

TOWN OF WEST HARTFORD CONNECTICUT



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
JULY 1, 2019 - JUNE 30, 2020**

Town of West Hartford Connecticut

Comprehensive Annual Financial Report
For the Fiscal Year
July 1, 2019 - June 30, 2020

Prepared By

Department of Financial Services
50 South Main Street
West Hartford, Connecticut 06107

TOWN OF WEST HARTFORD, CONNECTICUT
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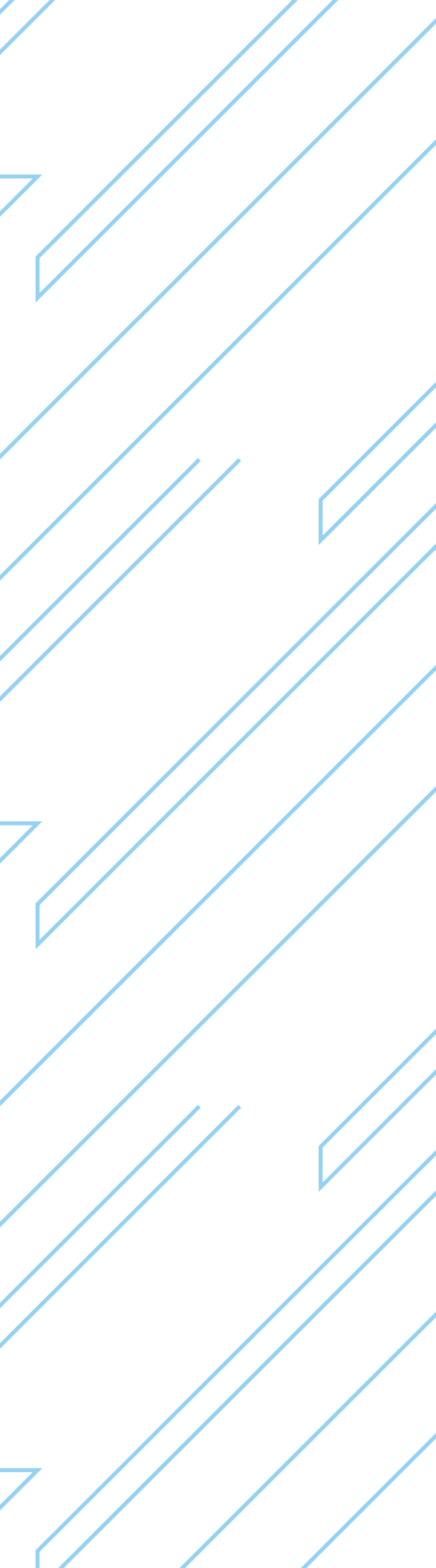
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Introductory Section

TOWN OF WEST HARTFORD, CONNECTICUT
PRINCIPAL OFFICIALS
(As of June 30, 2020)

ELECTED OFFICIALS

Town Council

Shari Cantor, Mayor
Leon Davidoff, Deputy Mayor
Lee Gold, Minority Leader
Carol Blanks
Mary Fay
Beth Kerrigan
Liam Sweeney
Ben Wenograd
Chris Williams

Board of Education

Deb Polun, Chairperson
Lorna Thomas-Farquharson, Vice Chairperson
Amanda Aronson
Elizabeth Wilcox
Jason Oliver Chang
Ari Steinberg
Mark Zydanowicz

Town Clerk Essie Labrot
Registrar of Voters Beth Kyle
Registrar of Voters Patrice Peterson

APPOINTED OFFICIALS

Appointed by Town Council

Town Manager Matthew Hart
Corporation Counsel Dallas Dodge

Appointed by Board of Education

Superintendent of Schools Thomas Moore

Appointed by Town Manager

Chief, Fire Department Greg Priest
Chief, Police Department Vernon Riddick
Director of Community Services Mark McGovern
Director of Financial Services Peter Privitera
Director of Leisure and Social Services Helen Rubino-Turco
Director of Information Technology Jared Morin
Director of Plant and Facilities Services Robert Palmer
Director of Public Works John Phillips
Executive Director of Human Resources Richard Ledwith

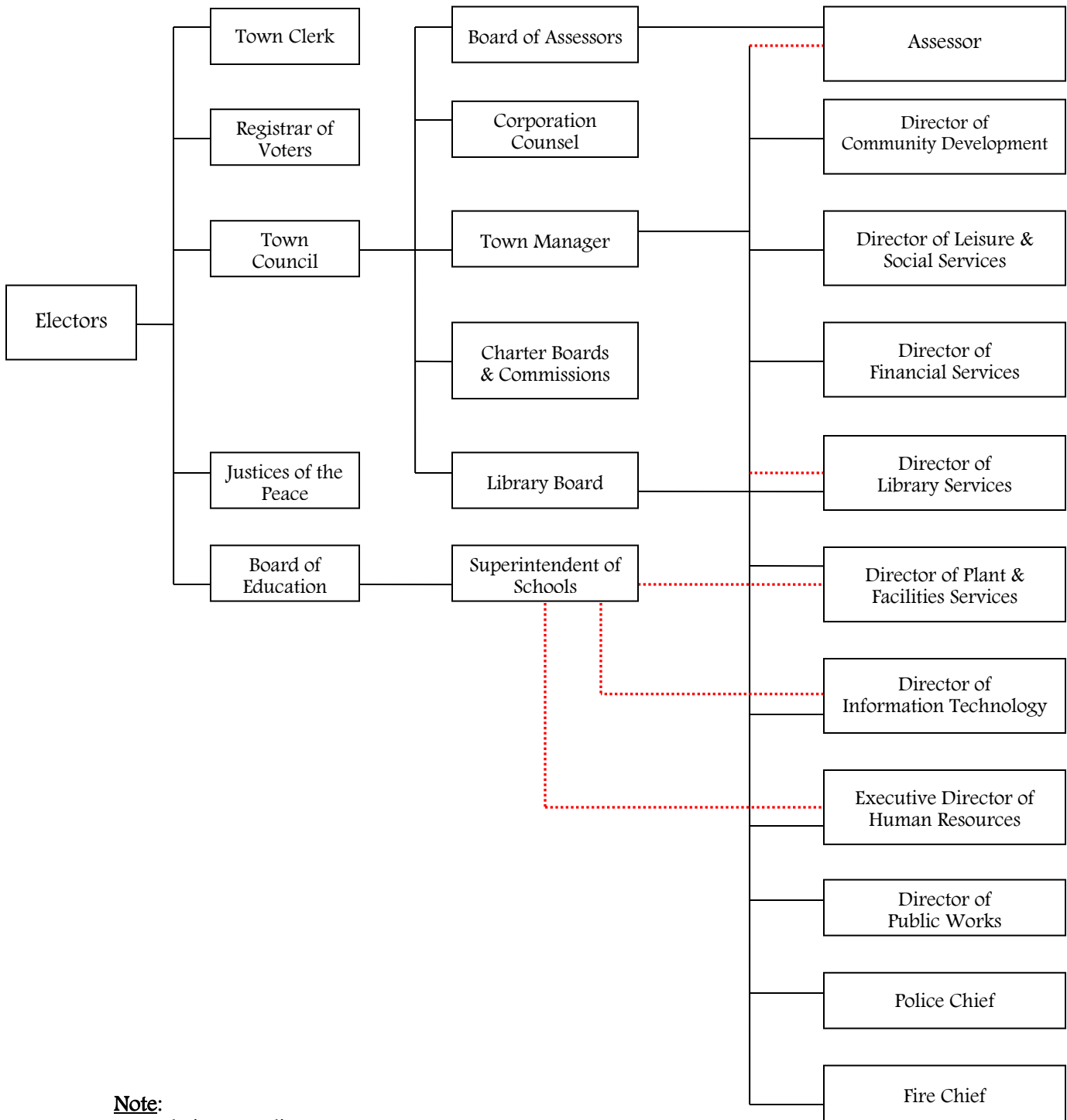
Appointed by Library Board

Director of Library Services Martha Church

Appointed by Board of Assessors

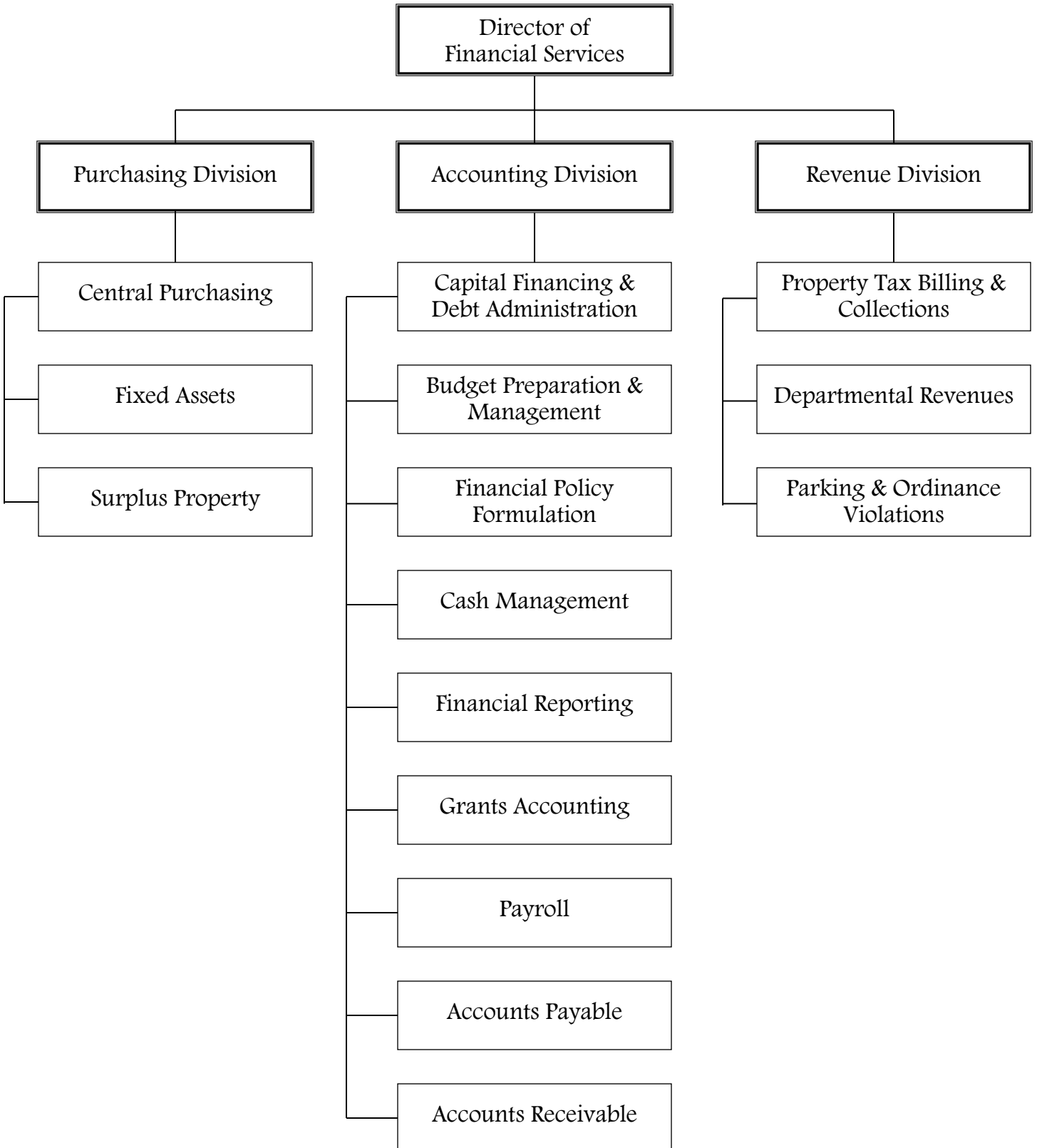
Assessor Joseph Dakers

**TOWN OF WEST HARTFORD, CONNECTICUT
TOWN GOVERNMENT
ORGANIZATIONAL CHART
Fiscal Year 2020**



Note:
Dotted Line = Indirect Report
Solid Line = Direct Report

TOWN OF WEST HARTFORD, CONNECTICUT
TOWN GOVERNMENT
DEPARTMENTAL FUNCTIONS
Fiscal Year 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of West Hartford
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



December 15, 2020

Mayor, Town Council, Town Manager, Citizens and Taxpayers of the Town of West Hartford:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) for governmental units and audited in accordance with auditing standards generally accepted in the United States of America, by a firm of licensed certified public accountants. Pursuant to that requirement, I am pleased to transmit to you the Comprehensive Annual Financial Report (CAFR) of the Town of West Hartford (Town) for the fiscal year ended June 30, 2020.

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

Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants, has issued an unmodified opinion on the Town of West Hartford's financial statements for the fiscal year ended June 30, 2020. The independent auditors' report is presented as the first component in the financial section of this report.

The Town's fiscal year 2020 audit includes an audit of all federal grants in accordance with the Single Audit Act of 1984, as amended in 1996, which provides that state and local governments expending more than \$500,000 in federal financial assistance must have a single audit for the fiscal year. The single audit consists of a financial audit, test of internal controls, and compliance audit. The single audit is in lieu of any financial and compliance audits required by any federal agency. The auditors' reports related to tests of internal controls and compliance testing have been furnished separately to the Town. In addition, the audit also includes an audit of all state financial assistance in compliance with the State Single Audit Act pursuant to Connecticut General Statutes (CGS) sections 4-230 to 4-236, inclusive (Chapter 55b). Each municipality expending more than \$100,000 in state financial assistance must have a state single audit. An audit conducted in accordance with sections 4-230 through 4-236 of the CGS shall be in lieu of any financial compliance audit of an individual state assistance program. These reports are available in the Town's separately issued single audit reports.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Town of West Hartford is an independent full-service town with sole local government taxing power within its boundaries. The Town is autonomous from any county, municipality, or other political subdivision of the State of Connecticut. In 1919, the Town became the first in the State to appoint a Town Manager and presently operates with a Council-Manager form of government. The legislative function is performed by the Town Council, which is comprised of nine members who are elected biennially. The Town Council formulates policies for the administration of the Town. The Town Manager is appointed by the Town Council to serve as the Town's Chief Executive Officer, with appointive and removal authority over department directors and other employees of the Town. The Town Manager is responsible for the implementation of policies established by the Town Council. An elected seven-member Board of Education appoints a Superintendent of Schools, who administers the education system of the Town.

The Town is located in central Connecticut adjacent to and west of the City of Hartford, the state capital. It is a residential suburb in the Hartford metropolitan area. The towns of Bloomfield, Newington, Farmington, and Avon also border the Town. West Hartford is approximately 100 miles southwest of Boston and approximately 100 miles northeast of New York City. The Town encompasses 22.2 square miles and has a population of 63,268.

The Town provides a comprehensive range of municipal services including police, fire, paramedic, public works, education, community development, recreation, library, transportation, human services, and cultural and historic activities.

The MD&A and the basic financial statements included in this report pertain to those functions administered by the Town Manager and Superintendent of Schools and are under the jurisdiction of the Town Council. These functions encompass all activities considered to be part of (controlled by or dependent on) the financial reporting entity. Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, or outstanding debt secured by revenues or general obligations of the Town. Further information concerning the financial condition of the Town is contained in the MD&A.

In accordance with these criteria, the financial statements include the financial activities of the Town of West Hartford, the Town of West Hartford Board of Education, the Town of West Hartford Library Board and the West Hartford Center Special Services District, a discretely presented component unit. The Town of West Hartford Housing Authority and The West Hartford-Bloomfield Health District, although containing the name of the Town, are excluded from the Town's financial statements. Although the Town Council appoints members to the Board of Directors for the West Hartford Housing Authority and the West Hartford-Bloomfield Health District, the Town has no involvement in their day-to-day operations or in the determination of their operating budget. Furthermore, the Town has no obligation for debt issued by the Housing Authority or the Health District and does not fund their operating deficits.

The Metropolitan District Commission (MDC) provides water and sewer services to West Hartford and certain other municipalities. The MDC finances water service via user fees and sewer services via tax levy on the participating municipalities. Since this is a separate governmental unit, its audited annual financial statements are not included in this report, but are available from the MDC directly.

In March 1981, the Town Council adopted a comprehensive budgeting and accounting ordinance. The ordinance sets forth the standards and practices that apply to the Town's financial management. Included in the ordinance is a provision requiring the appropriation of all funds not otherwise provided by specific law to be expended outside of budgetary operations.

Annually, the Town Council adopts a balanced operating budget, a capital improvement budget, and a twelve-year capital improvement program (CIP). The budget calendar is outlined in Note 2 of the notes to the basic financial statements. Budget development and administration is performed by the Department of Financial Services.

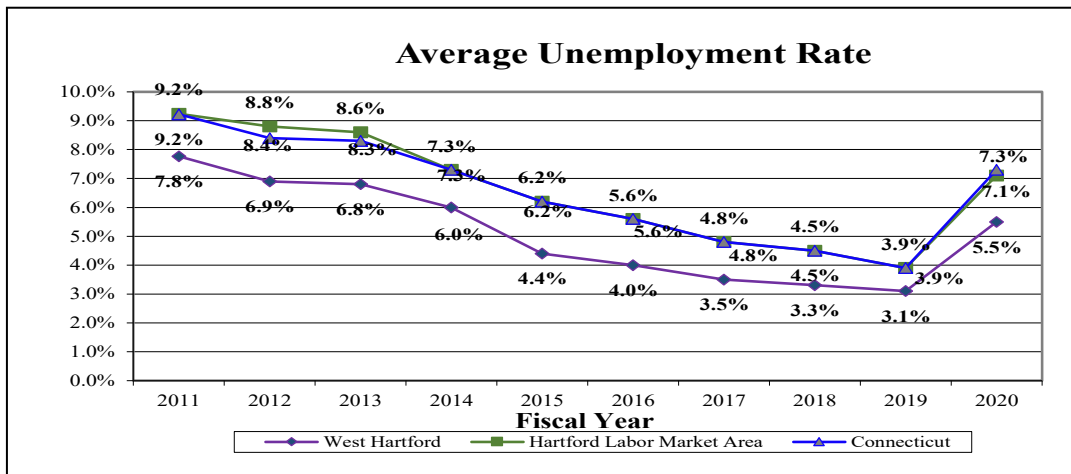
The budget is legally enacted at the character of expenditure level within the department. Budgetary control is achieved through the use of a full encumbrance system, which encumbers appropriations upon the issuance of purchase orders. Commitments which could result in an over-expenditure of an appropriation at the character level are not issued until transfers or additional appropriations are made available. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as assigned fund balance.

The budget is integrated into the accounting system and amended budgetary data (as presented in the financial statements for all funds with annual budgets) is compared to actual expenditures. Accordingly, budget to actual comparisons are provided in the report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Community Development Block Grant (CDBG) Housing Rehabilitation Fund, this comparison is presented as part of the required supplementary information. For governmental funds with appropriated annual budgets, this comparison is presented in Exhibits B-3 to B-11.

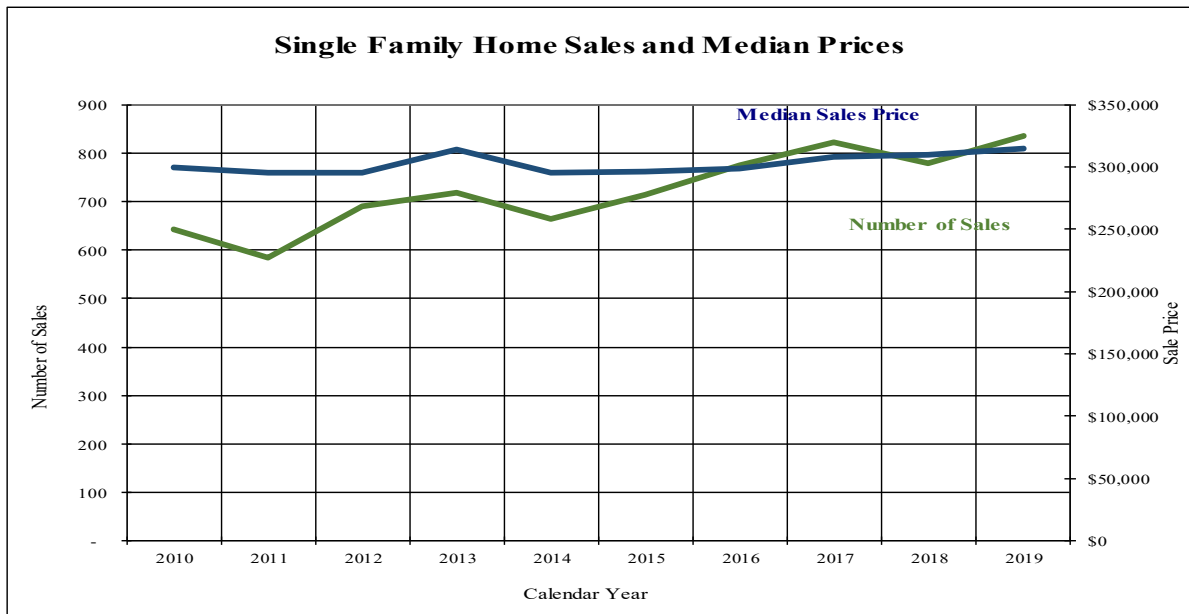
FACTORS AFFECTING FINANCIAL CONDITION

Economic condition and outlook - The COVID-19 pandemic posed economic and financial challenges for the Town, State and Country as a whole. The Town was faced with a number of financial challenges. Over 400 part-time employees were laid off, as the majority of programs offered by the Department of Leisure and Social Services were reduced or eliminated. The outdoor Town pools remained closed through June 2020 as well as two Senior Centers, Elmwood Community Center and the main Library and its branches. However, tax collections as well as charges for services remained strong. This contributed to the Town's ability to sustain budgetary balance, even through a period of economic uncertainty, due to the pandemic.

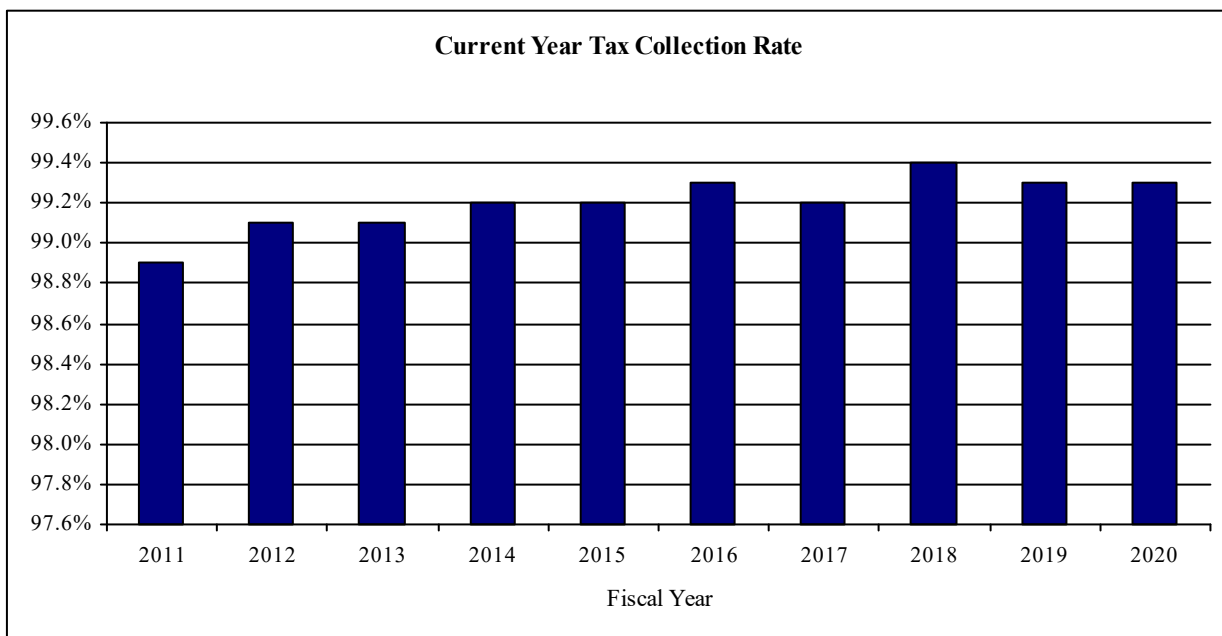
As depicted in the chart below, the fiscal year 2020 unemployment rates in West Hartford remained well below regional and state levels during the pandemic.



As illustrated, West Hartford experienced a decline in the annual number of single family home sales during the economic downturn. This resulted in lower conveyance tax and land record fee revenues in those years. The number of sales has been trending upward since 2011, with the exception of a slight dip in calendar year 2014. Homes in West Hartford maintained their value during this period, with median sales price relatively consistent over the timeframe presented. Buyers continue to be attracted to the excellent school system and vibrant community. Stable housing prices have insulated the community from the impact of a significant decline in value, resulting in limited foreclosure activity.



The Town achieved a property tax collection rate of 99.3% for fiscal year 2020, an increase from the prior year. Stable home prices, relatively low unemployment rates and lack of foreclosure activity contributed to strong property tax collections.



Cash management policies and practices - All funds not required to have separate bank accounts use a single consolidated account for deposits. The collected balance of the consolidated account not needed to liquidate current obligations is invested on a daily basis to meet future cash flow needs under the authority of the Town's General Investment Policy. The General Investment Policy, adopted pursuant to the authority of section 7-400 of the CGS and Chapter VI, Section 2 of the West Hartford Code, provides a policy for the investment of all Town funds except for reserves of the Risk Management Fund and the Pension and Other Post-Employment Benefits Trust Funds. As of June 30, 2019, this pool of funds is invested in various money market accounts, certificates of deposit, governmental securities and the State of Connecticut's Short-Term Investment Fund (STIF). STIF is a Standard & Poor's AAA rated investment pool of high quality, short-term money market instruments managed by the Cash Management Division of the Connecticut Office of the State Treasurer. The Town monitors the financial strength and stability of the institutions in which it holds money market accounts via national rating services.

The reserve funds of the Risk Management Fund are invested under the authority of the Town's Statement of Investment Policy for the Risk Reserve Accounts pursuant to the authority of section 7-403 of the CGS. The reserve pool consists of fifty percent of the liability reserve and one hundred percent of the prior year ending balance of the pre-funding reserve. The intent is to invest these funds in a manner which matches the duration of the investments with the cash flow needs inherent with long-term liabilities of this nature. Statutes governing the reserve pool provide for a wide variety of both fixed income and equity investment options. There can be no less than fifty percent of the pool invested in the following: United States government and agency obligations, United States Postal Service obligations, certificates of deposit, commercial paper, savings accounts, and bank acceptances. In addition, up to fifty percent of the total amount invested can be invested in equity securities.

The Town Council appointed Pension Board, governed by the Statement of Pension Plan Investment Policy, administers the funds of the employee retirement system separately. An independent custodial bank holds all of the Town's reserve pool investments.

