uses:				
Transfers out	<u>15,259</u>	<u>18,449</u>	<u>18,436</u>	<u>13</u>
Total	<u>\$ 250,845</u>	<u>\$ 254,504</u>	<u>252,731</u>	<u>\$ 1,773</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.	14,172
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.	3,966
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.	112
Inventory purchases are reported as expenditures for budgetary purposes.	<u>6</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 270,987

**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, 2015  
 (In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 432	\$ 187	\$ (245)
Charges for services		<u>1</u>	<u>1</u>
Total revenues	<u>432</u>	<u>188</u>	<u>(244)</u>
Expenditures:			
Current:			
Human and cultural:			
Human services:			
Non-personal expense	<u>432</u>	<u>222</u>	<u>210</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	(34)	<u>\$ (34)</u>
Fund Balance at Beginning of Year		<u>44</u>	
Fund Balance at End of Year		<u>\$ 10</u>	

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TWO FISCAL YEARS**  
**(in Thousands)**

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 5,845	\$ 5,563
Interest	27,666	27,384
Effect of plan changes	(185)	57
Effect of economic/demographic gains or losses	886	
Effect of assumption changes or inputs	7,220	
Benefit payments	<u>(25,209)</u>	<u>(24,332)</u>
Net change in total pension liability	16,223	8,672
Total pension liability - beginning	<u>359,442</u>	<u>350,770</u>
Total pension liability - ending	<u>375,665</u>	<u>359,442</u>
Plan fiduciary net position:		
Contributions - employer	17,712	15,957
Contributions - member	2,675	2,621
Net investment income	8,632	28,230
Benefit payments	(25,209)	(24,332)
Administrative expense	<u>(306)</u>	<u>(314)</u>
Net change in plan fiduciary net position	3,504	22,162
Plan fiduciary net position - beginning	<u>178,582</u>	<u>156,420</u>
Plan fiduciary net position - ending	<u>182,086</u>	<u>178,582</u>
Net Pension Liability - Ending	<u>\$ 193,579</u>	<u>\$ 180,860</u>
Plan fiduciary net position as a percentage of the total pension liability	48.47%	49.68%
Covered-employee payroll	\$ 53,742	\$ 57,281
Net pension liability as a percentage of covered-employee payroll	360.20%	315.74%

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS  
(In Thousands)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 5,641	\$ 5,942	\$ 6,001	\$ 6,813	\$ 7,481	\$ 10,002	\$ 11,648	\$ 14,167	\$ 15,957	\$ 17,712
Contributions in relation to the actuarially determined contribution	<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>	<u>17,712</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(99)</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 38,800	\$ 38,533	\$ 40,074	\$ 48,107	\$ 50,031	\$ 53,028	\$ 55,150	\$ 55,078	\$ 57,281	\$ 53,742
Contributions as a percentage of covered-employee payroll	14.54%	15.42%	15.22%	14.16%	14.95%	18.86%	21.12%	25.72%	27.86%	32.96%

**Notes to Schedule**

Valuation date: July 1, 2013  
Measurement date: June 30, 2015  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Rates vary by age
Investment rate of return	7.54%
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 TWO FISCAL YEARS**

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	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	4.69%	18.43%

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT PLAN  
LAST FISCAL YEAR**

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	<u>2015</u>
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>188,888</u>
Total	<u>\$ 188,888</u>
Town's covered-employee payroll	\$ 70,896
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

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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 the Town of West Hartford, Connecticut (the "Town") of its \$14,000,000 General Obligation Bonds, Series 2016A, dated February 11, 2016, maturing January 15, 2017-2031 (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 11, 2016, 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 11th day of February, 2016 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 \$14,000,000 General Obligation Bonds, Series 2016A, dated February 11, 2016 (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 28, 2016, 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, 2016), 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, 2016. 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**

**NOTICE OF SALE**

**\$14,000,000**

**TOWN OF WEST HARTFORD, CONNECTICUT**

**GENERAL OBLIGATION BONDS, SERIES 2016A  
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, 2<sup>nd</sup> Floor, 50 South Main Street, West Hartford, Connecticut 06107 until **11:00 A.M. (Eastern Standard Time) on THURSDAY,**

**JANUARY 28, 2016**

for the purchase, when issued, of the whole of the Town's \$14,000,000 General Obligation Bonds, Series 2016A, dated February 11, 2016, bearing interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2016, and maturing on January 15 in each year as follows:

2017	\$935,000	2025	\$935,000
2018	\$935,000	2026	\$935,000
2019	\$935,000	2027	\$930,000
2020	\$935,000	2028	\$930,000
2021	\$935,000	2029	\$930,000
2022	\$935,000	2030	\$930,000
2023	\$935,000	2031	\$930,000
2024	\$935,000		

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about February 11, 2016. 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, 2021 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2022 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2021, 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:

January 15, 2021 and thereafter	100%
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**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 \$14,000,000 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 11, 2016, 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 28, 2016**. 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, 2<sup>nd</sup> 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, 2016 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 a failure by the Town to provide the required annual financial information on or before a specified date. 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, 2016. The Preliminary Official Statement may be accessed via the Internet at [www.i-dealprospectus.com](http://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, 2016

Ronald F. Van Winkle  
Town Manager

Peter Privitera  
Director of Financial Services

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TOWN OF WEST HARTFORD



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