Long-term financial planning - The Town has minimized property tax increases while maintaining long-term financial health through proactive financial management strategies and a moderated effect from the economic downturn. High quality educational and municipal services, which attract and retain residents and exemplify the character of the community, have been preserved. Policy decisions are made with a long-term financial perspective that balances the services expected by the community with residents' ability to pay. This perspective has enabled the Town to maintain its actuarially determined contributions for retirement benefits, strengthen levels of reserves, and avoid one-time budget strategies.

West Hartford will continue to encounter fiscal challenges in the coming years. The possibility of State and federal budget constraints will contribute to uncertainty of intergovernmental revenues. Retiree health and pension benefits continue to increase despite successful efforts at restructuring these benefits through collective bargaining agreements. The pressure of spending increases will continue to outpace growth in the value of taxable property and it will be an on-going challenge to provide a consistent level of municipal and education services while minimizing tax increases. However, it is a challenge that West Hartford is prepared to address.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the fiscal year ended June 30, 2019. This was the thirty-fourth consecutive year the Town achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Town believes the current CAFR continues to meet the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

In addition, the Town has maintained an Aaa/AAA credit rating with Moody's Investor Services and Standard and Poor's Ratings Services, respectively, since 1972, with the rating reaffirmed by Standard and Poor's in October 2020.

The preparation of this report could not have been accomplished without the effective and dedicated services of the staff of the Department of Financial Services. The preparation of the CAFR requires a major effort from the accounting staff and each member of the department who assisted and contributed to the preparation of this report has my sincere appreciation.

I would also like to thank the Mayor, Town Council and Town Manager for their continued interest and support in planning and executing the financial operations of the Town.

Respectfully submitted,



Peter Privitera
Director of Financial Services



Financial Section

Independent Auditors' Report

To 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, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of West Hartford, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of West Hartford, Connecticut, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 20, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 on our consideration of the Town of West Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of West Hartford, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 15, 2020

TOWN OF WEST HARTFORD, CONNECTICUT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020. 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

- At the close of fiscal year 2020, liabilities and deferred inflows of the Town exceeded its assets and deferred outflows by \$156,022 on a government wide basis, an increase in the deficit of \$19,225 as compared to the prior year.
- The governmental activities funds reported consolidated net position of (\$155,699), an increase in the deficit of \$17,271 from fiscal year 2019.
- The business-type activities of the Town had net position of \$(323) at fiscal year-end, a reduction of \$1,954 from the prior year.
- The Town's net investment in capital assets increased \$13,994 as the Town continued to invest in infrastructure and reduced outstanding long-term debt.
- Unassigned fund balance of the General Fund decreased to \$25,188 or 8.5% of total expenditures on a budgetary basis as \$1,500 was committed for use in fiscal year 2021 as part of the budget process.
- The Town achieved a current year property tax collection rate of 99.3% for fiscal year 2020 and delinquent tax collections remained 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 United States 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 93-98 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 77-90 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 29-76.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful tool to analyze a government's financial position. The Town's combined net position decreased from (\$136,797) at the end of fiscal year 2019 to (\$156,022) at the end of fiscal year 2020. 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 is its \$252,242 investment in capital assets. This represents capital assets (such as land, buildings, infrastructure, vehicles, machinery and equipment) net of accumulated depreciation, 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 \$82 of the Town's net position represents resources subject to use restrictions by external sources. The remaining balance is a deficit of \$408,346 and is comprised of the Town's net pension liability of \$316,155 and OPEB liability of \$213,359 offset by unrestricted funds which may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

TABLE 1
Net Position
In Thousands

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 105,343	\$ 105,480	\$ 10	\$ 35	\$ 105,353	\$ 105,515
Capital assets, net of accumulated depreciation	383,113	371,533	9,781	10,779	392,894	382,312
Total assets	<u>488,456</u>	<u>477,013</u>	<u>9,791</u>	<u>10,814</u>	<u>498,247</u>	<u>487,827</u>
Deferred charge on refunding	1,088	873			1,088	873
Deferred outflows related to pensions	47,301	18,563	725	284	48,026	18,847
Deferred outflows related to OPEB	42,041	11,189	610	163	42,651	11,352
Total deferred outflows of resources	<u>90,430</u>	<u>30,625</u>	<u>1,335</u>	<u>447</u>	<u>91,765</u>	<u>31,072</u>
Long-term liabilities	699,669	609,261	7,924	6,602	707,593	615,863
Other liabilities	15,914	17,746	3,477	2,957	19,391	20,703
Total liabilities	<u>715,583</u>	<u>627,007</u>	<u>11,401</u>	<u>9,559</u>	<u>726,984</u>	<u>636,566</u>
Deferred charge on refunding	121				121	
Deferred inflows related to pensions		1,028		16		1,044
Deferred inflows related to OPEB	3,296	3,774	48	55	3,344	3,829
Advance property tax collections	15,585	14,257			15,585	14,257
Total deferred inflows of resources	<u>19,002</u>	<u>19,059</u>	<u>48</u>	<u>71</u>	<u>19,050</u>	<u>19,130</u>
Net Position:						
Net investment in capital assets	242,461	227,469	9,781	10,779	252,242	238,248
Restricted	82	82			82	82
Unrestricted (deficit)	<u>(398,242)</u>	<u>(365,979)</u>	<u>(10,104)</u>	<u>(9,148)</u>	<u>(408,346)</u>	<u>(375,127)</u>
Total Net Position	<u>\$ (155,699)</u>	<u>\$ (138,428)</u>	<u>\$ (323)</u>	<u>\$ 1,631</u>	<u>\$ (156,022)</u>	<u>\$ (136,797)</u>

Governmental Activities. The net position of the Town's governmental activities decreased \$17,271 from the prior year. Investment in capital assets, net of related debt, increased \$14,992 due to continued investment in the Town's buildings and infrastructure, as well as a reduction in outstanding general obligation bonds. Net position classified as unrestricted decreased \$32,263, mainly from the change in deferred outflows related to pensions and OPEB.

Total assets increased \$11,443 from the prior year due to the aforementioned investment in capital assets offset by reduced cash and investment balances on-hand as of June 30, 2020. Total deferred outflows of resources increased \$59,805. Deferred outflows related to Pensions and OPEB increased \$28,738 and \$30,852 respectively.

Business-Type Activities. The total net position of the Town's business-type activities decreased \$1,954 in fiscal year 2020. Investment in capital assets was reduced by \$998, as depreciation expense exceeded additions to capital assets in fiscal year 2020, and the deficit in unrestricted net position increased \$956.

TABLE 2
Changes in Net Position
In Thousands

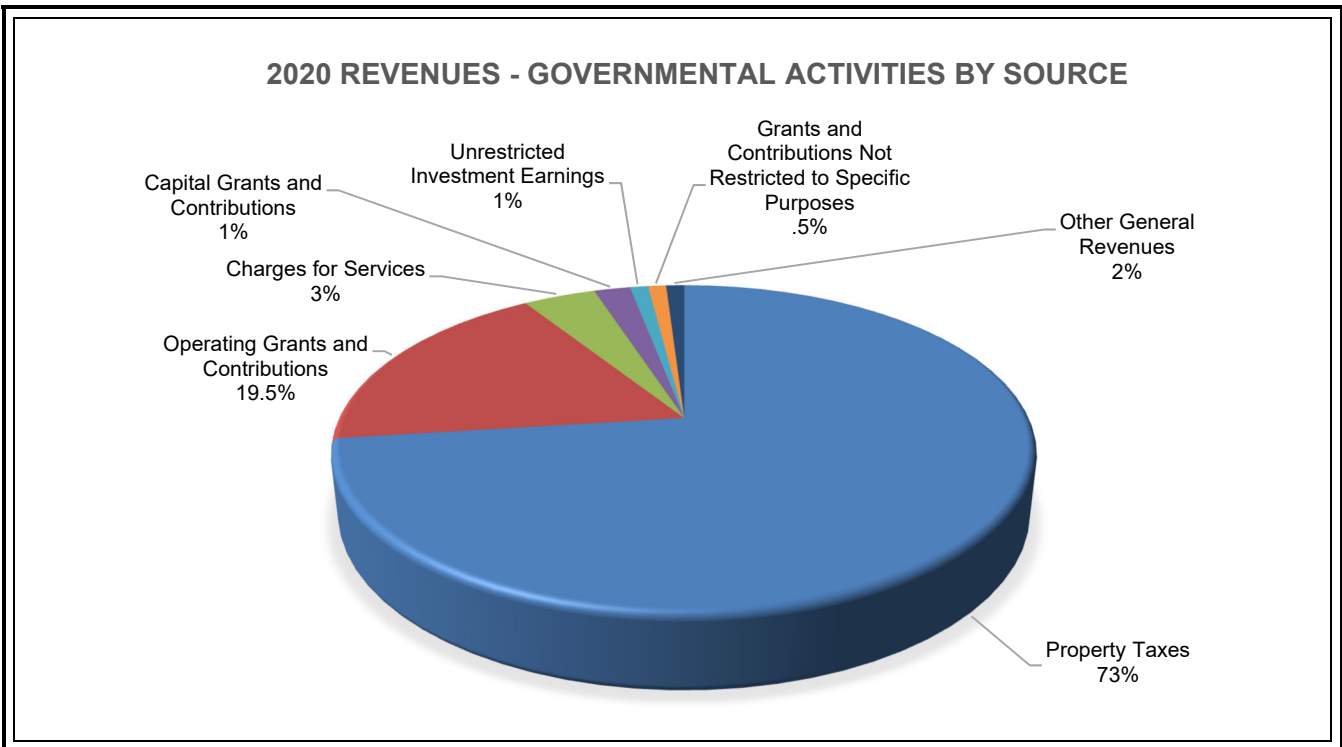
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 12,510	\$ 15,298	\$ 3,267	\$ 3,694	\$ 15,777	\$ 18,992
Operating grants and contributions	70,919	46,558			70,919	46,558
Capital grants and contributions	3,734	12,970	171	168	3,905	13,138
General revenues:						
Property taxes	266,113	258,308			266,113	258,308
Grants and contributions not restricted to specific purposes	1,908	2,127			1,908	2,127
Unrestricted investment earnings	3,350	3,719			3,350	3,719
Other general revenues	5,715	4,718			5,715	4,718
Total revenues	<u>364,249</u>	<u>343,698</u>	<u>3,438</u>	<u>3,862</u>	<u>367,687</u>	<u>347,560</u>
Program expenses:						
General government	15,932	15,076			15,932	15,076
Public safety	70,986	65,519			70,986	65,519
Community maintenance	43,214	37,686			43,214	37,686
Human and cultural	16,797	20,843			16,797	20,843
Education	230,874	208,031			230,874	208,031
Interest on long-term debt	3,647	4,271			3,647	4,271
Leisure services			5,462	5,930	5,462	5,930
Total program expenses	<u>381,450</u>	<u>351,426</u>	<u>5,462</u>	<u>5,930</u>	<u>386,912</u>	<u>357,356</u>
Change in net position before transfers	(17,201)	(7,728)	(2,024)	(2,068)	(19,225)	(9,796)
Transfers	(70)	(270)	70	270		
Change in net position	<u>(17,271)</u>	<u>(7,998)</u>	<u>(1,954)</u>	<u>(1,798)</u>	<u>(19,225)</u>	<u>(9,796)</u>
Net Position at Beginning of Year	<u>(138,428)</u>	<u>(130,430)</u>	<u>1,631</u>	<u>3,429</u>	<u>(136,797)</u>	<u>(127,001)</u>
Net Position at End of Year	<u>\$ (155,699)</u>	<u>\$ (138,428)</u>	<u>\$ (323)</u>	<u>\$ 1,631</u>	<u>\$ (156,022)</u>	<u>\$ (136,797)</u>

Primary Government

Total primary government revenues increased \$20,127 or 5.8% from the prior year, while total primary government program expenses increased \$29,556 or 8.3% over the same time period. The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues from governmental activities exclusive of transfers totaled \$364,249 for fiscal year 2020, an increase of \$20,551 over the prior year. Property taxes (73%) and operating grants and contributions (19.5%) were the primary revenue sources, while charges for services, capital grants and contributions, unrestricted grants, investment earnings and other general revenues combined (7.5%) comprised the balance of the Town's revenues.



Operating grants and contributions totaled \$70,919 in fiscal year 2020, an increase of \$24,361 from the prior year. Capital grants and contributions decreased \$9,236 from the prior year as funds received from Federal and State reimbursements for the construction of the Park Road Interchange project as well as the Hall High School Science labs are winding down. 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. There was an unfavorable variance of \$369 in unrestricted investment earnings in fiscal year 2020 as compared to the prior year as interest rates began to decline throughout the fiscal year.

In order to cover the increased cost of services and significant uncertainty regarding State aid, the fiscal year 2020 adopted General Fund budget required an increase in current year property tax revenue. Actual property tax revenue was \$7,805 higher than in fiscal year 2019.

Program expenses for governmental activities totaled \$381,450 for fiscal year 2020. 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 (19%), and community maintenance (11%) comprise 91% of total governmental activities program expenses, with general government, human and cultural, and interest on long-term debt comprising the balance (9%).

2020 EXPENSES - GOVERNMENTAL ACTIVITIES BY FUNCTION

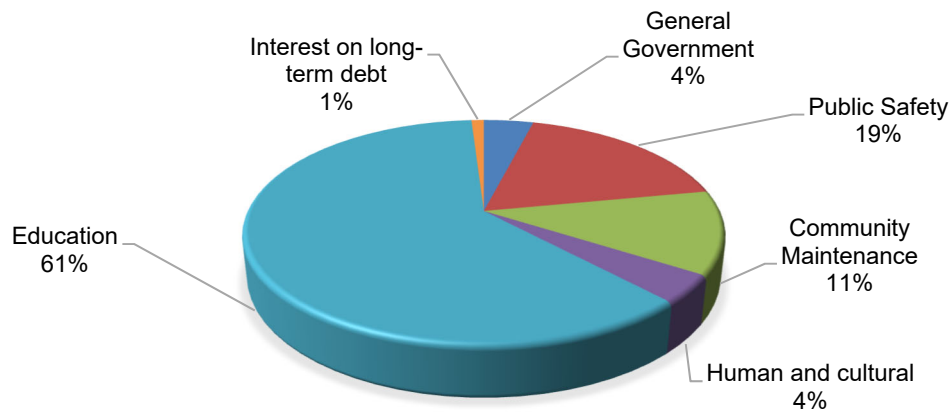
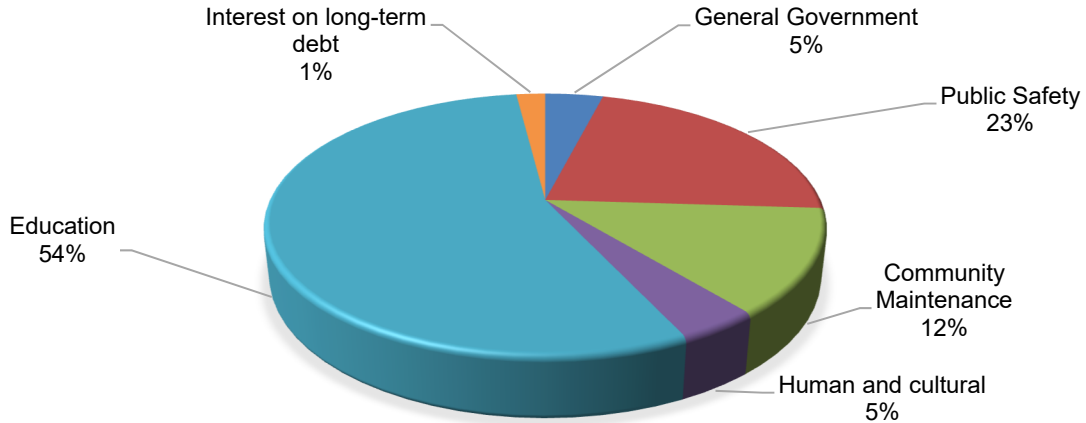


Table 3 presents the total cost and net cost of services (total cost less revenues from non-tax sources directly related to the individual function) for each of the Town's six major functions: education, public safety, community maintenance, human and cultural, general government, and interest on long-term 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Education	\$ 230,874	\$ 208,031	\$ 159,528	\$ 153,859
Public safety	70,986	65,519	66,922	61,586
Community maintenance	43,214	37,686	35,948	26,409
Human and cultural	16,797	20,843	14,273	18,087
General government	15,932	15,076	13,969	12,388
Interest on long-term debt	3,647	4,271	3,647	4,271
Total	\$ <u>381,450</u>	\$ <u>351,426</u>	\$ <u>294,287</u>	\$ <u>276,600</u>

2020 NET COST OF SERVICES - GOVERNMENTAL ACTIVITIES BY FUNCTION



Business-Type Activities

Revenues from business-type activities decreased \$424 from the prior year. Program revenue declined \$427 primarily due to declining sales experienced at Rockledge Golf Course and outdoor pools due to the pandemic. Program expenses decreased \$468 over the prior year, while net transfers were \$200 less than the prior year. The change in net assets for fiscal year 2020 was a net reduction of \$1,954 from the prior year.

FUND FINANCIAL ANALYSIS

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

Governmental Funds

As of June 30, 2020, the Town’s governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$41,476. This represents an increase of \$786 or 1.9% from the prior year. Based upon fund balance classification under GASB 54, \$25,188 or 61% is unassigned and comprised of fund balance of the General Fund. An additional \$8,952 or 22% is committed or constrained for a specific purpose by the Town Council. The remainder is comprised of non-spendable (\$495), restricted (\$2,132), and assigned (\$4,709) fund balance, as defined in footnote 1.

For fiscal year 2020, the total net change in fund balances for governmental funds (Exhibit IV) was an increase of \$786. Included in this total is an increase of \$3,106 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 decreased \$2,796, reflecting intergovernmental revenue of \$3,407 for school and infrastructure projects, transfers in of \$2,861, charges for services of \$210 and miscellaneous revenues from sale of assets and reimbursements of \$375. Capital expenditures totaled \$26,536, and transfers out were \$149. The Debt Services Funds saw an increase in fund balance of \$1,988, primarily due to refunding of debt at a premium during the fiscal year. Non-major Governmental Funds experienced a net decrease in fund balance of \$1,512, as detailed by fund in Exhibit B-2. Significant changes in fund balance were seen in the Parking Lot Fund (-\$1,247), School Special Programs Fund (\$82), School Interscholastic Sports Fund (-\$96), Westmoor Park Fund (-\$90), Cafeteria Fund (-\$295), Town That Cares Fund (\$170) and the Cemetery Operating Fund (-\$37) while the remaining non-major governmental funds experienced changes totaling a net increase of \$1.

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 \$18,142 at year-end, an increase of \$176 from the prior year. Net position of the Internal Service Funds had a net increase of \$2,130 primarily from lower retiree claim expense in the Risk Management Fund offset by increased expenses in the Utilities Services Fund. As mentioned previously, the Leisure Services Fund experienced a reduction in net position of \$1,954.

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 2020 and the variance between the final budget and actual results.

Revenue	Budget		Change	Actual Revenue	Over/ (Under) Final Budget
	Original	Final			
Property taxes	\$ 263,678	\$ 266,046	\$ 2,368	\$ 265,957	\$ (89)
Federal	22	111	89	152	41
State	24,246	24,253	7	24,442	189
Charges for services	5,737	6,038	301	5,807	(231)
Local revenues	1,047	1,047		1,161	114
Income on investments	1,300	1,300		1,287	(13)
Transfers in	463	463		421	(42)
Total	\$ 296,493	\$ 299,258	\$ 2,765	\$ 299,227	\$ (31)

General Fund Budgetary Amendments

The General Fund’s final estimated revenues increased \$2,765 or 1.0% from the original adopted budget.

- Estimated revenues from property taxes increased \$2,368 to fund year-end contributions to the Capital Non-recurring Expenditure (CNRE) Fund.
- Additional federal grants totaling \$89 were appropriated during the fiscal year.
- Estimated intergovernmental revenue from the State of Connecticut increased \$7 primarily due the receipt of a grant for the preservation of historical documents.
- Estimated charges for services increased \$301 primarily due to an increase in paramedic services which was used to fund year end transfers to the CNRE Fund.

General Fund Revenue Variance

When compared to final estimated revenues, total revenue was slightly less than budgeted by \$31. Successful collection of property taxes has been key to the financial health of the Town. Current year property tax collection remains strong, with the Town achieving a collection rate of 99.3% and demonstrated strong collection of delinquent taxes.

Federal revenue was greater than the final budget by \$41 due to the receipt of various police grants; Click it or Ticket and Distracted Driving. State revenue was greater than the final budget by \$189 primarily due to an increase in the Education Cost Sharing Grant. Charges for services fell short of budget by \$231. Favorable variances in paramedic services (\$235), conveyance tax and fees associated with land records (\$82), and fire plan review fees (\$64), were offset by lower than anticipated building permits (-\$111), zoning permits & petitions (-\$99), refuse & metal recycling fees (-\$76) Leisure Services program registrations and memberships (-\$46), library fines (-\$11), special events (-\$8) and miscellaneous charges (-\$30). Local revenue was greater than the revised budget by (\$114) primarily due to the final distribution of funding to municipalities who had participated in the Mid-Connecticut solid waste disposal & recycling project (\$110), a P-Card rebate (\$49), a recycling rebate (\$25) and miscellaneous revenue (\$7) offset by a decline in revenues from rental of facilities (-\$42) and leasing of land (-\$35). Income on investments was slightly lower than estimated (-\$13) as interest rates began to decline in the fourth quarter. Transfers in fell short of budget by (-\$42) primarily due to a reclass of a pension contribution between the Town and Board of Education for shared employees.

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 Clerk	\$ 282	\$ 302	\$ 20	\$ 302	\$ -
Town Council	392	388	(4)	388	-
Town Manager	391	409	18	409	-
Corporation Counsel	400	430	30	430	-
Registrar of Voters	243	243	-	170	73
Information Technology	1,013	1,055	42	1,055	-
Financial Services	2,411	2,348	(63)	2,344	4
Assessment	747	686	(61)	686	-
Human Resources	509	525	16	525	-
Fire	11,806	13,187	1,381	13,187	-
Police	16,665	17,103	438	17,065	38
Community Development	2,579	2,688	109	2,688	-
Public Works	10,677	9,897	(780)	9,809	88
Facilities	2,081	2,081	-	2,029	52
Library	3,443	3,091	(352)	3,091	-
Leisure and Social Services	3,182	2,892	(290)	2,892	-
Education	168,503	166,260	(2,243)	166,249	11
Debt and Sundry	51,799	52,726	927	52,726	-
Transfers Out	19,370	22,947	3,577	20,538	2,409
Total	\$ 296,493	\$ 299,258	\$ 2,765	\$ 296,583	\$ 2,675

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

- The budget of the Town Clerk increased \$20 due to the receipt of grant for the preservation of historical documents (\$7.5), an increase for the need for televised virtual meetings and personnel costs due to one retirement (\$12.5).
- The Town Manager's budget increased \$18. Personal services increased \$21 as a result of a contract settlement. In addition, a part time employee was hired temporarily. Operating costs were under budget by \$3.
- The Corporation Counsel budget increased \$30 due to the need for retain outside counsel in connection with the evaluation and assessment of certain claims.
- The budget of the Financial Services department decreased \$63 due to savings from reduced banking services fees, postage and software maintenance costs.
- The Department of Information Technology's budget increased \$42. This is primarily due to higher than expected network maintenance costs.
- The final budget of the Fire Department was \$1,381 higher than that originally adopted. The retirement of four firefighters also attributed to the increase. These vacancies resulted in an increase overtime due to minimum staffing requirements.
- The Police Department budget had an increase of \$438 from the originally adopted budget as a result of eleven retirements during the year.
- Community Maintenance budget was increased \$109 from the original budget. Two retirements during the year attributed to this overage.
- The Department of Public Works budget was reduced \$780 primarily due to payroll savings and from a reduction in the number of snow operations from 12 in fiscal year 2019 to 5 in the current year.
- The final budgets for the Library & Department of Leisure Services as a result of the pandemic, \$352 and \$290 respectively. Library branches, the two Senior Centers and the Elmwood Community Center were forced to close in March. All part time personnel were laid off and operating costs were reduced as a result of the shutdown.
- The Education budget decreased \$2,243 from the original budget. The majority of this relates to the creation of a non-lapsing unexpended education funds account to defray future unforeseen costs associated with educating students and keeping them safe during the pandemic.
- The final Debt and Sundry budget was increased \$927. This was primarily COVID-19 related costs such as personal protective equipment for public safety staff, equipment rentals, and cleaning supplies.
- The final budget for transfers to other funds increased \$3,577 from the original budget. The majority of which was for a transfer to the Risk Management Fund and Capital Non Recurring Fund from the General Fund Surplus.

General Fund Expenditure Variance

- In comparison to final appropriations, actual expenditures were \$2,675 less than budgeted. Public Works generated savings of \$88 primarily related to lower expenditures as a result of a mild winter. The Board of Education achieved savings of \$11 in personnel costs. Transfers out were \$2,409 lower than anticipated primarily due to the Board of Education creating a non-lapsing education account to defray future costs associated with keeping students safe during the COVID-19 pandemic. The Police Department saw savings of \$38 in non-personal expenditure. Due to pushing a primary to fiscal year 2021, the Registrars saw savings of \$73 in personal and non-personal services.

• CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020 the Town had \$392.9 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 \$10.6 million, or 2.8%, from the prior year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 10.5	\$ 10.5	\$	\$	\$ 10.5	\$ 10.5
Construction in progress	126.9	102.0	1.1	1.0	128.0	103.0
Buildings and land improvements	160.4	168.8	8.6	9.7	169.0	178.5
Furniture and equipment	3.2	4.2	0.1	0.1	3.3	4.3
Vehicles	5.0	4.5			5.0	4.5
Infrastructure	<u>77.1</u>	<u>81.5</u>			<u>77.1</u>	<u>81.5</u>
Total Capital Assets	\$ <u>383.1</u>	\$ <u>371.5</u>	\$ <u>9.8</u>	\$ <u>10.8</u>	\$ <u>392.9</u>	\$ <u>382.3</u>

The increase is primarily due to numerous reconstruction projects, ongoing costs associated with the replacement of a radio system, the rehabilitation of the North Main Street Bridge and continued improvements to Town and School Buildings. 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, 2020, the Town had \$135,210 in bonds outstanding versus \$139,675 at the end of the prior year.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds (backed by the Town)	\$ 135.2	\$ 139.7	\$ -	\$ -	\$ 135.2	\$ 139.7

The reduction in outstanding debt results from principal payments on existing debt of \$13,395 in fiscal year 2020, offset by the issuance of \$17,000 in general obligation bonds in January 2020. 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 2020.

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 \$1.81 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 2020, inclusive of debt service of the Blue Back Square Fund, was 5.5% of General Fund expenditures. The General Fund portion of debt service was 4.5% 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

The fiscal year 2021 budget process was extraordinary. The impact of the COVID-19 pandemic forced the Town and the Board of Education to make difficult decisions including examining the overall needs of our residents in conjunction with the ability to finance those needs in a time such uncertainty. In order to minimize the fiscal impact on our residents as well as businesses, significant budget adjustments were made while focusing on providing a consistent level of services to residents and visitors while limiting the increase in local taxes.

Doing so was challenging as operating expenses continue to increase and there is uncertainty in State aid and diminishing non-tax revenue. The fiscal year 2021 General Fund budget totals \$300,247 and represents an increase of \$3,753 or 1.3% over fiscal year 2020, at the time of adoption. The municipal services portion of the budget totals \$112,854, an increase of \$2,494 or 2.3%. The education budget totals \$170,074, an increase of \$1,273 or .8%. The capital financing portion of the budget for both municipal and education services is \$17,319, a decrease of \$14 or .1%.

The fiscal year 2021 budget maintains town and education services with the following assumptions and policy decisions reflected in the adopted budget:

- Grand List increase of approximately \$52.0 million, or 0.82%;
- A current year property tax collection rate of 99.1%;
- A uniform mill rate for real, personal and motor vehicle property;
- Conservative estimates of non-current year tax revenue;
- Reduction of part time labor in Leisure & Social Services and Library as programs available were reduced, all related to the COVID pandemic;

- Full funding of the Actuarially Determined Employer Contribution to the Town's Pension & Other Post Employee Benefits;
- Continued efforts to modify employee benefit programs to reduce costs.

In order to finance the budget, an increase in current year property tax revenue of \$2,432 or .94% was required. Approximately \$2,175 will be generated as a result of growth in the Grand List. In addition, in order to mitigate the financial burden on taxpayers, a use of \$1.5M in undesignated fund balance was adopted. This combination enabled the Town to maintain a flat mill rate, and a uniform mill rate of 41.8 was adopted.

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 monies 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>.



Basic Financial Statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2020
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	West Hartford Special Services District
Assets:				
Cash and cash equivalents	\$ 64,989	\$ 2	\$ 64,991	\$ 27
Investments	24,456		24,456	
Receivables, net	15,482	8	15,490	11
Inventories	413		413	
Prepaid items	3		3	
Capital assets:				
Assets not being depreciated	137,382	1,060	138,442	
Assets being depreciated, net	245,731	8,721	254,452	
Total assets	<u>488,456</u>	<u>9,791</u>	<u>498,247</u>	<u>38</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	1,088		1,088	
Deferred outflows related to pensions	47,301	725	48,026	
Deferred outflows related to OPEB	42,041	610	42,651	
Total deferred outflows of resources	<u>90,430</u>	<u>1,335</u>	<u>91,765</u>	<u>-</u>
Liabilities:				
Accounts and other payables	7,930	139	8,069	3
Payroll liabilities	6,890	105	6,995	
Other current liabilities	1,086		1,086	
Internal balances	(3,139)	3,139	-	
Unearned revenue	3,147	94	3,241	35
Noncurrent liabilities:				
Due within one year	31,020	48	31,068	
Due in more than one year	668,649	7,876	676,525	
Total liabilities	<u>715,583</u>	<u>11,401</u>	<u>726,984</u>	<u>38</u>
Deferred Inflows of Resources:				
Deferred charge on refunding	121		121	
Deferred inflows related to OPEB	3,296	48	3,344	
Advance property tax collections	15,585		15,585	
Total deferred inflows of resources	<u>19,002</u>	<u>48</u>	<u>19,050</u>	<u>-</u>
Net Position:				
Net investment in capital assets	242,461	9,781	252,242	
Restricted for:				
Perpetual care:				
Nonexpendable	82		82	
Unrestricted	<u>(398,242)</u>	<u>(10,104)</u>	<u>(408,346)</u>	<u>-</u>
Total Net Position	<u>\$ (155,699)</u>	<u>\$ (323)</u>	<u>\$ (156,022)</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, 2020
(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	\$ 15,932	\$ 1,628	\$ 8	\$ 327	\$ (13,969)	\$	\$ (13,969)	\$
Public safety	70,986	3,783	281		(66,922)		(66,922)	
Community maintenance	43,214	3,172	687	3,407	(35,948)		(35,948)	
Human and cultural	16,797	1,291	1,233		(14,273)		(14,273)	
Education	230,874	2,636	68,710		(159,528)		(159,528)	
Interest on long-term debt	3,647				(3,647)		(3,647)	
Total governmental activities	381,450	12,510	70,919	3,734	(294,287)	-	(294,287)	-
Business-type activities:								
Leisure services	5,462	3,267		171		(2,024)	(2,024)	
Total Primary Government	\$ 386,912	\$ 15,777	\$ 70,919	\$ 3,905	(294,287)	(2,024)	(296,311)	-
Component Unit:								
West Hartford Special Services District	\$ 4,157	\$ 2,432	\$ -	\$ -				(1,725)
General revenues:								
Property taxes					266,113		266,113	1,703
Grants and contributions not restricted to specific programs					1,908		1,908	
Unrestricted investment earnings					3,350		3,350	22
Miscellaneous					5,715		5,715	
Transfers					(70)	70		
Total general revenues and transfers					277,016	70	277,086	1,725
Change in net position					(17,271)	(1,954)	(19,225)	-
Net Position at Beginning of Year					(138,428)	1,631	(136,797)	-
Net Position at End of Year					\$ (155,699)	\$ (323)	\$ (156,022)	\$ -

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST HARTFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020
(In Thousands)**

	General	Capital Project Funds	CDBG Housing Rehabilitation Fund	Debt Service Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 42,431	\$ 5,412	\$ 20	\$ 4,857	\$ 7,245	\$ 59,965
Investments	1,252					1,252
Receivables, net	3,154	5,269	2,579	3	2,499	13,504
Due from other funds	12,374					12,374
Inventories	298				115	413
Total Assets	<u>\$ 59,509</u>	<u>\$ 10,681</u>	<u>\$ 2,599</u>	<u>\$ 4,860</u>	<u>\$ 9,859</u>	<u>\$ 87,508</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 2,170	\$ 2,897	\$ 20	\$	\$ 478	\$ 5,565
Payroll liabilities	6,543				299	6,842
Due to other funds		7,225		3	1,625	8,853
Other liabilities	1,049				36	1,085
Unearned revenue	1,740	453			954	3,147
Total liabilities	<u>11,502</u>	<u>10,575</u>	<u>20</u>	<u>3</u>	<u>3,392</u>	<u>25,492</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,289					2,289
Unavailable revenue - loans receivable			2,579		87	2,666
Advance property tax collections	15,585					15,585
Total deferred inflows of resources	<u>17,874</u>	<u>-</u>	<u>2,579</u>	<u>-</u>	<u>87</u>	<u>20,540</u>
Fund balances:						
Nonspendable	298				197	495
Restricted					2,132	2,132
Committed		106		4,857	3,989	8,952
Assigned	4,647				62	4,709
Unassigned	25,188					25,188
Total fund balances	<u>30,133</u>	<u>106</u>	<u>-</u>	<u>4,857</u>	<u>6,380</u>	<u>41,476</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,509</u>	<u>\$ 10,681</u>	<u>\$ 2,599</u>	<u>\$ 4,860</u>	<u>\$ 9,859</u>	<u>\$ 87,508</u>

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TOWN OF WEST HARTFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020
(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 41,476
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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	\$ 669,430	
Less accumulated depreciation	<u>(286,317)</u>	
Net capital assets		383,113

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

Property tax receivables greater than 60 days	2,289
Interest receivable on property taxes	1,078
Housing loans receivable	2,666
Interest receivable on housing loans	774
Deferred charges	1,088
Deferred outflows related to pensions	47,301
Deferred outflows related to OPEB	42,041

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.

18,465

Long-term liabilities and deferred inflows of resources, are not due and
payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(135,210)
Interest payable on bonds and notes	(2,082)
Compensated absences	(21,771)
Bond premium	(11,821)
Net pension liability	(311,381)
Net OPEB liability	(210,308)
Deferred charges	(121)
Deferred inflows related to OPEB	<u>(3,296)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>(155,699)</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, 2020
(In Thousands)**

	<u>General</u>	<u>Capital Project Funds</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 265,957	\$	\$	\$	\$	\$ 265,957
Intergovernmental	53,272	3,407	252		8,419	65,350
Charges for services	5,807	210		21	6,470	12,508
Income on investments	1,287	48			483	1,818
Miscellaneous	1,161	327		4,095	852	6,435
Total revenues	<u>327,484</u>	<u>3,992</u>	<u>252</u>	<u>4,116</u>	<u>16,224</u>	<u>352,068</u>
Expenditures:						
Current:						
General government	6,316				26	6,342
Public safety	30,251				1,812	32,063
Community maintenance	14,396				2,539	16,935
Human and cultural	6,001		47		1,741	7,789
Education	194,575				12,655	207,230
Debt and sundry	53,010			20,882		73,892
Capital outlay		26,536			104	26,640
Total expenditures	<u>304,549</u>	<u>26,536</u>	<u>47</u>	<u>20,882</u>	<u>18,877</u>	<u>370,891</u>
Excess (Deficiency) of Revenues over Expenditures	<u>22,935</u>	<u>(22,544)</u>	<u>205</u>	<u>(16,766)</u>	<u>(2,653)</u>	<u>(18,823)</u>
Other Financing Sources (Uses):						
Transfers in	421	2,861		16,499	2,001	21,782
Transfers out	(20,538)	(149)	(205)	(50)	(860)	(21,802)
Issuance of bonds		17,000				17,000
Issuance of refunding bonds	38,465					38,465
Bond premium				2,305		2,305
Bond premium on refunding	5,870					5,870
Payment to refunded bond escrow agent	(44,047)					(44,047)
Sale of capital assets		36				36
Total other financing sources (uses)	<u>(19,829)</u>	<u>19,748</u>	<u>(205)</u>	<u>18,754</u>	<u>1,141</u>	<u>19,609</u>
Net Change in Fund Balances	3,106	(2,796)	-	1,988	(1,512)	786
Fund Balances at Beginning of Year	<u>27,027</u>	<u>2,902</u>	<u>-</u>	<u>2,869</u>	<u>7,892</u>	<u>40,690</u>
Fund Balances at End of Year	<u>\$ 30,133</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 4,857</u>	<u>\$ 6,380</u>	<u>\$ 41,476</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, 2020
(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)	\$ 786
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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	27,144
Depreciation expense	(14,738)

The statement of activities reports losses arising from the trade-in or disposal of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in or disposal of capital assets.	(826)
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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:

Property tax receivable - accrual basis change	136
Property tax interest and lien revenue - accrual basis change	20
Housing loans accrued interest	(199)
Housing loans receivable	20
Change in deferred outflows related to pensions	28,738
Change in deferred outflows related to OPEB	30,852

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 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 proceeds	(17,000)
Issuance of refunding bonds	(38,465)
Bond premium	(8,175)
Bond principal payments	16,485
Payment to escrow agent	44,047

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	(445)
Accrued interest	(66)
Amortization of deferred charge on refundings	(508)
Amortization of bond premiums	1,616
Change in net pension liability	(50,565)
Change in net OPEB liability	(39,764)
Change in deferred inflows related to pensions	1,028
Change in deferred inflows related to OPEB	478

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.

2,130

Change in Net Position of Governmental Activities (Exhibit II)

\$ <u>(17,271)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020
(In Thousands)

	Business-Type Activities	Governmental Activities
	Leisure Services Fund	Internal Service Funds
Assets:		
Current:		
Cash and cash equivalents	\$ 2	\$ 5,023
Investments		23,204
Receivables, net	8	127
Prepaid items		3
Total current assets	<u>10</u>	<u>28,357</u>
Noncurrent:		
Capital assets:		
Assets not being depreciated	1,060	
Assets being depreciated, net	8,721	
Total noncurrent assets	<u>9,781</u>	<u>-</u>
Total assets	<u>9,791</u>	<u>28,357</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	725	
Deferred outflows related to OPEB	610	
Total deferred outflows of resources	<u>1,335</u>	<u>-</u>
Liabilities:		
Current:		
Accounts and other payables	139	284
Payroll liabilities	105	48
Due to other funds	3,139	382
Risk management claims		4,370
Unearned revenue	94	
Compensated absences	48	
Total current liabilities	<u>3,525</u>	<u>5,084</u>
Noncurrent:		
Compensated absences	51	
Net pension liability	4,774	
Net OPEB liability	3,051	
Risk management claims		4,808
Total noncurrent liabilities	<u>7,876</u>	<u>4,808</u>
Total liabilities	<u>11,401</u>	<u>9,892</u>
Deferred Inflows of Resources:		
Deferred inflows related to OPEB	48	
Net Position:		
Invested in capital assets	9,781	
Unrestricted	<u>(10,104)</u>	<u>18,465</u>
Total Net Position	<u>\$ (323)</u>	<u>\$ 18,465</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, 2020
(In Thousands)**

	Business-Type Activities	Governmental Activities
	Leisure Services Fund	Internal Service Funds
Operating Revenues:		
Fund premiums	\$	\$ 38,854
Charges for services	3,257	
Employee contributions		9,098
Other	10	109
Total operating revenues	<u>3,267</u>	<u>48,061</u>
Operating Expenses:		
Administrative expense		294
Personal services	1,046	
Employee benefits		38,456
Insurance and program services		4,701
Utilities	444	3,965
Other operating expense	2,803	
Depreciation	1,169	
Total operating expenses	<u>5,462</u>	<u>47,416</u>
Operating Income (Loss)	(2,195)	645
Nonoperating Revenue:		
Income on investments		<u>1,535</u>
Income (Loss) Before Capital Contributions and Transfers	(2,195)	2,180
Capital contributions	171	
Transfers in	70	
Transfers out		<u>(50)</u>
Change in Net Position	(1,954)	2,130
Net Position at Beginning of Year	<u>1,631</u>	<u>16,335</u>
Net Position at End of Year	<u>\$ (323)</u>	<u>\$ 18,465</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, 2020
(In Thousands)

	Business-Type Activities	Governmental Activities
	Leisure Services Fund	Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 9,098
Cash received from operating funds		38,854
Cash received from customers	2,762	
Cash payments to employees for services	(688)	
Cash payments to suppliers for goods and services	(2,154)	(9,172)
Cash payment to providers benefits		(40,476)
Other operating receipts	10	108
Payments for interfund services used		382
Net cash provided by (used in) operating activities	<u>(70)</u>	<u>(1,206)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	70	
Transfers to other funds		(50)
Net cash flows provided by (used in) noncapital financing activities	<u>70</u>	<u>(50)</u>
Cash Flows from Investing Activities:		
Gain on investments		12
Purchase of investments		(48)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(36)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(1,292)
Cash and Cash Equivalents at Beginning of Year	<u>2</u>	<u>6,315</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2</u>	<u>\$ 5,023</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (2,195)	\$ 645
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,169	
Change in assets and liabilities:		
(Increase) decrease in receivables	7	440
(Increase) decrease in prepaid items	18	(1)
(Increase) decrease in deferred outflows	(888)	
Increase (decrease) in accounts and other payables	(9)	(233)
Increase (decrease) in payroll liabilities	(83)	21
Increase (decrease) in pension liability	775	
Increase (decrease) in OPEB liability	577	
Increase (decrease) in risk management claim liability		(2,460)
Increase (decrease) in due to other funds	1,084	382
Increase (decrease) in deferred inflows	(23)	
Increase (decrease) in unearned revenue	<u>(502)</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ (70)</u>	<u>\$ (1,206)</u>
Noncash Investing and Capital Financing Activities:		
Net increase (decrease) in fair value of investments	<u>\$ -</u>	<u>\$ 1,523</u>
Contribution of Capital Assets from Town	<u>\$ 171</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, 2020
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Student Activity Fund
Assets:		
Cash and cash equivalents	\$ 6,063	\$ 1,284
Investments:		
Mutual funds	180,272	
Common stock	16,826	
Alternative investments	21,718	
Receivables:		
Interest and dividends	<u>7</u>	
Total assets	<u>224,886</u>	<u>\$ 1,284</u>
Liabilities:		
Accounts and other payables	<u>384</u>	<u>\$ 1,284</u>
Net Position:		
Restricted for pension benefits	214,812	
Restricted for OPEB benefits	<u>9,690</u>	
Total net position	<u>\$ 224,502</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, 2020
(In Thousands)**

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 41,330
Plan members	3,250
Total contributions	<u>44,580</u>
Investment income (loss):	
Net change in fair value of investments	6,107
Interest	157
Dividends	4,464
Total investment income (loss)	<u>10,728</u>
Less investment expense	<u>(273)</u>
Net investment income (loss)	<u>10,455</u>
Total additions	<u>55,035</u>
Deductions:	
Benefits	49,555
Administration	353
Total deductions	<u>49,908</u>
Change in Net Position	5,127
Net Position at Beginning of Year	<u>219,375</u>
Net Position at End of Year	<u>\$ 224,502</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Discretely Presented Component Unit

Pursuant to Chapter 105A of the Connecticut General Statutes, the Town established a special service district to be known as "West Hartford Center Special Service District." The purpose of the West Hartford Center Special Service District shall be to promote the economic and general welfare of the citizens and property owners of West Hartford both within and without such district through the preservation, enhancement, protection and development of the economic health and vitality of West Hartford. This legally separate entity is included as a component unit due to its close relationship to, or financial integration with the Town. This entity has its own separate corporate powers and cannot 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. Separate financial statements have not been prepared for the West Hartford Center Special Service District.

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.

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

The Pension and Other Employee Benefit 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.

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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, 2020. This represents 13.9% of all property taxes receivable.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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.

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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 and OPEB 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 and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 and OPEB 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 a deferred charge on refunding in the government-wide statement of net position. The Town also reports advance property tax collection in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows of resources related to OPEB results from differences of assumption or other inputs. 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. 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. A deferred inflow of resources related to OPEB results from differences between changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of

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the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees). 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, long-term loans and other revenues. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. 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.

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. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB 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.

L. 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.

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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.

M. 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.

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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.

N. Fund Balance Flow Assumptions

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

O. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is December 15, 2020.

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.

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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 \$2,765 were made to the adopted fiscal year 2020 General Fund budget to increase total appropriations.

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

Appropriations in addition to those contained in the budget, made for the purpose of meeting a public emergency threatening the public peace, life, health or property within the Town and emergency appropriations, the total amount of which shall not exceed 3% 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.

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B. Fund Deficits

At June 30, 2020, the Town reported a deficit fund balance for the Leisure Service fund of \$323. The Town plans to address the deficit in subsequent years.

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

Deposits

Deposit Custodial Credit Risk

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

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$50,915 of the Town's bank balance of \$53,183 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 37,702
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>13,213</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 50,915</u></u>

The table above includes \$27 related to West Hartford Special Service District (a discretely presented component unit).

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, 2020, the Town's cash equivalents amounted to \$22,189. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo	*
* Not Rated	

Investments

As of June 30, 2020, the Town had the following investments in the General Fund, Pension, OPEB and Risk Management Funds:

<u>Investment Type</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:				
Certificates of Deposit	\$ 1,252	\$ 1,252	\$	\$
U.S. Government Securities	3,784		2,027	1,757
U.S. Government Agencies	3,514	13	1,737	1,764
Corporate Bonds	<u>1,247</u>		<u>1,150</u>	<u>97</u>
Total	9,797	<u>\$ 1,265</u>	<u>\$ 4,914</u>	<u>\$ 3,618</u>
Other investments:				
Common Stock	16,826			
Mutual Funds	194,931			
Alternative Investments	<u>21,718</u>			
Total Investments	<u>\$ 243,272</u>			

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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. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the average rating of investments in debt securities.

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>	<u>Certificates of Deposit</u>
Aaa	\$ 1,247	\$ 3,784	\$ 3,514	\$
Unrated	<u> </u>	<u> </u>	<u> </u>	<u>1,252</u>
	<u>\$ 1,247</u>	<u>\$ 3,784</u>	<u>\$ 3,514</u>	<u>\$ 1,252</u>

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, 2020, 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.

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The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2020:

	June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government Securities	\$ 3,784	\$ 3,784	\$	\$
U.S. Government Agencies	3,514		3,514	
Corporate Bonds	1,247		1,247	
Common Stock	16,826	15,976	850	
Mutual Funds	194,931	194,931		
Alternative Investments	21,718			21,718
	<u>242,020</u>	<u>214,691</u>	<u>5,611</u>	<u>21,718</u>
Total Investments by Fair Value Level	\$ <u>242,020</u>	\$ <u>214,691</u>	\$ <u>5,611</u>	\$ <u>21,718</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The alternative investments classified in Level 3 are not actively traded and significant observable inputs are not available; therefore, a degree of judgment is necessary to estimate fair value. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation.

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	\$ 3,368						\$ 3,368
Interest*						7	7
Accounts and other	15			3	8	1,035	1,061
Housing loans			2,579			84	2,663
Intergovernmental	<u>239</u>	<u>5,269</u>				<u>1,507</u>	<u>7,015</u>
Gross receivables	3,622	5,269	2,579	3	8	2,633	14,114
Less allowance for uncollectibles	<u>468</u>						<u>468</u>
Net Total Receivables	<u>\$ 3,154</u>	<u>\$ 5,269</u>	<u>\$ 2,579</u>	<u>\$ 3</u>	<u>\$ 8</u>	<u>\$ 2,633</u>	<u>\$ 13,646</u>

*Accrued interest on property taxes and long-term housing loans in the amount of \$1,852 are not included in the fund financial statements.

TOWN OF WEST HARTFORD, CONNECTICUT
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5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,516	\$	\$	\$ 10,516
Construction in progress	102,022	25,660	(816)	126,866
Total capital assets not being depreciated	<u>112,538</u>	<u>25,660</u>	<u>(816)</u>	<u>137,382</u>
Capital assets being depreciated:				
Buildings	278,278	11		278,289
Land improvements	22,283			22,283
Vehicles	13,577	1,268	(516)	14,329
Furniture and equipment	15,213	205		15,418
Infrastructure	201,729			201,729
Total capital assets being depreciated	<u>531,080</u>	<u>1,484</u>	<u>(516)</u>	<u>532,048</u>
Less accumulated depreciation for:				
Buildings	(121,347)	(7,323)		(128,670)
Land improvements	(10,419)	(1,114)		(11,533)
Vehicles	(9,074)	(767)	506	(9,335)
Furniture and equipment	(11,057)	(1,093)		(12,150)
Infrastructure	(120,188)	(4,441)		(124,629)
Total accumulated depreciation	<u>(272,085)</u>	<u>(14,738)</u>	<u>506</u>	<u>(286,317)</u>
Total capital assets being depreciated, net	<u>258,995</u>	<u>(13,254)</u>	<u>(10)</u>	<u>245,731</u>
Governmental Activities Capital Assets, Net	<u>\$ 371,533</u>	<u>\$ 12,406</u>	<u>\$ (826)</u>	<u>\$ 383,113</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,003	\$ 57	\$	\$ 1,060
Capital assets being depreciated:				
Buildings and systems	20,270			20,270
Land improvements	10,431	71		10,502
Furniture and equipment	1,350	43		1,393
Total capital assets being depreciated	<u>32,051</u>	<u>114</u>	<u>-</u>	<u>32,165</u>
Less accumulated depreciation for:				
Buildings and systems	(16,583)	(616)		(17,199)
Land improvements	(4,473)	(530)		(5,003)
Furniture and equipment	(1,219)	(23)		(1,242)
Total accumulated depreciation	<u>(22,275)</u>	<u>(1,169)</u>	<u>-</u>	<u>(23,444)</u>
Total capital assets being depreciated, net	<u>9,776</u>	<u>(1,055)</u>	<u>-</u>	<u>8,721</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,779</u>	<u>\$ (998)</u>	<u>\$ -</u>	<u>\$ 9,781</u>

TOWN OF WEST HARTFORD, CONNECTICUT
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Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	
General government	\$ 2,377
Public safety	1,138
Community maintenance	5,358
Human and cultural	729
Education	<u>5,136</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>14,738</u>
 Business-type activities:	
Leisure Services Fund	\$ <u>1,169</u>

Construction Commitments

The Town had numerous active construction projects during the year ended June 30, 2020. The following is a summary of capital projects as of June 30, 2020:

	<u>Project Authorization</u>	<u>Cumulative Expenditures and Encumbrances</u>
Public buildings	\$ 11,406	\$ 11,010
Parks and recreation	5,445	3,185
Infrastructure	42,394	38,578
Miscellaneous	15,876	14,206
Schools	<u>77,250</u>	<u>73,958</u>
 Total	 \$ <u>152,371</u>	 \$ <u>140,937</u>

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

TOWN OF WEST HARTFORD, CONNECTICUT
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6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at June 30, 2020 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 12,374	\$
Capital Projects Fund		7,225
Debt Service Funds		3
Nonmajor Governmental Funds		1,625
Leisure Services Fund		3,139
Internal Service Funds		<u>382</u>
Total	\$ <u>12,374</u>	\$ <u>12,374</u>

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

The following is a schedule of transfers by fund type:

<u>Transfers In</u>	<u>Transfers Out</u>						<u>Total Transfers In</u>
	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	
General	\$	\$ 149	\$	\$	\$ 222	\$ 50	\$ 421
Capital Projects	2,243				618		2,861
Debt Service Fund	16,499						16,499
Nonmajor Governmental	1,796		205				2,001
Leisure Services Fund				50	20		<u>70</u>
Total Transfers Out	\$ <u>20,538</u>	\$ <u>149</u>	\$ <u>205</u>	\$ <u>50</u>	\$ <u>860</u>	\$ <u>50</u>	\$ <u>21,852</u>

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

TOWN OF WEST HARTFORD, CONNECTICUT
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7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 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	\$ 139,675	\$ 55,465	\$ (59,930)	\$ 135,210	\$ 17,710
Bond premium	<u>5,262</u>	<u>8,175</u>	<u>(1,616)</u>	<u>11,821</u>	<u>17,710</u>
Total bonds payable	144,937	63,640	(61,546)	147,031	17,710
Compensated absences	21,326	8,928	(8,483)	21,771	8,940
Net OPEB liability	170,544	39,764		210,308	
Net pension liability	260,816	50,565		311,381	
Risk management liability	<u>11,638</u>	<u>38,016</u>	<u>(40,476)</u>	<u>9,178</u>	<u>4,370</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 609,261</u>	<u>\$ 200,913</u>	<u>\$ (110,505)</u>	<u>\$ 699,669</u>	<u>\$ 31,020</u>
Business-Type Activities:					
Compensated absences	\$ 129	\$ 23	\$ (53)	\$ 99	\$ 48
Net OPEB liability	2,474	577		3,051	
Net pension liability	<u>3,999</u>	<u>775</u>		<u>4,774</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 6,602</u>	<u>\$ 1,375</u>	<u>\$ (53)</u>	<u>\$ 7,924</u>	<u>\$ 48</u>

All general obligation long-term bonds are secured by the general revenue raising powers of the Town. No sinking funds have been established as of June 30, 2020. The net pension and OPEB liabilities are paid from primarily the General Fund and Leisure 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.

TOWN OF WEST HARTFORD, CONNECTICUT
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Bonds Payable

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

<u>General Obligations</u>			
<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 17,710	\$ 4,879	\$ 22,589
2022	16,225	4,165	20,390
2023	14,715	3,466	18,181
2024	13,855	2,868	16,723
2025	12,830	2,338	15,168
2026-2030	40,705	6,538	47,243
2031-2035	<u>19,170</u>	<u>1,476</u>	<u>20,646</u>
Total	<u>\$ 135,210</u>	<u>\$ 25,730</u>	<u>\$ 160,940</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>Debt Outstanding</u>	<u>Date of Fiscal Year Maturity</u>
1/15/2001	General Purpose	4.10-4.50	\$ 10,250	\$ 513	2021
1/15/2001	Schools	4.10-4.50	4,750	237	2021
1/15/2002	General Purpose	3.50-4.75	6,415	642	2022
1/15/2002	Schools	3.50-4.75	7,085	708	2022
4/1/2010	Refunding - General Purpose	2.00-5.00	10,280	1,514	2024
4/1/2010	Refunding - Schools	2.00-5.00	10,330	1,521	2024
10/15/2010	General Purpose	2.00-4.00	6,002	401	2026
10/15/2010	Schools	2.00-4.00	1,998	134	2026
2/15/2012	General Purpose	2.50-5.00	11,648	6,212	2028
2/15/2012	Schools	2.50-5.00	3,352	1,788	2028
2/5/2014	General Purpose	2.63-5.00	12,830	7,678	2029
2/5/2014	Schools	2.63-5.00	7,170	4,292	2029
1/28/2016	General Purpose	2.00-4.00	12,537	9,188	2031
1/28/2016	Schools	2.00-4.00	1,463	1,072	2031
3/2/2016	Refunding - General Purpose	2.00-4.00	7,055	7,055	2025
3/2/2016	Refunding - Schools	2.00-4.00	5,240	2,610	2025
2/16/2017	General Purpose	2.00-5.00	12,065	9,449	2032
2/16/2017	Schools	2.00-5.00	4,935	4,146	2032
1/11/2018	General Purpose	2.00-5.00	7,665	6,636	2033
1/11/2018	Schools	2.00-5.00	5,335	4,619	2033
2/5/2019	General Purpose	2.00-5.00	5,745	5,360	2034
2/5/2019	Schools	2.00-5.00	4,255	3,970	2034
7/9/2019	Refunding - General Purpose	5.00	19,901	19,901	2026
7/9/2019	Refunding - Schools	5.00	89	89	2026
12/18/2019	Refunding - General Purpose	4.00-5.00	6,372	6,372	2035
12/18/2019	Refunding - Schools	4.00-5.00	7,478	7,478	2035
1/30/2020	General Purpose	2.00-5.00	10,152	10,152	2035
1/30/2020	Schools	2.00-5.00	6,848	6,848	2035
4/2/2020	Refunding - General Purpose	5.00	2,308	2,308	2024
4/2/2020	Refunding - Schools	5.00	2,317	2,317	2024
			<u>\$ 213,870</u>	<u>\$ 135,210</u>	

TOWN OF WEST HARTFORD, CONNECTICUT
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General Obligation Refunding Bonds

On July 9, 2019, the Town issued \$19,990 of general obligation refunding bonds with an interest rate of 5%. The bonds were issued to refund outstanding principal amounts of the 2009 Series B general obligation refunding bonds. The net proceeds of \$22,614 (after an original issue premium of \$2,748 and payment of \$124 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated July 9, 2019 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt service payments over 7 years by \$1,847 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,786. As of June 30, 2020, there is no defeased debt outstanding from this refunding. This amount is removed from the governmental activities column of the statement of net position.

On December 18, 2019, the Town issued \$13,850 of general obligation refunding bonds with interest rates ranging from 4%-5%. The bonds were issued to refund outstanding principal amounts of the 2015 Series A general obligation bonds. The net proceeds of \$16,509 (after an original issue premium of \$2,776 and payment of \$117 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated December 18, 2019 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt service payments over the next 17 years by \$774 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$764. As of June 30, 2020, there is no defeased debt outstanding from this refunding. This amount is removed from the governmental activities column of the statement of net position.

On April 2, 2020, the Town issued \$4,625 of general obligation refunding bonds with an interest rate of 5%. The bonds were issued to refund outstanding principal amounts of the 2010 Series A general obligation refunding bonds. The net proceeds of \$4,924 (after an original issue premium of \$346 and payment of \$47 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated April 2, 2020 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt service payments over the next 5 years by \$231 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$232. As of June 30, 2020, the amount of defeased debt outstanding from this refunding was \$4,810, and the escrow balance is \$4,924. This amount is removed from the governmental activities column of the statement of net position.

Prior Years' In-Substance Defeasance

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2020, \$2,650 of prior bonds outstanding is considered defeased, of which \$2,673 is held in escrow.

TOWN OF WEST HARTFORD, CONNECTICUT
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The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 582,212	\$ 120,649	\$ 461,563
Schools	1,164,425	64,259	1,100,166
Sewers	970,354	207,914	762,440
Urban renewal	840,973		840,973
Pension deficit	776,283		776,283

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.81 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 \$49,698 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2020.

Sewer indebtedness includes overlapping debt of the Metropolitan District. As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewage collection and disposal facilities for members), the Town is contingently liable for \$207,914 or 23.02% of the District's debt.

TOWN OF WEST HARTFORD, CONNECTICUT
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8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2020 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	\$ 298				\$ 115	\$ 413
Private Cemetery					82	82
Restricted for:						
Grants					89	89
Westmoor park					304	304
Cemetery operating					1,267	1,267
C.F. Morway					19	19
Town that cares					291	291
School donations					106	106
Affordable housing					4	4
Veteran memorial					38	38
Community development block grant					14	14
Committed to:						
Parking lot					1,397	1,397
Cafeteria					347	347
School special programs					1,531	1,531
West Hartford library					93	93
School interscholastic sports					77	77
Technology investment					3	3
Police private duty					92	92
Police home ownership					17	17
Cemetery operating					432	432
Debt and sundry				4,857		4,857
Capital projects		106				106
Assigned to:						
General government encumbrances	2					2
Community maintenance encumbrances	192				60	252
Human and cultural encumbrances					2	2
Education encumbrances	631					631
Public safety encumbrances	22					22
Non-lapsing BOE	2,300					2,300
For subsequent fiscal year	1,500					1,500
Unassigned	<u>25,188</u>					<u>25,188</u>
Total Fund Balances	<u>\$ 30,133</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 4,857</u>	<u>\$ 6,380</u>	<u>\$ 41,476</u>

Significant encumbrances at June 30, 2020 are contained in the above table in assigned fund balance. General Fund encumbrances amounted to \$861 at June 30, 2020. Capital Projects encumbrances amounted to \$7,393 and Nonmajor Governmental Funds encumbrances amounted to \$77 at June 30, 2020.

TOWN OF WEST HARTFORD, CONNECTICUT
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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 official's liability, and health claims. In addition, stop-loss or excess coverage is purchased for each of these programs.

B. Insurance Coverage

The following is a summary of major coverage:

<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, with Indemnity Insurance for \$10,000 excess of \$5,000 and with American Alternative Insurance for \$5,000 excess of \$15,000. PMA Management Corporation of New England administers the Self-Insured Workers' Compensation and Self-Insured Risk Programs. 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 7.25%. The estimate of incurred but not reported (IBNR) health claims is based on 45 days of average claims for the Town Health program. Total claims liabilities of \$9,178 at June 30, 2020 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.

TOWN OF WEST HARTFORD, CONNECTICUT
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Changes in the fund’s claims liabilities for the past two years were as follows:

<u>Fiscal Year</u>	<u>Fiscal Year Liability</u>	<u>Current Year Changes in Estimates</u>	<u>Claim Payments</u>	<u>Fiscal Year Liability</u>
2018-2019	\$ 10,793	\$ 38,442	\$ (37,597)	11,638
2019-2020	11,638	38,016	(40,476)	9,178

The Board of Education employees are fully-insured under the Connecticut Partnership 2.0 plan, which is administered through the State Comptroller to Connecticut municipalities. These amounts are recorded in the Board of Education Health Fund.

10. 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 does not issue a stand-alone financial report.

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.

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

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

Membership in the Plan as of July 1, 2019 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	1,195
Terminated vested employees	75
Total inactive participants	<u>1,270</u>
Active participants	<u>833</u>
Total	<u><u>2,103</u></u>

TOWN OF WEST HARTFORD, CONNECTICUT
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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, 2020 and 2019 were \$25,231 and \$23,880, respectively, and were in accordance with actuarially determined requirements.

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension 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.

Concentrations: The following investment represents more than 5% of the Pension Trust Funds net position as of June 30, 2020:

Baring Core Property Fund, LP	\$	10,689
Acadian Non-US All Cap Equity Fund, USD Hedged, LLC	\$	11,029

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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E. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2020, were as follows:

Total pension liability	\$ 530,967
Plan fiduciary net position	<u>214,812</u>
Net Pension Liability	<u>\$ 316,155</u>
Plan fiduciary net position as a percentage of the total pension liability	40.46%

For the year ended June 30, 2020, the Town's net pension liability is \$316,155, of which \$311,381 is reported as governmental activities and \$4,774 as business-type activities.

F. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Age based
Investment rate of return	6.99%
Mortality	Pub-2010 Mortality Table with generational projection per the MP ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement.

There was no formal actuarial experience study completed.

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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. The target asset allocation and the best estimates of arithmetic real rate of return for each major asset class as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. core fixed income	30.00 %	2.28 %
U.S. large and mid caps	29.25	4.61
Foreign developed equity	17.50	6.09
U.S. small caps	14.25	5.79
Private real estate property	5.00	3.95
Emerging markets equity	4.00	8.28
	<u>100.00 %</u>	

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G. Discount Rate

The discount rate used to measure the total pension liability was 6.99%, previously 7.13%. 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.

	Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2019	\$ 476,986	\$ 212,171	\$ 264,815
Changes for the year:			
Service cost	7,599		7,599
Interest on total pension liability	33,286		33,286
Effect of plan changes	72		72
Effect of economic/demographic gains or losses	15,631		15,631
Effect of assumptions changes or inputs	32,825		32,825
Benefit payments	(35,432)	(35,432)	-
Employer contributions		25,231	(25,231)
Member contributions		3,133	(3,133)
Net investment income (loss)		10,060	(10,060)
Administrative expenses		(351)	351
Net changes	<u>53,981</u>	<u>2,641</u>	<u>51,340</u>
Balances as of June 30, 2020	<u>\$ 530,967</u>	<u>\$ 214,812</u>	<u>\$ 316,155</u>

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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 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:

	<u>1% Decrease (5.99%)</u>	<u>Current Discount Rate (6.99%)</u>	<u>1% Increase (7.99%)</u>
Net Pension Liability	\$ 375,479	\$ 316,155	\$ 264,900

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

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Employees' Pension Plan</u>		
	<u>Governmental Activities</u>	<u>Business-Type Business-Type</u>	<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 12,780	\$ 196	\$ 12,976
Changes of assumptions	32,393	497	32,890
Net difference between projected and actual earning on pension plan investments	<u>2,128</u>	<u>32</u>	<u>2,160</u>
Total	<u>\$ 47,301</u>	<u>\$ 725</u>	<u>\$ 48,026</u>

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2021	\$ 19,082	\$ 293	\$ 19,375
2022	14,472	222	14,694
2023	12,802	196	12,998
2024	945	14	959

For the year ended June 30, 2020, the Town recognized pension expense of \$46,347, of which \$45,647 is reported as governmental activities and \$700 as business-type activities.

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The following schedule presents the net position held in trust for pension benefits at June 30, 2020 and the changes in net position for the year ended June 30, 2020:

	<u>Pension</u>
	<u>Trust Fund</u>
Assets:	
Cash and cash equivalents	\$ 1,894
Investments:	
Mutual funds	174,749
Common stock	16,826
Alternative investments	21,718
Receivables:	
Interest and dividends	<u>7</u>
Total assets	215,194
Liabilities:	
Accounts and other payables	<u>382</u>
Net Position:	
Restricted for Pension Benefits	<u><u>\$ 214,812</u></u>

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	Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 25,231
Plan members	3,133
Total contributions	<u>28,364</u>
Investment income:	
Net change in fair value of investments	5,845
Interest	129
Dividends	4,359
Total investment income	<u>10,333</u>
Less investment expense	<u>(273)</u>
Net investment income	<u>10,060</u>
Total additions	<u>38,424</u>
Deductions:	
Benefits	35,432
Administration	351
Total deductions	<u>35,783</u>
Change in Net Position	2,641
Net Position at Beginning of Year	<u>212,171</u>
Net Position at End of Year	<u>\$ 214,812</u>

Connecticut Teachers Retirement System - Pension

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.

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.

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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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$23,927 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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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, 2020, 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>316,104</u>
Total	<u>\$ 316,104</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$38,823 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

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For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10 %	20.00 %	17.00 %
Public Equity - International Developed	8.50	11.00	19.00
Public Equity - Emerging Markets Equity	10.40	9.00	24.00
Fixed Income - Core Fixed Income	4.60	16.00	7.00
Fixed Income - Inflation Linked Bonds	3.60	5.00	7.00
Fixed Income - High Yield	6.50	6.00	11.00
Fixed Income - Emerging Market Debt	5.20	5.00	11.00
Private Equity	9.80	10.00	23.00
Real Estate	7.00	10.00	15.00
Alternative Investments - Real Assets	8.20	4.00	17.00
Alternative Investments - Hedge Funds	5.40	3.00	7.00
Liquidity Fund	2.90	1.00	1.00
Total		<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

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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.

11. OTHER POSTEMPLOYMENT BENEFITS

OPEB Trust Fund

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 plan does not issue a stand-alone financial report.

Management of the other post-employment benefits (OPEB) plan is vested with the Town Manager and Director of Financial Services. The members of the Risk Management Advisory Board constitute the Other Post-Employment Benefits Advisory Board (OPEB Board), which provides policy oversight. The OPEB Board consists of six members, three appointed by the Town Council and three appointed by the Board of Education, who serve a three-year term.

At July 1, 2019, plan membership consisted of the following:

Number of members:	
Active members	1,527
Retired members	<u>876</u>
 Total Participants	 <u><u>2,403</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 \$13,404 on June 30, 2020. State law allows the fund to invest up to a maximum of 50% in equity securities and the assumed rate of return is 6.99%.

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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. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

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

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

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

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

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

Board of Education

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

Secretarial/Clerical and Non-bargaining: 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;

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

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

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

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

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

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

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

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

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

Member Contributions:

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

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

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

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C. Investments

Investment Policy

The investment policy of the OPEB Plan is established and may be amended by the OPEB Board. The investment policy is designed to reflect a prudent investor's tolerance for risk, which is achieved through diversification of the portfolio across a broad selection of asset classes. It is the intent of the policy to pursue an investment strategy that produces a maximum return for the Town through prudent asset allocation and superior investment performance within designated asset classes.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

Total OPEB liability	\$	223,049
Plan fiduciary net position		<u>9,690</u>
Net OPEB Liability	\$	<u><u>213,359</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		4.34%

For the year ended June 30, 2020, the Town's net OPEB liability is \$213,359, of which \$210,308 is reported as governmental activities and \$3,051 as business-type activities.

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E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%; Prior:2.6%
Salary increase	3.50%
Investment rate of return	6.99%; Prior:7.25%
Healthcare cost trend rates	Pre-65: 6.20% - 4.10% over 55 years; Prior: 7.10% -4.60% over 5 years Post-65: 6.00% - 4.10% over 55 years; Prior: 7.10% - 4.60% over 5 years
Mortality	Certified BOE: For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. All others: Pub-2010 Mortality Table with generational projection per the MP ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. Prior:RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females with generational projection from a base year of 2006 per Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members.

There was no formal actuarial experience study completed.

The long-term expected rate of return on OPEB 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 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 allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	40.00 %	2.28 %
U.S. Large Caps	28.50	4.46
Foreign Developed Equity	19.00	6.09
U.S. Small Caps	7.50	5.79
Emerging Markets Equity	5.00	8.28
	<u>100.00 %</u>	

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F. Discount Rate

The discount rate used to measure the total OPEB liability was 6.99%, previously 7.25%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 180,222	\$ 7,204	\$ 173,018
Changes for the year:			
Service cost	2,649		2,649
Interest on total pension liability	12,755		12,755
Differences between expected and actual experience	653		653
Effect of assumptions changes or inputs	40,893		40,893
Benefit payments	(14,123)	(14,123)	-
Employer contributions		16,099	(16,099)
Member contributions		117	(117)
Net investment income (loss)		395	(395)
Administrative expenses		(2)	2
Net changes	42,827	2,486	40,341
Balances as of June 30, 2020	\$ 223,049	\$ 9,690	\$ 213,359

H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB 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 discount rate:

	1% Decrease (5.99%)	Current Discount Rate (6.99%)	1% Increase (7.99%)
Net OPEB Liability	\$ 240,253	\$ 213,359	\$ 191,078

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I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 188,725	\$ 213,359	\$ 243,469

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,096	\$	\$ 30	\$	\$ 2,126	\$
Changes of assumptions	39,655	3,296	575	48	40,230	3,344
Net difference between projected and actual earning on OPEB plan investments	<u>290</u>	<u></u>	<u>5</u>	<u></u>	<u>295</u>	<u></u>
Total	\$ <u>42,041</u>	\$ <u>3,296</u>	\$ <u>610</u>	\$ <u>48</u>	\$ <u>42,651</u>	\$ <u>3,344</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2021	\$ 9,822	\$ 142	\$ 9,964
2022	7,272	105	7,377
2023	5,530	80	5,610
2024	5,514	80	5,594
2025	5,474	79	5,553
Thereafter	5,133	76	5,209

For the year ended June 30, 2020, the Town recognized OPEB expense of \$24,656, of which \$24,303 was reported as governmental activities and \$353 as business-type activities.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

The following schedule presents the net position held in trust for OPEB benefits at June 30, 2020 and the changes in net position for the year ended June 30, 2020:

	OPEB Trust Fund
Assets:	
Cash and cash equivalents	\$ 4,169
Investments:	
Mutual funds	5,523
Total assets	<u>9,692</u>
Liabilities:	
Accounts and other payables	<u>2</u>
Net Position:	
Restricted for OPEB Benefits	<u>\$ 9,690</u>
OPEB Trust Fund	
Additions:	
Contributions:	
Employer	\$ 16,099
Plan members	117
Other revenue	
Total contributions	<u>16,216</u>
Investment income:	
Net change in fair value of investments	262
Interest	28
Dividends	105
Total investment income	<u>395</u>
Less investment expense	
Net investment income	<u>395</u>
Total additions	<u>16,611</u>
Deductions:	
Benefits	14,123
Administration	<u>2</u>
Total deductions	<u>14,125</u>
Change in Net Position	2,486
Net Position at Beginning of Year	<u>7,204</u>
Net Position at End of Year	<u>\$ 9,690</u>

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions (not rounded)

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement or Medicare Advantage Plan options, as long as they do not remarry.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

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.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions (not rounded)

State of Connecticut

Per Connecticut General Statutes Section 10-183z, 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. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$654 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reports no amounts for its proportionate share of the net OPEB 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 OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>49,298</u>
Total	<u>\$ 49,298</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$(3,607) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

I. 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. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

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.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(In Thousands)

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. SUBSEQUENT EVENTS

On November 5, 2020, the Town issued \$8,915,000 in General Obligation Refunding Bonds (Series 2020C), and \$12,705,000 General Obligation Refunding Bonds (Federally Taxable Series 2020D), with a coupon rate between .35% and 5.0%. These bonds were issued to refund 2012A, 2016A, 2017A and 2018A Series Tax Exempt Bonds

14. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and future federal or state fiscal relief.



Required Supplementary Information

**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, 2020
(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	\$ 259,053	\$ 260,903	\$ 260,952	\$ 49
Prior year's collections	1,425	1,425	1,222	(203)
Motor vehicle supplement	2,400	2,843	2,853	10
Interest and liens fees	800	875	876	1
Suspense			54	54
Total property taxes	<u>263,678</u>	<u>266,046</u>	<u>265,957</u>	<u>(89)</u>
Intergovernmental revenues:				
Federal:				
EMS grant			24	24
Police Grants		89	101	12
Dial-A-Ride grant	22	22	27	5
Total federal assistance	<u>22</u>	<u>111</u>	<u>152</u>	<u>41</u>
State:				
Education Cost-Sharing	21,457	21,457	21,686	229
Payments In Lieu of Taxes	899	899	908	9
Municipal Revenue Sharing	806	806	806	-
Disabled Tax Relief	6	6	5	(1)
Veterans Exemptions	63	63	51	(12)
Youth Services Grant	38	38		(38)
Alcohol/Drug Abuse Grant	7	7	7	-
Highway Town Aid	686	686	686	-
Mashantucket Pequot Fund	28	28	28	-
Miscellaneous State Grants		7	12	5
Emergency 911 Grant	141	141	141	-
Telephone Grant	115	115	112	(3)
Total state assistance	<u>24,246</u>	<u>24,253</u>	<u>24,442</u>	<u>189</u>
Total intergovernmental revenues	<u>24,268</u>	<u>24,364</u>	<u>24,594</u>	<u>230</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, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Charges for services:				
Town Clerk	\$ 1,495	\$ 1,500	\$ 1,592	\$ 92
Corporation Counsel	1	1		(1)
Financial Services	1	1	1	-
Assessment	2	2	1	(1)
Fire Department	1,089	1,385	1,386	1
Police Department	318	318	312	(6)
Community Development	1,805	1,805	1,609	(196)
Public Works	231	231	180	(51)
Human & Leisure Services	760	760	702	(58)
Library	35	35	24	(11)
Total charges for services	<u>5,737</u>	<u>6,038</u>	<u>5,807</u>	<u>(231)</u>
Miscellaneous local revenues:				
Workers' compensation reimbursement	360	360	359	(1)
Town-owned property rentals	346	346	268	(78)
Miscellaneous	341	341	534	193
Total miscellaneous local revenues	<u>1,047</u>	<u>1,047</u>	<u>1,161</u>	<u>114</u>
Income on investments	<u>1,300</u>	<u>1,300</u>	<u>1,287</u>	<u>(13)</u>
Total revenues	296,030	298,795	298,806	11
Other financing sources:				
Transfers in	<u>463</u>	<u>463</u>	<u>421</u>	<u>(42)</u>
Total	\$ <u>296,493</u>	\$ <u>299,258</u>	299,227	\$ <u>(31)</u>

Budgetary revenues are different than GAAP revenues because:

On-behalf contributions to the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted:

Pension

23,927

OPEB

654

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.

4,097

Refunding transactions not budgeted:

Issuance of refunding bonds not budgeted

38,465

Premium from refunding bonds not budgeted

5,870

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

\$ 372,240

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, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
General Government:				
Town Clerk:				
Personal services	\$ 192	\$ 204	\$ 204	\$ -
Non-personal expense	77	86	86	-
Debt and sundry	13	12	12	-
Total	<u>282</u>	<u>302</u>	<u>302</u>	<u>-</u>
Town Council:				
Personal services	118	121	121	-
Non-personal expense	265	258	258	-
Debt and sundry	9	9	9	-
Total	<u>392</u>	<u>388</u>	<u>388</u>	<u>-</u>
Town Manager:				
Personal services	352	373	373	-
Non-personal expense	16	13	13	-
Debt and sundry	23	23	23	-
Total	<u>391</u>	<u>409</u>	<u>409</u>	<u>-</u>
Corporation Counsel:				
Personal services	301	278	278	-
Non-personal expense	78	132	132	-
Debt and sundry	21	20	20	-
Total	<u>400</u>	<u>430</u>	<u>430</u>	<u>-</u>
Registrar of Voters:				
Personal services	191	191	133	58
Non-personal expense	42	42	30	12
Debt and sundry	10	10	7	3
Total	<u>243</u>	<u>243</u>	<u>170</u>	<u>73</u>
Information Technology:				
Personal services	464	472	472	-
Non-personal expense	516	549	549	-
Debt and sundry	33	34	34	-
Total	<u>1,013</u>	<u>1,055</u>	<u>1,055</u>	<u>-</u>
Financial Services:				
Personal services	1,711	1,711	1,709	2
Non-personal expense	575	512	512	-
Debt and sundry	125	125	123	2
Total	<u>2,411</u>	<u>2,348</u>	<u>2,344</u>	<u>4</u>
Assessment:				
Personal services	639	567	567	-
Non-personal expense	61	77	77	-
Debt and sundry	47	42	42	-
Total	<u>747</u>	<u>686</u>	<u>686</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, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human Resources:				
Personal services	\$ 368	\$ 425	\$ 425	\$ -
Non-personal expense	115	73	73	-
Debt and sundry	26	27	27	-
Total	<u>509</u>	<u>525</u>	<u>525</u>	<u>-</u>
Total general government	<u>6,388</u>	<u>6,386</u>	<u>6,309</u>	<u>77</u>
Public Safety:				
Fire Department:				
Personal services	10,371	11,596	11,596	-
Non-personal expense	1,272	1,402	1,402	-
Debt and sundry	163	189	189	-
Total	<u>11,806</u>	<u>13,187</u>	<u>13,187</u>	<u>-</u>
Police Department:				
Personal services	15,368	15,794	15,794	-
Non-personal expense	971	971	933	38
Debt and sundry	326	338	338	-
Total	<u>16,665</u>	<u>17,103</u>	<u>17,065</u>	<u>38</u>
Total public safety	<u>28,471</u>	<u>30,290</u>	<u>30,252</u>	<u>38</u>
Community Maintenance:				
Community Development:				
Personal services	2,172	2,288	2,288	-
Non-personal expense	249	240	240	-
Debt and sundry	158	160	160	-
Total	<u>2,579</u>	<u>2,688</u>	<u>2,688</u>	<u>-</u>
Public Works:				
Personal services	4,237	3,882	3,882	-
Non-personal expense	6,122	5,697	5,653	44
Debt and sundry	318	318	274	44
Total	<u>10,677</u>	<u>9,897</u>	<u>9,809</u>	<u>88</u>
Plant and Facility Services:				
Personal services	1,142	1,109	1,062	47
Non-personal expense	859	892	892	-
Debt and sundry	80	80	75	5
Total	<u>2,081</u>	<u>2,081</u>	<u>2,029</u>	<u>52</u>
Total community maintenance	<u>15,337</u>	<u>14,666</u>	<u>14,526</u>	<u>140</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, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human and Cultural:				
Library:				
Personal services	\$ 2,608	\$ 2,331	\$ 2,331	\$ -
Non-personal expense	655	595	595	-
Debt and sundry	180	165	165	-
Total	<u>3,443</u>	<u>3,091</u>	<u>3,091</u>	<u>-</u>
Leisure and Social Services:				
Personal services	2,028	1,891	1,891	-
Non-personal expense	1,039	900	900	-
Debt and sundry	115	101	101	-
Total	<u>3,182</u>	<u>2,892</u>	<u>2,892</u>	<u>-</u>
Total human and cultural	<u>6,625</u>	<u>5,983</u>	<u>5,983</u>	<u>-</u>
Education	<u>168,503</u>	<u>166,260</u>	<u>166,249</u>	<u>11</u>
Debt and sundry	<u>51,799</u>	<u>52,726</u>	<u>52,726</u>	<u>-</u>
Total expenditures	<u>277,123</u>	<u>276,311</u>	<u>276,045</u>	<u>266</u>
Other financing uses:				
Transfers out	<u>19,370</u>	<u>22,947</u>	<u>20,538</u>	<u>2,409</u>
Total	<u>\$ 296,493</u>	<u>\$ 299,258</u>	<u>296,583</u>	<u>\$ 2,675</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:

 Pension 23,927
 OPEB 654

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. 4,097

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. (459)

Payment to escrow agent not budgeted 44,047

Refunding bond issuance cost not budgeted 288

Inventory purchases are reported as expenditures for budgetary purposes (3)

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

\$ 369,134

**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, 2020
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 200	\$ 252	\$ 52
Expenditures:			
Current:			
Human and cultural:			
Non-personal expense	<u>200</u>	<u>47</u>	<u>153</u>
Excess of Revenues over Expenditures	-	205	205
Other Financing Uses:			
Transfers out	<u> </u>	<u>(205)</u>	<u>(205)</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund Balance at Beginning of Year		<u>-</u>	
Fund Balance at End of Year		\$ <u><u>-</u></u>	

TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TOWN OF WEST HARTFORD RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS*
(In Thousands)

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service cost	\$ 5,563	\$ 5,845	\$ 5,841	\$ 7,641	\$ 7,832	\$ 7,986	\$ 7,599
Interest	27,384	27,666	27,784	30,633	31,343	32,985	33,286
Effect of plan changes	57	(185)	3		(334)		72
Effect of economic/demographic gains or losses		886	31,784		5,865		15,631
Effect of assumption changes or inputs		7,220	(12)		23,677	5,891	32,825
Benefit payments	(24,332)	(25,209)	(26,515)	(28,080)	(29,877)	(33,126)	(35,432)
Net change in total pension liability	8,672	16,223	38,885	10,194	38,506	13,736	53,981
Total pension liability - beginning	350,770	359,442	375,665	414,550	424,744	463,250	476,986
Total pension liability - ending	359,442	375,665	414,550	424,744	463,250	476,986	530,967
Plan fiduciary net position:							
Contributions - employer	15,957	17,712	17,917	20,551	21,615	23,880	25,231
Contributions - member	2,621	2,675	3,047	3,063	3,166	3,292	3,133
Net investment income (loss)	28,230	8,632	(976)	23,647	18,555	11,239	10,060
Benefit payments	(24,332)	(25,209)	(26,515)	(28,080)	(29,877)	(33,126)	(35,432)
Administrative expense	(314)	(306)	(313)	(305)	(357)	(338)	(351)
Net change in plan fiduciary net position	22,162	3,504	(6,840)	18,876	13,102	4,947	2,641
Plan fiduciary net position - beginning	156,420	178,582	182,086	175,246	194,122	207,224	212,171
Plan fiduciary net position - ending	178,582	182,086	175,246	194,122	207,224	212,171	214,812
Net Pension Liability - Ending	\$ 180,860	\$ 193,579	\$ 239,304	\$ 230,622	\$ 256,026	\$ 264,815	\$ 316,155
Plan fiduciary net position as a percentage of the total pension liability	49.68%	48.47%	42.27%	45.70%	44.73%	44.48%	40.46%
Covered payroll	\$ 57,281	\$ 53,742	\$ 55,892	\$ 56,649	\$ 58,065	\$ 58,708	\$ 60,176
Net pension liability as a percentage of covered payroll	315.74%	360.20%	428.15%	407.11%	440.93%	451.07%	525.38%

Notes to Schedule

Assumption Changes:

Investment rate of return

6.99%; Prior 7.13%

Discount rate

6.99%; Prior 7.13%

Mortality:

Pub-2010 Mortality Table with generational projection per the MP ultimate scale.

Prior: RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 10,002	\$ 11,648	\$ 14,167	\$ 15,957	\$ 17,712	\$ 17,917	\$ 20,551	\$ 21,615	\$ 23,880	\$ 25,231
Contributions in relation to the actuarially determined contribution	10,000	11,648	14,167	15,957	17,712	17,917	20,551	21,615	23,880	25,231
Contribution Deficiency (Excess)	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 53,028	\$ 53,028	\$ 55,078	\$ 57,281	\$ 53,742	\$ 55,892	\$ 56,649	\$ 58,065	\$ 58,708	\$ 60,176
Contributions as a percentage of covered payroll	18.86%	21.97%	25.72%	27.86%	32.96%	32.06%	36.28%	37.23%	40.68%	41.93%

Notes to Schedule

Valuation date: July 1, 2019
Measurement date: June 30, 2020
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	26-year closed period
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Age based
Investment rate of return	6.99%; Prior: 7.125%
Retirement age	Rates vary by group
Mortality	Pub-2010 Mortality Table with generational projection per the MP ultimate scale. Prior: RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB.

**TOWN OF WEST HARTFORD, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 TOWN OF WEST HARTFORD RETIREMENT SYSTEM
 LAST SEVEN FISCAL YEARS***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	18.43%	4.69%	-0.52%	12.95%	9.21%	5.22%	4.58%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT PLAN
LAST SIX FISCAL YEARS*
(In Thousands)

	2015	2016	2017	2018	2019	2020
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	188,888	204,358	262,780	249,079	243,735	316,104
Total	\$ 188,888	\$ 204,358	\$ 262,780	\$ 249,079	\$ 243,735	\$ 316,104
Town's covered payroll	\$ 70,896	\$ 73,271	\$ 75,921	\$ 76,720	\$ 79,162	\$ 81,277
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

Notes to Schedule

Changes in benefit terms	<p>HB 7424 made the following provision changes:</p> <ul style="list-style-type: none"> - Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%. - For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.
Changes of assumptions	<p>HB 7424 made the following assumption changes:</p> <ul style="list-style-type: none"> - Reduce the inflation assumption from 2.75% to 2.50%. - Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. - Increase the annual rate of wage increase assumption from 0.50% to 0.75%. - Phase in to a level dollar amortization method for the June 30, 2024 valuation.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
LAST FOUR FISCAL YEARS*
(In Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$ 2,242	\$ 2,321	\$ 2,903	\$ 2,649
Interest	11,278	11,557	12,439	12,755
Change of benefit terms		70		
Differences between expected and actual experience	2,300	2,694	915	653
Changes of assumptions		16,278	(4,314)	40,893
Benefit payments, including refunds of member contributions	<u>(11,141)</u>	<u>(10,944)</u>	<u>(10,845)</u>	<u>(14,123)</u>
Net change in total OPEB liability	4,679	21,976	1,098	42,827
Total OPEB liability - beginning	<u>152,469</u>	<u>157,148</u>	<u>179,124</u>	<u>180,222</u>
Total OPEB liability - ending	<u>157,148</u>	<u>179,124</u>	<u>180,222</u>	<u>223,049</u>
Plan fiduciary net position:				
Contributions - employer	12,019	12,208	12,551	16,099
Contributions - member	99	100	118	117
Contributions - TRB subsidy	378	358	294	
Net investment income	166	79	324	395
Benefit payments, including refunds of member contributions	<u>(11,141)</u>	<u>(10,944)</u>	<u>(10,845)</u>	<u>(14,123)</u>
Administrative expense				<u>(2)</u>
Net change in plan fiduciary net position	<u>1,521</u>	<u>1,801</u>	<u>2,442</u>	<u>2,486</u>
Plan fiduciary net position - beginning	<u>1,440</u>	<u>2,961</u>	<u>4,762</u>	<u>7,204</u>
Plan fiduciary net position - ending	<u>2,961</u>	<u>4,762</u>	<u>7,204</u>	<u>9,690</u>
Net OPEB Liability - Ending	<u>\$ 154,187</u>	<u>\$ 174,362</u>	<u>\$ 173,018</u>	<u>\$ 213,359</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.88%	2.66%	4.00%	4.34%
Covered payroll	\$ 113,393	\$ 120,515	\$ 124,733	\$ 109,142
Net OPEB liability as a percentage of covered payroll	135.98%	144.68%	138.71%	195.49%

Notes to Schedule

Assumption Changes:

Investment rate of return

6.99%; Prior 7.25%

Inflation

2.75%; Prior 2.60%

Healthcare cost trend rates:

Pre-65: 6.20% - 4.10% over 55 years; Post-65: 6.00% - 4.10% over 55
Prior: 7.1% in 2017, reducing by .5% each year to an ultimate rate of
4.6% per year rate for 2022 and later

Mortality:

Certified BOE: For healthy retirees and beneficiaries, the RPH-2014
White Collar table with employee and annuitant rates blended from
ages 50 to 80 projected to the year 2020 using the BB improvement
scale and further adjusted to grade in increases (5% for females and
8% for males) to rates over age 80.
All others: Pub-2010 Mortality Table with generational projection per
the MP ultimate scale, with employee rates before commencement and
healthy annuitant rates after benefit commencement.
Prior: RP-2000 Annuitant and Non-Annuitant Mortality Tables for males
and females projected from base year of 2006 to valuation date by
Scale BB.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST TEN FISCAL YEARS
(In Thousands)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution (1)	\$ 6,979	\$ 7,318	\$ 8,506	\$ 8,999	\$ 9,780	\$ 11,251	\$ 11,981	\$ 12,689	\$ 14,255	\$ 14,836
Contributions in relation to the actuarially determined contribution	6,381	6,450	7,381	7,690	8,473	10,813	12,019	12,208	12,551	16,099
Contribution Deficiency (Excess)	\$ 598	\$ 868	\$ 1,125	\$ 1,309	\$ 1,307	\$ 438	\$ (38)	\$ 481	\$ 1,704	\$ (1,263)
Covered payroll	N/A	N/A	N/A	N/A	\$ 105,853	\$ 109,558	\$ 113,393	\$ 120,515	\$ 124,733	\$ 109,142
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	8.00%	9.87%	10.60%	10.13%	10.06%	14.75%

1) Actuarially Determined Contributions prior to fiscal year ended June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2019
Measurement date: June 30, 2020

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 Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years, closed
Asset valuation method	Market Value
Inflation	2.75%; Prior: 2.60%
Healthcare cost trend rates	Pre-65: 6.20% - 4.10% over 55 years; Prior: 7.10% - 4.60% over 5 years Post-65: 6.00% - 4.10% over 55 years; Prior: 7.10% - 4.60% over 5 years
Salary increases	3.50%
Investment rate of return	6.99%; Prior: 7.25%
Retirement age	Varies by function
Mortality	Certified BOE: For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. All others: Pub-2010 Mortality Table with generational projection per the MP ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. Prior: RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females with generational projection from a base year of 2006 per Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members.

N/A - not available

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST FOUR FISCAL YEARS***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	11.19%	2.63%	6.73%	5.32%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS' RETIREMENT PLAN
LAST THREE FISCAL YEARS*
(In Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>64,110</u>	<u>48,724</u>	<u>49,298</u>
Total	<u>\$ 64,110</u>	<u>\$ 48,724</u>	<u>\$ 49,298</u>
Town's covered payroll	\$ 76,720	\$ 79,162	\$ 81,277
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

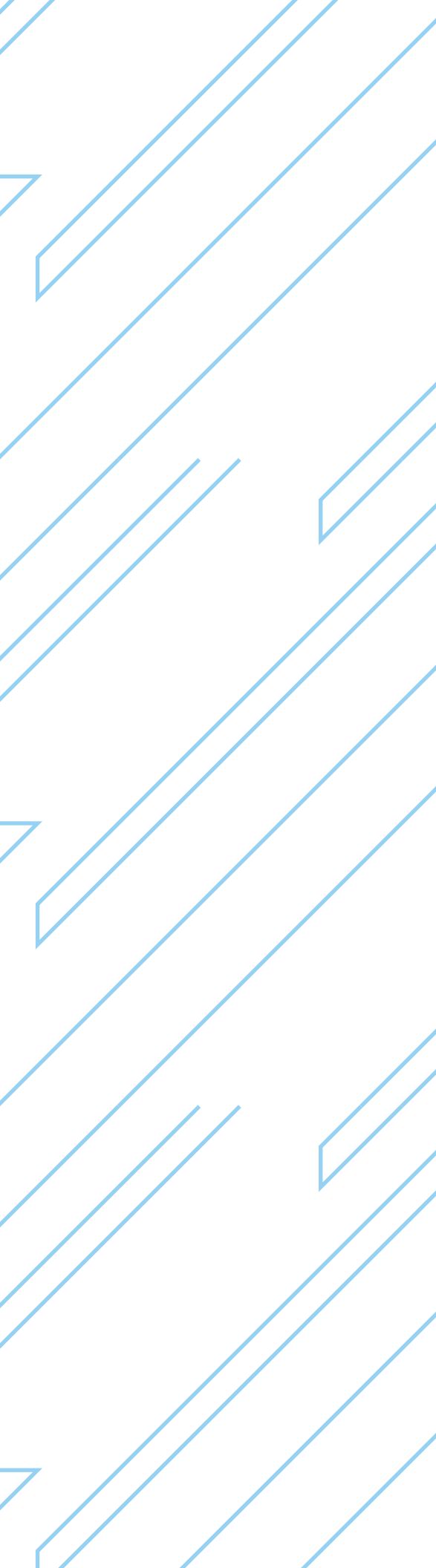
Notes to Schedule

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

* Schedule is intended to show information for 10 years - additional years' will be displayed as they become available



Combining and Individual Fund Statements and Schedules



General Fund

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

**TOWN OF WEST HARTFORD, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2020 AND 2019
(In Thousands)**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 42,431	\$ 38,718
Investments	1,252	5,729
Receivables:		
Property taxes - net of allowance \$468 for 2020 and 2019	2,900	2,743
Due from other governments	239	234
Other	15	88
Due from other funds	12,374	9,102
Inventory	<u>298</u>	<u>263</u>
Total Assets	<u>\$ 59,509</u>	<u>\$ 56,877</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 2,170	\$ 3,322
Payroll liabilities	6,543	6,193
Other liabilities	1,049	874
Unearned revenues	<u>1,740</u>	<u>3,051</u>
Total liabilities	<u>11,502</u>	<u>13,440</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	2,289	2,153
Advance property tax collections	<u>15,585</u>	<u>14,257</u>
Total deferred inflows of resources	<u>17,874</u>	<u>16,410</u>
Fund balances:		
Nonspendable	298	263
Assigned	4,647	389
Unassigned	<u>25,188</u>	<u>26,375</u>
Total fund balances	<u>30,133</u>	<u>27,027</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,509</u>	<u>\$ 56,877</u>

TOWN OF WEST HARTFORD, CONNECTICUT
 GENERAL FUND
 REPORT OF TAX COLLECTOR
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)

Grand List	Uncollected Taxes July 1, 2019	Lawful Corrections		Transfers To Suspense	Net Amount Collectible	Collections				Uncollected Taxes June 30, 2020
		Additions	Deductions			Taxes	Interest	Fees	Total	
2018	\$ 266,617	\$ 480	\$ 1,465		\$ 265,632	\$ 263,783	\$ 383	\$ 2	\$ 264,168	\$ 1,849
2017	1,807	131	252		1,686	909	206	4	1,119	777
2016	614	56	151	246	273	109	83	1	193	164
2015	218		1		217	90	50		140	127
2014	158		1		157	43	32		75	114
2013	110				110	41	32		73	69
2012	83				83	21	16		37	62
2011	59				59	5	7		12	54
2010	38				38	5	7		12	33
2009	39				39				-	39
2008	31				31				-	31
2007	20				20				-	20
2006	13				13				-	13
2005	9				9				-	9
2004	7				7				-	7
Total	\$ <u>269,823</u>	\$ <u>667</u>	\$ <u>1,870</u>	\$ <u>246</u>	\$ <u>268,374</u>	265,006	816	7	265,829	\$ <u>3,368</u>
			Suspense collections			53	51	1	105	
			Advance payments, June 30, 2019			(14,257)			(14,257)	
			Advance payments, June 30, 2020			15,585			15,585	
			Total			\$ <u>266,387</u>	\$ <u>867</u>	\$ <u>8</u>	\$ <u>267,262</u>	



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are created in the Town of West Hartford pursuant to State Statutes or local ordinances and resolutions. The criteria for the creation of a Special Revenue Fund are generally the desire or need to conspicuously segregate revenues, which are to be utilized for special and specific purposes, or expenditures incurred for the performance of specific activities, or both.

Fund	Funding Source	Function
Community Development Block Grant	Federal grant - DHUD	Community development programs
State Housing and Community Development	Program income	Community development program
Parking Lot	Charges for services	West Hartford Center off-street parking
Drug Enforcement	State and federal grants	Drug enforcement and education
Westmoor Park	External trust and charges for services	Park maintenance and environmental education
Cafeteria	Sales of food, state and federal subsidies	Operation of the school cafeterias
Private School Services	State grant and General Fund	Transportation and health services
School Grants	State and federal grants	Education programs
School Special Programs	Charges for services, state and federal grants	Education special programs
West Hartford Library	State, Hartford Foundation for Public Giving and charges for services	Library activities
School Interscholastic Sports	Charges for services	Educational programs
Technology Investment	Parking ticket and ordinance violation surcharge, subscriptions	E-business strategy
Police Private Duty Services	Charges for services	Police private duty services to the public
Police Home Ownership Program	Revolving loans	Assist police officers with closing and down payment costs with the intent of encouraging them to reside in the Southeast quadrant of West Hartford
Cemetery Operating	Donations and charges for services	Care and maintenance of Town-owned and/or operated cemeteries
C.F. Morway	Trust revenue	Purchase of park and recreation equipment and facilities
The Town That Cares	Donations	Financial assistance to needy
School Donations Trust	Contributions and charges for services	Public school purchases
Affordable Housing Trust	Loan repayments	Assistance to low and moderate income families
Veterans Memorial	Donations and state grant	Community memorial to honor veterans

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The Private Cemetery Fund is the Town's only permanent fund. Contributions and trust income is used for the maintenance of private cemetery lots.

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020
 (In Thousands)**

	Special Revenue Funds							
	Community Development Block Grant Fund	State Housing and Community Development Fund	Parking Lot Fund	Drug Enforcement Fund	Westmoor Park Fund	Cafeteria Fund	Private School Services Fund	School Grants Fund
ASSETS								
Cash and cash equivalents	\$ 205	\$	\$ 1,565	\$ 84	\$ 354	\$ 420	\$	\$
Receivables, net	174	84	4		23	145	607	541
Inventory						115		
Total Assets	\$ 379	\$ 84	\$ 1,569	\$ 84	\$ 377	\$ 680	\$ 607	\$ 541
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 238	\$	\$ 23	\$	\$ 4	\$ 5	\$ 53	\$ 110
Payroll liabilities	8		80		33	1	86	7
Due to other funds	119						468	292
Other liabilities					36			
Unearned revenue			9			212		127
Total liabilities	365	-	112	-	73	218	607	536
Deferred inflows of resources:								
Unavailable revenue - loans on receivables		84						
Fund balances:								
Nonspendable						115		
Restricted	14			84	304			5
Committed			1,397			347		
Assigned			60					
Total fund balances	14	-	1,457	84	304	462	-	5
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 379	\$ 84	\$ 1,569	\$ 84	\$ 377	\$ 680	\$ 607	\$ 541

(Continued on next page)

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020
 (In Thousands)**

	Special Revenue Funds							
	School Special Programs Fund	West Hartford Library Fund	School Interscholastic Sports Fund	Technology Investment Fund	Police Private Duty Services Fund	Police Home Ownership Program Fund	Cemetery Operating Fund	C.F. Morway Fund
ASSETS								
Cash and cash equivalents	\$ 1,718	\$ 94	\$ 80	\$ 3	\$	\$ 17	\$ 1,728	\$ 18
Receivables, net	40				875		2	1
Inventory								
Total Assets	\$ 1,758	\$ 94	\$ 80	\$ 3	\$ 875	\$ 17	\$ 1,730	\$ 19
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 27	\$	\$ 3	\$	\$	\$	\$ 14	\$
Payroll liabilities	31				37		15	
Due to other funds					746			
Other liabilities								
Unearned revenue	169	1	3	-	783	-	29	-
Total liabilities	227	1	3	-	783	-	29	-
Deferred inflows of resources:								
Unavailable revenue - loans on receivables								
Fund balances:								
Nonspendable								
Restricted							1,267	19
Committed	1,531	93	77	3	92	17	432	
Assigned							2	
Total fund balances	1,531	93	77	3	92	17	1,701	19
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,758	\$ 94	\$ 80	\$ 3	\$ 875	\$ 17	\$ 1,730	\$ 19

(Continued on next page)

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020
 (In Thousands)**

	Special Revenue Funds					Permanent Fund	Total Nonmajor Governmental Funds
	The Town That Cares Fund	School Donations Trust Fund	Affordable Housing Trust Fund	Veterans Memorial Fund	Total	Private Cemetery Fund	
ASSETS							
Cash and cash equivalents	\$ 728	\$ 107	\$ 4	\$ 38	\$ 7,163	\$ 82	\$ 7,245
Receivables, net			3		2,499		2,499
Inventory					115		115
Total Assets	\$ 728	\$ 107	\$ 7	\$ 38	\$ 9,777	\$ 82	\$ 9,859
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1				\$ 478		\$ 478
Payroll liabilities		1			299		299
Due to other funds					1,625		1,625
Other liabilities					36		36
Unearned revenue	436				954		954
Total liabilities	437	1	-	-	3,392	-	3,392
Deferred inflows of resources:							
Unavailable revenue - loans on receivables			3		87		87
Fund balances:							
Nonspendable					115	82	197
Restricted	291	106	4	38	2,132		2,132
Committed					3,989		3,989
Assigned					62		62
Total fund balances	291	106	4	38	6,298	82	6,380
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 728	\$ 107	\$ 7	\$ 38	\$ 9,777	\$ 82	\$ 9,859

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	Special Revenue Funds							
	Community Development Block Grant Fund	State Housing and Community Development Fund	Parking Lot Fund	Drug Enforcement Fund	Westmoor Park Fund	Cafeteria Fund	Private School Services Fund	School Grants Fund
Revenues:								
Intergovernmental	\$ 832	\$	\$	\$ 9	\$	\$ 1,511	\$ 663	\$ 5,161
Charges for services			1,351		172	1,311		
Income on investments			33	2	374	10		
Miscellaneous					252			
Total revenues	<u>832</u>	<u>-</u>	<u>1,384</u>	<u>11</u>	<u>798</u>	<u>2,832</u>	<u>663</u>	<u>5,161</u>
Expenditures:								
Current:								
General government								
Public safety				20				
Community maintenance			2,539					
Human and cultural	575				640			
Education						3,121	2,219	5,161
Capital outlay			92	12				
Total expenditures	<u>575</u>	<u>-</u>	<u>2,631</u>	<u>32</u>	<u>640</u>	<u>3,121</u>	<u>2,219</u>	<u>5,161</u>
Excess (Deficiency) of Revenues over Expenditures	<u>257</u>	<u>-</u>	<u>(1,247)</u>	<u>(21)</u>	<u>158</u>	<u>(289)</u>	<u>(1,556)</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in	205						1,556	
Transfers out	(448)	(28)			(248)	(6)		
Total other financing sources (uses)	<u>(243)</u>	<u>(28)</u>	<u>-</u>	<u>-</u>	<u>(248)</u>	<u>(6)</u>	<u>1,556</u>	<u>-</u>
Net Change in Fund Balances	14	(28)	(1,247)	(21)	(90)	(295)	-	-
Fund Balances at Beginning of Year	-	28	2,704	105	394	757	-	5
Fund Balances at End of Year	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 1,457</u>	<u>\$ 84</u>	<u>\$ 304</u>	<u>\$ 462</u>	<u>\$ -</u>	<u>\$ 5</u>

(Continued on next page)

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	Special Revenue Funds							
	School Special Programs Fund	West Hartford Library Fund	School Interscholastic Sports Fund	Technology Investment Fund	Police Private Duty Services Fund	Police Home Ownership Program Fund	Cemetery Operating Fund	C.F. Morway Fund
Revenues:								
Intergovernmental	\$ 221	\$ 16	\$	\$	\$	\$	\$	\$
Charges for services	999	13	326	12	1,934		352	
Income on investments	27		2				24	6
Miscellaneous	184							
Total revenues	<u>1,431</u>	<u>29</u>	<u>328</u>	<u>12</u>	<u>1,934</u>	<u>-</u>	<u>376</u>	<u>6</u>
Expenditures:								
Current:								
General government				26				
Public safety					1,792			
Community maintenance								
Human and cultural		17					410	
Education	1,587		424					
Capital outlay								
Total expenditures	<u>1,587</u>	<u>17</u>	<u>424</u>	<u>26</u>	<u>1,792</u>	<u>-</u>	<u>410</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(156)</u>	<u>12</u>	<u>(96)</u>	<u>(14)</u>	<u>142</u>	<u>-</u>	<u>(34)</u>	<u>6</u>
Other Financing Sources (Uses):								
Transfers in	240							
Transfers out	(2)				(125)		(3)	
Total other financing sources (uses)	<u>238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Net Change in Fund Balances	82	12	(96)	(14)	17	-	(37)	6
Fund Balances at Beginning of Year	<u>1,449</u>	<u>81</u>	<u>173</u>	<u>17</u>	<u>75</u>	<u>17</u>	<u>1,738</u>	<u>13</u>
Fund Balances at End of Year	<u>\$ 1,531</u>	<u>\$ 93</u>	<u>\$ 77</u>	<u>\$ 3</u>	<u>\$ 92</u>	<u>\$ 17</u>	<u>\$ 1,701</u>	<u>\$ 19</u>

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**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	Special Revenue Funds				Total	Permanent Fund	Total Nonmajor Governmental Funds
	The Town That Cares Fund	School Donations Trust Fund	Affordable Housing Trust Fund	Veterans Memorial Fund		Private Cemetery Fund	
Revenues:							
Intergovernmental	\$	\$ 6	\$	\$	\$ 8,419	\$	\$ 8,419
Charges for services					6,470		6,470
Income on investments	2	2		1	483		483
Miscellaneous	266	150			852		852
Total revenues	<u>268</u>	<u>158</u>	<u>-</u>	<u>1</u>	<u>16,224</u>	<u>-</u>	<u>16,224</u>
Expenditures:							
Current:							
General government					26		26
Public safety					1,812		1,812
Community maintenance					2,539		2,539
Human and cultural	98			1	1,741		1,741
Education		143			12,655		12,655
Capital outlay					104		104
Total expenditures	<u>98</u>	<u>143</u>	<u>-</u>	<u>1</u>	<u>18,877</u>	<u>-</u>	<u>18,877</u>
Excess (Deficiency) of Revenues over Expenditures	<u>170</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>(2,653)</u>	<u>-</u>	<u>(2,653)</u>
Other Financing Sources (Uses):							
Transfers in					2,001		2,001
Transfers out					(860)		(860)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,141</u>	<u>-</u>	<u>1,141</u>
Net Change in Fund Balances	170	15	-	-	(1,512)	-	(1,512)
Fund Balances at Beginning of Year	<u>121</u>	<u>91</u>	<u>4</u>	<u>38</u>	<u>7,810</u>	<u>82</u>	<u>7,892</u>
Fund Balances at End of Year	<u>\$ 291</u>	<u>\$ 106</u>	<u>\$ 4</u>	<u>\$ 38</u>	<u>\$ 6,298</u>	<u>\$ 82</u>	<u>\$ 6,380</u>

**TOWN OF WEST HARTFORD, CONNECTICUT
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,858	\$ 832	\$ (1,026)
Expenditures:			
Current:			
Human and cultural:			
Human services:			
Personal services	256	249	7
Non-personal expense	241	149	92
Capital outlay	81		81
Debt and sundry	188	191	(3)
Total expenditures	<u>766</u>	<u>589</u>	<u>177</u>
Excess of Revenues over Expenditures	<u>1,092</u>	<u>243</u>	<u>(849)</u>
Other Financing Uses:			
Transfers in		205	205
Transfers out	<u>(1,092)</u>	<u>(448)</u>	<u>644</u>
Total other financing uses	<u>(1,092)</u>	<u>(243)</u>	<u>849</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		<u>-</u>	
Fund Balance at End of Year		<u>\$ -</u>	

**TOWN OF WEST HARTFORD, CONNECTICUT
STATE HOUSING AND COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Miscellaneous	\$	\$	\$ -
Expenditures:			
Human and cultural:			
Non-personal	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	-	-	-
Other Financing Uses:			
Transfers out	<u>(28)</u>	<u>(28)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>(28)</u></u>	(28)	\$ <u><u>-</u></u>
Fund Balance at Beginning of Year		<u>28</u>	
Fund Balance at End of Year		\$ <u><u>-</u></u>	

TOWN OF WEST HARTFORD, CONNECTICUT
PARKING LOT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Charges for services	\$ 2,673	\$ 1,259	\$ (1,414)
Fines and forfeitures	88	92	4
Interest	20	33	13
Total revenues	<u>2,781</u>	<u>1,384</u>	<u>(1,397)</u>
Expenditures:			
Current:			
Community maintenance:			
Personal services	913	770	143
Non-personal expense	1,149	1,002	147
Capital outlay	406	57	349
Debt and sundry	840	825	15
Total expenditures	<u>3,308</u>	<u>2,654</u>	<u>654</u>
Net Change in Fund Balance	\$ <u>(527)</u>	(1,270)	\$ <u>(743)</u>
Fund Balance at Beginning of Year		<u>2,667</u>	
Fund Balance at End of Year		\$ <u>1,397</u>	

TOWN OF WEST HARTFORD, CONNECTICUT
WESTMOOR PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Charges for services	\$ 287	\$ 172	\$ (115)
Interest	360	374	14
Miscellaneous	270	252	(18)
Total revenues	<u>917</u>	<u>798</u>	<u>(119)</u>
Expenditures:			
Current:			
Human and cultural:			
Personal services	365	328	37
Non-personal expense	135	117	18
Debt and sundry	202	195	7
Total expenditures	<u>702</u>	<u>640</u>	<u>62</u>
Excess of Revenues over Expenditures	215	158	(57)
Other Financing Uses:			
Transfers out	<u>(248)</u>	<u>(248)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (33)</u>	(90)	<u>\$ (57)</u>
Fund Balance at Beginning of Year		<u>394</u>	
Fund Balance at End of Year		<u>\$ 304</u>	

**TOWN OF WEST HARTFORD, CONNECTICUT
PRIVATE SCHOOL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 786	\$ 663	\$ (123)
Expenditures:			
Current:			
Education	<u>2,526</u>	<u>2,219</u>	<u>307</u>
Deficiency of Revenues over Expenditures	(1,740)	(1,556)	184
Other Financing Sources:			
Transfers in	<u>1,740</u>	<u>1,556</u>	<u>(184)</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund Balance at Beginning of Year		<u>-</u>	
Fund Balance at End of Year		\$ <u><u>-</u></u>	

TOWN OF WEST HARTFORD, CONNECTICUT
WEST HARTFORD LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$	\$ 16	\$ 16
Charges for services	15	13	(2)
Total revenues	<u>15</u>	<u>29</u>	<u>14</u>
Expenditures:			
Current:			
Human and cultural:			
Non-personal expense	<u>15</u>	<u>17</u>	<u>(2)</u>
Net Change in Fund Balance	\$ <u>-</u>	12	\$ <u>12</u>
Fund Balance at Beginning of Year		<u>81</u>	
Fund Balance at End of Year		<u>\$ 93</u>	

**TOWN OF WEST HARTFORD, CONNECTICUT
 TECHNOLOGY INVESTMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Charges for services	\$ 10	\$ 12	\$ 2
Expenditures:			
Current:			
General government:			
Non-personal expense	<u>27</u>	<u>26</u>	<u>1</u>
Net Change in Fund Balance	\$ <u>(17)</u>	(14)	\$ <u>3</u>
Fund Balance at Beginning of Year		<u>17</u>	
Fund Balance at End of Year		\$ <u>3</u>	

**TOWN OF WEST HARTFORD, CONNECTICUT
POLICE PRIVATE DUTY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Charges for services	\$ <u>1,900</u>	\$ <u>1,934</u>	\$ <u>34</u>
Expenditures:			
Current:			
Public safety:			
Personal services	1,200	1,239	(39)
Non-personal expense	18	17	1
Debt and sundry	<u>536</u>	<u>536</u>	<u>-</u>
Total expenditures	<u>1,754</u>	<u>1,792</u>	<u>(38)</u>
Excess (Deficiency) of Revenues over Expenditures	146	142	(4)
Other Financing Uses:			
Transfers out	<u>(125)</u>	<u>(125)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>21</u></u>	17	\$ <u><u>(4)</u></u>
Fund Balance at Beginning of Year		<u>75</u>	
Fund Balance at End of Year		\$ <u><u>92</u></u>	

**TOWN OF WEST HARTFORD, CONNECTICUT
CEMETERY OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Charges for services	\$ 365	\$ 352	\$ (13)
Income on investments	20	24	4
Total revenues	<u>385</u>	<u>376</u>	<u>(9)</u>
Expenditures:			
Current:			
Human and cultural:			
Personal services	125	132	(7)
Non-personal expense	143	154	(11)
Debt and sundry	114	109	5
Total expenditures	<u>382</u>	<u>395</u>	<u>(13)</u>
Excess (Deficiency) of Revenues over Expenditures	3	(19)	(22)
Other Financing Uses:			
Transfers out	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(22)</u>	<u>\$ (22)</u>
Fund Balance at Beginning of Year		<u>454</u>	
Fund Balance at End of Year		<u>\$ 432</u>	



Capital Projects Fund

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the financial resources for the acquisition or construction of major capital facilities, other than those financed by proprietary funds and trust funds.

Revenues to the Capital Projects Fund consist of the proceeds of long- and short-term debt, grants and transfers from operating funds and the Capital and Nonrecurring Expenditure Fund. For the purposes of this report, the activity of the Capital Nonrecurring Expenditure Fund is included in the activities of the Capital Projects Fund.

Appropriations are made on a project life basis by the Town Council in the form of resolutions or bond ordinances.

The schedule on the following pages displays for each project:

1. The original appropriation as amended.
2. Expenditures for the current fiscal year.
3. Expenditures for all fiscal years.
4. Outstanding encumbrances.
5. Total expenditures on a budgetary basis.
6. The project balance at fiscal year end.

For management reporting purposes, projects are classified into functional areas.

If projects are completed with remaining funded balances, the unexpended balance is transferred to the Capital Reserve Account of the Capital and Nonrecurring Expenditure Fund. The Reserve is then used as a source of funding for future projects.

TOWN OF WEST HARTFORD, CONNECTICUT
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

Fiscal Year	Project Name	Amended Budget	Expended and Encumbered Current Year	Total All Years	Project Balance
2016	Public Buildings: Energy Conservation	\$ 5,093	\$ 520	\$ 5,093	\$ -
2017	Town Building Improvements	1,470	-	1,470	-
2017	Energy Conservation	100	6	100	-
2018	Town Building Improvements	1,364	5	1,364	-
2019	Town Building Improvements	1,509	546	1,509	-
2020	Town Building Improvements	1,406	1,251	1,301	105
2020	Energy Conservation	359	169	169	190
2020	Town Facilities Paving	100	-	-	100
2021	Town Building Improvements	5	4	4	1
	Total Public Buildings	<u>11,406</u>	<u>2,501</u>	<u>11,010</u>	<u>396</u>
	Parks and Recreation:				
2010	West Hartford Dog Park	2	-	-	2
2013	Pools - Beachland	150	-	139	11
2014	Park/Playscape Improvements	65	3	65	-
2014	Troutbrook Trail - Phase II	76	-	58	18
2015	Athletic Playfield Improvements	110	16	109	1
2015	Cornerstone Pool	25	2	25	-
2015	Goodrich Field Improvements	165	-	162	3
2015	Troutbrook - Phase II Construction	560	15	439	121
2015	Troutbrook Trail Phase V	330	-	67	263
2016	Rockledge Golf Course - Irrigation	50	1	50	-
2016	Outdoor Pool Improvements	51	16	51	-
2017	Outdoor Pool Improvements	75	68	75	-
2017	Park & Playfield Improvements	100	23	100	-
2017	Park & Playscape Management	78	3	63	15
2018	Sitework - Recreational Facilities	50	2	50	-
2018	Rockledge Improvements	68	12	68	-
2018	Park & Playfield Improvements	125	102	125	-
2018	Park & Playscape Management	62	6	7	55
2018	Troutbrook Trail - Phase III	500	-	-	500
2019	Sitework - Recreational Facilities	40	29	33	7
2019	Outdoor Pool Improvements	67	8	8	59
2019	Wolcott Park Improvements	300	38	300	-
2019	Wolcott Park Improvements	750	286	286	464
2019	Park & Playfield Improvements	200	192	192	8
2019	Westmoor Park Improvements	50	26	27	23
2019	Ferridge Park	20	20	20	-
2019	Park & Playscape Management - CDBG	71	4	71	-
2019	Sterling Field - CDBG	210	210	210	-
2020	Eisenhower Park Restroom Res	185	145	145	40
2020	Rockledge Improvements	50	27	27	23
2020	Outdoor Pool Improvements	60	-	-	60
2020	Wolcott Park Improvements	200	-	-	200
2020	Park & Playfield Improvements	300	-	-	300
2020	Westmoor Park Outdoor Classroom	220	209	209	11
2020	Park & Playscape Management	80	4	4	76
	Total Parks and Recreation	<u>5,445</u>	<u>1,467</u>	<u>3,185</u>	<u>2,260</u>
	Infrastructure:				
2014	Streetlight Relamping	90	-	74	16
2014	Storm Water Management Transportation	740	2	740	-
2014	Park Road/I84 Design	431	-	398	33
2016	Traffic System Management	200	-	200	-
2016	Storm Water Management	720	5	720	-
2016	Braeburn Road Culvert	277	244	277	-
2016	Mayflower Street Bridge	71	-	70	1
2017	Arterial Street Reconstruction	1,390	26	1,390	-

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

Fiscal Year	Project Name	Amended Budget	Expended and Encumbered Current Year	Total All Years	Project Balance
	Infrastructure (continued):				
2017	Neighborhood Street Reconstruction	\$ 1,532	\$ 3	\$ 1,532	\$ -
2017	Street Resurfacing	1,473	31	1,473	-
2017	Traffic System Management	82	-	82	-
2017	Stormwater Management	628	-	628	-
2017	Pedestrian & Bicycle Management	1,174	-	766	408
2017	Park Road Interchange	5,088	120	5,088	-
2018	Arterial Street Reconstruction	1,442	6	1,442	-
2018	Neighborhood Street Reconstruction	1,478	141	1,476	2
2018	Traffic System Management	234	7	234	-
2018	Stormwater Management	570	83	570	-
2018	North Main Street Bridge Rehabilitation	1,696	1,661	1,696	-
2018	Park Road Interchange	4,656	1,640	4,483	173
2018	Albany Ave at Mountain Road	1,555	-	-	1,555
2019	Arterial Street Reconstruction	1,486	38	1,486	-
2019	Neighborhood Street Reconstruction	1,625	20	1,625	-
2019	Street Resurfacing	1,320	34	1,319	1
2019	Street Resurfacing – CDBG	200	200	200	-
2019	Traffic System Management	61	11	61	-
2019	Traffic System Improvements	103	3	3	100
2019	Stormwater Management	400	48	400	-
2019	Pedestrian & Bicycle Management	400	-	400	-
2020	Arterial Street Reconstruction	1,530	1,529	1,530	-
2020	Neighborhood Street Reconstruction	1,672	1,263	1,670	2
2020	North Main Street Road Diet	125	-	-	125
2020	Street Resurfacing	982	645	982	-
2020	Berkshire Road Utility Recon	150	139	139	11
2020	Traffic System Management	262	110	111	151
2020	Stormwater Management	262	109	262	-
2020	Drainage Study - FEAT	200	199	200	-
2020	Pedestrian & Bicycle Management	412	179	412	-
2021	Arterial Street Reconstruction	1,388	917	917	471
2021	Neighborhood Street Reconstruction	1,724	1,723	1,723	1
2021	Street Resurfacing	1,071	876	876	195
2021	Stormwater Management	1,070	499	499	571
2021	Pedestrian & Bicycle Mgmt	424	424	424	-
	Total Infrastructure	42,394	12,935	38,578	3,816
	Miscellaneous:				
2011	Radio Communication Systems	995	109	995	-
2013	Fire Station Alerting System	100	20	100	-
2015	Fire Apparatus	790	-	790	-
2015	Economic Development	350	-	320	30
2016	Financial Management System	500	-	500	-
2017	Radio System Replacement	4,900	1,134	4,498	402
2017	Public Safety Facility	100	63	63	37
2017	Recycling Center	200	35	133	67
2018	Communications Infrastructure	657	-	657	-
2018	Public Works Rolling Stock	482	-	482	-
2018	Rockledge Improvements	-	-	-	-
2019	Communications Infrastructure	750	48	735	15
2019	Financial Management System	850	260	518	332
2019	Public Works Rolling Stock	510	149	509	1
2019	Property Revaluation 2020	300	37	38	262
2020	Fire Apparatus	1,302	1,000	1,302	-
2020	Communications Infrastructure	618	555	616	2
2020	Public Works Rolling Stock	667	634	634	33
2020	Recycling Center	1,250	131	969	281
2020	Town Vehicles	300	129	129	171
2021	Communications Infrastructure	50	31	31	19
2021	Public Works Rolling Stock	205	187	187	18
	Total Miscellaneous	15,876	4,522	14,206	1,670

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

Fiscal Year	Project Name	Amended Budget	Expended and Encumbered Current Year	Total All Years	Project Balance
	Schools:				
2014	Charter Oak School	\$ 3,000	\$ 16	\$ 2,993	\$ 7
2015	Charter Oak School	42,000	141	41,457	543
2017	Hall Science Labs	6,400	536	5,885	515
2017	Furniture & Equipment Replacement	175	2	175	-
2017	School Security	350	-	332	18
2018	Hall Science Labs	6,400	562	6,394	6
2018	Asbestos Removal	225	-	225	-
2018	Furniture & Equipment Replacement	75	43	75	-
2018	Exterior School Building Improvements	1,450	-	1,450	-
2018	Interior School Building Improvements	750	2	751	(1)
2018	Stage & Auditorium Renovations	200	-	200	-
2019	Asbestos Removal	250	118	250	-
2019	Furniture & Equipment Replacement	125	124	124	1
2019	Exterior School Building Improvements	1,550	864	1,550	-
2019	Interior School Building Improvements	1,350	607	1,350	-
2019	Stage & Auditorium Renovations	200	100	200	-
2020	Computer Infrastructure	350	350	350	-
2020	Modular Classroom Removal	250	250	250	-
2020	Asbestos Removal	250	184	250	-
2020	Furniture & Equipment Replac	130	78	78	52
2020	Exterior School Building Improvements	1,575	1,366	1,575	-
2020	Interior School Building Improvements	1,100	1,052	1,100	-
2020	School Security	1,000	913	1,000	-
2020	State & Auditorium Improvements	200	190	190	10
2021	Computer Infrastructure	-	-	-	-
2021	Asbestos Removal	250	16	16	234
2021	Exterior School Building Improvements	945	248	248	697
2021	Interior Sch Building Imp	500	320	320	180
2021	School Security	1,800	1,150	1,150	650
2016	HVAC	800	-	800	-
2018	Heating & Ventilation Systems	800	-	800	-
2018	Site and Athletic Fields	900	5	900	-
2018	Heating & Ventilation Systems	150	29	150	-
2019	Site and Athletic Fields	550	456	550	-
2019	Heating & Ventilation Systems	150	141	150	-
2020	Site & Athletic Field Improvements	250	188	188	62
2020	Heating & Ventilation Systems	800	482	482	318
	Total Schools	<u>77,250</u>	<u>10,533</u>	<u>73,958</u>	<u>3,292</u>
	Total	<u>\$ 152,371</u>	<u>\$ 31,958</u>	<u>\$ 140,937</u>	<u>\$ 11,434</u>

Note: Schedule of expenditures does not include Capital and Nonrecurring Expenditure Fund.



Internal Service Funds

INTERNAL SERVICE FUNDS

The Internal Service Funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost-reimbursement basis. The Risk Management Fund and the Utilities Services Fund are the Town's only Internal Service Funds.

TOWN OF WEST HARTFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2020
(In Thousands)

	Risk Management Fund	Utilities Services Fund	Total
Assets:			
Current:			
Cash and cash equivalents	\$ 2,692	\$ 2,331	\$ 5,023
Investments	23,204		23,204
Receivables, net	127		127
Prepaid items	3		3
Total assets	<u>26,026</u>	<u>2,331</u>	<u>28,357</u>
Liabilities:			
Current:			
Accounts and other payables	211	73	284
Payroll liabilities	46	2	48
Due to other funds	219	163	382
Risk management claims	4,370		4,370
Total current liabilities	<u>4,846</u>	<u>238</u>	<u>5,084</u>
Noncurrent:			
Risk management claims	4,808		4,808
Total liabilities	<u>9,654</u>	<u>238</u>	<u>9,892</u>
Net Position:			
Unrestricted	\$ <u>16,372</u>	\$ <u>2,093</u>	\$ <u>18,465</u>

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	Risk Management Fund	Utilities Services Fund	Total
Operating Revenues:			
Fund premiums	\$ 34,475	\$ 4,379	\$ 38,854
Employee contributions	9,098		9,098
Other	109		109
Total operating revenues	<u>43,682</u>	<u>4,379</u>	<u>48,061</u>
Operating Expenses:			
Administrative expense	196	98	294
Employee benefits	38,456		38,456
Insurance and program services	4,701		4,701
Utility services		3,965	3,965
Total operating expenses	<u>43,353</u>	<u>4,063</u>	<u>47,416</u>
Operating Income	329	316	645
Nonoperating Revenue:			
Income on investments	<u>1,528</u>	<u>7</u>	<u>1,535</u>
Income Before Transfers	1,857	323	2,180
Transfers:			
Transfers Out	<u>(50)</u>		<u>(50)</u>
Change in Net Position	1,807	323	2,130
Net Position at Beginning of Year	<u>14,565</u>	<u>1,770</u>	<u>16,335</u>
Net Position at End of Year	<u>\$ 16,372</u>	<u>\$ 2,093</u>	<u>\$ 18,465</u>

TOWN OF WEST HARTFORD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020
(In Thousands)

	Risk Management Fund	Utilities Services Fund	Total
Cash Flows from Operating Activities:			
Cash received from employees	\$ 9,098	\$	\$ 9,098
Cash received from operating funds	34,475	4,379	38,854
Cash payments to providers benefits	(40,476)		(40,476)
Cash payments to suppliers for goods and services	(4,967)	(4,205)	(9,172)
Other operating receipts	108		108
Payments for interfund services used	219	163	382
Net cash provided by (used in) operating activities	<u>(1,543)</u>	<u>337</u>	<u>(1,206)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers to other funds	<u>(50)</u>		<u>(50)</u>
Cash Flows from Investing Activities:			
Income on investments	5	7	12
Purchase of investments	<u>(48)</u>		<u>(48)</u>
Net cash provided by (used in) investing activities	<u>(43)</u>	<u>7</u>	<u>(36)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,636)	344	(1,292)
Cash and Cash Equivalents at Beginning of Year	<u>4,328</u>	<u>1,987</u>	<u>6,315</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,692</u>	<u>\$ 2,331</u>	<u>\$ 5,023</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 329	\$ 316	\$ 645
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	440		440
(Increase) decrease in prepaid items	(1)		(1)
Increase (decrease) in accounts and other payables	(91)	(142)	(233)
Increase (decrease) in payroll liabilities	21		21
Increase (decrease) in due to other funds	219	163	382
Increase (decrease) in risk management claim liability	<u>(2,460)</u>		<u>(2,460)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,543)</u>	<u>\$ 337</u>	<u>\$ (1,206)</u>
Noncash Investing and Capital Financing Activities:			
Net Increase in Fair Value of Investments	<u>\$ 1,523</u>	<u>\$ -</u>	<u>\$ 1,523</u>

TOWN OF WEST HARTFORD, CONNECTICUT
RISK MANAGEMENT FUND
OPERATING RESULTS BY PROGRAM
FOR FISCAL YEAR JUNE 30, 2020 WITH COMPARATIVE TOTALS FOR 2019
(In Thousands)

	<u>Workers'</u> <u>Compensation</u>	<u>Town</u> <u>Health</u>	<u>Heart and</u> <u>Hypertension</u>	<u>Self-Insured</u> <u>Program</u>	<u>Insured</u> <u>Program</u>	<u>BOE</u> <u>Health</u>	<u>Interfund</u> <u>Elimination</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Operating revenues:									
Fund premiums	\$ 2,808	\$ 17,405	\$ 148	\$ 1,023	\$ 1,387	\$ 25,827	\$ (14,123)	\$ 34,475	\$ 35,448
Employee contributions		1,249				7,849		9,098	7,536
Subrogations/miscellaneous	9	100						109	386
Total	<u>2,817</u>	<u>18,754</u>	<u>148</u>	<u>1,023</u>	<u>1,387</u>	<u>33,676</u>	<u>(14,123)</u>	<u>43,682</u>	<u>43,370</u>
Investment income	<u>140</u>	<u>167</u>	<u>49</u>	<u>173</u>		<u>999</u>		<u>1,528</u>	<u>1,452</u>
Total revenues	<u>2,957</u>	<u>18,921</u>	<u>197</u>	<u>1,196</u>	<u>1,387</u>	<u>34,675</u>	<u>(14,123)</u>	<u>45,210</u>	<u>44,822</u>
Operating expenses:									
Employee claims expenses	2,150	8,804	149	380		30,113	(14,123)	27,473	26,786
Retiree claims expenses		7,508				3,475		10,983	12,262
Program expenses	166	1,387	3	72	1,308	111		3,047	3,707
Insurance services	384	496	6	105		663		1,654	2,140
Administrative expenses	79		20	78	19			196	172
Total expenses	<u>2,779</u>	<u>18,195</u>	<u>178</u>	<u>635</u>	<u>1,327</u>	<u>34,362</u>	<u>(14,123)</u>	<u>43,353</u>	<u>45,067</u>
Income (loss) before transfers	178	726	19	561	60	313	-	1,857	(245)
Other financing uses:									
Transfers out	<u>(4)</u>	<u>(40)</u>	<u>(1)</u>	<u>(4)</u>	<u>(1)</u>			<u>(50)</u>	<u>(55)</u>
Change in Net Position	174	686	18	557	59	313	-	1,807	(300)
Net Position at Beginning of Year	<u>(28)</u>	<u>(695)</u>	<u>(330)</u>	<u>1,287</u>	<u>16</u>	<u>14,315</u>	<u>-</u>	<u>14,565</u>	<u>14,865</u>
Net Position at End of Year	<u>\$ 146</u>	<u>\$ (9)</u>	<u>\$ (312)</u>	<u>\$ 1,844</u>	<u>\$ 75</u>	<u>\$ 14,628</u>	<u>\$ -</u>	<u>\$ 16,372</u>	<u>\$ 14,565</u>
Distribution of net position:									
Reserved net position	\$	\$ (702)	\$	\$ 1,708	\$	\$ 14,106	\$	\$ 15,112	\$ 14,851
Unreserved net position	<u>146</u>	<u>693</u>	<u>(312)</u>	<u>136</u>	<u>75</u>	<u>522</u>		<u>1,260</u>	<u>(286)</u>
Net Position at End of Year	<u>\$ 146</u>	<u>\$ (9)</u>	<u>\$ (312)</u>	<u>\$ 1,844</u>	<u>\$ 75</u>	<u>\$ 14,628</u>	<u>\$ -</u>	<u>\$ 16,372</u>	<u>\$ 14,565</u>



Fiduciary Funds

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The agency funds of the Town are as follows:

TRUST FUNDS:

Pension Trust Fund - This fund is used for the accumulation of resources and to be used for retirement payments to members of the Towns as defined in the Charter of the Town upon their retirement.

Other Postemployment (OPEB) Trust Fund - This fund is used for the accumulation of resources and to be used for payments of healthcare benefits for retired employees.

AGENCY FUND:

Student Activity Fund - The Student Activity Fund accounts for the monies generated by student activities in the West Hartford school system.

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING STATEMENT OF NET POSITION
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
 JUNE 30, 2020
 (In Thousands)**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 1,894	\$ 4,169	\$ 6,063
Investments:			
Mutual funds	174,749	5,523	180,272
Common stock	16,826		16,826
Alternative investments	21,718		21,718
Receivables:			
Interest and dividends	<u>7</u>		<u>7</u>
Total assets	<u>215,194</u>	<u>9,692</u>	<u>224,886</u>
Liabilities:			
Accounts and other payables	<u>382</u>	<u>2</u>	<u>384</u>
Net Position:			
Restricted for pension benefits	214,812		214,812
Restricted for OPEB benefits		<u>9,690</u>	<u>9,690</u>
Total Net Position	\$ <u>214,812</u>	\$ <u>9,690</u>	\$ <u>224,502</u>

**TOWN OF WEST HARTFORD, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 25,231	\$ 16,099	\$ 41,330
Plan members	3,133	117	3,250
Total contributions	<u>28,364</u>	<u>16,216</u>	<u>44,580</u>
Investment income:			
Net change in fair value of investments	5,845	262	6,107
Interest	129	28	157
Dividends	4,359	105	4,464
Total investment income	<u>10,333</u>	<u>395</u>	<u>10,728</u>
Less investment expense	<u>(273)</u>	<u>(273)</u>	<u>(273)</u>
Net investment income	<u>10,060</u>	<u>395</u>	<u>10,455</u>
Total additions	<u>38,424</u>	<u>16,611</u>	<u>55,035</u>
Deductions:			
Benefits	35,432	14,123	49,555
Administration	351	2	353
Total deductions	<u>35,783</u>	<u>14,125</u>	<u>49,908</u>
Change in Net Position	2,641	2,486	5,127
Net Position at Beginning of Year	<u>212,171</u>	<u>7,204</u>	<u>219,375</u>
Net Position at End of Year	<u>\$ 214,812</u>	<u>\$ 9,690</u>	<u>\$ 224,502</u>

**TOWN OF WEST HARTFORD, CONNECTICUT
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2020
 (In Thousands)**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>1,173</u>	\$ <u>1,544</u>	\$ <u>1,433</u>	\$ <u>1,284</u>
Liabilities:				
Due to student groups	\$ <u>1,173</u>	\$ <u>1,544</u>	\$ <u>1,433</u>	\$ <u>1,284</u>



Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF WEST HARTFORD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

TABLE 1

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 167,371	\$ 159,716	\$ 171,505	\$ 161,236	\$ 154,273	\$ 180,092	\$ 194,218	\$ 203,759	\$ 227,469	\$ 242,461
Restricted	2,502	2,508	2,601	2,515	891	831	82	82	82	82
Unrestricted	23,842	28,991	22,389	32,883	(133,041)	(152,445)	(173,088)	(334,271)	(365,979)	(398,242)
Total governmental activities net position	<u>\$ 193,715</u>	<u>\$ 191,215</u>	<u>\$ 196,495</u>	<u>\$ 196,634</u>	<u>\$ 22,123</u>	<u>\$ 28,478</u>	<u>\$ 21,212</u>	<u>\$ (130,430)</u>	<u>\$ (138,428)</u>	<u>\$ (155,699)</u>
Business-type activities:										
Net investment in capital assets	\$ 11,950	\$ 13,010	\$ 13,040	\$ 12,533	\$ 14,052	\$ 13,740	\$ 12,937	\$ 11,663	\$ 10,779	\$ 9,781
Unrestricted	(2,185)	(2,244)	(2,256)	(2,186)	(5,034)	(5,007)	(5,313)	(8,234)	(9,148)	(10,104)
Total business-type activities net position	<u>\$ 9,765</u>	<u>\$ 10,766</u>	<u>\$ 10,784</u>	<u>\$ 10,347</u>	<u>\$ 9,018</u>	<u>\$ 8,733</u>	<u>\$ 7,624</u>	<u>\$ 3,429</u>	<u>\$ 1,631</u>	<u>\$ (323)</u>
Primary government:										
Net investment in capital assets	\$ 179,321	\$ 172,726	\$ 184,545	\$ 173,769	\$ 168,325	\$ 193,832	\$ 207,155	\$ 215,422	\$ 238,248	\$ 252,242
Restricted	2,502	2,508	2,601	2,515	891	831	82	82	82	82
Unrestricted	21,657	26,747	20,133	30,697	(138,075)	(157,452)	(178,401)	(342,505)	(375,127)	(408,346)
Total primary government net position	<u>\$ 203,480</u>	<u>\$ 201,981</u>	<u>\$ 207,279</u>	<u>\$ 206,981</u>	<u>\$ 31,141</u>	<u>\$ 37,211</u>	<u>\$ 28,836</u>	<u>\$ (127,001)</u>	<u>\$ (136,797)</u>	<u>\$ (156,022)</u>

TOWN OF WEST HARTFORD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

TABLE 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 8,088	\$ 8,220	\$ 9,410	\$ 11,362	\$ 10,059	\$ 13,391	\$ 15,064	\$ 12,947	\$ 15,076	\$ 15,932
Public safety	35,114	40,231	43,699	45,213	48,798	55,382	56,932	62,903	65,519	70,986
Community maintenance	36,593	45,350	34,227	35,598	37,042	39,475	40,717	42,443	37,686	43,214
Human and cultural	9,459	11,833	11,308	11,526	13,858	13,356	13,144	13,812	20,843	16,797
Education	161,282	167,347	172,635	178,648	180,805	191,683	213,041	220,200	208,031	230,874
Interest on long-term debt	5,679	5,458	4,978	4,963	4,989	4,826	4,696	4,601	4,271	3,647
Total governmental activities expenses	256,215	278,439	276,257	287,310	295,551	318,113	343,594	356,906	351,426	381,450
Business-type activities:										
Leisure services	3,694	3,761	3,896	3,971	4,122	4,503	4,668	6,179	5,930	5,462
Total primary government expenses	\$ 259,909	\$ 282,200	\$ 280,153	\$ 291,281	\$ 299,673	\$ 322,616	\$ 348,262	\$ 363,085	\$ 357,356	\$ 386,912
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,271	\$ 1,359	\$ 1,478	\$ 1,445	\$ 1,434	\$ 1,676	\$ 1,570	\$ 1,376	\$ 1,516	\$ 1,628
Public safety	2,847	3,171	3,290	3,048	3,021	2,784	3,333	3,668	3,319	3,783
Community maintenance	3,386	3,847	4,132	4,128	5,303	5,083	5,064	5,078	4,960	3,172
Human and cultural	1,579	1,422	1,409	1,423	1,493	1,463	1,523	1,601	1,527	1,291
Education	4,549	4,522	4,288	3,918	3,888	3,730	3,692	3,683	3,976	2,636
Interest on long-term debt	71	47								
Operating grants and contributions	41,375	51,883	45,239	48,077	46,460	49,472	64,163	63,999	46,558	70,919
Capital grants and contributions	1,837	1,857	2,277	962	7,627	21,695	8,388	6,673	12,970	3,734
Total governmental activities program revenues	56,915	68,108	62,113	63,001	69,226	85,903	87,733	86,078	74,826	87,163
Business-type activities:										
Charges for services	2,752	2,766	2,648	2,889	2,968	3,140	2,943	3,814	3,694	3,267
Operating grants and contributions		19	20	26						
Capital grants and contributions	332	1,906	923	468	2,520	757	299	356	168	171
Total business-type activities program revenues	3,084	4,691	3,591	3,383	5,488	3,897	3,242	4,170	3,862	3,438
Total primary government program revenues	\$ 59,999	\$ 72,799	\$ 65,704	\$ 66,384	\$ 74,714	\$ 89,800	\$ 90,975	\$ 90,248	\$ 78,688	\$ 90,601
Net (Expense) Revenue:										
Governmental activities	\$ (199,300)	\$ (210,331)	\$ (214,144)	\$ (224,309)	\$ (226,325)	\$ (232,210)	\$ (255,861)	\$ (270,828)	\$ (276,600)	\$ (294,287)
Business-type activities	(610)	930	(305)	(588)	1,366	(606)	(1,426)	(2,009)	(2,068)	(2,024)
Total primary government net expense	\$ (199,910)	\$ (209,401)	\$ (214,449)	\$ (224,897)	\$ (224,959)	\$ (232,816)	\$ (257,287)	\$ (272,837)	\$ (278,668)	\$ (296,311)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 193,695	\$ 199,769	\$ 210,661	\$ 214,970	\$ 222,840	\$ 229,698	\$ 237,427	\$ 252,899	\$ 258,308	\$ 266,113
Unrestricted grants and contributions	2,800	3,185	3,001	2,855	2,895	2,495	4,261	2,360	2,127	1,908
Unrestricted investment earnings	2,311	1,076	2,024	2,685	1,378	1,567	2,356	2,737	3,719	3,350
Miscellaneous	4,072	3,859	4,042	4,089	4,512	5,126	4,868	4,855	4,718	5,715
Transfers	(20)	(58)	(304)	(151)	(145)	(321)	(317)	(20)	(270)	(70)
Total governmental activities	202,858	207,831	219,424	224,448	231,480	238,565	248,595	262,831	268,602	277,016
Business-type activities:										
Miscellaneous	2	13	19							
Transfers	20	58	304	151	145	321	317	20	270	70
Total business-type activities	22	71	323	151	145	321	317	20	270	70
Total primary government	\$ 202,880	\$ 207,902	\$ 219,747	\$ 224,599	\$ 231,625	\$ 238,886	\$ 248,912	\$ 262,851	\$ 268,872	\$ 277,086
Changes in Net Position:										
Governmental activities	\$ 3,558	\$ (2,500)	\$ 5,280	\$ 139	\$ 5,155	\$ 6,355	\$ (7,266)	\$ (7,997)	\$ (7,998)	\$ (17,271)
Business-type activities	(588)	1,001	18	(437)	1,511	(285)	(1,109)	(1,989)	(1,798)	(1,954)
Total primary government	\$ 2,970	\$ (1,499)	\$ 5,298	\$ (298)	\$ 6,666	\$ 6,070	\$ (8,375)	\$ (9,986)	\$ (9,796)	\$ (19,225)

**TOWN OF WEST HARTFORD, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)**

TABLE 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 178	\$ 169	\$ 179	\$ 178	\$ 172	\$ 257	\$ 193	\$ 289	\$ 263	\$ 298
Assigned	652	355	333	374	262	441	541	500	389	4,647
Unassigned	17,881	17,831	18,931	19,653	20,621	21,094	21,811	25,438	26,375	25,188
Total General Fund	<u>\$ 18,711</u>	<u>\$ 18,355</u>	<u>\$ 19,443</u>	<u>\$ 20,205</u>	<u>\$ 21,055</u>	<u>\$ 21,792</u>	<u>\$ 22,545</u>	<u>\$ 26,227</u>	<u>\$ 27,027</u>	<u>\$30,133</u>
All other Governmental Funds:										
Nonspendable	\$ 77	\$ 81	\$ 66	\$ 88	\$ 55	\$ 128	\$ 128	\$ 141	\$ 147	\$ 197
Restricted	1,191	1,104	1,164	1,136	2,535	2,282	2,088	2,015	2,066	2,132
Committed	17,254	18,704	9,409	17,459	28,682	16,681	16,755	19,322	11,396	8,952
Assigned	56	13	11	74	28	4	52		54	62
Unassigned	(720)	(35)	(1,251)				(10)			
Total all other Governmental Funds	<u>\$ 17,858</u>	<u>\$ 19,867</u>	<u>\$ 9,399</u>	<u>\$ 18,757</u>	<u>\$ 31,300</u>	<u>\$ 19,095</u>	<u>\$ 19,013</u>	<u>\$ 21,478</u>	<u>\$ 13,663</u>	<u>\$11,343</u>

TOWN OF WEST HARTFORD, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

TABLE 4

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 192,984	\$ 200,033	\$ 210,571	\$ 214,923	\$ 223,062	\$ 229,630	\$ 236,916	\$ 253,000	\$ 258,047	\$ 265,957
Intergovernmental	45,636	55,878	49,523	51,510	56,573	73,428	75,975	60,092	72,877	65,350
Charges for services	13,252	13,939	14,499	13,577	14,734	14,547	14,853	14,928	14,812	12,508
Income on investments	1,077	796	790	678	695	1,011	751	1,434	2,252	1,818
Miscellaneous	5,221	5,535	5,500	5,195	5,601	5,908	6,243	5,961	7,019	6,435
Total revenues	258,170	276,181	280,883	285,883	300,665	324,524	334,738	335,415	355,007	352,068
Expenditures:										
General government	5,114	5,116	5,220	5,328	5,440	5,842	6,321	5,954	6,236	6,342
Public safety	24,998	26,802	27,660	27,337	27,495	27,917	28,461	28,658	30,599	32,063
Community maintenance	17,134	16,523	17,484	17,881	18,122	18,329	18,482	17,973	18,359	16,935
Human and cultural	7,646	7,705	7,531	7,929	7,916	8,118	8,095	8,175	8,029	7,789
Education	155,709	162,737	168,117	173,040	175,600	180,708	199,184	195,172	205,227	207,230
Capital outlay	9,749	12,150	13,665	14,378	18,862	50,360	28,407	18,785	33,565	26,640
Debt:										
Principal	14,130	14,475	12,535	12,255	12,550	26,900	15,220	16,370	17,410	15,883
Interest	5,679	5,458	5,417	4,977	4,977	5,233	5,116	5,166	4,965	4,397
Other charges	68	89	5							
Sundry	25,854	40,512	32,375	34,564	37,629	26,997	42,193	46,537	47,724	53,612
Total expenditures	266,081	291,567	290,009	297,689	308,591	350,404	351,479	342,790	372,114	370,891
Excess of revenue under expenditures	(7,911)	(15,386)	(9,126)	(11,806)	(7,926)	(25,880)	(16,741)	(7,375)	(17,107)	(18,823)
Other financing sources (uses):										
Bonds issued	8,000	15,000		20,000	21,000	14,000	17,000	13,000	10,000	17,000
Refunding bonds issued						12,295				38,465
Payment to refunded bond escrow agent						(13,424)				(44,047)
Premium on refunding bonds issued						1,258				5,870
Premium on bonds issued	302	2,047		2,027	414	554	679	492	307	2,305
Sale of capital assets										36
Transfers in	17,789	14,585	16,941	17,372	19,981	21,367	22,190	27,582	23,816	21,782
Transfers out	(17,759)	(14,593)	(17,195)	(17,473)	(20,076)	(21,638)	(22,457)	(27,552)	(24,031)	(21,802)
Total other financing sources (uses)	8,332	17,039	(254)	21,926	21,319	14,412	17,412	13,522	10,092	19,609
Net change in fund balances	\$ 421	\$ 1,653	\$ (9,380)	\$ 10,120	\$ 13,393	\$ (11,468)	\$ 671	\$ 6,147	\$ (7,015)	\$ 786
Debt service as a percentage of noncapital expenditures	7.71%	7.05%	7.05%	6.05%	5.99%	10.61%	6.27%	6.39%	5.34%	5.90%

TOWN OF WEST HARTFORD, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

TABLE 5

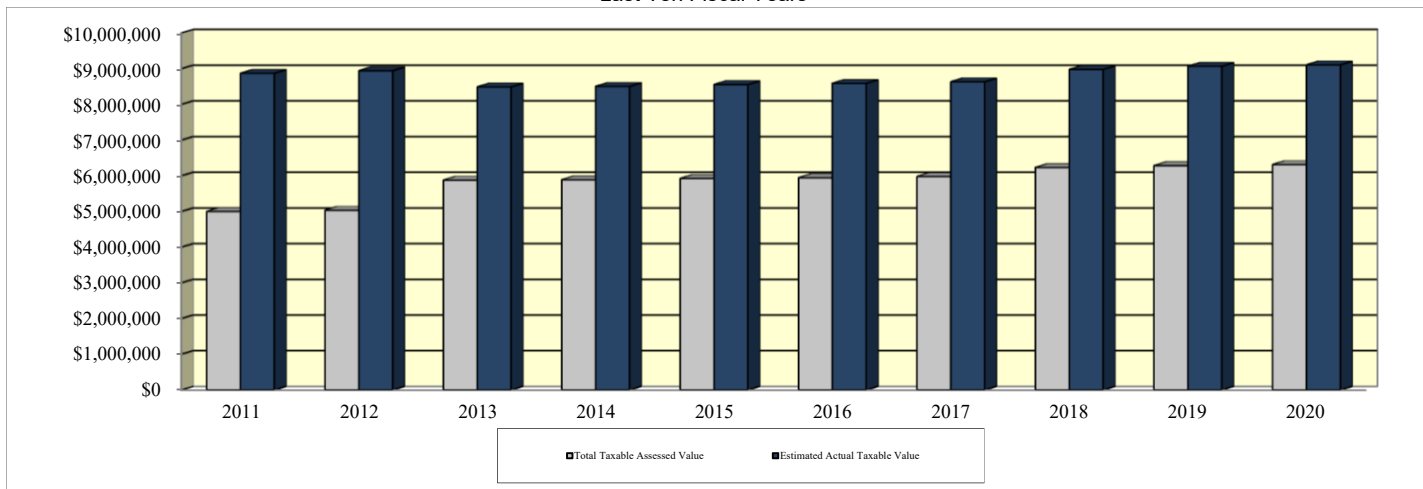
Fiscal Year	Real Property			Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value Percentage of Actual Taxable Value ²
	Residential ¹	Commercial ¹	Industrial ¹	Other ¹	Motor Vehicle ¹					
2011	4,738,213	837,183	71,579	197,343	366,554	1,211,022	4,999,850	38.38	8,872,674	70%
2012	4,763,366	842,798	71,412	197,281	387,159	1,227,614	5,034,402	39.44	8,945,737	70%
2013	4,399,030	843,891	86,022	201,370	413,576	65,870	5,878,020	35.75	8,491,271	70%
2014	4,410,715	845,821	86,130	204,405	406,403	64,939	5,888,536	36.30	8,504,964	70%
2015	4,429,342	845,804	86,007	212,811	415,829	65,131	5,924,662	37.37	8,556,847	70%
2016	4,448,363	846,482	81,656	218,010	419,255	67,595	5,946,171	38.31	8,591,093	70%
2017	4,467,509	854,835	81,443	218,497	422,102	63,913	5,980,473	39.51	8,634,838	70%
2018	4,517,901	1,038,528	87,682	213,611	429,408	54,419	6,232,712	41.04	8,981,615	70%
2019	4,524,296	1,061,804	87,823	237,868	436,673	63,346	6,285,118	41.00	9,069,234	70%
2020	4,533,613	1,076,472	85,861	242,672	437,930	61,813	6,314,734	41.80	9,109,353	70%

Source: Town of West Hartford, Department of Assessment

¹Includes tax exempt property.

²Assessed Value is 70% of Estimated Actual Value.

Assessed and Estimated Actual Property Values
Last Ten Fiscal Years



**TOWN OF WEST HARTFORD, CONNECTICUT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (amounts expressed in thousands)**

TABLE 6

Taxpayer	Nature of Business	Grand List of October 1, 2018			Grand List of October 1, 2009		
		Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value
Blue Back Square, LLC	Real Estate Inv	\$ 72,983	1	1.16%	\$ 66,170	1	1.06%
Westfarms Associates	Shopping Mall	52,530	2	0.83%	35,000	2	0.56%
Connecticut Light and Power	Utility	46,100	3	0.73%	28,615	4	0.46%
FW CT Corbins Corner Shopping Center	Retail	42,378	4	0.67%	34,558	3	0.56%
SF WH Property Owner LLC	Shopping Mall	29,271	5	0.46%			
Town Center West Associates	Office/Retail	28,069	6	0.44%	23,054	6	0.37%
McAuley Center Inc. (Sisters of Mercy)	Assisted Living	24,529	7	0.39%	15,963	8	0.26%
Steele Road LLC	Apartments	23,426	8	0.37%			
Westgate Apartments LLC	Apartments	20,510	9	0.32%			
Bishop's Corner (E&A) LLC	Retail	18,200	10	0.29%	14,350	10	0.23%
Wiremold	Industrial				17,870	7	0.29%
E & A Northeast Ltd Partnership	Retail/Office				27,933	5	0.45%
Prospect Plaza Improvements LLC	Retail				14,919	9	0.24%
		\$ 357,996		5.66%	\$ 278,432		4.48%

2020 Revenue from Principal Taxpayers \$ 14,964
 2020 Percent of Total General Fund Revenue 5.00%

Source: Town of West Hartford, Department of Assessment
Note: Assessments include Real Property, Personal Property and Motor Vehicles.

**TOWN OF WEST HARTFORD, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

TABLE 7

Fiscal Year	Tax Rate in Mills	Total Tax Levy for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	38.38	192,761	190,585	98.9%	1,759	192,344	99.8%
2012	39.44	199,192	197,344	99.1%	1,441	198,785	99.8%
2013	35.75	210,065	208,258	99.1%	1,449	209,707	99.8%
2014	36.30	214,310	212,530	99.2%	1,348	213,878	99.8%
2015	37.37	222,213	220,483	99.2%	1,336	221,819	99.8%
2016	38.31	229,112	227,450	99.3%	1,309	228,759	99.8%
2017	39.51	236,740	234,921	99.2%	1,169	236,090	99.7%
2018	41.04	252,998	251,418	99.4%	562	251,980	99.6%
2019	41.00	258,647	256,840	99.3%	909	256,840	99.3%
2020	41.80	265,632	263,783	99.3%	n/a	263,783	99.3%

Source: Tax Collector's Report; Comprehensive Annual Financial Report

n/a - Not applicable to current fiscal year.

**TOWN OF WEST HARTFORD, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**
(amounts expressed in thousands, except per capita amount)

TABLE 8

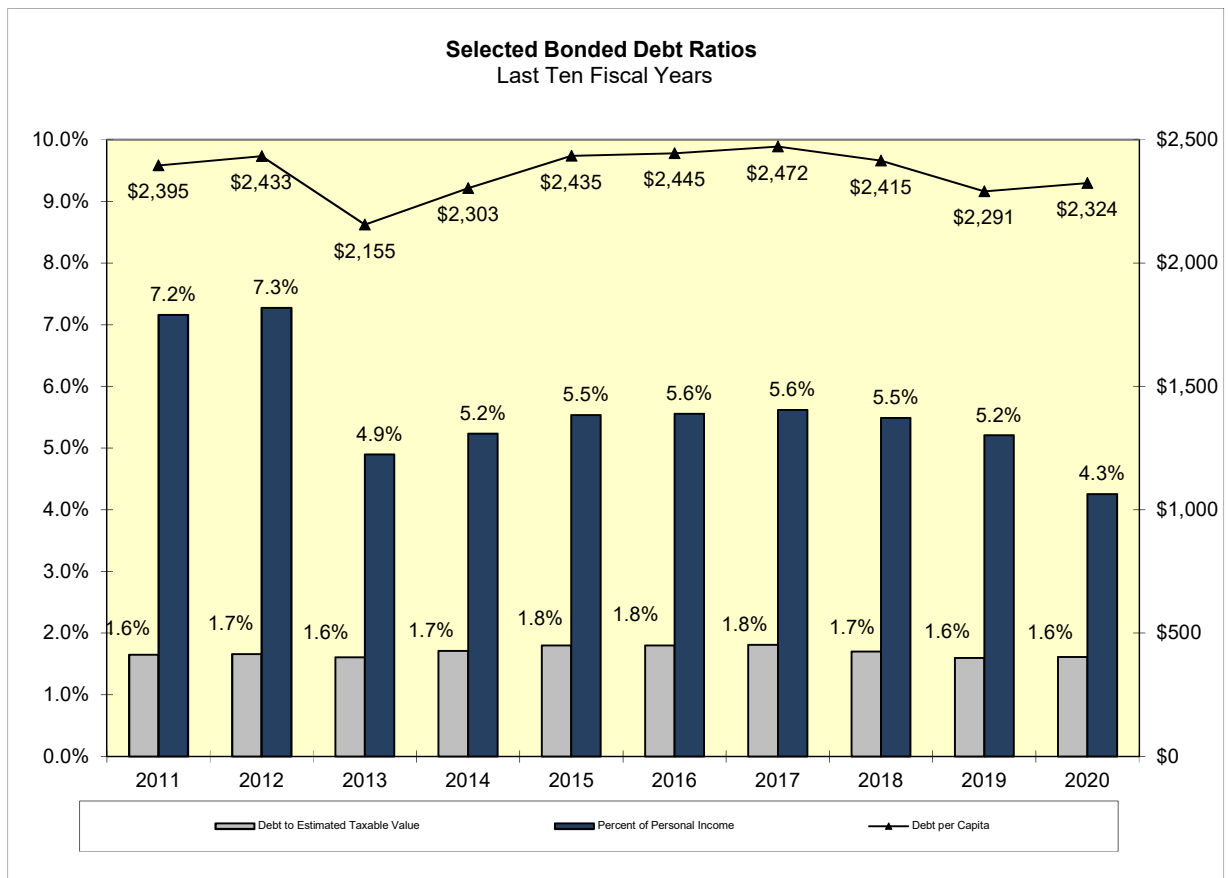
Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Bonded Debt to Estimated Actual Taxable Value ¹	Bonded Debt as Percentage of Personal Income ²	Bonded Debt Per Capita ³
	General Obligation Bonds	Capital Leases	Leisure Services				
2011	146,215	-	-	146,215	1.6%	7.2%	2,395
2012	148,551	-	-	148,551	1.7%	7.3%	2,433
2013	136,373	-	-	136,373	1.6%	4.9%	2,155
2014	145,706	-	-	145,706	1.7%	5.2%	2,303
2015	154,045	-	-	154,045	1.8%	5.5%	2,435
2016	154,667	-	-	154,667	1.8%	5.6%	2,445
2017	156,409	-	-	156,409	1.8%	5.6%	2,472
2018	152,767	-	-	152,767	1.7%	5.5%	2,415
2019	144,937	-	-	144,937	1.6%	5.2%	2,291
2020	147,031	-	-	147,031	1.6%	4.3%	2,324

Note: The Town's net direct debt is equal to its direct debt. Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

¹ See Table 5 for property value data.

² See Table 11 for Personal Income data.

³ See Table 11 for Population data.



**TOWN OF WEST HARTFORD, CONNECTICUT
 STATEMENT OF DEBT LIMITATION
 CURRENT FISCAL YEAR
 (amounts expressed in thousands)**

TABLE 9

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2019	\$ 258,761 *
Reimbursement for revenue loss on: Tax Relief for Elderly	-
Base	<u>\$ 258,761</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2.25 times base	\$ 582,212	\$	\$	\$	\$
4.50 times base		1,164,425			
3.75 times base			970,354		
3.25 times base				840,973	
3.00 times base					776,283
Total debt limitation	582,212	1,164,425	970,354	840,973	776,283
Indebtedness:					
Bonds payable	93,381	41,829			
Bonds authorized-unissued	27,268	22,430			
Overlapping debt			207,914		
School building grants					
Total indebtedness	120,649	64,259	207,914	-	-
Debt Margin	\$ 461,563	\$ 1,100,166	\$ 762,440	\$ 840,973	\$ 776,283

* Source: Tax Collector's Report

Note 1: In no event shall total indebtedness exceed seven times annual receipts from taxation (\$1.81 billion)

Note 2: Bonds authorized-unissued represents bond authorizations for projects which have bond anticipation notes outstanding or for which bonds have been authorized and partially issued.

TOWN OF WEST HARTFORD, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

TABLE 10

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limitation	\$ 1,349,971	\$ 1,400,560	\$ 1,474,494	\$ 1,504,811	\$ 1,561,140	\$ 1,607,788	\$ 1,659,315	\$ 1,659,315	\$ 1,777,370	\$ 1,811,327
Total net debt applicable to limit	207,145	237,328	254,930	285,919	314,603	368,176	379,642	380,471	357,953	392,822
Legal Debt Margin	<u>\$ 1,142,826</u>	<u>\$ 1,163,232</u>	<u>\$ 1,219,564</u>	<u>\$ 1,218,892</u>	<u>\$ 1,246,537</u>	<u>\$ 1,239,612</u>	<u>\$ 1,279,673</u>	<u>\$ 1,278,844</u>	<u>\$ 1,419,417</u>	<u>\$ 1,418,505</u>
Total net debt applicable to the limit as a percentage of debt limit	15.34%	16.95%	17.29%	19.00%	20.15%	22.90%	22.88%	22.93%	20.14%	21.69%

Note: See Table 9 for calculation of current year debt limitation.

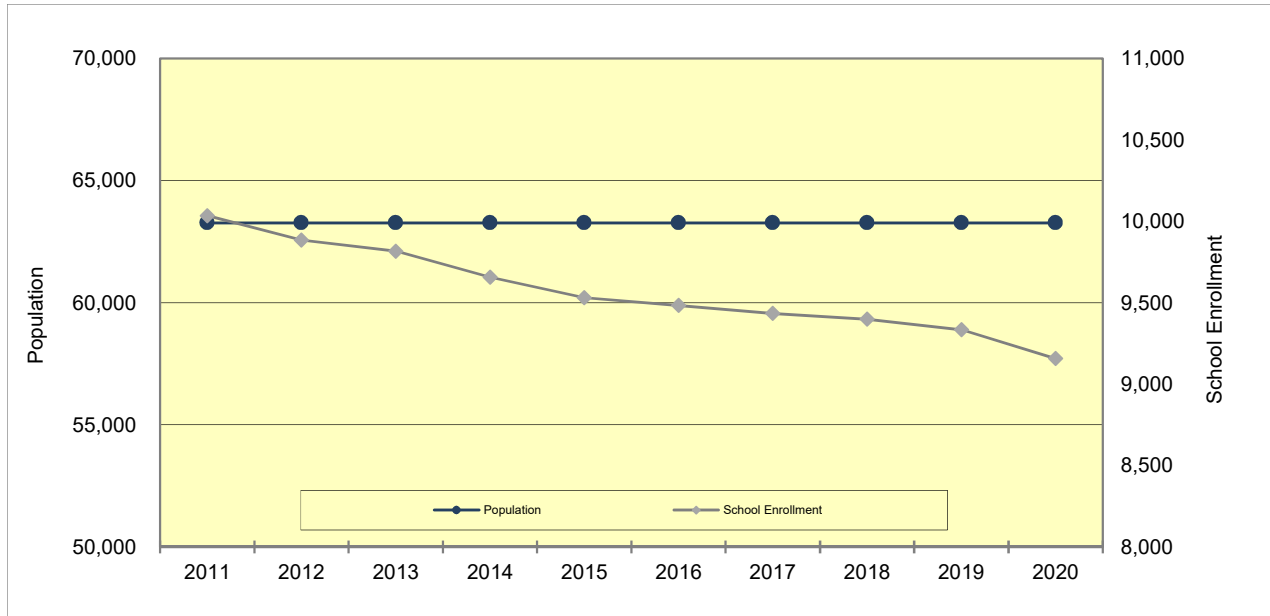
**TOWN OF WEST HARTFORD, CONNECTICUT
DEMOGRAPHIC & ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

TABLE 11

Fiscal Year	Population ¹	Total Personal Income ¹ (in thousands)	Per Capita Personal Income ¹	Median Age ¹	School Enrollment ²	Average Unemployment Rate ³
2011	63,268	2,783,665	43,998	41.5	10,035	8.0%
2012	63,268	2,783,665	43,998	41.5	9,885	6.8%
2013	63,268	2,783,665	43,998	41.5	9,817	6.8%
2014	63,268	2,783,665	43,998	41.5	9,657	6.0%
2015	63,268	2,783,665	43,998	41.5	9,531	4.4%
2016	63,268	2,783,665	43,998	41.5	9,483	4.0%
2017	63,268	2,783,665	43,998	41.5	9,435	3.5%
2018	63,268	2,783,665	43,998	41.5	9,400	3.3%
2019	63,268	2,783,665	43,998	41.5	9,334	3.1%
2020	63,268	3,454,496	54,601	41.1	9,157	5.5%

¹ Fiscal year 2010, U.S. Census Bureau - 2000 Census.
Fiscal years 2011-2019, U.S. Census Bureau - 2010 Census.
² Town of West Hartford Board of Education.
³ State of Connecticut Labor Department, Office of Research

**Population and School Enrollments
Last Ten Fiscal Years**



**TOWN OF WEST HARTFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE 12

Employer	Nature of Business	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
University of Hartford	Education	2,000-2,999	1	8.7%	1,000-1,999	2	5.2%
Town of West Hartford	Government	1,100-2,250	2	7.1%	1,000-1,999	1	5.2%
Hartford Healthcare At Home	Home Health Service	500-999	3	2.6%			
Hospital at Hebrew Health Care	Hospital	500-999	4	2.6%	500-999	4	1.3%
Triumph Engine Control Systems	Aircraft Components-Manufacturers	250-499	5	1.3%			
Connecticut Veterinary Ctr	Animal Hospitals	250-499	6	1.3%			
Cheesecake Factory	Full-Service Restaurant	250-499	7	1.3%	250-499	8	1.3%
Constructive Workshops Inc	Rehabilitation Services	250-499	8	1.3%			
West Hartford Health & Rehab	Convalescent Homes	100-249	9	0.6%			
Stop & Shop Supermarket	Grocers-Retail	100-249	10	0.6%			
Wiremold Products, Inc.	Manufacturing				500-999	3	2.6%
Goodrich Corporation/Chandler Evans	Manufacturing				250-499	5	1.3%
University of Connecticut	Education				250-499	6	1.3%
American Medical Response	Ambulance Service				250-499	7	1.3%
St. Mary's Home	Nursing Home				250-499	9	1.3%
Colt Manufacturing	Manufacturing				250-499	10	1.3%
		5,300-9,741		27.4%	4,500-8,990		22.1%

Source: 2020 data - Connecticut Department of Labor and Connecticut Economic Resources Center, Inc.
2011 data - Fiscal year 2011 Town of West Hartford Comprehensive Annual Financial Report.

**TOWN OF WEST HARTFORD, CONNECTICUT
FULL-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

TABLE 13

Function/Department	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Town Clerk/Town Council	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Corporation Counsel	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Registrar of Voters	-	-	-	-	-	-	-	-	-	-
Assessor	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Information Technology ¹	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Financial Services	21.0	21.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Employee Services	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5
Public Safety										
Fire	92.0	92.0	92.0	92.0	92.0	92.0	92.0	93.0	92.0	93.0
Police	152.0	152.0	152.0	152.0	152.0	153.0	153.0	153.0	153.0	154.0
Communications System	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Maintenance										
Community Services	27.0	26.0	24.5	24.5	24.2	25.2	26.2	26.0	25.0	24.0
Public Works	58.0	58.0	58.0	58.0	58.0	58.0	60.0	60.0	60.0	60.0
Plant and Facilities Services	7.5	7.5	9.0	9.0	8.3	8.3	8.3	8.5	8.5	9.5
Human and Cultural										
Human and Leisure Services	26.0	26.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	26.0
Library	25.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Private School Nurses	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Total - Town	444.0	442.0	441.0	441.0	440.0	442.0	445.0	445.0	444.0	446.0
Education										
Instructional Staff	1,182.2	1,196.0	1,213.1	1,225.0	1,225.5	1,250.1	1,273.9	1,260.5	1,273.6	1,288.4
Non-instructional staff	292.5	293.3	283.3	286.2	285.3	284.3	287.1	280.8	285.6	291.1
Total - Education	1,474.7	1,489.3	1,496.4	1,511.2	1,510.8	1,534.4	1,561.0	1,541.3	1,559.2	1,579.5
Total	1,918.7	1,931.3	1,937.4	1,952.2	1,950.8	1,976.4	2,006.0	1,986.3	2,003.2	2,025.5

Source: Department of Financial Services and Board of Education

¹Effective 7/01/2013 the Department of Information Technology was created with staff previously managed under Financial Services.

**TOWN OF WEST HARTFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST FIVE YEARS**

TABLE 14

For the Year Ended December 31,					
Function/Department	2015	2016	2017	2018	2019
General Government					
Town Clerk ¹					
Land records processed	9,295	9,031	8,897	8,335	8,561
Registrar of Voters ¹					
Number of registered voters	38,266	43,248	38,855	40,568	40,707
Voter turnout percent - national election		78%			22%
Voter turnout percent - state election				75%	35%
Voter turnout percent - local election	29%		32%		
Public Safety					
Fire ¹					
Number of fire related calls	228	205	179	184	183
Number of emergency medical/rescue calls ²	5,646	5,820	6,781	6,360	7,101
Number of hazardous material calls	157	162	150	420	532
Number of other calls for service	2,202	2,214	2,367	2,689	2,219
Total Calls	8,233	8,401	9,477	9,653	10,035
Community Maintenance					
Community Services ¹					
Miles of street repaved	10.63	9.04	10.21	8.29	7.90

For the Fiscal Year Ended June 30,					
Function/Department	2016	2017	2018	2019	2020
Public Safety					
Police					
Reported crimes or town ordinance violations	11,709	10,971	10,210	9,399	13,242
Service and medical calls	31,955	27,512	30,705	25,734	28,715
Motor vehicle accidents	2,460	2,498	2,264	2,244	2,247
Number of motor vehicle stops	9,255	6,959	5,657	5,935	5,476
Total calls for service	65,483	45,374	45,228	43,778	49,440
Number of criminal arrests	1,719	1,237	1,122	1,195	1,303
Number of motor vehicle arrests	5,313	5,036	5,218	4,901	5,030
Number of DUI arrests	157	93	77	80	77
Community Maintenance					
Community Services					
Number of inspections conducted	10,486	10,280	11,106	10,888	9,530
Number of total building permits ³	6,223	6,005	6,321	5,958	5,599
Dollar value of total building permits ³	\$104,751,012	\$ 72,729,574	\$ 88,272,197	\$ 91,838,479	\$ 90,254,386
Public Works					
Volume of leaves collected (cubic yards) ⁴	8,010	6,606	5,750	6,074	4,880
Tons of leave collected ⁴	2,002	1,651	1,438	1,518	1,224
Tons of refuse collected	19,533	18,824	18,674	18,246	18,702
Refuse contractor cost per household	\$ 166.76	\$ 161.00	\$ 124.45	\$ 114.58	147.72
Tons of waste recycled	7,014	6,853	7,269	7,042	6,349
Percent of total waste recycled	26.4%	26.6%	28.0%	27.8%	26.3%
Amount recycled per household (tons)	0.34	0.33	0.34	0.38	0.26
Number of snow operations	14	17	17	12	5
Percent of snowstorms cleared within 8 hours	92%	89%	100%	100%	100%
Percent of catch basins cleaned	8%	9%	4%	7%	4%

¹Performance data maintained on a calendar year basis.

²Effective January 1, 2015 the Fire Department began traveling to all medical calls.

³In fiscal year 2015, Total Building Permits includes approximately \$40 million in value not subject to Building Permit fees.

⁴The method to calculate the volume and weight of leaves was modified in fiscal year 2015.

* This line item encompasses all Refuse, Recycling and Yard Waste collections as these are costs to the town and built into our tax structure.

**TOWN OF WEST HARTFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST FIVE YEARS**

**TABLE 14
(continued)**

For the Fiscal Year Ended June 30,					
Function/Department	2016	2017	2018	2019	2020
Human and Cultural					
Leisure Services					
Number of instructional programs conducted	2,780	2,803	3,807	6,643	3,800
Number of instructional program registrations	30,781	29,061	34,314	36,701	27,315
Number of Senior Center members	1,952	1,941	1,785	1,686	1,418
Number of swim lesson registrations-outdoor pools	1,470	1,579	1,312	1,227	-
Number of swim lesson registrations-indoor pool	4,789	4,754	2,836	2,971	1,972
Public session attendance at Veterans Memorial Skating Rink	19,914	19,857	22,551	22,978	24,500
Number of golf rounds played at Rockledge Golf Course	46,898	39,422	37,337	32,007	34,337
Number of golf rounds played at Buena Vista Golf Course	16,308	11,869	10,884	8,381	10,083
Social Services					
Hours of volunteer service	9,302	9,751	9,002	9,017	6,601
Number of Dial-A-Ride trips	11,308	11,186	11,300	10,612	8,102
Library					
Library visitors	472,554	461,084	437,580	448,164	299,419
Library website visitors	357,847	331,812	315,289	308,641	283,992
Programs and museum passes	3,323	3,608	3,916	3,838	2,421
Card Holders	28,541	27,588	27,008	26,426	25,538
Number of Social Media Followers/Subscribers		10,650	10,896	11,104	11,631
Newsletter Views		195,054	214,151	204,944	237,924
Number of print book and media loans	756,673	635,681	597,763	725,852	511,623
Number of electronic book and media loans	42,286	49,438	59,238	87,809	133,955
Loans per capita	12.6	10.8	10.4	12.9	10.2
Reference inquiries	83,467	77,676	74,902	81,189	64,425
Electronic information retrievals	373,657	309,818	444,368	388,721	414,705
Wireless (WIFI) usage	94,698	100,340	94,820	101,539	68,350
Number of computer sessions	56,871	53,438	47,528	46,560	32,167
Education					
Average Class Size					
Elementary School	19.5	20.0	20.2	19.8	19.8
Middle School	19.7	19.8	19.8	19.3	19.5
High School	21.2	21.1	21.4	21.8	21.6
SAT Scores - Math/Verbal/Writing	543/538/531				
SAT Scores - Math/ERW		559/575	568/580	566/557	n/a
SBAC Scores -					
% meeting target					
Grade 3 - ELA, Math	68.4%	69.1%	67.8%	67.8%	n/a
Grade 4 - ELA, Math	70.6%	70.2%	67.5%	67.8%	n/a
Grade 5 - ELA, Math	67.8%	63.5%	68.4%	68.8%	n/a
Grade 6 - ELA, Math	62.2%	64.3%	59.6%	62.3%	n/a
Grade 7 - ELA, Math	61.6%	65.6%	61.7%	63.3%	n/a
Grade 8 - ELA, Math	56.5%	64.0%	66.5%	67.1%	n/a
Overall SBAC Average	64.5%	66.1%	65.3%	66.2%	n/a
% of Students Graduating within 4 years	94.5%	93.9%	93.2%	93.2%	94.2%
Annual Dropout Rate	1.2%	0.4%	0.5%	0.3%	0.4%

n/a - SBAC tests not administered prior to FY 2015.

Library FY 20 data reflects changes to library operations due to COVID-19

n/a - due to the COVID-19 pandemic, state testing and mandatory SAT testing were not conducted during the 2019-20 school year

**TOWN OF WEST HARTFORD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

TABLE 15

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Cars	67	67	67	67	67	70	76	76	78	80
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Apparatus	7	7	7	7	7	7	7	8	8	9
Community Maintenance										
Miles of Town Streets	212	212	212	217	217	217	217	217	217	217
Miles of Private Streets	11	11	11	15	15	15	15	15	15	15
Miles of State Highway	15	15	15	17	17	17	17	17	17	17
Miles of Curb	220	220	220	220	220	221	222	222	222	223
Miles of Sidewalk	245	245	245	300	300	300	300	300	300	300
Miles of Storm Sewers	170	170	170	170	170	170	170	170	170	170
Number of Catch Basins	6,620	6,620	6,620	7,640	7,640	7,640	7,640	7,640	7,640	7,640
Metered Parking Spaces	498	498	498	533	533	533	1,673	1,689	1,933	1,933
Leased Parking Spaces	337	337	337	393	393	393	393	393	393	393
Gated Parking Spaces	1,392	1,392	1,392	1,514	1,514	1,514	755	779	535	535
Parking Garages	2	2	2	2	2	2	2	2	2	2
Human and Cultural										
Senior Centers	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Cemeteries	3	3	3	3	3	3	3	3	3	3
Golf Courses	2	2	2	2	2	2	2	2	2	2
Ice Skating Rink	1	1	1	1	1	1	1	1	1	1
Aquatic Facilities	5	5	5	5	5	5	5	5	5	5
Parks	7	7	7	7	7	7	7	7	7	7
Acres of Park Land	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182
Playgrounds	29	29	29	29	29	29	29	29	29	29
Tennis Courts/Pickleball Courts	53	53	53	42	42	42	42	42	42	40/6
Athletic Fields	99	99	99	99	99	92	92	92	92	92
Basketball Courts	9	9	9	9	9	9	9	9	9	9
Library Branches	3	3	3	3	3	3	3	3	3	3
Education										
Elementary Schools	11	11	11	11	11	11	11	11	11	11
Middle Schools	3	3	3	3	3	3	3	3	3	3
High Schools	2	2	2	2	2	2	2	2	2	2

TOWN OF WEST HARTFORD, CONNECTICUT

STATE SINGLE AUDIT REPORT
JUNE 30, 2020

**TOWN OF WEST HARTFORD, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2020
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Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

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

Report on Compliance for Each Major State Program

We have audited the Town of West Hartford, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of West Hartford, Connecticut's major state programs for the year ended June 30, 2020. The Town of West Hartford, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of West Hartford, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of West Hartford, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of West Hartford, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the Town of West Hartford, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Town of West Hartford, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of West Hartford, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the 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, 2020, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut's basic financial statements. We issued our report thereon dated December 15, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 15, 2020

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education		
Sheff Settlement	11000-SDE64370-12457	\$ 213,775
Talent Development	11000-SDE64370-12552	16,202
Child Nutrition State Matching Grant	11000-SDE64370-16211	32,071
Healthy Foods Initiative	11000-SDE64370-16212	61,096
Adult Education	11000-SDE64370-17030	62,345
Health Services	11000-SDE64370-17034	606,635
Bilingual Education	11000-SDE64370-17042	5,333
School Breakfast Program	11000-SDE64370-17046	40,139
Open Choice Program	11000-SDE64370-17053	967,277
Commissioner's Network	11000-SDE64405-12547	<u>130,369</u>
Total Department of Education		<u>2,135,242</u>
Connecticut State Library		
Connecticard Payments	11000-CSL66051-17010	16,096
Historic Documents Preservation Grants	12060-CSL66094-35150	<u>7,500</u>
Total Connecticut State Library		<u>23,596</u>
Department of Energy and Environmental Protection		
Public Educational and Governmental Programming and Education Technology Investment Account	12060-DEP44620-35363	64,680
Community Conservation and Development	13019-DEP43153-41239	<u>267,946</u>
Total Department of Energy and Environmental Protection		<u>332,626</u>
Department of Transportation		
Town Aid Road Grants-Municipal	12052-DOT57131-43455	343,297
Highway Planning and Construction	12062-DOT57191-22108	175,149
Town Aid Road Grants-Municipal	13033-DOT57131-43459	343,297
Local Bridge Program Transportation Fund	13033-DOT57191-43456	\$ 131,572
Local Bridge Program Transportation Fund	13033-DOT57343-43456	<u>602,061</u>
		733,633
Let's Go CT Ramp-up Program	13033-DOT57551-43667	33,139
Bus Operations	12001-DOT57931-12175	<u>22,152</u>
Total Department of Transportation		<u>1,650,667</u>

The accompanying notes are an integral part of this schedule

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Emergency Services and Public Protection		
School Security Infrastructure	12052-DPS32161-43546	\$ 166,365
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	20,119
Telecommunications Fund	12060-DPS32741-35190	141,207
Total Department of Emergency Services and Public Protection		<u>327,691</u>
Department of Social Services		
Medicaid	11000-DSS60000-16020	<u>39,094</u>
Department of Veterans' Affairs		
Headstones	11000-DVA21134-16049	<u>200</u>
Office of Early Childhood		
Child Care Quality Enhancement	11000-OEC64845-16158	3,244
School Readiness in Competitive Grant Municipalities	11000-OEC64845-16274-83013	308,193
Smart Start	11000-OEC64845-16279	225,000
Competitive District Grant	12060-OEC64845-35475	84,000
Total Office of Early Childhood		<u>620,437</u>
Office of Policy and Management		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	16,127
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	883,308
Reimbursement of Property Taxes - Disability Exemption	11000-OPM20600-17011	5,222
Property Tax Relief for Veterans	11000-OPM20600-17024	50,651
Municipal Grants-In-Aid	12052-OPM20600-43587	805,784
Local Capital Improvement Program	12050-OPM20600-40254	500,898
Total Office of Policy and Management		<u>2,261,990</u>
Total State Financial Assistance Before Exempt Programs		<u>7,391,543</u>

The accompanying notes are an integral part of this schedule

TOWN OF WEST HARTFORD, CONNECTICUT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Exempt Programs		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041-82010	\$ 21,686,061
Excess Cost - Student Based	11000-SDE64370-17047	<u>3,684,425</u>
Total Department of Education		<u>25,370,486</u>
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	<u>27,820</u>
Total Exempt Programs		<u>25,398,306</u>
Total State Financial Assistance		<u><u>\$ 32,789,849</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of West Hartford, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the Town of West Hartford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of West Hartford, Connecticut.

Basis of Accounting

The accounting policies of the Town of West Hartford, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2020, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 15, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of West Hartford, Connecticut's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of West Hartford, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of West Hartford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 15, 2020

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ yes X no

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education:		
Sheff Settlement	11000-SDE64370-12457	\$ 213,775
Open Choice Program	11000-SDE64370-17053	967,277
Department of Energy and Environmental Protection:		
Community Conservation & Development	13019-DEP43153-41239	267,946
Department of Transportation:		
Town Aid Road Grants-Municipal	12052-DOT57131-43455	343,297
Town Aid Road Grants-Municipal	13033-DOT57131-43459	343,297
Local Bridge Program Transportation Fund	13033-DOT57191-43456	131,572
Local Bridge Program Transportation Fund	13033-DOT57343-43456	602,061
Office of Early Childhood:		
Smart Start	11000-OEC64845-16279	225,000
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General Hospitals	11000-OPM20600-17006	883,308
Municipal Grants-In-Aid	12052-OPM20600-43587	805,784
Dollar threshold used to distinguish between type A and type B programs:		\$ 200,000

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

TOWN OF WEST HARTFORD, CONNECTICUT

FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2020

**TOWN OF WEST HARTFORD, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2020
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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the Town of West Hartford, Connecticut's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of West Hartford, Connecticut's major federal programs for the year ended June 30, 2020. The Town of West Hartford, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of West Hartford, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of West Hartford, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of West Hartford, Connecticut's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of West Hartford, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Town of West Hartford, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of West Hartford, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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, 2020, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut's basic financial statements. We issued our report thereon dated December 15, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 15, 2020

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 156,061
COVID-19 School Breakfast Program	10.555	12060-SDE64370-29576	14,749
National School Lunch Program	10.555	12060-SDE64370-20560	159,772
National School Lunch Program	10.555	12060-SDE64370-20560	688,612
COVID-19 National School Lunch Program	10.555	12060-SDE64370-29572	61,044
COVID-19 Summer Food Service Program for Children	10.555	12060-SDE64370-29573	21,133
COVID-19 Summer Food Service Program for Children	10.555	12060-SDE64370-29574	205,953
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	63,845
Summer Food Service Program for Children	10.559	12060-SDE64370-20548	6,604
			<u>\$ 1,377,773</u>
United States Environmental Protection Agency			
<i>Passed Through the State of Connecticut Department of Energy and Environmental Protection:</i>			
State Clean Diesel Grant Program	66.040	12060-DEP43520-22319	63,238
United States Department of Transportation			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	12062-DOT57513-20559	5,210
National Priority Safety Programs	20.616	12062-DOT57513-22600	11,293
			<u>16,503</u>
<i>Passed Through the State of Connecticut Department of Energy and Environmental Protection:</i>			
Highway Planning and Construction Cluster:			
Recreational Trails Program	20.219	12060-DEP44321-20296	233
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Highway Planning and Construction	20.205	12062-DOT57141-22108	1,401,190
			<u>1,401,423</u>
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	60,598
			<u>1,462,021</u>
United States Department of Justice			
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-DPS32523-26185	10,142
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-DPS32523-26230	13,308
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	4,667
			<u>28,117</u>
United States Department of Education			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education_Grants to States	84.027	12060-SDE64370-20977-2020	1,935,285
Special Education_Grants to States	84.027	12060-SDE64370-20977-2019	325,144
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2020	47,775
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2019	6,302
			<u>2,314,506</u>

The accompanying notes are an integral part of this schedule

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	\$ 840,390
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2019	<u>129,993</u>
			\$ 970,383
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2020	95,692
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2020	105,000
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2020	78,578
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2019	<u>107,343</u>
			185,921
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020	29,567
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2019	49,245
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2020	192
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2019	<u>21,724</u>
			100,728
Title IV - Student Support	84.424	12060-SDE64370-22854-2019	<u>27,345</u>
Total United States Department of Education			<u>3,799,575</u>
United States Department of Housing and Urban Development			
<i>Direct:</i>			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218		<u>1,069,003</u>
United States Department of Homeland Security			
<i>Passed Through the State of Connecticut Department of Emergency Services and Public Protection:</i>			
Emergency Management Performance Grants	97.042	12060-DPS32160-21881	<u>24,356</u>
Total Federal Awards			<u>\$ 7,840,586</u>

The accompanying notes are an integral part of this schedule

**TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of West Hartford, Connecticut, under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Town of West Hartford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of West Hartford, Connecticut.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

The Town of West Hartford, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

3. NONCASH AWARDS

Donated commodities in the amount of \$159,772 are included in the Department of Agriculture's National School Lunch Program, CFDA #10.555. The amount represents the market value of commodities received.

**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2020, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 15, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of West Hartford, Connecticut's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of West Hartford, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of West Hartford, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of West Hartford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 15, 2020

**TOWN OF WEST HARTFORD, CONNECTICUT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2020**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ yes X no

Major programs:

CFDA #	Name of Federal Program or Cluster
84.010	Title I – Grants to Local Educational Agencies
84.027/84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.